

No: PCKL/DDP1/ADP4&9/CERC/2021-22 /7535-41
Encl: Annexure

Date: 25 FEB 2022

The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chandralok Building,
36, Janpath, New Delhi – 110001.

Sir,

Sub: Submission of Comments/Views on the Notification of "Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021".

Ref: CERC letter no. L-1/261/2021/CERC dated 16.12.2021.

With respect to the above, Power Company Karnataka Limited (PCKL) on behalf of the Distribution Companies of Karnataka, would like to furnish the views/ comments on the proposed Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021.

The following comments are submitted on draft regulation;

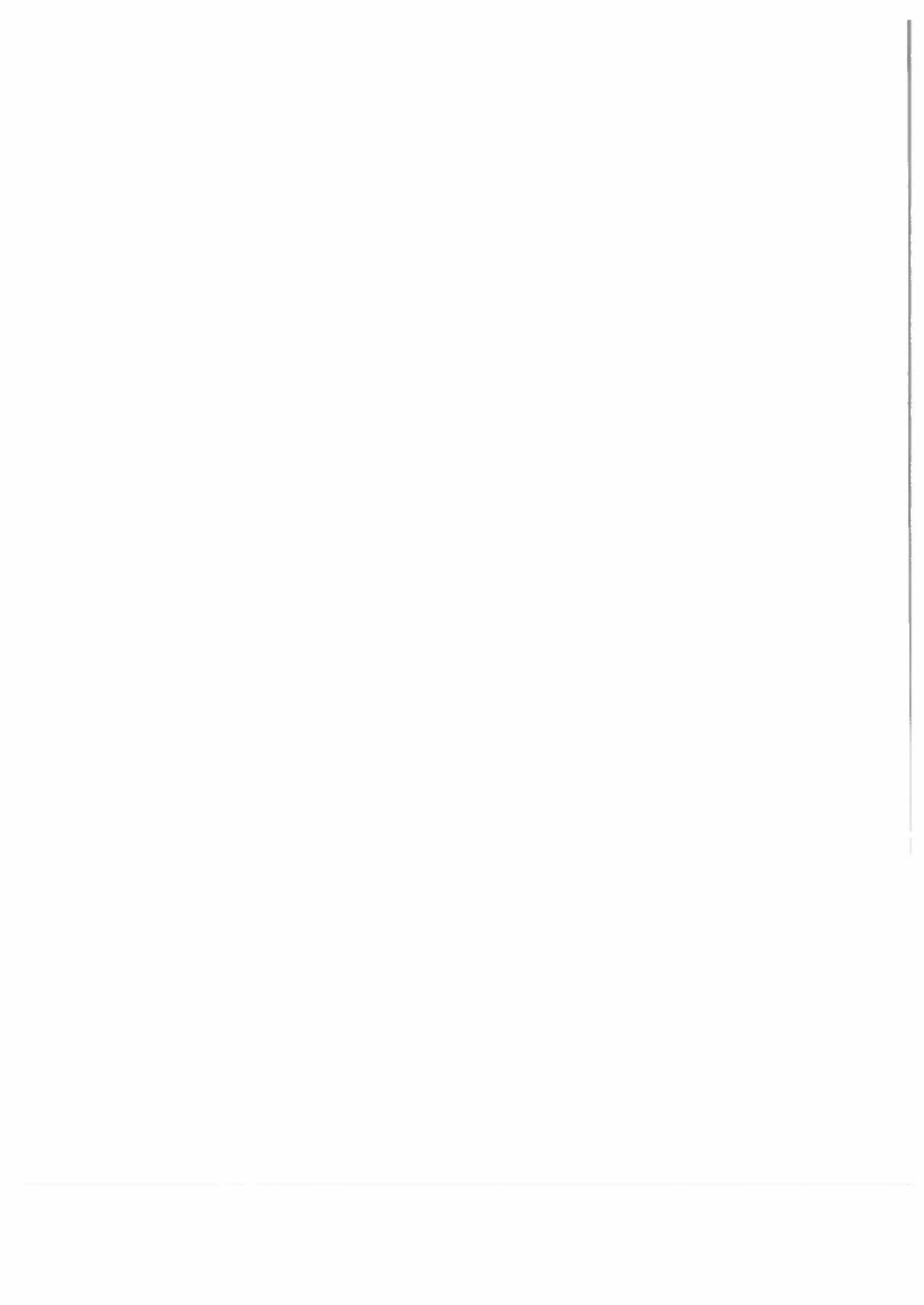
1. Regulation 17.1

The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA;

- i) State Transmission Utility on behalf of distribution licensees connected to intra-State transmission system and other intra-State entities;
- ii) A buying entity connected to intra-State transmission system;

Views of PCKL

- i) GNA quantum includes the intra state entities and other drawee entities. The other drawee entities draws power under short term, medium term and long term consumer are included in the GNA quantum. The actual quantum drawn of the other drawee entities included in the deemed GNA must be specified before the implementation of the Regulation.
- ii) If STU apply for GNA on behalf of distribution licensee and other intra State entities, these entities draws power beyond the GNA approved quantum, STU shall be payable for such penalty. Since, transmission Tariff of the STU determined by the Regulator, the penalty levied is additional burden to STU.
- iii) There is variation in quantum of long term and medium contract with that of the GNA quantum. It is not clear, how much of the contracted quantum of the each generating station is considered in the GNA. In case Distribution companies willing to relinquish the quantum, again have to pay the charges for the same quantum of contract quantum



2. Regulation 18

Regulation 18.1 of the GNA Regulation a)GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of for the financial years 2018-19, 2019-20 and 2020-21:

where, $A = \{0.5 \times \text{maximum ISTS drawal in a time block during the year}\} + \{0.5 \times [\text{average of (maximum ISTS drawal in a time block in a day) during the year}]\}$.

Views of PCKL

As per the above, 0.5% of the average maximum ISTS drawal in a time block of the previous three years is considered.

- i) As seen in the Annexure, the drawal of the State of Karnataka for the FY 2018-19, 2019-20 is around 5000 MW. In the year 2020-21 the ISTS drawal is more than 6300 MW due to unforeseen outage, drawal reached maximum in a single time block. Therefore, it is requested to consider average of the drawal in a year or average of the highest drawal of all months in a particular year.
- ii) Karnataka State is having an installed capacity of 31,109 MW as on 12.01.2022 which includes Thermal Generation of 5,020MW (State owned), 4415MW (Central Share), Hydro Generation of 3798 (State Owned). The share of Renewable Energy Sources is 15199 MW, which contributes to more than 50% of the installed capacity of the State (Wind-4969MW, Solar-7457MW, Co-generation 1731MW, Mini Hydel 903 MW and Bio-mass 139MW) IPP (Thermal) 1200 MW and other sources of around 1042MW. It is requested for allowing seasonal GNA.

3. Regulation 24 & 25

Relinquishment of connectivity and Relinquishment of GNA

- i) Connectivity grantee may relinquish, in full or in part, the Connectivity with a notice of 30 days to the Nodal Agency. The Nodal Agency shall issue revised grant of Connectivity to such Grantee, in case the Connectivity has been relinquished in part.
- ii) For an entity covered under clause (i) of Regulation 17.1 of these regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 60 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum.

Views of PCKL

Ministry of power vide notification dated 22.03.2021 and CERC in the Tariff Regulation 2019, have allowed Distribution Companies to exit from the PPA in respect of the Generating project which have completed 25 years. In such cases

Discoms have paid the transmission charges for these projects for 25 years wherein the entire cost of the transmission element would have been recovered. Hence, it is requested to allow the DISCOMs to additional GNA/relinquishment without any cost for a period of 2 years, since actual load impact is not known during period of Covid-19.

4. Regulation 22.1

Application for Grant of additional GNA by STU

Within 3 months of coming into force of these regulations, STU may, on behalf of intra-State entities including distribution licensees, apply for additional GNA over and above the GNA deemed to have been granted under clauses (a) to (e) of Regulation 18.1 of these regulations, with entity-wise segregation indicating GNA within the region and from outside the region.

Views of PCKL

In fact, DISCOMs are surrendering the power due to higher cost and it is difficult to assess the definite requirement of the power. Hence, it is requested to allow 2 years from the date of implementation of the Regulation for the DISCOMs.

Some State DISCOMs having LTOA & MTOA agreement with the generators. These agreements are getting closed during near future, Considering these factors, the State will have impact in the total GNA. The Commission may clearly indicate the term of GNA.

5. Definition

Sharing of Transmission Charges Regulations" means Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020.

Views of PCKL

GNA shall be operationalized from the date of GNA Agreement and inability of the GNA applicant to generate or supply electricity shall be made liable to pay transmission charges. Any mismatch in the generation and transmission, the concerned utility has to absorb the transmission charges, which shall not be passed on to the DISCOMs, the provision is to be included in the GNA with respect to the payment of the transmission charges.

The operationalization of the GNA may be kept in abeyance till the availability of entire identified transmission system. Similarly, the transmission charges for whatever transmission elements get commissioned prior to the operationalization of GNA should not be put under Sharing Regulation and should be levied to the GNA applicant, till CoD of the generator and supply of power.

6. Additional views

As per Electricity Act and National tariff policy provides the intra-State transmission shall be payable duly considering the factors like voltage, distance, direction and quantum of flow." In the proposed regulation, uniform charges are to be levied for all entities using the ISTS network, which may be contrary to the policy.

The additional clause wise comments on the draft Regulation are enclosed at Annexure.

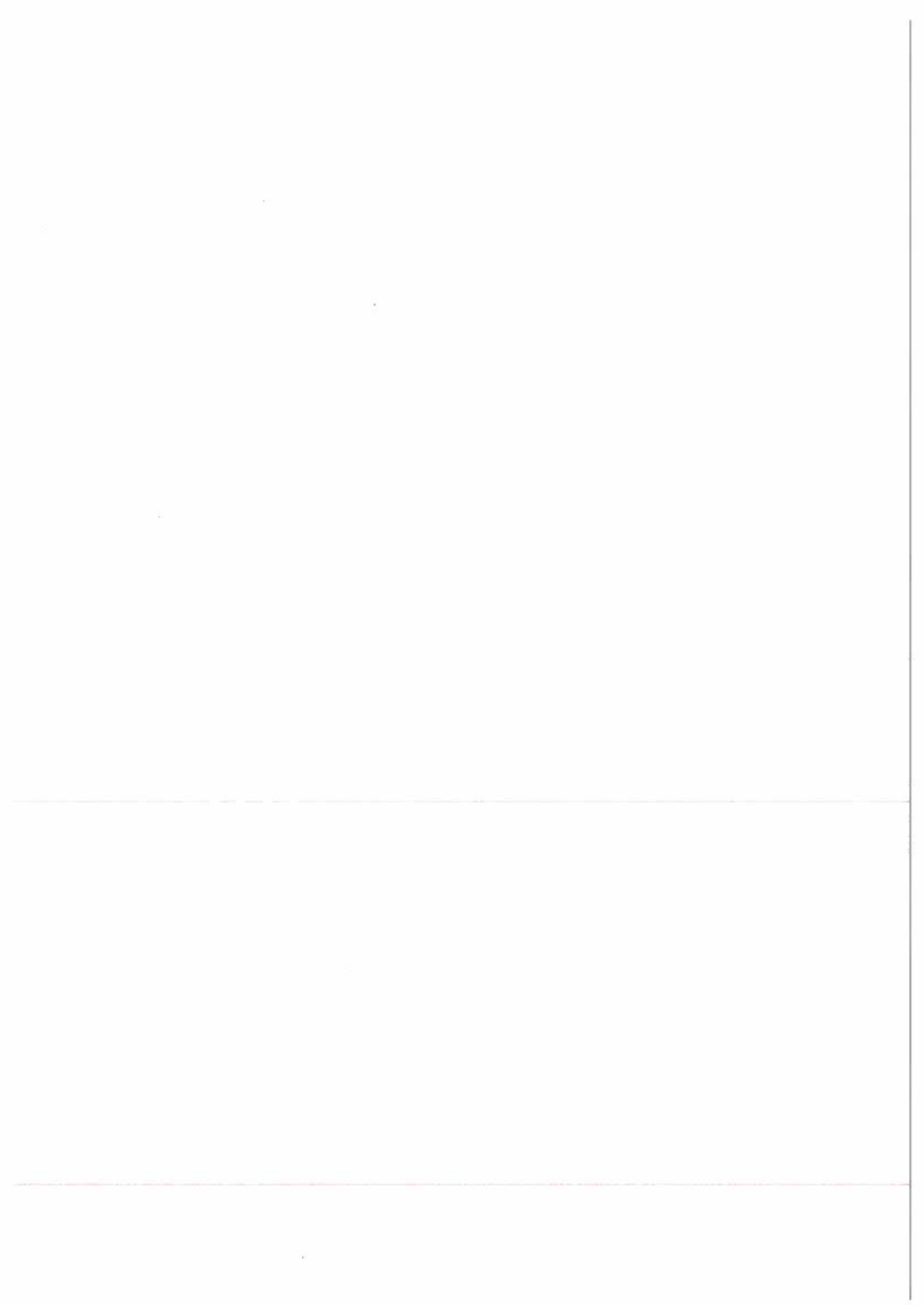
It is requested to consider the comments furnished while finalizing the GNA Regulations.

Yours faithfully,


Additional Director (projects)
PCKL Bangalore

Copy submitted for kind information to:

1. PS to the Additional Chief Secretary, Energy Department, GoK, Vikas Soudha Bengaluru with request to place before ACS, Energy, GoK
2. The Managing Director, BESCO, K.R Circle, Bengaluru-560001
3. The Managing Director, HESCO, Navanagar, Hubballi-580025.
4. The Managing Director, GESCOM, Station Main Road, Kalaburgi-581002.
5. The Managing Director, MESCOM, Corporate office, 4th Floor, MESCOM Bhavan, Bejai,Kavoor cross Road, Mangaluru-575004.
6. The Managing Director, CESC, Corporate Office, No. CA-29, Vijaynagar 2nd Stage, Hinakal, Mysuru – 570 017.



Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

Annexure

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.	PCKL Comments
Chapter 1			
Preliminary			
2.		Definition	
	(k)	"Connectivity" means the state of getting connected to the inter-State transmission system in accordance with these regulations;	Intra state entities are not directly connected to inter State transmission system. Hence, definition requires modification.
	(l)	"Connectivity Regulations" means the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009;	These Regulations are not relevant once Connectivity and General Network Access to the inter-State Transmission System Regulation, 2021 come in to effect. Hence, it proposed to remove from the definition.
Chapter 2			
General Provisions			
3.		Application for Grant of Connectivity and GNA	
	3.1	Applications for grant of Connectivity or grant of GNA, as the case may be, shall be made online to the Nodal Agency and shall be digitally signed by the Applicant.	The period of GNA has not been defined.
	3.2	Each application for grant of Connectivity shall be accompanied by a non-refundable application fee of Rs.5 lakh along with applicable taxes.	The clarity is required on the following; i) The application fee payable on the additional GNA required by the Distribution Company through State Transmission Utility. ii) The application fee payable on the additional

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021.	PCKL Comments
	3.5	After scrutiny, the Nodal Agency shall intimate the deficiencies, if any, in the application for grant of Connectivity or grant of GNA, to the Applicant within one week of the receipt of application, in order of date and time of receipt of application. The Applicant shall rectify the deficiency within one week thereafter, failing which the application shall be closed and 20% of the application fee shall be forfeited. Balance 80% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of closure of the application.	It is propose to forfeit 20% of application fee in case applicant fails to rectify the deficiency within one week. The amount paid by agency includes the GST, if return of part or full application fees though the GST collected for full amount. This shall be indicated that application fee shall be refunded.
Chapter 3 Connectivity			
4.	Eligibility for Connectivity to ISTS		
4.1	The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:		
(a)	Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS;		
(c)	Standalone ESS with an installed capacity of 50 MW and above individually or with an aggregate		
			GNA required by the Third party or Intra-State entity through STU.
			Standalone ESS with an installed capacity of 50 MW and above individually or with an aggregate

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	installed capacity of 50 MW and above through a Lead ESS or Lead Generator;	installed capacity of 50 MW and above at the injection point through a Lead ESS or Lead Generator; Additional comment: To determine the charges to be payable for the energy injected prior to COD and charges for the Energy drawn from the grid.
5.	Application for Grant of Connectivity An Applicant, which is a generating station including REGS, shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the installed capacity of the generating station: Provided that if such an Applicant already has Connectivity to intra- State transmission system for part of its installed capacity, it may apply for Connectivity to the ISTS for a quantum not exceeding the balance of the installed capacity; Provided further that if such an Applicant is a Renewable Hybrid Generating Station, it may apply for grant of Connectivity for a quantum less than or equal to the installed capacity.	An Applicant, which is a generating station including REGS, shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the installed capacity minus auxiliary consumption of the generating station: Generating station is connected to both ISTS and intra-State transmission system only ISTS charges and losses shall be applicable on the quantum of Long Term Access and medium Term Open Access corresponding to capacity connected to ISTS. This needs to be incorporated in the proposal draft.
5.2	Notwithstanding anything contained in Regulation 5.1, a generating station, with prior approval of CTU, shall be eligible to add, within the quantum of Connectivity granted to it, additional generation	In the clause 3.2 the application of Grant of Connectivity shall be accompanied by a non-refundable application fee of Rs. 5 Lakhs along with applicable tax. However, in this clause for

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021.	PCKL Comments
		<p>capacity, including ESS, and for this purpose, the generating station shall apply to CTU, along with non-refundable application fee of Rs 3 lakh along with applicable taxes;</p> <p>Provided that for such additional generation capacity, the said generating station shall be responsible for compliance with the Grid Code and other regulations of the Central Commission.</p>	<p>additional generation capacity including ESS, and for this purpose, the generating station shall apply to CTU, along with non-refundable application fee of Rs.3 lakh along with applicable taxes.</p> <p>There is a mismatch in these two clauses.</p>
6.	6.1	<p>Interconnection Study by the Nodal Agency and ATS</p> <p>On receipt of applications for grant of Connectivity, the Nodal Agency shall carry out interconnection study as specified in the CEA Technical Standards for Connectivity along with requirement of augmentation to the existing ISTS, if any, for enabling transfer of power over ISTS under General Network Access:</p> <p>Provided that the existing ISTS for the purpose of this Regulation shall include transmission system which has been awarded for implementation, as on the last day of the month in which application for grant of Connectivity complete in all respects, has been received:</p> <p>Provided further that if any additional transmission system gets awarded for implementation before completion of interconnection study, such additional transmission system shall also be</p>	<p>On receipt of applications for grant of Connectivity, the Nodal Agency shall carry out interconnection study as specified in the CEA Technical Standards for Connectivity in consultation and co-ordination with the concerned agency as per the existing Connectivity Regulations 2009 and its amendments along with requirement of augmentation to the existing ISTS, if any, for enabling transfer of power over ISTS under General Network Access in most economical way.</p>


Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021.	PCKL Comments										
8.		considered as existing ISTS.											
		Connectivity Bank Guarantee											
	8.2	For cases covered under Regulation 7.1 of these regulations, Conn-BG2 and Conn-BG3, shall be furnished as under:	The suggested Conn-BG2 is acceptable. Further Conn-BG2 shall be as specified in the table or 100% estimated cost of ATS plus terminal bay whichever is higher.										
	(a)	Conn-BG2 towards terminal bay(s) shall be furnished on the basis of number of terminal bay(s) allocated as under:											
		<table border="1" data-bbox="670 1075 917 1792"> <thead> <tr> <th>Voltage level of allocated terminal bay</th> <th>Conn-BG2 (per terminal bay)</th> </tr> </thead> <tbody> <tr> <td>132 kV</td> <td>Rs. 2 crore</td> </tr> <tr> <td>220/230 kV</td> <td>Rs. 3 crore</td> </tr> <tr> <td>400 kV</td> <td>Rs. 6 crore</td> </tr> <tr> <td>765 kV</td> <td>Rs. 12 crore</td> </tr> </tbody> </table>	Voltage level of allocated terminal bay	Conn-BG2 (per terminal bay)	132 kV	Rs. 2 crore	220/230 kV	Rs. 3 crore	400 kV	Rs. 6 crore	765 kV	Rs. 12 crore	
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220/230 kV	Rs. 3 crore												
400 kV	Rs. 6 crore												
765 kV	Rs. 12 crore												
		Provided that if the entity that has been intimated in-principle grant of Connectivity, (i) proposes to construct the terminal bay(s) on its own under Regulation 12.4 of these regulations, or (ii) seeks Connectivity at a terminal bay constructed or being constructed by another Connectivity grantee, or (iii) seeks Connectivity through electrical system or switchyard of a generating station, no Conn-BG2 is required to be furnished.											
	10.7	The Connectivity Agreement, inter alia, shall include the following and other details as may be stipulated in the Detailed Procedure for Connectivity and GNA											

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2021.	PCKL Comments
		issued in accordance with Regulation 39.1:	
	(c)	Provision that in case of non-payment of transmission charges under Regulation 13 of the Sharing Regulations for more than 3 months from the due date, the same may be recovered by encashing Conn-BG1, Conn-BG2 and Conn-BG3, as required as per provision of Regulation 16.3 of these regulations.	In case transmission charge is more than the Conn-BG1, Conn-BG2 and Conn-BG3, the measures to recover the amount needs to be addressed.
13.		Injection of Infirm Power and drawal of Start-up Power	
		Connectivity grantee shall be eligible to inject infirm power and draw start-up power in accordance with the provisions of the Grid Code.	The charges for injecting infirm power and drawal of start-up power needs to be indicated.
15.		Transfer of Connectivity	
	15.1	A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations.	
		Provided that Connectivity granted to a parent company may be utilised by its subsidiary and Connectivity granted to a subsidiary may be utilised by its parent company.	Provided that Connectivity granted to a parent company may be utilised by its subsidiary and Connectivity granted to a subsidiary may be utilised by its parent company for the identified place.
16.		Treatment of Connectivity Bank Guarantee	
	16.3	In case of non-payment of transmission charges under Regulation 13 of the Sharing Regulations for	In case transmission charges are more than the Conn-BG1, Conn-BG2 and Conn-BG3, the

Sl. No.	Clause No.	<p>Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.</p> <p>more than 3 months from the due date, such transmission charges shall be recovered by encashing Conn-BG1 (if subsisting), Conn-BG2 and Conn-BG3, as required. Connectivity shall be revoked from the date when Conn-BG2 is not sufficient to cover transmission charges under Regulation 13 of the Sharing Regulations.</p>	<p>PCKL Comments</p> <p>measures to recover the amount needs to be addressed.</p>
<p>CHAPTER-4 General Network Access (GNA)</p>			
17.		<p>Eligibility for GNA</p> <p>The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:</p>	
	17.1		
	(ii)	<p>A buying entity connected to intra-State transmission system;</p>	<p>A buying entity connected to intra-State transmission system or trader on behalf of buying entity.</p>
18.		<p>Deemed Grant of GNA</p> <p>On the date, these regulations come into force,</p>	
	18.1	<p>(f) Entity(ies) covered under Regulation 4.1 of these regulations where Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations.</p>	<p>Entities where connectivity granted under long-term access to trading licensee, shall be exempted to have been granted for deemed GNA.</p>

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.	PCKL Comments
Chapter 8 Miscellaneous			
	37.3	If Connectivity and Long Term Access have been granted in accordance with the Connectivity Regulations but either both Connectivity and Long term Access are yet to become effective or Connectivity is effective and Long term access is yet to become effective as on the date of coming into effect of these regulations, the same shall be treated as under:	
	(2)	Where Long term Access has been granted on the existing system, the treatment of such Long term Access and corresponding quantum of Connectivity shall be as under:	
	(e)	On furnishing of Conn-BG1 and Conn-BG3 under clause (d) of this Regulation, the Long term access shall be treated as GNA deemed to have been granted under these regulations and the existing agreements between the entity and the Nodal Agency shall be aligned with provisions of these regulations.	DISCOMs of Karnataka may be included as an entity for signing the GNA agreement as per the existing LTA agreement.
40.		Payment of charges	
	40.1	The transmission charges and losses for use of the inter-State transmission system shall be shared among buying entities of ISTS in accordance with the Sharing Regulations.	The concept of GNA has to be included and amendment thereon has to be brought out in the Sharing Regulations.

Sl. No.	Clause No.	Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.	PCKL Comments
	40.2	One time GNA charges shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.	As per clause (iii) of Regulation 17.1 of these regulations, a distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above shall be exempted to pay one time GNA charges of Rs.One Lakh/ MW.


Additional Director (Projects),
 PCKL, Bengaluru

