

Ref: SPTL/CERC/24/02/2022

Date: 24.02.2022

**To,
The Secretary
Central Electricity Regulatory Commission
3rd and 4th Floor,
Chanderlok Building,
36, Janpath, New Delhi-110001**

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

Dear Sir,

The Hon'ble Commission, vide public notice dated 14th January, 2022 invited comments/suggestions/objections on the subjected draft regulations. Our comments on the same has been annexed as Annexure-1.

We request the Hon'ble Commission to take our views on record.

**Thanking You.
Yours Faithfully,
For, Sterlite Power Transmission Limited**



**Balaji Sivan
Director – Policy & Regulatory**

CERC has published the draft “Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021”, (herein after referred to as GNA regulations). Further, CERC has published the Explanatory Memorandum of the draft GNA regulations on 26th January 2022.

GNA regulations are proposed to regulate the connectivity and utilization of the inter-state transmission system. It is proposed to replace CERC (Grant of Connectivity, Long-term Access and Medium-term Access in inter-state Transmission and related matters) Regulations 2009 and CERC (Open Access in inter-state transmission) Regulations, 2008.

Comments on proposed draft GNA regulations are as below:

Clause/ Ref. Page	Existing Clause in Petition	Remarks
Regulation 2.1 (b)	Associated Transmission System	Definition for ATS may be provided for clarity. The Regulation 2.1 (b) provides that ATS for applicant for connectivity means the ATS as determined in accordance with Regulation 6 of these regulations, however, from Regulation 6 definition of ATS is not clear. We request Hon’ble Commission to provide definition of ATS for clarity of stakeholders.
5.8 Application for Grant of Connectivity	<i>5.8 The application for grant of Connectivity shall contain, inter alia, the following details, as applicable, duly supported with relevant affidavit, as stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1....(vii) In case of Renewable Power Park Developer, authorisation by the Central Government or the State Government, as applicable, to undertake infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators;</i>	Comments – With reference to the above submission, it is submitted that additional phrase may be inserted stating that the proof of the installed capacity of the Renewable Park may also be sought along with the application for connectivity duly signed/authorised by each of the RE power station/unit operating in the park.
11. Monitoring by the Nodal Agency	<i>11.1. Connectivity grantee shall update the status of implementation of work under its scope including dedicated transmission lines, every quarter to the Nodal Agency who shall update the same on its website.</i>	Please Clarify: The word “corrective action” in Regulation 11.3 is subjective in nature. So, there must be some list of actions which comes under corrective

	<p>11.2. The Nodal Agency shall update the status of implementation of the ATS and terminal bays in respect of all Connectivity grantees, every quarter, on its website.</p> <p>11.3. The Nodal Agency shall review and take corrective action based on the status of implementation of work under the scope of the Connectivity grantee as submitted under Regulation 11.1 and status of implementation of the ATS and terminal bay(s) as updated under Regulation 11.2.</p> <p>11.4. For optimal utilisation of transmission system, the Nodal Agency with consent of the concerned Connectivity grantee(s), may rearrange the Connectivity across different terminal bay(s) of the same ISTS substation.</p>	<p>action and for each action there must be some condition under which action would be taken.</p> <p>(on Reg. 11.4): Due to rearrangement of the Connectivity across different terminal bay(s), length of Dedicated Transmission Line may get change. Further, if length of Dedicated Transmission Line get increase, cost would also increase. Which may be cost overrun for connectivity grantee.</p>
12. Dedicated Transmission Lines and Bay(s)	12.1. In case Connectivity grantee is a generating station or a captive generating plant or a standalone ESS, the dedicated transmission lines shall be established, operated and maintained by such Connectivity grantee.	<p>Suggested Clause:</p> <p>Following may be added in clause 12.1</p> <p>In case Connectivity grantee is a generating station or a captive generating plant or a standalone ESS, the dedicated transmission lines shall be established, operated and maintained by such Connectivity grantee <u>or any other entity on behalf of Connectivity grantee or a Special Purpose Vehicle (SPV).</u></p>
16. Treatment of Connectivity Bank Guarantee	16.2. Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.	<p>In case transmission line is commissioned and generator got delayed or partially commissioned. In this situation, if generator gets relaxation under change in law or force majeure then how the investment in transmission project would get recover. Whether this unutilized/partially utilized transmission asset would be included for calculation of MTC or not? Please clarify.</p> <p>Sharing regulation has to be amended in terms of such mismatch. So, it is suggested that investment of such lines has to be recovered from the transmission pool and the same is required to be included in the sharing regulation.</p>
To be included	Connectivity BG	If any entity is granted connectivity from existing system will BG2 will be taken, so that if that entity relinquishes, BG can be revoked. Clarity can be provided for this case.

23 Use of GNA by other GNA grantee(s)	<p><i>23.1. An entity covered under Regulation 17.1 which is a GNA grantee, may authorise other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 1 (one) year at a time on mutually agreed terms and conditions:</i></p> <p><i>Provided that payment liability for transmission charges shall continue to be with the original GNA grantee that authorised its GNA to be used by other GNA grantee(s):</i></p>	<p>Comments – It is a welcome move to allow GNA grantee to authorise other GNA grantees to use its GNA, in full or in part, with prior approval of the Nodal Agency. However, in the proviso of the said clause it is mentioned that the payment liability for transmission charges shall continue to be with the original GNA grantee. It is submitted that payment liability for transmission charges shall also be transferred to the GNA grantee who is utilising the GNA. As mentioned in the clause 23.1, GNA can only be transferred to other GNA grantees which are eligible under Regulation 17.1. Hence, the Nodal agency shall have all the payment security mechanism in place for the other GNA grantee to whom the GNA is transferred by original GNA grantee.</p> <p>It is suggested that Nodal agency CTU may be allowed to call an Auction for GNA grantee where GNA grantee may participate and may authorize other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part at price discovered in the auction.</p>
29. Processing of applications for grant of T-GNA by Nodal Agency	<p><i>29.6. T-GNA for collective transactions under real time market shall be processed within a time block.</i></p>	<p>Regulation 29.6 mentions the processing time of T-GNA for collective transactions under real time market but the time for making application is not mentioned anywhere in the Draft Regulation as well as in the Explanatory Memorandum. Currently timeline and application procedure is mentioned in the Regulation 13(B) of Open Access Regulation 2008 which was added vide its 6th Amendment dated 12.12.2019. But the Open Access Regulation 2008 would be repealed when GNA Regulations get effective. So, for the smooth function of RTM same must be included under GNA Regulations. Reg. 13(B) of OA Regulations 2008 is quoted below:</p> <p><i>“13(B) All the entities participating in the real-time market for a specified duration may place their bids and offers on the Power Exchanges for purchase and sale of power. The window for trade in real-time market for day (T) shall open from 22.45hrs to 23.00hrs of (T-1) for the delivery of power for the first two time-blocks of 1st hour of day (T) i.e., 00.00 hrs to 00.30 hrs,</i></p>

		<p>and will be repeated every half an hour thereafter. The bidding mechanism for the real-time market shall be double-side closed bid auction for each time block of the delivery period. The Nodal Agency shall indicate to the Power Exchange(s) the available margin on each of the transmission corridors before the gate closure, i.e. before the window for trade closes for specified duration. The power exchanges shall clear the real-time market from 23.00hrs till 23.15hrs based on the available transmission corridor and the buy and sell bids for the real time market (RTM) for the specified duration. Then the cleared bids shall be submitted by the Power Exchanges to the Nodal Agency for scheduling. The Nodal agency in accordance with the detailed procedure shall announce the final schedule by 23.45 hrs of (T-1) and communicate to the RLDCs to prepare the schedule for dispatch.</p>
40. Payment of charges	40.1. <i>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.</i>	<p>Capitalize the term “buying entities” and define it. Whether buying entities are (i) all those entities who are GNA grantee (ii) drawee entities? Whether standalone ESS for the purpose of charging would be considered as buying entities or not?</p>
Additional Submission	<i>Additional Submission</i>	<p>At present “Sharing Regulation 2020” is written for LTA and MTOA basis. In the context of Draft GNA Regulations, sharing regulations also need to be changed. So, before implementing the Draft GNA Regulations, stakeholder consultation on sharing regulation is also required for better synchronism of liability and recovery of transmission charges.</p> <p>Additionally, The CERC Sharing Regulation, 2020 provides mechanism for various scenarios arising for mismatch between Transmission, generating, upstream/Downstream developers.</p> <p>However, there is no contract or direct relationship between the defaulting party and the aggrieved. It is not proper to require a third entity not party to a contract to compensate either party to a contract.</p>

		<p>For example:</p> <p>GPTL (90/MP/2020) : GPTL has commissioned its asset, however due to non-readiness at the end of downstream system of HVPNL, tariff can't be recovered through PoC pool. Also, GPTL has no agreement with HVPNL signed.</p> <p>NERSS (134/MP/2021): NERSS has commissioned its asset, however due to non-readiness at the end of upstream system of PGCIL, tariff can't be recovered through PoC pool. Also, NERSS has no agreement with PGCIL signed.</p> <p>We request Hon'ble CERC to amend & include in the Sharing Regulations or GNA Regulation mechanism for wherever there is no contract signed between the transmission licensees and defaulting entity whose system is delayed, transmission charges should be recovered through PoC pool irrespective of delay of associated generation or upstream or downstream transmission elements.</p> <p>This is due to reason that we don't have any agreement signed with them, then how can we recover transmission charges. Also, for transmission licensee default there is already liquidated damages as per TSA. However, there is not any penalty provision in the TSA or any agreement signed for payment by the defaulting agency (generating company/Upstream/downstream developers) to the transmission licensee.</p>
To be included	How transmission charges would be recovered if Generator is granted extension in its SCOD (as recently granted by SECI due to covid19 situation and nationwide lockdown) but	We request Hon'ble Commission to provide clarity either in sharing regulations or GNA regulations, how transmission charges would be recovered for the cases if Generator is granted extension in its SCOD but transmission system is created as per its schedule.

	transmission system is created as per its schedule? This question is unanswered in current Sharing Regulation.	
To be included	Timelines to be defined for the finalization of scheme.	We request Hon'ble Commission to provide timeline for finalization of transmission scheme. We see today its takes lot of time for finalization of scheme. If visibility to the timeline can be provided for Transmission scheme, it would be known to stakeholders at upfront.