



Abhishek Rohilla <cerc.abhishek@gmail.com>

Fwd: TPL comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

1 message

Abhishek Rohilla <abhishek.rohilla@delhi.gov.in>
To: cerc abhishek <cerc.abhishek@gmail.com>

26 February 2022 at 08:25

Regards,
Abhishek Rohilla
Dy. Chief (Engg.)
Central Electricity Regulatory Commission
3rd Floor, Chanderlok Building,
36, Janpath, New Delhi-110001

Mb. 9643439120

----- Forwarded Message -----

From: "Shilpa Agarwal" <shilpa@cercind.gov.in>
To: "Abhishek Rohilla" <abhishek.rohilla@gov.in>, "Ratnesh Kumar" <ratnesh.cea@gov.in>
Sent: Friday, February 25, 2022 9:47:18 PM
Subject: Fwd: TPL comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

----- Forwarded Message -----

From: chetanbundela@TORRENTPOWER.COM
To: Sanoj Kumar Jha <secy@cercind.gov.in>, Shilpa Agarwal <shilpa@cercind.gov.in>
Cc: JIGNESHLANGALIA@torrentpower.com, lunapal@TORRENTPOWER.COM
Sent: Fri, 25 Feb 2022 20:15:15 +0530 (IST)
Subject: TPL comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

Dear Sir/ Madam,

This has reference to Hon'ble CERC's notification on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 circulated with public notice dated 16th December 2021.
In this regard, we take this opportunity to express our gratitude to the Hon'ble Commission for giving us an opportunity to submit our comments / suggestions on the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

We earnestly request you to give due consideration to our comments/ suggestions while finalizing the notification on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

Thanking You.

Yours faithfully,

Chetan Bundela

Vice President (Corporate Affairs)

Torrent Power Limited

Disclaimer : This email along with any attachments may contain confidential, proprietary or legally privileged information and is for the intended recipient only. Any other use of email, such as, unauthorized access, disclosure, copying, distribution or reliance on any contents of it by anyone else is prohibited and unlawful. If you are not the intended recipient, please notify the sender immediately and delete the email.

 **TPL Comments on CERC Draft GNA Regulations.pdf**
189K

At the outset, we take this opportunity to express our sincere gratitude to the Hon’ble Commission for formulating the draft Connectivity and General Network Access Regulations and giving us an opportunity to participate in the proceedings.

We would like to draw the kind attention of the Hon’ble Commission to the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021 notified by the Ministry of Power which provides for General Network Access and request the Hon’ble Commission to give due consideration to the provisions of the same to ensure harmonious interpretation of the provisions and to avoid confusion/litigations.

In this background, our comments/suggestions on the subject matter are as under:

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
1.	Regulation 3	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.	<p>It may kindly be noted that applications are being rejected due to</p> <ul style="list-style-type: none"> - only one opportunity being given to rectify the deficiencies within a week’s time - deficiencies such as lack of requisite document, mismatch of the format etc. being asked to rectify <p>This eventually results in delay in operationalization of the Project. Therefore, it is humbly requested that the Hon’ble Commission may please increase the number of times the deficiencies can be rectified to three (3) and increase the corresponding period to two (2) weeks. Further, it would be helpful for all the applicants if the Hon’ble Commission specifies a list of requisitions and standardizes the requisite format for such submissions.</p>
2.	Regulation 5 Application for Grant of Connectivity	<p>5.1 An Applicant, which is a generating station including REGS, <u>shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the installed capacity</u> of the generating station:</p> <p>Provided that if such an Applicant already has</p>	<p>In case of beneficiary having STU as well as CTU connectivity, GNA is considered only for balance capacity excluding capacity being catered through contractual arrangement via InSTS. While doing so, actual power flow, being subject matter of demand-supply scenario of entire grid, is not considered.</p> <p>On similar lines, contractual capacity of Distribution licensee with</p>

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		<p>Connectivity to IntraState 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;</p>	<p>Generating Company having direct connectivity, should be excluded in addition to capacity being catered through InSTS while deciding quantum for GNA.</p> <p>Same can also be equated with the Generator having captive load for which draft Regulation 5.3 provides for GNA only for balance injection to ISTS, if any. Accordingly, for other Generators also, deemed GNA may be considered excluding such identified contractual capacity through direct connectivity.</p> <p>Further, there is a provision whereby such plants are permitted to avail T-GNA to fulfil the requirements in case of forced outage/exigency. We understand that same shall also include contractual requirements of such co-located load in case of outage of plant/exigency.</p> <p>Further, it may kindly be noted that commissioning of the RE plant is allowed in a phase-wise manner. Accordingly, if the connectivity and GNA is also allowed to the Developers in synchronisation with such phased capacities then it would significantly help reduce exposure of the Developers. This would also help streamline loading of the network in line with the installed capacities. Therefore, it is suggested that the applicants are allowed to seek connectivity in phased manner through a single application. The same was duly captured in the detailed procedure of the existing connectivity regulations and the</p>

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
			Hon'ble Commission is kindly requested to retain the same accordingly.
3.	Regulation 7 In-principle Grant of Connectivity by the Nodal Agency	<p>7.2. In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that ATS is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received:</p> <p>Provided that intimation for in-principle grant of Connectivity shall include the ATS and terminal bay(s), estimated cost of such ATS and terminal bay(s), minimum design features for dedicated transmission lines to be constructed by the Applicant and the likely date of start of Connectivity:</p> <p>Provided further that the firm date of start of Connectivity shall be confirmed at the time of final grant of Connectivity.</p>	We would like to submit that where ATS is required to be installed, there is no clarity of timeline for commissioning of such ATS.
4.	Regulation 8 Connectivity Bank Guarantee		It is stated that Bank Guarantee (BG) and Stand by Letter of Credit (SBLC) are both payment guarantees which are legal financial instruments. Same is also recognised and utilised by appropriate government agencies as a payment security mechanism. Further, it may be noted that many developers are facing numerous challenges towards successful execution of the project which also leads them to financial constraints. Hence, if SBLC is allowed as a

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
			<p>payment security mechanism along with BG then this will significantly help reduce the exposure of developers who are facing financial constraints. Therefore, it is requested to the Hon'ble Commission to also consider SBLC along with BG as payment security.</p> <p>Further, it has been observed that formats specified for such payment security mechanism are at times not in accordance with the standardized practice adopted by various banks. On the other hand, various financial institutions also have varied requirements and conditions. This eventually leads to delay in processing of the applications and which, in turn, affects operationalization of the project. Hence, it would be helpful if the Hon'ble Commission kindly specifies a standard format for payment security which is duly recognized by the nationalized banks. This would help streamline the process and reduce the unnecessary delay in the processing part.</p>
5.	Regulation 8 Connectivity Bank Guarantee	8.3 (c) Provided that in the event of non-intimation by Nodal Agency within six months, the entity shall have the option of withdrawing the application for Connectivity and in such a case, <u>the Conn-BG1 shall be returned within one month of exercising option of withdrawal</u> by the entity and application shall be closed.	We welcome the proposed addition of clause related to delay in processing the application by Nodal Agency. But in case of withdrawal by the entity due to such delay, 100% application fee should also be refunded since delay is not attributable to the applicant.
6.	Regulation 11 Monitoring by the Nodal Agency	11.5 The Nodal Agency shall display the updated status of allocation of terminal bay(s), inter alia, quantum of Connectivity granted bay-wise and	It is suggested that for proposed sub-station, along with the capacity of the substation and balance quantum available at the substation; the anticipated date of commissioning shall also be

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		balance quantum for which Connectivity can be granted bay-wise, at existing or proposed ISTS substations on its website and the same shall be updated on monthly basis.	displayed so that applicants can optimally plan their activities accordingly.
7.	Regulation 16	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	For better clarity and ease of transactions it is requested that exact timeline returning of the Conn-BG may be provided. Specific number of days within which the Conn-BG is to be returned by CTU to the Connectivity grantee may also be specified.
8.	Regulation 17 Eligibility for GNA & Regulation 22 Grant of GNA & Regulation 40 Payment of Charges	17.2 Entities not covered under Regulation 17.1, which as on the date of coming into force of these regulations, are connected to the ISTS or for whom Connectivity granted under Connectivity regulations has become effective, shall be eligible for applying for grant of GNA to the ISTS for the quantum equal to the quantum of Connectivity, which shall be processed as per Regulation 37.6 of these regulations. 22.2.(d) Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. one lakh per MW for the quantum of GNA one month prior to the start date of GNA. In case, such charges are not furnished by the entity within the specified timeline, the same shall be recovered by encashment of ConnBG1, Conn-BG2 and Conn-BG3	We humbly submit that the existing gas based generating stations should not be forced to pay GNA charges for balance/un-tied capacity considering the following: <ul style="list-style-type: none"> • It may be considered that out of 25 GW capacity of Gas based Power Plants in Country, 11 GW capacity is stranded and remaining have been running on low PLF due to un-availability of economical gas or due to un-tied capacity of power. • Compelling these plants to opt for GNA equivalent to its installed capacity will result in levy of GNA charges with respect to the capacity which is not being utilised. • This will put additional financial burden on such already stressed assets. • Further, it is also worthwhile to note that gas-based power plants are also used at times for grid balancing due to unpredictable RE injection. • Therefore, levying GNA charges on the gas-based plants for

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		<p>as required. The proceeds of such one time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations</p> <p>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.</p>	<p>its entire installed capacity, which is only being utilised selectively, would not only be against the principle of natural justice but would also be against the underlining principle of these regulations where network usage is required to be compensated to the network provider.</p> <p>Hence, it is submitted that GNA charges once paid by Gas based power plants should be reconciled at the end of the year with respect to the actual usage.</p>
9.	Regulation 19 Application for Grant of additional GNA by STU	19.1. 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.	<p>GNA for additional capacity directly, without using STU, is allowed for any period above 11 months. However, in case of additional GNA through STU, minimum period is 3 years.</p> <p>Technically, there is no difference in both types of GNA. Hence, additional GNA through STU should also be allowed at par with additional GNA through other than STU.</p>
10.	Regulation 23 Use of GNA by other GNA grantee	23.2 The GNA grantee that intends to authorise the use of its GNA by other GNA grantee(s), shall apply to the Nodal Agency in terms of the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1.	It is suggested that in case GNA grantee intends to authorise use of GNA to other GNA grantee(s), then in such cases the process shall be only to give prior intimation to the Nodal Agency with required documents rather than making an application and seeking approval from the Nodal Agency.
11.	Regulation 24 Relinquishment of Connectivity &		It is suggested that Connectivity Grantee and GNA Grantee shall not be burdened with relinquishment charges in case the relinquishment is sought due to force majeure events due to unavoidable circumstances. Please note that any eventualities

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
	Regulation 25 Relinquishment of GNA		<p>arising out of non-fulfilment of obligations due to force majeure circumstances can't be assigned to either Party of the contract. Hence, such exception is required to be explicitly provided in reference to the relinquishment. Therefore, we kindly request the Hon'ble Commission to provide the definitive clause for the Force Majeure events in the regulations itself to remove any ambiguity.</p> <p>Without prejudice to the above submissions, we would like to bring to your kind notice that uniform relinquishment charges linked with duration of the GNA has the following issues -</p> <ul style="list-style-type: none"> • Relinquishment impact would differ on case to case basis and hence Relinquishment charges would not be aligned with the actual loss being incurred. • Applicants would apply for minimum period of GNA to avoid bigger exposure. • It would not provide level playing field between shorter versus longer duration of GNA. • Quantum relinquished by a Grantee may be utilized by new/existing grantee(s) which will result in double recovery of charges. The said fact has also been observed by Hon'ble CERC vide various judgements. <p>It is therefore suggested that Hon'ble CERC may provide relinquishment charges on case-to-case basis rather than on a uniform basis.</p>
12.	Regulation 25 Relinquishment of GNA	25.1. For an entity covered under Regulation 17.1, GNA once granted can be relinquished, in full or in part, on payment of relinquishment charges in	In case of relinquishment of full GNA granted through other than STU network, draft regulation provides for disconnection from the grid.

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		<p>advance as per following:</p> <p>(a) 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.</p> <p>(d) On <u>relinquishment of full quantum</u> of GNA by entity covered under clause (iii) of Regulation 17.1 of these regulations, <u>such entity shall be disconnected</u> from the grid.</p>	<p>It may kindly be noted that Connectivity and GNA are two independent aspects. Further, only connectivity without GNA does not allow any Distribution Company to draw power at will without having GNA. Hence, there is no point in mandating for physical disconnection in case of relinquishment of GNA.</p> <p>While adopting GNA, the focus should be to optimize the burden of GNA holder. Availability of Connectivity will facilitate GNA / T-GNA in future immediately if the system permits and it will help in reducing burden of GNA of existing beneficiaries.</p> <p>Connectivity of Distribution Company with the Grid essentially provides parallel path in the network which indirectly helps in reducing the average power flow/ losses in the network. Disconnection may also disturb the power flow situation in the grid and may impact the grid stability</p> <p><u>Relinquishment Charges:</u> Relinquishment charges are proposed to be recovered for 5 years at latest applicable GNA Charge. Also, in case of LTA migrated to GNA, there is no separate provision for relinquishment charges. However, such charges are too steep considering the fact that NPV at 10% discount factor for 66% of charges for 12 years as per existing regulations which works out to be lower than relinquishment charges for 5 years as per draft regulations.</p>

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
			<p>Also, existing regulations give due consideration for balance period from 12 years of LTA and reduces further with balance period. In case of existing LTA which has completed 12 years, there is no need to pay any relinquishment charges.</p> <p>In view thereof, we propose as under:</p> <ul style="list-style-type: none"> • Deemed GNA through STU under Regulation 17.1(i) is derived based on average for last 3 years. Hence, essentially, all the embedded beneficiaries have used the deemed GNA for 3 years. Hence, there should not be any relinquishment charges for quantum upto deemed GNA. • For all other operational LTA migrating to GNA, it is suggested to make a grandfathering provision wherein relinquishment charges shall be governed as per existing Regulations. • For any GNA availed subsequently, relinquishment charges should be maximum for period of 3 years from the date of commencement of GNA considering fast changing dynamics of the power sector. Consideration of balance period for Relinquishment charges is in line with existing open access regulations. • Further, a mechanism should be put in place wherein in case a new capacity is catered in place of relinquished capacity without augmentation, the beneficiary of relinquished capacity should be reimbursed for the charges recovered from new beneficiary in such a way that there is no duplication of charges.

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
			<p>For transition from the existing Connectivity Regulation to GNA, there may be cases wherein the existing LTA customer would have surrendered / relinquished long term open access. However, as per the proposed GNA Regulations, the existing LTA customer would also have to apply / take GNA for such surrendered access. In such cases, it is submitted that if the existing LTA customer has paid relinquishment charges, then such charges need to be refunded at the time of application of GNA for such surrendered access. Otherwise, the GNA charges would lead to double recovery for such surrendered access.</p>
13.	Regulation 26 Eligibility for Temporary GNA	<p>26.1. The following entities shall be eligible as Applicants to apply for T-GNA to ISTS: (a) As buyers, (i) Distribution licensee directly connected to ISTS;</p> <p>26.2. A GNA grantee shall be eligible to apply for T-GNA <u>over and above the GNA granted</u> to it, as per eligibility under clause (a) of Regulation 26.1 this Regulation.</p>	<p>There may be instances where Distribution licensee fulfils its requirement normally through STU or direct connectivity with Generator not involving STU/CTU network. However, such Distribution Company may need to source power using CTU network in case of planned outages of tied up source/ any other exigency. At present, such requirement has been fulfilled through bilateral/ collective transactions through Power Exchange. We understand that Distribution Licensee without GNA can also avail T-GNA without any restriction. The same may be clarified.</p> <p>Additionally, in view of above, connectivity should be allowed to the Distribution Company independent of GNA and also there should not be threshold of 50 MW in case of direct connectivity.</p>
14.	Regulation 31 Standing Clearance for grant of T-GNA	31.4. The T-GNA Grantee to whom the Standing Clearance has been issued in terms of Regulation 31.2 or deemed to have been issued in terms of	T-GNA is meant for addressing demand variability. Particularly, T-GNA grantee distribution licensee may exceed the quantum of standing clearance due to sudden/ unexpected variation in

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		<p>Regulation 31.3, shall bid in the power exchange(s) in such a manner that the aggregate quantum in each time block for all the bid(s) under bilateral transactions and collective transactions shall not exceed the quantum of Standing Clearance:</p> <p>Provided that if the aggregate quantum of bid(s) in the power exchange(s) under bilateral transactions and collective transactions by a T-GNA grantee exceeds the quantum of the Standing Clearance in any time block, NLDC shall debar such T-GNA grantee from participating in bilateral and collective transactions for a period of seven (7) days under intimation to the concerned SLDC;</p> <p>Provided further that the list of such T-GNA grantees debarred in terms of the above proviso shall be displayed on NOAR.</p>	<p>consumer demand due to vagaries of weather including variation in RE Generation, particularly Rooftop installed in the license area.</p> <p>To meet with above situations, it is requested that NLDC/SLDC upon receipt of message from NLDC sends a warning message to T-GNA grantee. Alternatively, NLDC/SLDC may validate the standing clearance for power tied up under bilateral arrangement. In case of any excess drawal, SLDC may direct T-GNA grantee to revise the Standing Clearance.</p> <p>It may kindly be noted that the proposal to debar such T-GNA grantee from participating in both bilateral and collective transaction for 7 days is too harsh and would create hardships for Discoms forcing them to resort to load shedding even in metro cities. Considering the mandate of USO on Discoms, the proviso needs to be amended to remove such stringent and impractical conditions</p>
15.	Regulation 32 Revision of T-GNA	<p>32.1. T-GNA granted under Exigency application category or under Advance application category for a period <u>not exceeding one month cannot be revised.</u></p> <p>32.2. T-GNA granted <u>under Advance application category for a period of more than one month may be reduced</u> for the balance period with a prior notice of one (1) month by the T-GNA grantee:</p>	<p>Concept of T-GNA is akin to STOA. Existing STOA provides for downward revision in OA quantum with a notice period of 2 days to address the variability.</p> <p>However, as per proposed Regulations, T-GNA grantee can't revise the T-GNA and will continue to pay Transmission Charges for entire period for original applied quantum, which will burden T-GNA grantee. Hence, we request that revision with notice period of 2 days may be allowed for T-GNA transactions.</p>

Sr. No.	Regulation no.	Draft Regulations	Comments / Suggestions
		Provided that applicable T-GNA charges for the quantum of T-GNA granted shall be payable for the notice period of one (1) month.	
16.	Regulation 34 Transmission charges for T-GNA	34.5. In case of default in payment of transmission charges for T-GNA, the TGNA granted shall be cancelled.	It may kindly be noted that dispute in payment may arise between the parties. Hence, opportunity to represent may kindly be provided to the parties before any cancellation or applicant should be allowed to make payment under protest.
17.	Regulation 38 Curtailment	38.1. When for the reason of transmission constraints or in the interest of grid security, as per the provisions in the Grid Code, it becomes inevitable to curtail power flow on a transmission corridor, the transactions already scheduled may be curtailed by the Regional Load Despatch Centre as per the following provisions:	We submit that the operational matter may be dealt in line with the existing provisions of the Grid Code. The existing Connectivity Regulations refers the Grid Code only (i.e. Regulations 25(2) of the Connectivity Regulations). Hence, we request the Hon'ble Commission to make necessary changes in the draft.