

**Annexure-1**

**Comments/Suggestion on Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Sixth Amendment) Regulations, 2018.**

Sr. No.	Draft Regulation Reference	Comments / Suggestion by InWEA
1	<p>A new Sub clause (aa) to Clause (1) of Regulation 7 of Principal Regulations shall be added as under: "(aa) No transmission charges and losses for the use of ISTS network shall be payable for the generation based on solar and wind power resources for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding;</p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.02.2018 till 31.3.2022;</p>	<ul style="list-style-type: none"><li>• At the outset, InWEA would like to complement the Hon'ble Commission in proposing to extend the provision of waiver of Inter-State transmission charges and losses for Wind power projects even, which was earlier available for Solar power projects.</li><li>• As per the Explanatory Memorandum for the Draft Regulations, it is observed that the Hon'ble Commission while proposing the amendment has relied upon the MoP's notification dated February 13, 2018 which is in line with provision under Para 6.4(6) of revised Tariff Policy, 2016 dated January 28, 2016.</li><li>• InWEA would like to highlight that the Para 6.4 of Revised Tariff Policy specifies the necessity of promoting energy from RE sources including wind. However, it does not differentiate between the mode of renewable energy sale, i.e., different treatment to sale to Discom and to third party.</li><li>• Further, it is observed that the waiver is proposed to be applicable for competitive procurement of wind energy. In this context, it is worthwhile to note that the recently issued guidelines on the scheme for setting up 1000 MW ISTS-connected Wind Power Projects, by MNRE has also qualified 'bulk</li></ul>

	<p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies, for compliance of their renewable purchase obligations.”</p>	<p>consumers as ‘buying entities’ in addition to the Distribution Companies. The relevant definition of buying entity as stipulated in the said guidelines is reproduced as following.</p> <p><i>“Buying Entity” means the licensed entity engaged in the business of supply of electricity in the non-windy State and UTs and also includes the bulk consumers of any State/UTs who intend to buy atleast 10 MW of wind power under the Scheme.”</i></p> <ul style="list-style-type: none"> <li>• Thus, is understood that the scheme envisages procurement of wind energy by third party entities. In this context, waiver of inter-state transmission charges and losses thereof only for procurement by Discoms shall render as discriminatory, and this may not be the intention of the Hon’ble Commission.</li> <li>• <b>In view of the above, InWEA humbly request the Hon’ble Commission to make applicable the provision for waiver of Inter-State Transmission charges and losses thereof to procurement of wind energy through third party OA transactions as well and thus waive off ISTS charges for all the wind projects developed till 31.3.2022.</b></li> </ul>
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