

Suggestions /Comments from AEML on draft Amendment to CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023

Reg. No	Existing	Proposed	Rationale
4.3	A generating station, already connected to or intending to connect to intra-State transmission system shall also be eligible as an Applicant for Connectivity.	A generating station or a Distribution Licensee , already connected to or intending to connect to intra-State transmission system shall also be eligible as an Applicant for Connectivity to ISTS.	Distribution Licensee should also have flexibility to connect to ISTS, intra-State transmission system or ISTS based on its contract with the Suppliers. Distribution Licensees having PPA's largely with the Generators connected to ISTS will be forced to connect to intra-State transmission system even if it can get connected directly with ISTS network to draw power from ISTS. This will avoid the pancaking of the Transmission charges & losses effectively benefitting the end consumers. Therefore, Distribution Licensees should also have to option to connect to ISTS, intra-State transmission system or both as per requirement.
5.1	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;	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 that the Distribution Licensee can seek Connectivity to ISTS for future load or the load which is not currently catered through its connectivity to intrastate Transmission System	Distribution Licensees having bulk load and tied up primarily with the ISTS connected Generators will be able to optimize the cost which will benefit the end consumer as need for development of duplicate network is avoided in intra-State transmission system. To enable the multiple connectivity to Distribution Licensee at par with the Generating Station the proviso is required. Hon'ble CERC is also requested to make appropriate changes as may be required to facilitate ISTS, Intra- State transmission system or both connectivity available for Distribution Licensee.

<p>20.4 (New)</p>	<p>"Entities covered under clause (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA:</p> <p>Provided that if such an entity with GNARE intends to draw power from the sources other than the sources identified at clause (2) of the Regulation 13 of the Sharing Regulations, it may:</p> <p>(a) apply for grant of additional GNA; or (b)it may convert GNARE into GNA by making an application to the Nodal Agency</p>	<p>"Entities covered under clause i, ii & iii of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA:</p> <p>Provided that if such an entity with GNARE intends to draw power from the sources other than the sources identified at clause (2) of the Regulation 13 of the Sharing Regulations, it may:</p> <p>(a) apply for grant of additional GNA; or (b)it may convert GNARE into GNA by making an application to the Nodal Agency</p>	<p>(1) We humbly submit that, while the existing regulations and proposed amendment does not restrict such scenario whereby drawee entity having GNA for certain quantum shall have the option to meet their part load or any growth in load by applying for additional GNA_{RE}, in case entity intends to draw power from the sources identified at clause (2) of the Regulation 13 of the Sharing Regulations. Thus, total GNA of the entity shall be sum of GNA and GNA_{RE}. It may be clarified in final amended GNA Regulations to include such Scenarios.</p> <p>(2) Proposed Regulations discriminates between the Distribution Licensees even though both are drawing power from the ISTS connected RE sources. As can be seen from the Annexure-III, waiver in Transmission charges differ in both cases if RE is scheduled under GNARE & in GNA. Utilization threshold for 100% waiver is applicable under GNARE is 30% whereas in case of GNA threshold for waiver is 75%. This may also impact the competitiveness of the Distribution Licensees operating in the same area of License.</p> <p>(3) While issuing the Policy discrimination was not envisaged by Gol. Therefore, proposed Regulations should maintain the sanctity of the various Policy directives given by Gol, otherwise it will lead to policy and regulatory uncertainty in the power sector impacting the sentiments of Investors</p>
<p>26.4 (New)</p>	<p>Entities covered under sub-clauses (i) and (ii) to clause (a) of Regulation 26.1 of these regulations shall be eligible to apply for T-GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such T-GNA shall be called as T-GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations T-GNARE shall be same as GNA:</p>	<p>Entities covered under sub-clauses (i), (ii) and (iii) to clause (a) of Regulation 26.1 of these regulations shall be eligible to apply for T-GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such T-GNA shall be called as T-GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations T-GNARE shall be same as GNA:</p> <p>Provided that if such an entity with T-GNARE intends to draw power from the sources other than the sources identified at</p>	<p>(3) While issuing the Policy discrimination was not envisaged by Gol. Therefore, proposed Regulations should maintain the sanctity of the various Policy directives given by Gol, otherwise it will lead to policy and regulatory uncertainty in the power sector impacting the sentiments of Investors</p>

Provided that if such an entity with T-GNARE intends to draw power from the sources other than the sources identified at clause (2) of the Regulation 13 of the Sharing Regulations, it may:
(a) apply for grant of additional T-GNA; or
(b) it may convert T-GNARE into T-GNA by making an application to the Nodal Agency.”

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effectively depriving the investment in the sector.

(4) Distribution Licensee undertake the purchase of RE power through competitive bidding as per the guidelines issued by MoP from time to time. As the bidding is at national level, generators connected to the state grid of the buyer, Inter-State / Intra-State Transmission System or located in any other state can participate in the bidding. As per the policy directives /Orders issued by Central Govt from time to time, RE generators are exempted from payment of ISTS charges & losses. Accordingly, while evaluating the net landed cost, the buyer Distribution Licensees contracted with Generators who have availed such exemption. However, as per the draft amendment Regulations, if RE is scheduled under GNA full exemption may not be available if major portion of purchase on ISTS is from RE. This would tantamount to denying Distribution Licensees from competitive purchase by denying low cost generators connected to IntraState network.

(5) Hence it is requested to enable the eligibility for GNARE & T-GNARE to all the Distribution Licensee & bulk consumer whether it is connected to ISTS or InSTS