

**Views/Comments of GRIDCO on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations (First Amendment), 2023.**

CERC has published the draft “Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-state Transmission System) Regulations (First Amendment), 2023” (herein after termed as ‘First Amendment’) inviting comments/views from the stakeholders. In response, GRIDCO likes to offer its views on the said draft Regulations as given hereunder:

**Summary of Views:**

- A) It is requested to issue SOR to Draft First Amendment to Principal Regulations
- B) It is requested to include Short-Term in addition to Long Term and Medium Term in the Proviso to Clause 18.1(e) in the Principal regulations.
- C) State’s share of power from Regional Entity Generating Station, evacuated through STU Network after completion of initial life span (25 years) of the Generating Station, may be treated as ‘direct drawal’ and reduced from GNA of the State or after completion of initial life span(25 years) of the generating station.

**Views in Details:**

- A) **Statement of Reasons to the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (herein after termed as ‘Principal Regulations’) to the First Amendment to the Principal Regulations have not been published by CERC.**

**Views:**

- i) It is to mention that Gridco had submitted its comments/views to the draft Principal Regulations brought out in December 2021 on a number of provisions of the draft Principal Regulations. But most of the views of Gridco have not been considered by CERC while finalising the Principal Regulations. Hence, CERC may bring out the Statement of Objects and Reasons to the Principal Regulations explaining the reasons for consideration/non-consideration of the views of the stakeholders for clarity on the Principal Regulations.
- ii) It is to mention that without the Statement of Reasons to the principal GNA Regulations, 2022 and explanatory memorandum to the Draft CERC GNA Regulations

(First Amendment), it will be impracticable for GRIDCO to interpret & analyse the above Draft Regulation. Further, Section -79(3) of the Electricity Act-2003 mandates the following:

*“The Central Commission shall ensure transparency while exercising its powers and discharging its functions”.*

Therefore, considering the spirit of the Electricity Act-2003, it is requested to provide the above documents for proper appreciation of the amendments brought out by CERC to the principal regulations.

**B) Modification of Regulation 18.1(e) and validity of Annexure-I of the principal Regulations in terms of Deemed Grant of GNA in the first amendment:**

*18.1. On the date, these regulations come into force,*

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

*where,*

*‘A’ = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}*

*(b) GNA computed as per clause (a) of this Regulation is given at Annexure-I to these regulations.*

*(c) GNA for a State including intra-State entity(ies) as per clause (b) of this Regulation shall be deemed to have been granted to STU of that State on behalf of such intra-State entities and shall remain valid until relinquished in accordance with these regulations.*

*(d) GNA deemed to have been granted to STU as per clause (c) of this Regulation, shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations, 2009.*

*(e) GNA deemed to have been granted to STU under clause(d) of this Regulation, shall be segregated for each intra-State entity, including distribution licensee, by the respective*

*SLDC, and intimated to STU, Nodal Agency and NLDC within 1 month of publication of details by the Nodal Agency under clause (d) of this Regulation.*

*Provided that in case an SLDC fails to provide such segregation, the pro rata GNA shall be allocated to each intra-State entity in the ratio of their Long Term Access and Medium Term Open Access, as included in the first bill raised in the previous month under the Sharing Regulations.*

**Comments:**

- a) GRIDCO is the only entity in Odisha, which has ISTS LTA contracts with the CTU, whereas other entities of Odisha draw power from ISTS through STOA contracts.
- b) Whereas, the deemed GNA of the States mentioned in Annexure-I of the principal Regulations have been arrived basing on their peak draws, which comprises of not only draws corresponding to LTA/MTOA, but also draws of Short-Term Open Access Customers.
- c) Under this condition, when the deemed GNA of a State is assigned to the LTA/MTOA holders only, such LTA/MTOA holders shall share the ISTS charges for Short Term Open Access Customers also, as the peak draws of the States correspond to both LTA/MTOA contracts and Short-Term Contracts also.
- d) With the above anomalous deemed GNA concept, GRIDCO and the ultimate electricity consumers of the State of Odisha shall go on sharing of transmission charges corresponding to STOA draws of private entities also in addition to GRIDCO's LTA ISTS draws.
- e) GRIDCO highlighted the said misconception on deemed GNA in its comments as well as during presentation on Draft GNA Principal Regulations in the public hearing for the same.
- f) However, CERC has not taken into consideration the above anomaly in arriving at the deemed GNA of the States while finalising the Principal Regulations.

**Views:**

- a) CERC in its Draft GNA Regulations (First Amendment) should rectify the above issue by considering the Short Term Drawal of the intra-State entities.
- b) **Proviso to Clause 18.1(e) in the Principal regulations may be modified as under:**

*Provided that in case an SLDC fails to provide such segregation, the pro rata GNA shall be allocated to each intra-State entity in the ratio of their Long Term Access, Medium Term Open Access and Short Term , as included in the first bill raised in the previous month under the Sharing Regulations.*

**C) 14. New Regulation 18.3:**

14.1. A new Regulation, namely, Regulation 18.3 shall be added after Regulation 18.2 of the Principal Regulations as under:

*“18.3 For a host State in which a regional generating station is located, and is connected only to STU system or connected to both STU system and ISTS, the GNA quantum at Annexure-I shall be reduced by the GNA quantum calculated based on the methodology specified in Annexure-II to these Regulations.*

Extract from methodology to determine ‘Direct drawl’ by a State from a regional entity generating station prescribed at Annexure-II has stipulated the following:

*“ State’s share of power which is evacuated directly through the STU Network from a inter-State generating station connected only to STU or to both STU and ISTS, shall be determined and treated as follows:*

*a) For regional entity generating stations already connected to STU and ISTS or only STU system as on the date of coming into force of these regulations, ISTS drawal data as considered under Regulation 18.1 for host State where such generating station is located shall be reduced to factor in the direct drawl by State, based on the following methodology:*

*i. The STU network planned and implemented to evacuate State’s share of power from such generating station at the time of commissioning of the concerned generating station shall only be considered;”*

**Comments:**

- i) The term ‘Regional Generating Station’ has not been defined in the Draft GNA Regulations (First Amendment).

- ii) It is to mention that some of the Regional Generating Stations are located in Host States & have already completed their life span and are connected to both STU & CTU. Such states may be allowed to evacuate their share of power through their own STU.
- iii) It is to further state that Regulations 13(11) of CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 stipulates as under:

***‘Where a 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.’***

In line with the above Regulation, the deemed GNA may be reduced for host states who are capable to evacuating their share of power through STU from regional generating stations, which have completed their useful life period of 25 years.

- iv) When the State’s share of power is evacuated through the STU system instead of ISTS Network, such power cannot be deemed to have been transmitted through ISTS system.
- v) If the Generating Station has completed 25 years of its useful life as per prevailing Regulations and supposedly if the beneficiary(ies) is/are not willing to avail their share of power from such Generating Station, the associated ISTS to the same may be stranded and in that event, no power is said to be transmitted through the associated transmission system and hence no ISTS drawal by the State for the said generating Station.

**Views:**

The quantum of State’s share of power from Regional Entity Generating Station, evacuated through STU Network after completion of initial life span (25 years) of the Generating Station, may be treated as ‘direct drawal’ and as such may be reduced from GNA of the State.