



No. IEX/RA/127/22-23

Date: 27.02.2023.

To,

The Secretary
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building
36, Janpath, New Delhi - 100 001,
Fax: 011-23753923

Sub: IEX Comments on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023

Dear Sir,

This has reference to Public Notice dated 27.01.2023 inviting suggestions and comments from stakeholders on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023. Comments on behalf of IEX are presented hereinafter for kind consideration of the Hon'ble Commission.

1. Clarity required on the levy of application, scheduling, and operating charges by SLDCs: The CERC (Open Access in Inter-state Transmission) Regulations 2008 ("CERC OA Regulations") provided for levy of application, scheduling and operating charges by the SLDC for bilateral and collective transactions. The relevant extract of regulation 17 of the CERC OA Regulations is reproduced below-

"8. Concurrence of State Load Despatch Centre for bilateral and collective transactions

(5) Unless specified otherwise by the State Commission concerned, the State Load Despatch Centre may charge a fee of Rupee five thousand (Rs 5000/-) for processing applications for concurrence or "no objection" or prior standing clearance.

...

17. Operating charges

1) "Operating charges at the rate of Rs 1000/-, per day or part of the day for each bilateral transaction for each of the Regional Load Despatch Centre involved and at the rate of Rs 1000/- per day or part of the day for each State Load Despatch Centre involved shall be payable by the applicant.

...

5) The successful buyers and sellers shall also pay Rs 1000/- per day for the SLDC involved for each point of the collective transaction."

However, the above charges of short term open accesses are nowhere mentioned either in the CERC GNA Regulations, 2022 or the T-GNA procedures issued by the POSOCO. Regulation 40.3 of the CERC GNA Regulations provides as below:

“40. Payment of Charges

...

40.3 The fees and charges for National Load Despatch Centre, Regional Load Despatch Centres (including the charges for Unified Load Despatch Scheme) and State Load Despatch Centres shall be payable by the GNA grantees as per the applicable Regulations.”

Since the regulations and procedures for T-GNA do not provide the specific charges to be levied by the SLDCs, it is our apprehension that different charges may be levied on such inter-state open access transactions, without adequate prudence of the same. Infact, since many SERC regulations rely on the CERC Open Access regulations for applicability of such charges, in the absence of such charges in CERC regulations, the same will be left undecided and can cause confusion. Inter-state open access being under the jurisdiction of the CERC, we request it to kindly prescribe the charges to be levied by SLDCs for the same.

2. **Retrospective revision of T-GNA, STU charges/losses:** The CERC OA Regulations provided in clause 16 of the regulations that the transmission charges for use of state network for the ISTS STOA transactions shall not be revised with retrospective effect. Similarly for the transmission losses, clause 23 provided that the applicable transmission losses for the regional transmission system as well as for State network shall be declared in advance and shall not be revised retrospectively. As against the above, regulation 34.3 of the CERC GNA regulations only provides that the transmission charges for T-GNA shall not be revised with retrospective effect. The GNA regulations or the procedures are silent in respect of the retrospective revision of the ISTS and STU losses and the STU charges. It is requested that the above clarity may be provided in the regulations or procedures.
3. **Clarity on collection of T-GNA charges for bilateral transactions on exchange-** Clause 25 of the CERC OA Regulations provides that the transmission charges for the ISTS and STU system and the operating charges of both for RLDC and SLDC shall be collected by the nodal agency in case of bilateral transactions. The transmission charges so collected for use of State network shall be disbursed to the concerned STU. As against the above process, the GNA regulations and the procedures do not provide any approach to collection of transmission charges for the bilateral transactions post T-GNA regime.

It is therefore requested that the procedures may clarify on the modalities of collection of charges post GNA regime. Whether the transmission charges for T-GNA for use of intra-State transmission system will be settled by the applicant with the Nodal Agency in case of bilateral transactions, as at present or the Applicant will need to settle the state charges directly with states.

4. The NOC format should capture details of charges to be levied as present: Clause 25 of the CERC OA Regulations provides that the transmission charges and the operating charges payable by the persons

allowed STOA shall be indicated by nodal agency while approving the Open Access. It states that the transmission charges payable for ISTS and that for the STU network shall be indicated separately by the Nodal Agency. Format VI of the existing STOA procedure for bilateral transactions captures the required details of charges to be levied. The current format-E of the draft T-GNA procedure issued by POSOCO doesn't capture any such details of the charges to be applicable.

5. Adjustment of T-GNA charges with the Host State (Reference to CERC Sharing Regulations)

- a. Hon'ble Commission has issued the amendment to the Sharing Regulations on 07.02.2023 wherein it has been provided under Regulation 11(3) that the Transmission charges for T-GNA and T-GNA(RE) shall be socialized amongst the drawee DICs in proportion to their share in the first bill in the following month. Whereas in the Principal Regulations issued on 04.05.2020 it was specified that the Transmission charges for Short Term Open Access paid by an embedded intra-state entity during a month shall be reimbursed in the following billing month to the State in which the entity is located.
- b. In this regard it is submitted that in the GNA of the Discom/State itself the demand of the embedded entity has already been factored in for which the monthly GNA charges is levied from GNA grantees of the States. When such embedded entity takes T-GNA and levied the T-GNA charges the charges should be reimbursed back to the Discom/State without socializing it across amongst all the DICs. This will provide relief to some of the burden of Discoms towards GNA charges and also facilitate inter-state open access in the State.

6. Reimbursement of T-GNA charges corresponding to T-GNARE for Power Exchange based transactions

- a. The draft amendment to GNA regulation proposes to add a new Regulation 26.4 to enable the entities covered under sub-clauses (i) and (ii) of Clause 26.1 (a) these regulations 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 1st Amendment to Sharing Regulations, 2023.
- b. It is also seen from regulation 13(2) of the sharing regulations amendment that no transmission charges shall be levied for use of ISTS for the GNA-RE and T-GNA-RE quantum worked out in accordance with the formula prescribed in Annexure-III of the 1st Amendment to Sharing Regulations, 2023. Clause 2(d) of Annexure-III of the sharing regulations amendment as reproduced below, suggests that the T-GNA charges paid on account of such T-GNARE shall be reimbursed ex-post on finalization of schedules.

“..

(d) Amount of waiver for each drawee DIC as calculated under sub-clause (c) of this Clause shall be reimbursed from the already paid T-GNA or T- GNARE charges on finalization of schedules, by 15th day of the next month.”

- c. It may be noted that as per the MoP notification dated 21.6.2021 and 15.1.2021, the ISTS charges waiver has to be extended to the power scheduled from the prescribed RE sources on inter-state basis. The Indian Energy Exchange currently operates the Green Day Ahead Market (GDAM), Green Term Ahead Market (GTAM), the Green Intra-day and Day ahead contingency segments that provide fulfilment of RPO to the procurer on the power so transacted. Therefore, the above clause 2(d) of Annexure-III of the sharing regulations amendment will be applicable on the T-GNARE transaction through IEX also. Though in case of GNA grantees since GNA billing will be carried out for such entities, post facto waiver is feasible, however, an entity which is not a GNA grantee and applying for only T-GNA for the transaction of RE from sources which are qualified for waiver, it would be difficult to carry out post facto adjustment of T-GNA charges. In view of the above it is requested that the transmission charges waiver for all Power Exchange based RE transactions i.e., through T-GNA/T-GNARE, may be ascertained at the time of transaction else this may cause implementation issues.

Since the above referred issues have not been addressed in the GNA Regulations, and the associated procedures issued by POSOCO, we request the Hon’ble Commission to kindly consider and resolve these through the proposed amendment to the GNA Regulations.

Thanking You
Yours Sincerely,



(Jogendra Behera)
CRO & VP (Regulatory & Market Economics)