



# **IEX Comments on Draft CERC(Connectivity and GNA to the ISTS) (First Amendment) Regulations, 2023.**

**13<sup>th</sup> March 2023**

# Waiver of Transmission Charges in Power Exchange transactions



As per MoP order dated 23.11.2021, power sold from eligible RE projects in Power Exchange will also be eligible for waiver of transmission charges:

3.1 For the **solar, wind, Hydro PSP and BESS Projects commissioned upto 30.06.2025**, the waiver of inter-state transmission charges shall be applicable for the following:

(i) **Solar or wind energy** generation set up by any person/entity. The power generated from such sources can be self consumed **or sold to any entity either through** competitive bidding, **Power Exchange** or through bilateral agreement.

(ii) Electricity from solar and/or wind sources used by Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects and subject to the following conditions:

(a) at least 51% of the annual electricity requirement for pumping of water in the Hydro Pumped Storage Plant is met by use of electricity generated from solar and/or wind power plants.

(b) at least 51% the annual electricity requirement for charging of the Battery Energy Storage System is met by use of electricity generated from solar and/or wind power plants.

(iii) Electricity generated / supplied from such Hydro PSP and BESS power plants as mentioned in (ii) above.

(iv) **For trading of electricity generated/supplied from solar, wind and sources mentioned in (ii) and (iii) above, in Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) are upto 30.06.2025.**

# Waiver of Transmission Charges in Power Exchange transactions

- As per CERC sharing regulations, waiver of Transmission charges for eligible RE sources is proposed to be provided by post facto adjustment in the first bill of DICs for GNA:

*(3) Transmission charges for T-GNA and T-GNARE collected in a billing month, **shall be reimbursed to the drawee DICs in proportion to their share in the first bill in the following billing month, after adjustment of such charges as per subclause (d) of Clause (2) of Annexure-III to these regulations.***

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*“(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.”*

- **However, in case entities do not have allocation of GNA and transacting in Short term market by way of taking T-GNA/T-GNARE**
  - Since “first bill’ will not be issued to such T-GNA grantees, such entities may be deprived from the policy benefit of Gol.
  - In GDAM, since one to one matching is not available, clarity is required on how waiver will be availed by the Buyers.

## Reimbursement of T-GNA charges with the Host State

- Regulation 11(3) of 1<sup>st</sup> amendment to the CERC Sharing Regulations provides that the Transmission charges for T-GNA 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 T-GNA **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.**
- 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 as being done presently.
- This will **provide relief to some of the burden of Discoms towards GNA charges and also facilitate inter-state open access in the State.**

# Retrospective revision of T-GNA and STU charges/losses

- Regulation 34.3 of the CERC GNA regulations provides that the transmission charges for T-GNA shall not be revised with retrospective effect.
- However, as per existing regulations, the **GNA regulations or the procedure made thereunder are silent in respect to the prevailing restriction retrospective revision of the ISTS losses and STU Charges and losses.**
- In existing CERC STOA Regulations, restriction on retrospective revision of all transmission charges and losses has been specified because **any retrospective revision in charges and losses may affect the risk management and settlement at power exchanges specially in case of collective transactions.** Above provision is essential for smooth settlement of collective transactions.

**Thank You**