

Draft CERC (Grant of Connectivity and General Network Access to the inter-State transmission system) (First Amendment) Regulations, 2023

Comments and suggestions of TANGEDCO

Public hearing : 13.03.2023

Major issues in the GNA Regulations 2022 : Views and suggestions of TANGEDCO

- *Reg.17.1 to be modified as “State owned discoms and State Transmission Utility on behalf of distribution licensees.”*
- *The existing time bound LTAs of Discoms converted as Deemed GNA of the STU - Not appropriate and legally untenable*
- *State owned discoms shall be allowed to exit/ continue the GNA contract without relinquishment charges on expiry of PPA*
- *Since various factors are contributing to instantaneous peak drawl in a particular time block, the deemed GNA is skewed up – Methodology to be revised*
- *Drawl through Intra State network/ drawl nodes to be excluded*

**Comments , views and Objections of TANGEDCO
on the Draft CERC (Grant of Connectivity and
General Network Access to the inter-State
transmission system) (First Amendment)
Regulations, 2023**

Comments and views of TANGEDCO

1. Proposed Amendment

Amendment to Regulation 7.1 and 7.2 of the Principal Regulations:

- *The words “ATS” shall be substituted with the word “augmentation” in Regulation 7.1 of the Principal Regulations.*
- *The words “ATS” shall be substituted with the word “augmentation (with ATS or without ATS)” in Regulation 7.2 of the Principal Regulations.*
- ***Amendment to Regulation 8.2 of the Principal Regulations:*** 6.1. *The first para of the Regulation 8.2 of the Principal Regulations shall be substituted as under: “8.2 For cases covered under (i) Regulation 7.1 of these regulations and (ii) Regulation 7.2 (Augmentation without ATS) of these regulations, Conn-BG2 and Conn-BG3, shall be furnished as under:”*

Comments and views of TANGEDCO

“ATS” Definition as per draft

“Any augmentation required, excluding terminal bay(s), to the existing ISTS identified under Regulation 6.1 of these regulations, shall be considered as the Associated Transmission System (ATS) for the Applicant(s).”

“ATS” as per notified Regulation

“Of the augmentation requirement as identified under Regulation 6.1 of these regulations, augmentation required for immediate evacuation of power of the Applicant (s), excluding terminal bay(s), shall be considered as the Associated Transmission System (ATS) for the Applicant(s)”

Suggestion

- The definition of ATS would relieve the generators from the responsibility of providing bank guarantees in proportion to the transmission system developed at their behest.
- Since the definition of ATS play a key role in deciding the BGs, it is essential to restore the definition of ATS as per the original draft GNA Regulations and amendment may be dropped.

Comments and views of TANGEDCO

2. Proposed Amendment

12. Amendment to Regulation 17.1 of the Principal Regulations: 12.1. A new clause, namely, (vi) shall be added after the clause (v) to the Regulation 17.1 of the Principal Regulations as under: “(vi) An injecting entity which is granted Connectivity to intra-State transmission system and seeking GNA for purpose of injection into ISTS.”

Comments and views of TANGEDCO

- ✓ It is essential to segregate the injecting entities having connectivity with only Intra State Transmission system and entities having connectivity with both Intra State Transmission system as well as ISTS so as to impose restrictions on the quantum of GNA to be availed in ISTS based on the Intra State open access availed by them.
- ✓ Otherwise for the same quantum, these entities will avail access in both ISTS and Intra State resulting in redundant transmission system.

3. Proposed Amendment

13. Amendment to Regulation 18.1 of the Principal Regulations: 13.1. *A proviso shall be added to the clause (f) of the Regulation 18.1 of the Principal Regulations as under: “Provided that generating stations connected to the intra-State transmission system where Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations, 2009 has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations.”*

Comments and views of TANGEDCO

- The above proviso is intended to convert the quantum or capacity of ISGS connected / evacuated through the Intra State network into permanent GNA of the drawee entity.
- This is contrary to the formula notified under Regulation 18.1
- The very purpose of creating huge Intra State infra structure by the Home States to draw power from the CGS stations located within the state will be defeated
- The consumers of the state will be illegitimately burdened with the huge transmission charges imposed on account of deemed GNA in proportion to the quantum connected through Intra State network in addition to the tariff liabilities imposed on them on account of the Intra State transmission infrastructure already created for drawing the share of the State.
- This is also against the MoP's guidelines on providing connectivity to both ISTS and Intra State network for CGS located in Home States. Hence, this proviso shall be dropped

4. Proposed Amendment

- **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.”*

Comments and views of TANGEDCO

- The methodology specified in Annexure -II is contrary to the methodology notified under Regulation 18.1 of the GNA Regulations 2022.

The methodology notified under Regulations 18.1 is extracted below:

- *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]}*
- The Regulations clearly specifies that maximum ISTS drawl in a time block during the year and average of (maximum ISTS drawal in a time block in a day) during the year should be considered for calculating the deemed GNA.
- The drawl through the Intra State network should have been excluded from the computation.
- Despite TANGEDCO’s clear demonstration and representation to exclude the Intra state drawl from the ISTS drawl, it was not excluded from the total ISTS drawl and the deemed GNA was erroneously computed and notified.
- The same was brought to the notice of the Hon’ble Commission with proof of erroneous computation. ([NLDCs bifurcation of ISTS and Intra State drawl](#)).

- However, instead of excluding the actual Intra State drawl corresponding to the time block of maximum ISTS drawl, a new methodology has been proposed as below:
 - ***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;***
 - *CTU shall provide a list of such generating stations to NLDC within a week of coming into effect of these Regulations.*
 - *NLDC shall calculate the quantum of ISTS drawl blockwise as "Direct drawal" for years 2018-19, 2019-2020 and 2020-2021:*
 - *'Direct drawal' = Lower of Actual ISTS drawal through STU feeders connected to identified generating station or drawal schedule of the State from such generating station for corresponding block.*
 - *The blockwise 'Direct drawal' shall be reduced from blockwise actual ISTS drawal data for such State.*
- *Based on modified ISTS drawal data as calculated at sub-clause (iv) of this Regulation, GNAs shall be calculated for such State as per formula specified in Regulation 18.1. The reduction in GNA for such State shall be calculated as GNAd which will be as follows:*
- *GNAd = GNA as indicated at Annexure-I – (Modified GNA after accounting for 'direct drawal' (GNAs))*

The above methodology is illogical and irrational due to the following reasons:

- Firstly, if the Hon'ble Commission decides to consider the **actual drawl quantum instead of the contracted quantum(LTA &MTOA)**, then it would be appropriate to **exclude all the Intra State drawl nodes from the computation of ISTS drawl irrespective of time horizon of planning of the Intra State lines** intended for drawl of power from ISGS to home State.
- The State Transmission Utilities have infused huge public fund for creation of such intra State drawl network for the purpose of drawing power from the ISGS. The schemes were discussed and approved by the Central Planning agencies.
- Further, at the time of planning and execution of such Intra State evacuation network, the ISTS transmission charges were shared based on the Point of connection(PoC) methodology in proportion to utilisation of the network in the ratio of LTA and MTOA of the entities.
- Later, the sharing methodology under the new Sharing Regulations 2020 has made upside down of the allocation of charges intending to socialise large chunk of cost associated with unutilised / under utilised transmission assets across the country in the ratio of LTA+MTOA, the utilities having invested huge public money in developing State networks for drawl of ISGS power have been put into jeopardy and being penalised with skyrocketed ISTS transmission charges.
- The GNA regulations disregarded the contracts between the transmission licensees and the drawee utilities by introducing the new methodology to convert the existing time bound contracts into permanent GNA based on the actual drawl through the ISTS network.
- **It was not explained or justified that how the capacity based long Term and Medium term contracts could be replaced by maximum actual drawl that comprises of short term contracts for a very short tenure and also over drawls due to various grid operating conditions (without any transmission system augmentations).**

- Further, treatment of drawl through Intra State network and time horizon of implementation of such network was not dealt in the draft GNA Regulations 2022.
- The fact is that none of the ISTS network will be left unserved and the home State will continue to service the tariff of ISTS network though the share is drawn through Intra State network.
- Under such circumstances, the notified Regulations clearly states that only ISTS drawl should be considered for deemed GNA computation.
- In this regard, the Hon'ble Commission has considered the deliberation held during 39th Meeting of the Technical Coordination Sub-Committee (TCC) of SRPC held on 3rd December 2021 and at 39th Meeting of Southern Regional Power Committee (SRPC) held on 06th December 2021 for adopting the methodology for determination of deemed GNA.
- It is pertinent to state that the deliberations held during the meeting was related to exclusion of deemed LTA wrongly considered by CTUIL for sharing the transmission charges. TANGEDCO has not agreed with the proposal of CTUIL and the same has been challenged before Hon'ble CERC.

- However, the proposal of CTUIL has nothing to do with the methodology notified by Hon'ble CERC for calculation of deemed GNA.
- The methodology notified by the commission is independent of the contract and wholly dependent on the actual drawl through the ISTS network.
- Hence, it is just and proper to exclude the drawl through the Intra State network that are directly connected to the bus bar of ISGS.
- When the drawl through ISTS is considered at maximum drawl time block, the actual drawl through Intra State should also be considered at the same time block.
- It is irrational and unjust to consider either 'Lower of Actual ISTS drawal through STU feeders' or 'drawal schedule of the State from such generating station for corresponding block'.
- Same methodology / principle should be adopted and ISTS and Intra STS should be treated equally.
- The methodology cannot be discriminatory which is against natural justice and also will impose huge illegitimate financial burden on end consumers.
- The proposed modification is against the Hon'ble Commission's own Regulations and also MoP's guidelines to reduce the tariff burden of home States.

FINANCIAL IMPACT ON TANGEDCO

- Deemed GNA of TANGEDCO notified as per the Regulations – **9177 MW**(erroneous)
- Deemed GNA after exclusion of drawl through STU network – **7692 MW**
- Excess deemed GNA -**1485 MW**
- Present Transmission charges rate Rs/MW/Month – **Rs.3.45 Lakh**
- Immediate additional impact on annual tariff –**Rs.615 Crore**
- Projected impact for the next five years –

Year	Annual additional tr Charges in Rs in Cr
2023	614.79
2024	700.86
2025	798.98
2026	910.84
2027	1038.36
2028	1183.73
2029	1349.45
2030	1538.37

- Hence in order to avoid double tariff burden on end consumers for the quantum of power drawn from the CGS stations and also maintain equal and justifiable treatment to ISTS licensees and Intra State Licensees, it is submitted that either of the following methodology may be adopted:

- ✓ **Deemed GNA to be decided based on LTA+MTOA of the drawee entities**

Or

- ✓ **Drawl through Intra State should be excluded from the total ISTS drawl for the representative time blocks in case of considering the maximum ISTS drawls for computing deemed GNA.**
- It is submitted that if the Commission decides to continue with the same methodology of considering the maximum drawl through ISTS network for computing the deemed GNA, then the drawl through the following Intra State drawl nodes shall be excluded taking into consideration of all the Intra State nodes on the date of implementation of the Regulations:

Intra State drawl nodes to be excluded:

Intra State Drawl nodes considered as ISTS drawl nodes				
SI.No.	Meter Code	Meter Number	Lines/ICTs	Connected to Substation
1	N1-43	NL-0067-A	STCMS	Neyveli TS 2 - 230 KV feeders
2	N1-53	NL-0014-A	Ulundurpet	Neyveli TS 2 - 230 KV feeders
3	N1-41	NL-0066-A	Kadalangudi	Neyveli TS 2 - 230 KV feeders
4	N2-21	NX-0600-A	NLC TS2 feeder 1	NLC TNEB AT NLC2
5	N2-23	NX-0599-A	NLC TS2 feeder 2	NLC TNEB AT NLC2
6	NN-19	NN-0519-A	At Neyveli TNEB SS	NLC (TN)
7	NN-21	NN-0502-A	At Neyveli TNEB SS	NLC (TN)
8	MA-05	NP-4020-A	SP Koil 1	Kalpakkam
9	MA-08	NP-4021-A	SP Koil 2	Kalpakkam
10	MA-03	NP-4022-A	Echur	Kalpakkam
11	MA-01	NP-4023-A	Achrapakkam	Kalpakkam
12	VL-29	NP-7807-A	400 kV NCTPS	Vallur
13	VL-30	NP-7808-A	400 kV NCTPS	Vallur
14	KN-11	NP-5660-A	SR Pudhur	Kudankulam
15	KN-09	NP-8340-A	TTPS	Kudankulam

- ✓ NLDC may be directed to share the revised deemed GNA computation for verification by DICs before notifying the GNA amendments duly considering TANGEDCO's remarks.

THANK YOU