

Ref. No: CE/PP/Sharing Reg/2nd Amend

No 1 2 1 5 9

Date: 28 APR 2023

To,
The Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110 001.

Subject: MSEDCL Comments on Draft Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) (Second Amendment) Regulations, 2023.

Reference: 1) Draft Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) (Second Amendment) Regulations, 2023.
2) Public notice dated 17.03.2023

Respected Sir,

Hon'ble Central Electricity Regulatory Commission has notified Draft Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) (Second Amendment) Regulations, 2023.

CERC vide notice dated 17.03.2023 has invited invited comments, suggestions and /or objections on Draft Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) (Second Amendment) Regulations, 2023. Accordingly, MSEDCL is hereby submitting the comments and are attached herewith as **Annexure-A**

It is requested that the above MSEDCL comments in the matter, may please be taken on record & be placed before Hon'ble Commission for kind consideration please.

Thanking You.

Yours faithfully,


Chief Engineer (Power Purchase),
MSEDCL

Copy s.w.r.t.
Director (Commercial) MSEDCL.

MSEDCL Comments on Draft Central Electricity Regulatory (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (Second Amendment) Regulations, 2023

Clause/ Ref. Page	Existing Clause in Regulation	Clause proposed in Second Amendment	MSEDCL Comments
2 (1) (i-i)	<i>New Clause</i>	<i>(i-i) 'Deemed COD' means the (a) COD of the transmission system approved by the Commission in terms of proviso (ii) of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or (b) deemed COD of the transmission system declared by the transmission licensee, in terms of Transmission Service Agreement under Tariff Based Competitive Bidding</i>	With respect to part (b) of the aforesaid definition, it is suggested that the deemed CoD of Transmission system declared by transmission licensee as per the terms and conditions of the TSA under TBCB may also be verified by respective load dispatch centre such as NLDC/RLDC/SLDC before declaring the same as deemed CoD for such transmission system. It would be appropriate for third party to verify the same and give its consent before getting approval of the Commission.
11 (3)	<i>(3) Transmission charges for T-GNA and T-GNA_{RE} 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 sub-clause (d) of Clause (2) of Annexure-III to these regulations</i>	<i>(3) Transmission charges for T-GNA and T-GNA_{RE} 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 sub-clause (d) of Clause (2) of Annexure-III to these regulations and sub-clause (b) of Clause (12) of Regulation 13 of these regulations</i>	It is submitted that the interstate transmission licensee in case of delay in actual power flow, shall not be paid from the amount of Transmission charges for T-GNA and T-GNA _{RE} which are being reimbursed to the drawee DICs. Adjustment of this amount may lead to less receipt of the amount to the drawee DICs and therefore this amendment shall be withdrawn.
12 (3)	<i>The Transmission Deviation charges shall be recovered through the third bill and shall be</i>	<i>The Transmission Deviation charges shall be recovered through the third bill and shall be reimbursed to the DICs in</i>	In case other inter state transmission licensee or any generating company is responsible for delay in actual power

	<i>reimbursed to the DICs in proportion to their share in the first bill in the following billing month</i>	<i>proportion to their share in the first bill in the following billing month after adjustment of such charges as per sub-clauses (c) and (g) of Clause (12) of Regulation 13 of these regulations</i>	flow, it is submitted that no adjustment from the transmission deviation charges collected shall be done as the same are being reimbursed to the DICs and therefore this amendment shall be withdrawn..
13 (12)	<p><i>In case of a transmission system where COD has been approved in terms of proviso (ii) of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or where deemed COD has been declared in terms of Transmission Service Agreement under Tariff based Competitive Bidding, the Yearly Transmission Charges for the transmission system shall be:</i></p> <p><i>(a) paid by the inter-State transmission licensee whose transmission system is delayed till its transmission system achieves COD, or</i></p> <p><i>(b) paid by the generating company whose generating station or unit(s) thereof is delayed, till the generating station or unit thereof, achieves COD, or</i></p> <p><i>(c) shared in the manner as decided by the Commission on case to case basis, where more than one</i></p>	<p><i>For the cases other than those covered Clauses (3), (6) or (9) of Regulation 13 of these regulations, the YTC for the inter-State transmission system approved or declared as deemed COD shall be treated as follows:</i></p> <p><i>(a) The inter-State transmission licensee shall be paid 20% of YTC of its inter-State transmission system for a period of six (6) months from date of deemed COD or till commencement of actual power flow, whichever is earlier.</i></p> <p><i>(b) The inter-State transmission licensee shall be paid 100% of YTC of its inter-State transmission system from seventh (7th) month till commencement of actual power flow, in case actual power flow does not commence within a period of 6 months from date of deemed COD</i></p> <p><i>(c) The charges under sub clauses (a) and (b) of this Clause shall be disbursed from charges collected under third bill in terms of Clause (3) of Regulation 12 of these regulations: Provided that in case of shortfall in collection under third bill to meet the requirement of payment under</i></p>	<p>It is submitted that Transmission planning is a co-ordinated activity and generating stations/ inter-state transmission licensees and intra-state transmission licensees shall co-ordinate among themselves so that the actual COD is achieved in line with the SCOD decided by these Entities. However, in case if one of the inter or intra-state transmission licensee incurs a delay beyond SCOD or deemed COD for reasons whatsoever, the inter or intra state transmission licensee responsible for the delay shall compensate for the delay.</p> <p>This amendment only provides for recovery of 20% of YTC from the entity which has delayed the execution of transmission system and the same are to be paid to the entity which has achieved its SCOD. However, if the delay goes beyond six months of the deemed COD, then in that case 100% of the YTC needs to be paid to the licensee achieving</p>

	<p><i>inter-State transmission licensee is involved or both transmission system and generating station are delayed</i></p> <p><i>(d) paid by the respective drawee DIC(s) of the State whose intra-state transmission system is delayed, till such intra-State transmission system achieves COD. (e) paid by the Bulk consumer or distribution licensee granted approval to directly connect to ISTS, whose connecting transmission line to ISTS is delayed, till such line is connected to ISTS, or (f) paid by the ESS whose project is delayed, till the ESS achieves COD. (g) paid by the Renewable Power Park developer whose Park is delayed, till it is connected to ISTS."</i></p>	<p><i>sub-clauses (a) and (b) of this Regulation, the balance shall be paid from charges collected under T-GNA in terms of Clause (3) of Regulation 11 of these regulations: Provided further that in case of shortfall in charges collected under T-GNA to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from Deviation and Ancillary Service Pool Account under DSM Regulations.</i></p> <p><i>(d) In case an inter-State transmission licensee is responsible for the delay (for any reason including the reason attributable to Force Majeure events) in commencement of power flow in the inter-State transmission system of another inter-State transmission licensee which has achieved deemed COD, inter-State transmission licensee of the delayed inter-State transmission system shall pay 20% of YTC of its transmission system OR 20% of YTC of the transmission system which has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD. (e) In case an intra-State transmission licensee is responsible for the delay (for any reason including the reason attributable to Force Majeure events) in commencement of power flow in the inter-State transmission system of an inter-State transmission</i></p>	<p>the SCOD from 7th month.</p> <p>It is observed that in the proposed mechanism, for recovery of 20% of YTC from the entity which has delayed the execution of transmission system and is to be paid to the entity which has achieved its SCOD would ultimately result in additional burden on the DICs for balance 80% of YTC even if the transmission system is not put to use. Further, defaulting entity if its YTC is very less than YTC of other transmission licensee who has achieved SCOD or has been approved Deemed COD by the Commission, may not be serious towards the delay.</p> <p>It is to point out that in the judgement dated 03.03.2016 in Civil Appeal No 9193 of 2012 and Civil Appeal No 9302 of 2012, the Hon'ble Supreme Court of India has taken a view that the beneficiaries can not be made liable to pay the transmission charges before the transmission line is made operations.</p> <p>Thus the proposed amendment is contra vinous with the settled principle of bearing of transmission charges by the defaulting entity in</p>
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