



पावरग्रिड
POWERGRID

POWERGRID Comments on
“Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023”

Clause no.	Proposed provision in Draft CERC Transmission Licence Regulations, 2023	Comments/ suggestion	Remarks
2. Definitions			
	New definition proposed	<p>Following definitions may be added for clarity:</p> <p>'Licence' means a licence granted by the Commission under Section 14 of the Act to a person to undertake inter-State transmission of electricity;</p> <p>'Licensee' means a person who has been granted a licence, and includes a deemed licensee;</p>	<p>In the proposed regulations, the term 'deemed licensee' has been provided without defining Licensee giving an impression that term Licensee does not include deemed licensee unless explicitly mentioned. Accordingly, the deleted definitions may be retained for better clarity and understanding.</p> <p>Alternatively, the term 'transmission licensee' may be replaced with '<i>transmission licensee including deemed transmission licensee</i>', wherever it appears, in the proposed regulations.</p>

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5. Procedure for grant of Transmission License

5(4) (4) The applicant shall also upload the complete application along with annexures on its website, in English and in the Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated. The application shall be kept on the web site of the applicant till such time the licence is issued or the application is rejected by the Commission.

(4) The applicant shall also upload the complete application along with annexures on its website, in English ~~and in the Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated.~~ The application shall be kept on the web site of the applicant till such time the licence is issued or the application is rejected by the Commission.

Remarks - *As per the present regulations, the applicant uploads the complete application on its website, which includes Form-II in English as well as the local vernacular language of the State/UT where the concerned element/ project is situated, giving details of the assets, cost, timeline, etc. for information and awareness of the stakeholders. In addition, License application language is highly technical in nature and Petitioner shall only be dependent on discretion of translator. It will be difficult for the Petitioner to verify the translated contents which may lead to legal issues.*

In view of the above, Licensee may be exempted from uploading complete application in concerned state Indian language on its website since all relevant details are already being provided in Form-II. Further, same will also reduce regulatory burden and enhances ease of doing business.

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5. Procedure for grant of Transmission License

5(5)	(5)The applicant shall, within 3 days after filing the application, publish a notice of its application in Form-II, attached to these regulations, on its website and in at least two leading daily digital newspapers, one in English language and another in Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated, inviting comments from the general public.	(5) The applicant shall, within 3 7 working days after filing the application, publish a notice of its application in Form-II, attached to these regulations, on its website and in at least two leading daily digital newspapers, one in English language and another also in Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated, inviting comments from the general public.
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Remarks - It is submitted that with a view to ease the regulatory process for stakeholders, this Hon'ble Commission vide order in Petition no. 1/SM/2022 dispensed with publication of notice in newspapers under existing CERC grant of transmission license regulations. Similar dispensation may be provided in proposed regulations so as to reduce regulatory compliances and enhancing ease of doing business.

In addition, existing time limit of 7 working days for publication of notice may be retained considering the process involved and past experience.

Similarly, clause 5(7) may also be modified accordingly.

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5. Procedure for grant of Transmission License

5(8)	<p>(8) The applicant shall within 3 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published, indicating the digital newspapers in which the notice has been published and the date and place of their publication including the relevant copies of the newspapers in which the notice has been published.</p>	<p>(8) The applicant shall within 3-07 working days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published in the website, indicating the digital newspapers in which the notice has been published and the date of the publication and place of their publication including the relevant copies of the newspapers in which the notice has been published.</p>
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Remarks - As requested in above clauses, the requirement of publication of notice in leading daily digital newspapers may be exempted. Further, the time limit of filing of notice details may be increased to 07 working days.

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6. Determination of Transmission Charges

Clause 6	(1) In case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission charges shall be adopted by the Commission in accordance with Section 63 of the Act.	(1) In case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission charges shall be adopted by the Commission in accordance with Section 63 of the Act. Further, incentive, or disincentive and any other charges including impact of Change in law and Force Majeure events etc shall be allowed in accordance with the provisions of the Transmission Service Agreement (TSA).
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Remarks - *To bring clarity regarding incentive/ disincentive and other charges to be allowed as per TSA under TBCB projects.*

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10. Terms of Licence

Clause 10 (4)	New clause may be inserted	<p>(5) For the projects being developed under competitive bidding guidelines issued by the Ministry of Power Government of India on 06.08.2021 and as may be further amended from time to time:</p> <p>(a) the tariff for the extended period from the 26th year to the 35th year shall be payable on the basis of the rate quoted at the bidding and adopted by the Commission for the respective years of operation.</p> <p>(b) the tariff for the period beyond the 35th year shall be as per the terms of competitive bidding guidelines issued by the Ministry of Power Government of India on 06.08.2021 and as may be further amended from time to time.</p>
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Remarks - Provision regarding tariff may be made to include the TBCB projects being developed under competitive bidding guidelines issued by the Ministry of Power, Government of India on 06.08.2021.

Further, as per these new guidelines, mode of implementation has been changed from Build Own Operate Maintain (BOOM) model to Build Own Operate Transfer (BOOT) model i.e. after expiry of the contract period of 35 years the project assets shall compulsorily be transferred to CTU at zero cost. The projects shall be awarded to successor bidder selected through a competitive bidding process by CTU.

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16. Amendment of Licence

16 (d)	<p>(d) Where a bulk consumer, instead of applying for licence for connecting transmission line, engages an existing licensee who has either been granted a transmission licence pursuant to (i) process under the competitive bidding guidelines or (ii) being nominated by Central Government or its authorized agency to implement transmission element(s) under regulated tariff mechanism, such licensee shall be eligible to add such connecting transmission line to its existing licence, after making an application before the Commission in terms of this Regulation.</p>	<p>(d) Where a bulk consumer, instead of applying for licence for connecting transmission line, engages an existing licensee who has either been granted a transmission licence pursuant to (i) process under the competitive bidding guidelines or (ii) being nominated by Central Government or its authorized agency to implement transmission element(s) under regulated tariff mechanism, such licensee shall be eligible to add such connecting transmission line to its existing licence, after making an application before the Commission in terms of this Regulation.</p> <p>Provided that no such application shall be required to be made by deemed transmission licensee for addition of such connecting transmission line in its license.</p>
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Remarks - A new proviso may be added for sake of clarity in case connecting transmission line is being implemented by deemed transmission licensee for which no amendment is required.

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16. Amendment of Licence

New clause to be inserted

Suitable provisions may be inserted to address following issues

- 1. For 'project mode' bidding under TBCB as mentioned in draft regulations, revision in relevant clauses of SBDs is required as the present bidding guidelines allows projects to be bid under SPV mode.*
- 2. Proposed regulations do not cover scenario wherein existing transmission licensee executing/executed project under TBCB route is subsequently awarded transmission project under Regulated Tariff Mechanism.*
- 3. Proposed regulation recommends separate license for an entity implementing TBCB and RTM projects.*

Suggestions –

(i) One company one license:

- ❖ Electricity Act only specify requirement of license but do not specify anything related to requirement of separate license for TBCB and RTM projects.
- ❖ Accordingly, for the entity executing TBCB or RTM project as the case may be, for the first time, it shall continue to approach Hon'ble Commission for grant of license as per regulations.
- ❖ Once a transmission license is granted by Hon'ble Commission to implement a project either through TBCB route or RTM route, the same license may be appended/amended whenever subsequent transmission projects awarded either through TBCB or through RTM route.
- ❖ It will result in ease of process and reducing regulatory burden

(ii) No requirement to file petition for amendment:

- ❖ The allocation/award of particular transmission project to an entity goes through diligent process;
 - CEA/CTUIL plans the ISTS network and the same is put up to NCT and depending on the estimated cost of the planned transmission system, the route of execution of project is decided by CTUIL/NCT/MoP on case to case basis.
- ❖ Once the transmission license is granted to an entity and subsequently, additional transmission element(s) is awarded;
 - Existing Transmission license may be appended to include the subsequent transmission projects and for the same, requirement of a separate petition may be dispensed with.
 - ✓ *The entity may intimate the Hon'ble Commission the details of new transmission projects allotted alongwith suitable documentary evidence.*
 - ✓ *The entity shall also pay requisite licence fees for the additional elements/works as per relevant regulations.*

Proposal:

- ❖ The process may be simplified through provision of issuing company-wise single license, with list of assets appended/deleted based on the intimation to Hon'ble Commission to reduce regulatory burden.
- ❖ Requirement of filing of Petition for amendment of already granted license for incorporation of ISTS transmission projects awarded subsequently either through TBCB or RTM by statutory authority may be dispensed.

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Form -I

Form-I

Form I

4. In case applicant has been selected in accordance with the competitive bidding guidelines, enclose:

(a) Approval of Central Government as per Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021.

b) Evaluation report made public by the Bid Process Coordinator.

Form -I direct Petitioner to submit information at mentioned at 4(a) & 4(b).

In this regard, the successful bidder has no role in obtaining approval of Central Government and same is taken by CTU. Similarly, the evaluation report is not made public by the BPC.

Accordingly, CTU may be directed to made public the approval of Central Government as per Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021 for each transmission projects enabling Petitioner to file the same before Hon'ble Commission.

Similarly, BPC may be asked to made public evaluation report for bidding conducted by it enabling Petitioner to file the same before Hon'ble Commission.

THANK YOU