

Comments and suggestions on the draft CERC(grant of Transmission Licence and other related matters) Regulations, 2023.

Overview

The Central Electricity Regulatory Commission (CERC) has released the Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023. These regulations have been formulated under the powers conferred by the Electricity Act, 2003. The draft regulations are available on the CERC website for public review and feedback.

The Presentation captures key comments and suggestions/modifications submitted by Serentica Renewables India Private Limited (SRIPL) and the rationale behind each suggestion.

Key Suggestion 1- Change in Definitions and Interpretation

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>2. Definitions and Interpretation (1) ... (b) “agreement” means and includes an agreement, contract, memorandum of understanding, or any other covenant in writing on any aspect relating to the inter-State transmission of electricity, entered into between the licensee and the Long Term Transmission Customer(s) or the Central Transmission Utility as the case may be;</p>	<p>2. Definitions and Interpretation (1) ... (b) “agreement” means and includes an agreement, contract, memorandum of understanding, or any other covenant in writing on any aspect relating to the inter-State transmission of electricity, entered into between the licensee and the Long Term Transmission Customer(s) or the Central Transmission Utility or the bulk consumer as the case may be;</p>	<p>The definition language needs to be updated to include cases where a transmission licensee is constructing, maintain and operating a connecting transmission line for a bulk consumer. In such scenarios, the bulk consumer and said licensee would also execute an agreement to map out the modalities for the development, operation & maintenance, and various other aspects of connecting transmission line.</p>

Gist :- In the section on Definitions and Interpretation, SRIPL proposes updating the definition language to include cases where a transmission licensee is constructing, maintaining, and operating a connecting transmission line for a bulk consumer vide entering into an Agreement.

Key Suggestion 2- Eligibility for Grant of License

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>4. Eligibility for Grant of licence (1) No person shall be eligible for a grant of licence unless it is – ...</p>	<p>4. Eligibility for Grant of licence (1) No person shall be eligible for a grant of licence unless it is – ... (d) an entity selected by a bulk consumer, with a load of 50 MW and above, for constructing, maintaining, and operating the connecting transmission line from the ISTS sub-station to its premises.</p>	<p>It is appreciated by the industry that the Hon'ble Commission has taken view on the evolving sectoral scenario, and allow any entity to apply</p>

Gist :- In the Eligibility for Grant of License section, SRIPL suggests that entities selected by a bulk consumer should be eligible for a license if they are responsible for constructing, maintaining, and operating the connecting transmission line.

Key Suggestion 3- Procedure for Grant of License

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>5. Procedure for Grant of Licence (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.</p>	<p>5. Procedure for Grant of Licence (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 as well as 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.</p>	<p>The Hon'ble Commission, vide its Order dated 22.01.2022 in Petition No. 1/SM/2022 (Suo-Motu), had removed the requirement of Form-II to be published in newspapers. This was done with a view to ease the regulatory process for stakeholders.</p> <p>In line with the above, and keeping in mind the aspects of promoting ease of doing business, the requirement to publish Form-II or other such documents in newspapers should be excluded from the regulations.</p>

Gist In the Procedure for Grant of License section, SRIPL recommends the exclusion of the requirement to publish specific forms in newspapers, aligning with the **aim of promoting ease of doing business**. SRIPL request the commission to consider and provide this relaxation to stakeholders in similar lines with order in 01/SM/2022.

Key Suggestion 4- Procedure for Grant of License

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>5. Procedure for Grant of Licence</p> <p>(6) As far as possible, within 7 days of receipt of the application, the Registry of the Commission shall convey defects, if any, noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant within a period of 7 days.</p> <p>(10) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the public notice published by it, within 3 days of receipt of such suggestions and objections, with an advance copy to the Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.</p>	<p>-</p> <p>(6) As far as possible, within 7 days of receipt of the application, the Registry of the Commission shall convey defects, if any, noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant within a period of 7 days.</p> <p>For application under 4.(1)(c) by a Bulk Consumer, the respondents shall be the Central Transmission Utility, State Transmission Utility and State Discom of the state where the Bulk Consumer is located. Where the application under 4.(1)(c) is by an existing Transmission Licensee, the respondents shall be all the Long Term Transmission Customers and Central Transmission Utility.</p>	<p>It is again appreciated that the Hon’ble Commission has looked to optimize the overall timelines for grant of Transmission Licence process. The present practise is that when an application for transmission license gets numbered it is put up for hearing and then admitted along with direction to serve notices to respondents. This takes around 45 to 60 days from numbering of application. This period is too long for a Bulk Consumer either applying to construct its transmission line on its own or through an existing Transmission Licensee as such line is essentially dedicated in nature and larger public interest is not involved given that its cost is outside POC pool. However, for transparency and fairness of process as relevant respondents have to be impleaded, we suggest CTUIL and state discoms/LTC etc be the necessary respondents to the application which can then allow the commission to admit the application and issue public notice that at present takes one hearing and waiting time accordingly (45-60 days). Hence, to save on this time we suggest doing away with the first hearing and issue public notice within 7 days of application numbering only for Bulk Consumer lines.</p>

Gist In the Procedure for Grant of License section, SRIPL recommends the inclusions of specific respondents for Bulk consumer applying for TL. Also, SRIPL emphasizes for ease of doing business TL for bulk consumers should be issued in 1 hearing if no major objections are received.

Key Suggestion 5- Obligations of Transmission License

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>7. Obligations of Licensee (7) The licensee, including the bulk consumer who has been granted a licence in terms of these regulations, shall pay the licence fee in accordance with the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2012 or such other regulations as may be in force from time to time:</p>	<p>7. Obligations of Licensee (7) The licensee, including the bulk consumer who has been granted a licence in terms of these regulations, shall pay the licence fee in accordance with the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2012 or such other regulations as may be in force from time to time:</p> <p>Provided that in case of a bulk consumer seeking transmission license, or a transmission licensee constructing, maintaining and operating the connecting transmission line, the licence fee would be INR 5.00 Lakh per annum.</p>	<p>As per the current CERC's Payment of Fees regulations, a Transmission Licensee needs to be pay 0.11% of the Yearly Transmission Charges (YTC) with a minimum fee of INR 5 Lakh per annum.</p> <p>However, since the connecting transmission lines are generally of much smaller length relative to projects under regulated tariff mechanism or competitive bidding. Also, in case a bulk consumer is applying for transmission license by itself, there can be no YTC payable.</p> <p>So, it is proposed that for such cases related to bulk consumer or connecting transmission line, the lumpsum fee of INR 5 Lakh be conveyed as the fee payable by the transmission licensee.</p>

Gist Regarding the Obligations of the Licensee, SRIPL suggests a fixed license fee of INR 5 Lakh per annum for bulk consumers or transmission licensees responsible for constructing, maintaining, and operating the connecting transmission line.

Key Suggestion 6- Inclusions to Cater Bulk Consumer in FORM-I

Draft Regulations language	Modification suggested (In bold and strikethrough)	Rationale for suggestions
<p>Form I: Application Form for Grant of Transmission licence/ Amendment in the Transmission licence</p> <p>...</p>	<p>Form I: Application Form for Grant of Transmission licence/ Amendment in the Transmission licence</p> <p>...</p> <p>4A. In case applicant is a bulk consumer, or a transmission license constructing, maintaining, and operating the connecting transmission line, enclose:</p> <p>(a) Grant of GNA to ISTS by the Central Transmission Utility.</p>	<p>As bulk consumers are also eligible, their grant of connectivity from CTU may be asked for in documents to be submitted.</p>

Gist- Currently Form-I only caters information to be provided by TBCB projects , with inclusion of Bulk Consumer into eligibility criterion ,grant of GNA document may be asked.

Thank You