



A Maharatna Company

एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

Date: 18.12.2023

The Secretary
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi-110001

Subject: Submissions of NTPC on Draft CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2023.

Sir,

Hon'ble Commission has published Draft CERC (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023 on 28.11.2023 and has invited comments from various stakeholders on the draft regulation.

In this regard, please find enclosed submissions of NTPC on Draft CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2023

Thanking you,

Yours sincerely

Ajay Dua
ED (Commercial)

NTPC comments on Draft CERC (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations-2023

1. **Clause 4 (1)(c)** of the Draft Regulation provides that:

“4) Eligibility for Grant of licence

(1) No person shall be eligible for a grant of licence unless it is –

.....

(c) a bulk consumer, with a load of 50 MW and above, who intends to draw electricity for the purpose of self-consumption by constructing a connecting transmission line from the ISTS sub- station to its premises. ”.....”

Following are Observations in regards with provisions for bulk consumer:

- (i)** The current CERC Transmission License Regulations 2009, does not define “bulk consumer”.
- (ii)** However the Draft amendment proposes to introduce and define “*bulk consumer*”, in definition 2(f) as having the same meaning as defined in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, who is “**a consumer who avails supply at a voltage of 33kV and above**”.
- (iii)** Almost all SERC’s Supply codes specify the class of supply voltage category for a specified contracted demand (CD), which is generally 33kV for a CD of 20 MVA and 66kV/110kV/132kV/220kV for CD in excess of 20 MVA.
- (iv)** Combined effect of existing CEA Connectivity Regulations and SERC Supply codes is that, **Bulk Consumers are already clearly identified as a separate group in terms of the connected voltage as well as contracted demand MVA (not MW)**.
- (v)** It is pertinent to mention that Transmission line is designed and constructed based on the system voltage rating, and voltage regulation at the terminal end, which in turn decides the maximum power (MVA) transfer capacity possible over a distance.
- (vi)** Load in MW does not truly represent the category of consumer as it is seasonally, diurnally and cyclically variable depending on various factors. Instead, voltage class, contracted MVA as discussed above, combinedly represent the class of bulk consumer and distinguish them from other small HT/LT consumer classes.

- (vii) It is also relevant to note that Ministry of Power has circulated Draft Electricity (Amendment) Rules 2023 on 28.06.2023, where in new Rule is proposed to be inserted as

“Rule 22. Establishment, Operation and maintenance of dedicated transmission lines:

*A generating company or a person setting up a captive generating plant or an energy storage system or a **consumer having load of not less than twenty five (25) MW in case of Inter State Transmission System** and ten (10) MW in case of state transmission system **shall not be required to obtain license** under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid if such company or person or consumer complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Electricity Act , 2003”.*

- (viii) The Proposed CERC Draft Regulations may be harmonized with Proposed MoP Draft Rules dated 28.06.2023, for helping the bulk consumers, who are the key stake holders for the success of Open Access and Growth of Power sector as a whole and helping the other sectors of the economy like Mining, Ports, Airports, SEZs etc.
- (ix) It is also worthwhile to mention that, as per the proposed draft Regulation 6(2), cost of connecting transmission line for the bulk consumers is anyway to be borne by such bulk consumers and Transmission Charges are not to be determined.

Submission: In view of above, following modifications are suggested:

1. Clause 4 may be modified as below:

Clause 4) Eligibility for Grant of licence

(1) No person shall be eligible for a grant of licence unless it is –

(a) selected through the process under the competitive bidding guidelines

(b) an entity selected by the Central Government or its authorized agency to implement a project under the regulated tariff mechanism

~~*(c) a bulk consumer, with a load of 50 MW and above, who intends to draw electricity for the purpose of self-consumption by constructing a connecting transmission line from the ISTS sub-station to its premises.*~~

Instead following may be inserted

Provided a bulk consumer, ~~with a load of 50 MW and above~~, who intends to draw electricity for the purpose of self-consumption by constructing a connecting transmission line from the ISTS sub- station to its premises shall not be required to obtain license for establishing, operating or maintaining such transmission line to connect to the grid if such company or person or consumer complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Electricity Act , 2003.

2. Further the following other clauses of the draft regulation are related to the bulk consumer as follows:

Clause 7(7) “Obligations of Licensee “provides that:

*“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.”*

Clause 9 “Assignment of Licence” provides that:

“In case of default by the licensee (other than a Bulk Consumer) in debt repayment, the Commission may, on an application made by the lenders, assign the licence to a nominee of the lenders.”

Clause 10(2) “Terms of Licence” provides that:

*“Provided further that if the **bulk consumer** who has been granted a licence for connecting transmission line does not make an application for extension of licence beyond the initial period of 25 years, it shall not be entitled to transmit power on the said transmission line after expiry of 25 years.”*

Clause 16(1)(d) “Amendment of Licence” provides that:

*“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.”*

Submission: Provisions/References to Bulk consumer mentioned as above in Clause 7(7), 9, 10(2), 16(1)(d) may be accordingly dropped, deleted or modified.