

पावर ग्रिड कॉर्पोरेशन ऑक इंडिया लिमिटेड

DOWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

सदंर्भ :CC/RC/ Tr License Regulations, 2023

दिनांक: 22/12/2023

सचिव, सैंट्रल इलैक्ट्रिसटी रेगुलेट्री कमीशन (सी.ई.आर.सी.), तीसरा एवं चौथा तल, चन्द्रलोक भवन, 36, जनपथ, नई दिल्ली - 110001.

विषय - "Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023".

- Submission of comments/suggestions thereof.

महोदय,

This has reference to public notice no. L-1/270/2023/CERC dated 28th November 2023 vide which comments were sought on the subject draft regulations.

In this regard, please find enclosed POWERGRID's comments/suggestions on proposed "Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023" for consideration of Hon'ble Commission.

Thanking you,

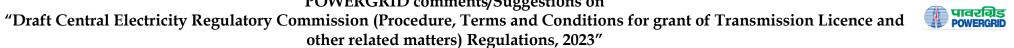
Yours faithfully

(V C Sekhar)

General Manager (Regulatory Cell)

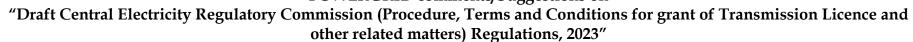
Encl:

POWERGRID's comment on subject draft Regulations



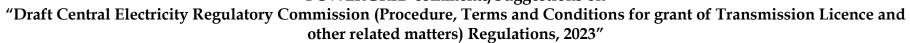


Clause	Proposed provision as per Draft	Comments suggestion	Remarks
no.	CERC Transmission Licence		
	Regulations, 2023		
2. Defini	tions		
		Following definitions may be	The terms 'licence' and 'licensee' have been used throughout the
		added for clarity:	instant regulations but the definition for the same is not
			provided. Further, in the proposed regulations, the term
		'Licence' means a licence granted by	'deemed licensee' has been provided whereas the definition of
		the Commission under Section 14 of	licensee has been deleted. Accordingly, the deleted definitions
		the Act to a person to undertake	may be retained for better clarity and understanding.
		inter-State transmission of	Alternatively, the term 'transmission licensee' may be replaced
		electricity;	with 'transmission licensee including deemed transmission
			license', wherever it appears, in the proposed regulations.
		'Licensee' means a person who	
		has been granted a licence, and	
		includes a deemed licensee;	
5. Proced	ure for grant of Transmission Licen		
5(4)	(4) The applicant shall also upload	(4) The applicant shall also upload	As per the present regulations, the applicant uploads the
	the complete application along	the complete application along	complete application on its website, which includes Form-II in
	with annexures on its website, in	with annexures on its website, in	English as well as the local vernacular language of the State/UT
	English and in the Indian language	English-and in the Indian language	where the concerned element/ project is situated, giving details
	of the State or Union Territory	of the State or Union Territory	of the assets, cost, timeline, etc. for information and awareness
	where an element of the project or	where an element of the project or	of the stakeholders. In addition, License application language is
	concerned transmission line is	concerned transmission line is	highly technical in nature and Petitioner shall only be
	situated or proposed to be situated.	situated or proposed to be situated.	dependent on discretion of translator. It will be difficult for the
	The application shall be kept on the	The application shall be kept on the	Petitioner to verify the translated contents which may lead to
	web site of the applicant till such	web site of the applicant till such	legal issues.
	time the licence is issued or the	time the licence is issued or the	





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	application is rejected by the	application is rejected by the	In view of the above, Licensee may be exempted from uploading
	Commission.	Commission.	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.
5(5) &	(5)The applicant shall, within 3	(5) The applicant shall, within 3 7	It is submitted that with a view to ease the regulatory process
5(7)	days after filing the application,	working days after filing the	for stakeholders, this Hon'ble Commission vide order in
	publish a notice of its application	application, publish a notice of its	Petition no. 1/SM/2022 dispensed with publication of notice in
	in Form-II, attached to these	application in Form-II, attached to	newspapers under CERC grant of transmission license
	regulations, on its website and in	S	regulations. Similar dispensation may be provided in proposed
	at least two leading daily digital	and in at least two leading daily	regulations so as to reduce regulatory compliances and
	newspapers, one in English	digital newspapers, one in English	enhancing ease of doing business.
	language and another in Indian	language and another also in	
	language of the State or Union	Indian language of the State or	In addition, existing time limit of 7 working days for publication
	Territory where an element of the	Union Territory where an element	of notice may be retained considering the process involved and
	project or concerned transmission	± ,	past experience.
	line is situated, inviting comments	transmission line is situated,	
	from the general public.	inviting comments from the	Furthermore, clause 5(7) may also be modified accordingly.
		general public.	
	(7) In the notice published in	• •	
	the digital newspapers and on the		
	applicant's website under this	applicant's website under this	
	Regulation, it shall be indicated	Regulation, it shall be indicated	



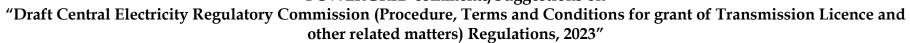


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	that the suggestions and objections	that the suggestions and objections	
	to the application, if any, may be	to the application, if any, may be	
	filed by any person within 15 days	filed by any person within 15 days	
	of publication of the notice to The	of publication of the notice to The	
	Secretary, Central Electricity	Secretary, Central Electricity	
	Regulatory Commission at the	Regulatory Commission at the	
	address where the office of the	address where the office of the	
	Commission is situated and at	Commission is situated and at	
	email id: registry@cercind.gov.in.	email id: registry@cercind.gov.in.	
	Any suggestion or objection	Any suggestion or objection	
	furnished shall be forwarded to the	furnished shall be forwarded to the	
	applicant and the respondents by	applicant and the respondents by	
	the registry of the Commission.	the registry of the Commission.	
5(8)	(8) The applicant shall within 3	(8) The applicant shall within 3-07	As stated in above clauses, the requirement of publication of
	days from the date of publication	working days from the date of	notice in newspapers may be exempted.
	of the notice as aforesaid submit to	publication of the notice as	
	the Commission on affidavit the	aforesaid submit to the	Further, the time limit of filing of notice details may be increased
	details of the notice published,	Commission on affidavit the	to 07 working days.
	indicating the digital newspapers	details of the notice published in	
	in which the notice has been	the website , indicating the digital	
	published and the date and place	newspapers in which the notice	
	of their publication including the	has been published and the date of	
	relevant copies of the newspapers	the publication and place of their	
		publication including the relevant	



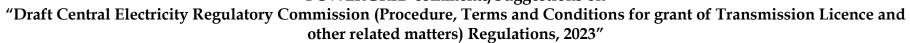
"Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023"

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	in which the notice has been	copies of the newspapers in which	
	published.	the notice has been published.	
5(10)	(10) The applicant may file its	(10) The applicant may file its	Time limit to submit the response may be kept as 10 working
	comments, duly supported by an	comments, duly supported by an	days as compilation of data or inputs for preparation of
	affidavit, on the recommendations	affidavit, on the recommendations	response and administrative approval for the same takes
	made by the Central Transmission	made by the Central Transmission	considerable time.
	Utility and the suggestions and	Utility and the suggestions and	
	objections, if any, received in	objections, if any, received in	In addition, CTU may be directed to forward a copy of
	response to the public notice	response to the public notice	recommendations made to the Petitioner while filing the same
	published by it , within 3 days of	published by it , within 3 10	before Hon'ble Commission.
	receipt of such suggestions and	working days of receipt of such	
	objections, with an advance copy to	suggestions and objections, with	Similarly, Form-II (Notice format) format provides that
	the Central Transmission Utility or	an advance copy to the Central	suggestions/objections, if any, to be filed before Secretary, CERC.
	the person who has filed the	Transmission Utility or the person	Suitable provision may be kept in the format of Form-II so that
	suggestions and objections on the	who has filed the suggestions and	suggestions/objections made by general public is also forwarded
	proposal made in the application,	objections on the proposal made in	to Petitioner simultaneously.
	as the case may be.	the application, as the case may be.	
6. Detern	nination of Transmission Charges		
Clause	(1) In case the licensee has been	(1) In case the licensee has been	To bring clarity regarding incentive/ disincentive and other
6	selected for implementation of the	selected for implementation of the	charges to be allowed as per TSA under TBCB projects.
	project in accordance with the	project in accordance with the	
	competitive bidding guidelines,	competitive bidding guidelines,	
	the transmission charges shall be	the transmission charges shall be	
	adopted by the Commission in	adopted by the Commission in	



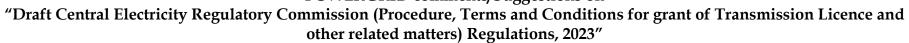


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	accordance with Section 63 of the	accordance with Section 63 of the	
	Act.	Act. Further, incentive, or	
		disincentive and any other	
		charges including impact of	
		Change in law and Force Majeure	
		events etc shall be allowed in	
		accordance with the provisions of	
		the Transmission Service	
		Agreement (TSA).	
10. Term	s of Licence		
10(2)	(2) If the useful life of the	(2) If the useful life of the	The procedure for grant of license is provided at Regulation 5 of
	transmission asset (other than for	transmission asset (other than for	the instant regulations instead of 7. Thus clause numbering may
	connecting transmission line to	connecting transmission line to	be changed to 5.
	bulk consumer) for which the	bulk consumer) for which the	
	transmission licence has been	transmission licence has been	
	issued extends beyond the period	issued extends beyond the period	
	of 25 years, the Commission may	of 25 years, the Commission may	
	consider the merit of each case to	consider the merit of each case to	
	grant a licence for another term for	grant a licence for another term for	
	which the licensee may make an	which the licensee may make an	
	application in accordance with	application in accordance with	
	Regulation 7 of these regulations	Regulation 7 5 of these regulations	
	two years before the expiry of the	two years before the expiry of the	
	initial period of licence:	initial period of licence:	





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Clause	New clause	(5) For the projects being	Similar provision may need to be made to include the projects
10 (4)		developed under competitive	being developed under competitive bidding guidelines issued
		bidding guidelines issued by the	by the Ministry of Power, Government of India on 06.08.2021.
		Ministry of Power Government of	
		India on 06.08.2021 and as may be	Accordingly, a new clause may be inserted to take care of
		further amended from time to	guidelines dated 06.08.2021. Further, as per these new
		time:	guidelines, mode of implementation has been changed from
		(a) the tariff for the extended	Build Own Operate Maintain (BOOM) model to Build Own
		period from the 26th year to	Operate Transfer (BOOT) model i.e. after expiry of the contract
		the 35 th year shall be payable	period of 35 years the project assets shall compulsorily be
		on the basis of the rate quoted	transferred to CTU at zero cost. The project then be awarded to
		at the bidding and adopted by	successor bidder selected through a competitive bidding
		the Commission for the	process by CTU.
		respective years of operation.	
		(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.	



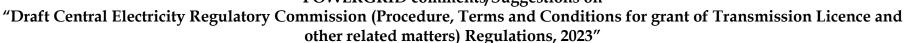


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	Regulations, 2023		
14. Subn	nission of Information		
Clause	(14) The licensee shall submit such		In case of any information / data which is proprietary to the
14	information, as may be called for		Transmission licensee then the same can be shared on signing of
	from time to time by the		non-disclosure agreement.
	Commission or the Regional Load		
	Despatch Centre, or the Regional		
	Power Committee in order to		
	fulfill the responsibility of		
	supervision and control over the		
	inter-State transmission system		
	entrusted to the licensee under the		
	Act:		
16. Amei	ndment of Licence		
16 (d)	(d) Where a bulk consumer,	(d) Where a bulk consumer,	A new proviso may be added for sake of clarity in case
	instead of applying for licence for	instead of applying for licence for	connecting transmission line is being implemented by deemed
	connecting transmission line,	connecting transmission line,	transmission licensee for which no amendment is required.
	engages an existing licensee who	engages an existing licensee who	
	has either been granted a	has either been granted a	
	transmission licence pursuant to	transmission licence pursuant to	
	(i) process under the competitive	(i) process under the competitive	
	bidding guidelines or (ii) being	bidding guidelines or (ii) being	
	nominated by Central	nominated by Central	
	Government or its authorized	Government or its authorized	
	agency to implement transmission	agency to implement transmission	



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	element(s) under regulated tariff	element(s) under regulated tariff	
	mechanism, such licensee shall be	mechanism, such licensee shall be	
	eligible to add such connecting	eligible to add such connecting	
	transmission line to its existing	transmission line to its existing	
	licence, after making an	licence, after making an	
	application before the Commission	application before the	
	in terms of this Regulation.	Commission in terms of this	
		Regulation.	
		Provided that no such application	
		shall be required to be made by	
		deemed transmission licencee for	
		addition of such connecting	
		transmission line in its license.	
Forms			
Form -I	Form I	Form I	With the revised guidelines for transmission project, the bidder
			is required to quote single annual transmission charges
	3. Levelised transmission charges in	3. Quoted annual transmission	applicable for 35 years only and the levellized tariff is not
	case of project selected through the	charges in case of project selected	envisaged. The same may be included for completeness.
	guidelines of competitive bidding and	through the guidelines of competitive	
	estimated completion cost of the	,	In addition, the word "levelized" may be replaced with
	project in other cases:	cost of the project in other cases:	"Quoted" in tables given at Form-II (a) & Form-II (b).
Form-I	Form I	This may be deleted.	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.





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	4. In case applicant has been		
	selected in accordance with the		Accordingly, CTU may be asked to made public the approval of
	competitive bidding guidelines,		Central Government as per Electricity (Transmission System
	enclose: (a) Approval of Central		Planning, Development and Recovery of Inter-state
	Government as per Electricity		Transmission Charges) Rules, 2021 for each transmission
	(Transmission System Planning,		projects enabling Petitioner to file the same before Hon'ble
	Development and Recovery of		Commission. Similarly, BPC may be asked to made public
	Inter-state Transmission Charges)		evaluation report for bidding conducted by it enabling
	Rules, 2021.		Petitioner to file the same before Hon'ble Commission.
	b) Evaluation report made public		
	by the Bid Process Coordinator.		

Additional Comments/Suggestions:

The instant regulations provides for amendment of existing transmission license granted to an entity for specific TBCB project and such TBCB licensee subsequently selected through the process under the competitive bidding guidelines to implement additional transmission element(s) under 'project mode'. For 'project mode' bidding under TBCB, revision in relevant clauses of SBDs is required as the present bidding guidelines allows projects to be bid under SPV mode.

Further, proposed regulations do not cover scenario wherein existing transmission licensee executing/executed project under TBCB route is awarded transmission works under Regulated Tariff Mechanism. In this regard, for ease of process and reducing regulatory burden, the situation of granting multiple transmission licenses to single entity may be avoided. In addition, there may be requirement of single transmission license to implement both TBCB as well as RTM projects by way of amendment in existing transmission license. On this background, following are the additional suggestions;

"Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023"



(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. However, 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 either awarded through TBCB or allocated under RTM route.

(ii) No requirement to file petition for amendment:

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 through bidding/ regulated tariff mechanism is decided by CTUIL/NCT/MoP on case to case basis. Projects are required for evacuation of power/strengthening of national grid. As such the allocation/award to an entity goes through above diligent process.

Considering the above, in case transmission license is granted to an entity and subsequently, additional transmission element(s) is awarded through TBCB or allocated under RTM route and entity opts to execute the project on Project route basis, then such works may be appended to the already issued licence for which the entity may intimate the Hon'ble Commission that the element has been won/allocated to it by statutory authority as per the necessary guidelines of the Govt. of India with suitable documentary evidence. The entity shall also pay requisite licence fees for the additional elements/works as per relevant regulations.

Accordingly, 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. Such revised list of assets may be hosted on CERC website. As such after first time grant of transmission license for particular transmission project, there may not be any need to file application for amendment of transmission license for additional scope of works awarded either through TBCB or allocated under RTM route.