

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

Proposed Regulation 13(12)

Regulation 13(12), which is as under:

“(12) 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:

(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.

(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.

”

.....

Existing Regulation 13(3)

“(3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:

Provided that Yearly Transmission Charges in respect of Associated Transmission System corresponding to the Connectivity capacity which have achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations.”

Technical Issues to match COD of Generating Station with COD of Line



- i. Soak test of XLPE Cables for 24 hours
- ii. Load throw test on full load and overload capacity of machine.
- iii. Various testing to be performed on full load
- iv. Notice period of 7 days before trial run
- v. Trial Run of 12 hours as per IEGC as per Regulation 6.3A of IEGC, 2010, followed by trial run as per Contract conditions.
- vi. Period of 7 days to RLDC for clearance of trial run
- vii. Demonstration of repeat trial run if clearance is not received from RLDCs.

These tests are required to be essentially carried after availability of transmission system and before declaration of COD of generating station.

Thus, a generating company is being penalised to pay for transmission charges even for a period for which delay cannot be avoided.

PROPOSAL

In view of requirement of minimum 60 days period for testing purpose after availability of transmission system (grid voltage) and the view adopted by the Hon'ble Commission for dealing with mismatch of COD of transmission licensee, Hon'ble Commission is requested to levy 20% of yearly transmission charges (YTC) for a period of 6 months from date of deemed COD of transmission assets or till commencement of actual power flow, whichever is earlier and levy 100% yearly transmission charges (YTC) from 7th month.

Provision in first Amendment of Sharing Regulations- Additional Comment

Regulation 13(2)(e) of CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 mentions that:

“(2) Waiver of transmission charges for the use of ISTS shall be applicable for scheduling power under GNA, GNA_{RE} , T-GNA and $T-GNA_{RE}$ from (i) REGS or RHGS based on wind or solar sources or (ii) ESS charged with energy sourced from REGS or RHGS or (iii) generation based on hydro power sources, subject to the following conditions:

.....

(e) Hydro generating station where (a) PPAs are signed on or after 1.12.2022 but on or before 30.06.2025 and (b) construction work is awarded on or before 30.06.2025 shall be considered for waiver of transmission charges under this Regulation, for a period of 18 years from the date of COD of the hydro generating station”

Comment of NHPC



The waiver of transmission charges in respect of hydropower stations has come in the back drop of Press release on 02nd Dec. 2022. The relevant extract of the press release is as under:

*“In order to remove this discrepancy and to provide a level playing field to hydro projects, Ministry of Power in Government of India has now decided to **extend the waiver of ISTS Charges on the transmission of power from new hydro power projects, for which construction work is awarded and PPA is signed on or before 30.06.2025.**”*

Denying the waiver of transmission charges for new hydro projects to the beneficiaries who have signed the PPA before 01.12.2022 and allowing the waiver of transmission charges for new hydro projects to the beneficiaries who have signed the PPA after 01.12.2022, shall be against the spirit under which the MOP allowed the waiver of transmission charges.

Comment of NHPC

The notified amendment nowhere mentions the projects eligible for waiver of transmission charges. Ministry of Power, Government of India in its pursuit to make new hydropower projects in the country viable, Ministry of Power in its OM dated 08th march 2019 declared hydro power projects as the renewable source of power.

The waiver of inter-state transmission charges has been extended to hydro power projects to remove this discrepancy and provide a **level playing field to hydro power projects.**

Thus, it is quite logical that the new hydro projects to be considered for waiver of ISTS charges should be the ones which have been declared under commercial operation after declaration of hydro projects as renewable energy sources i.e. hydro projects commissioned on or after 08.03.2019.

PROPOSAL

It is therefore proposed to modify Regulation 13(2)(e) of draft amendment as under:

(e) New Hydro generating station (commissioned on or after 08.03.2019) where PPAs have been signed on or before 30.06.2025 and construction work is awarded on or before 30.06.2025 shall be considered for waiver of transmission charges under this Regulation, for a period of 18 years from the date of COD of the hydro generating station.

Thankyou