



**GRIDCO LIMITED**  
(A Govt. of Odisha Undertaking)  
(Formerly Grid Corporation of Orissa Limited)  
Regd. Office: Janpath, Bhubaneswar-751022  
CIN:U40109OR1995SGC003960

Ref: GRIDCO/73/2024-CGM(Commercial-PP)/ I/6929/2024

Date: 11/11/2024

To

The Secretary,  
Central Electricity Regulatory Commission,  
6th, 7th & 8th Floors, Tower B, World Trade Centre,  
Nauroji Nagar, New Delhi- 110029  
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Sub- Views of GRIDCO on staff paper for modifications in the GNA Regulations.\_

Ref: CERC Public Notice No. L-1/261/2021/CERC 09.10.2024

Sir,

With reference to the subject cited above and letter under ref., please find enclosed herewith the views/comments of GRIDCO on staff paper for modifications in the GNA Regulations for kind necessary action at your end.

Yours faithfully

CGM (PP)

## **Views/Comments of GRIDCO on staff paper on modifications in the GNA Regulations.**

CERC has brought out a staff paper for modifications in the GNA Regulations and has invited comments/suggestions from the stakeholders. In response, GRIDCO's views on the said staff paper is offered as under:

### **1. Add provision to Clause 17.1 to allow GRIDCO to apply directly to CTU for GNA:**

#### **Regulation 17.1 of the GNA Regulations provides as under:**

*17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:*

- (i) State Transmission Utility on behalf of intra-State entities including distribution licensees;*
- (ii) A drawee entity connected to intra-State transmission system;*
- (iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;*
- (iv) Trading licensees engaged in cross border trade of electricity in terms of the Cross Border Regulations;*
- (v) Transmission licensee connected to ISTS for drawal of auxiliary power.*
- (vi) An injecting entity which is granted Connectivity to intra-State transmission system and seeking GNA for purpose of injection into ISTS.*

#### **Views:**

- i) It is to state that Regulation 17.1 does not mandate an entity like GRIDCO to apply directly to CTU for grant of GNA or enhancement of the quantum of GNA.
- ii) As per Clause 17.1 (iii), distribution licensees are eligible to apply for grant of GNA or enhancement of the quantum of GNA directly to CTU. However, entities like GRIDCO which is State Designated Agency and is responsible for buying power for the State of Odisha and is designated to be a Deemed Trading Licensee under 5th provision of Section 14 of the Electricity Act, 2003 is not eligible for applying directly to CTU for the same.
- iii) GRIDCO is the successor to erstwhile OSEB. The power purchase activity of DISCOMs is performed by GRIDCO in the State of Odisha. Hence, like DISCOMs, GRIDCO should be made eligible for directly applying to CTU for GNA.
- iv) The role of GRIDCO in the State of Odisha as a "Single Designated Agency" responsible for buying power for the State has been recognised by Odisha Electricity

Regulatory Commission in the ARR of GRIDCO for FY-2024-25. The relevant extract is enclosed as **Annexure-1**.

- v) Before the enactment of The Electricity Act, 2003, GRIDCO was “Transmission & Bulk Supply Licensee” under the Orissa Electricity Reform Act, 1995. As such GRIDCO has entered into Long Term Power Purchase Agreements (PPAs) with the Generating Companies and also Bulk Supply Agreements (BSAs) with the DISCOMs. Under the said agreements, GRIDCO is obliged to sell power on priority basis to DISCOMs up to their full requirement and the DISCOMs are obliged to buy power from GRIDCO only. This arrangement is called as single Buyer Model of power procurement for DISCOMs in Orissa that prevails in the State as a matter of Historical Legacy
- vi) After hiving off the Transmission function from GRIDCO to OPTCL by virtue of the Govt. of Orissa Transfer Notification No. 6892 dated 09.06.2005, only the bulk purchase of electricity for sale to DISCOMs in Orissa remained with GRIDCO. This satisfies the definition of Trading under Sec 2(71) of the Electricity Act, 2003. Besides, Bulk Supply activity by a Trader is not repugnant to any provisions under the Electricity Act, 2003. Such activity is tenable in Law
- vii) Govt. of Orissa vide Notification No. 7948 dated 17.08.2006 have notified GRIDCO as the State Designated Entity for execution of Power Purchase Agreements with Developers generating energy like Hydro Power, Wind Power, Power from Agricultural wastes etc. along with thermal power.
- viii) It is to further mention that the all CTUIL/PGCIL bills related to Central Transmission charges are being served to GRIDCO by the CTUIL and PGCIL as per the provisions of the Sharing Regulations and all the payment for the same is being made by GRIDCO and claimed in the ARR of GRIDCO.
- ix) It is to submit that even though STUs can apply for GNA on behalf of intra-State entities, STUs do not have any commercial liability of GNA and are not affected in any way if somehow GNA is not granted on behalf of any intra-state entity.
- x) If at all GRIDCO is not given the option of applying directly for GNA , then the same may result in issues such as curtailed scheduling of power to the State of Odisha which is directly going to hamper the interests of the consumers of the State.
- xi) As per the provisions of the GNA regulations, intra state entities applying for additional GNA for next financial year through STUs have to do so in advance i.e. by 30<sup>th</sup> September of current financial year. The additional GNA requirement are estimated on the basis of scheduled COD of upcoming generating stations. Now, if

such generators do not come up on time, then an intra state entity is forced to pay transmission charges on account of additional GNA inspite of not availing any power from such Generators.

So GRIDCO like organisations which are responsible for procuring power for the whole State should be allowed to directly apply for GNA from CTU like other DISCOMs as there is no timeline for applying for additional GNA for DISCOMs in the GNA Regulations. This provision will help GRIDCO like organisations to manage their Transmission Charges more efficiently without burdening the consumers of the State.

- xii) As the power purchase activity of DISCOMs is being performed by GRIDCO in the State of Odisha. Hence, it is requested to make provision for GRIDCO to apply directly to CTU for GNA.

**2. Issue No.1: Substitution of GNA quantum under Regulation 17.1(i) to Regulation 17.1(iii) to the GNA Regulations :**

**Views :**

- i) First of all, provision should be made for inclusion of entities like GRIDCO in clause 17.1 who are State designated agencies to apply directly to CTU for additional GNA.
- ii) Like any other drawee entities as in Clause 17 (ii), GRIDCO like entities should be provided options available as per Clause 25.2 for transfer of ownership of GNA from STU to such GRIDCO like entity.
- iii) Such substitution of GNA should be allowed only after NOC from STU.
- iv) The entity should be liable for payment of the charges of the intra-State network or relinquishment charges, as applicable.

**3. Issue No. 2: Use of GNA of a Connectivity grantee by an entity connected with an intra-State network that is not a GNA grantee**

**Views :**

- i) Utilisation of GNA of a GNA grantee can be allowed to an entity that is not a GNA grantee for all category of GNA holders within the Region.
- ii) Such request for utilisation of GNA may be from an entity located in the same region as that of the GNA grantee in line with the original Regulation 23.1.
- iii) Such an Entity connected with an intra-State network would need to take NOC of STU and pay intra-state transmission charges as applicable

- iv) Liability of payment of transmission charges against the GNA shall be on the original GNA grantee.
- v) Any such request to be allowed on availability of balance corridor with no augmentation of network.
- vi) If entity 'B' i.e. non GNA grantee draws power from RE resources, the GNA grantee should be allowed waiver in respect of such RE power drawl. The waiver allowed to the GNA grantee should be dealt with as per mutual agreements among the parties.

**4. Issue No.3: Dual Connectivity to the Bulk Consumer for the same load capacity:**

**Views :**

Grant of GNA to Bulk Consumer through dual connectivity should be allowed coupled with the following conditions:

- i) Bulk Consumers which are drawing only RE power through the intra-State network should be granted  $GNA_{RE}$  from ISTS. Further, after the granting of  $GNA_{RE}$ , if the user starts drawing non-RE power through the intra-State network, its  $GNA_{RE}$  may be converted into GNA with a waiver of the ISTS charges as applicable for GNA in terms of the Sharing Regulations, 2020. Dual connectivity for the same load capacity shall present difficulty in energy accounting.
- ii) Power drawn from CTU system may flow thorough STU system and vice-versa. Hence appropriate metering arrangements should be made along with appropriate energy accounting and deviation settlement mechanism.
- iii) The Bulk Consumers should bear all the applicable Transmission charges for both the intra-state as well as ISTS network. Any cost towards redundancy should be borne by such consumers.
- iv) NOC's from STU for additional connectivity for the same load capacity should be made mandatory.

**5. Issue No. 4: Provision of Conn BG-2 for Bulk Consumer :**

**Views :**

- i) The augmentation required for providing the connection to the ISTS in case of a Bulk Consumer is identifiable. Hence, the bulk supply consumer for whom the augmentation is made should be bilaterally billed for such augmentation.
- ii) Costs for augmentation on account of one bulk consumer should not be passed on to other GNA grantees.

**6. Issue No. 6: Platform for providing NOC by the STU in a time-bound and a transparent manner**

**Views:**

A centralized online platform for processing the application for grant of NOC by the STU in terms of availability of transmission capacity in the intra-State network is a welcome step.

**7. Issue No. 7: Provision for grant of Solar hours Connectivity and Non-Solar hours Connectivity through the same Transmission system**

**Views :**

- i) The proposal to allow an existing connectivity grantee, which was solar-based REGS with other connectivity grantees is a welcome step.
- ii) A similar provision should be made applicable in case of drawee GNA holders wherein one GNA quantum should be granted for Solar hours and another GNA quantum should be granted for the non-solar hours.

**Justification:**

As per the provisions of the GNA Regulations, a GNA holder is not eligible for GNA<sub>RE</sub>. In most cases all DISCOMs are not eligible for GNA<sub>RE</sub> as they have been granted deemed GNA upfront through STUs. Hence, the benefits associated with GNA<sub>RE</sub> are not available to DISCOMs.

In the recent years, the nation has witnessed a significant growth in solar power generation. Accordingly, at present the power supply portfolio of different DISCOMs includes a substantial share of solar power. For the States who are availing solar from outside their state,, portion of GNA granted to the State DISCOMs are consumed in availing Solar power during the solar hours and hence DISCOMs have to surrender some portion of the conventional power or have to be dependent upon T-GNA for scheduling their complete quota from Central Sector. Considering the growth of solar power ,the process to schedule spower under T-GNA is becoming a cumbersome one owing to time constraints and the considerable quantum of power. Further, reliance on T-GNA at all times may not be prudent as the transmission corridor may not be available at all times under T-GNA and the power supply may get curtailed. Even if, a DISCOM wishes to sell power during the solar hours, first all its contracted power is required to be scheduled to the DISCOM for which again GNA/ T-GNA is required. As a

solution if the DISCOMs take additional GNA to cover for solar power schedules, then that portion of the GNA becomes redundant during the non-solar hours. Therefore, a provision to grant solar hour GNA should be made for DISCOMs/GRIDCO who are responsible for arranging power for the State to enable the DISCOMs to schedule their complete quota of power during solar hours in the public interest.

- iii) Another issue that is being faced during the solar hours is that because of the solar power supply the GNA schedule of a beneficiary usually exceeds its approved GNA quantum on day ahead basis, i.e. by 08:00 hrs of D-1 (D being the delivery date). In such cases, the power schedule of the beneficiary is being curtailed proportionately across all the contracted thermal ISGS stations irrespective of the merit order despatch. Further, the beneficiary is not able to avail the curtailed power even if the curtailed power is not cleared in DAM and GNA corridor becomes available to the beneficiary due to reasons such as outage of an ISGS generating station, etc. Therefore, it is requested to lay down provisions so that the curtailment of power should be done as per Merit Order Despatch and the curtailed power should be made available to the concerned beneficiary through GNA/ T-GNA exigency, if the curtailed power does not get cleared in DAM.

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAWAN  
PLOT NO. 4, CHUNAKOLI, SHAILASHREE VIHAR,  
BHUBANESWAR-751021**

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**Present** : Shri G. Mohapatra, Officiating Chairperson  
Shri S. K. Ray Mohapatra, Member

**CASE NO.115 OF 2023**

**Date of Hearing** : 31.01.2024  
**Date of Order** : 13.02.2024

**IN THE MATTER OF:** Application for approval of Aggregate Revenue Requirement (ARR) and determination of Bulk Supply Price (BSP) of GRIDCO Ltd. under Section 86(1) (a) & (b) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004 for the FY 2024-25.

AND

**Case No.128 of 2023**

**IN THE MATTER OF:** Application under Section 86(1)(a) &(b) read with other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004 for truing up of expenses for FY 2022-23.

**ORDER**

The Commission is required to regulate the Electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies from various sources through agreement for distribution and supply within the State under Section 86(1) (b) of the Electricity Act, 2003 (hereinafter referred to as “the Act”). GRIDCO (erstwhile Grid Corporation of Odisha Ltd.) was created under Section 13 of the Orissa Electricity Reform Act, 1995 (Reform Act). It was granted “transmission and bulk supply license” under the said Reform Act by the Commission. The Government of Odisha, vide notification No.7948 dated 17.08.2006, has declared GRIDCO as “State Designated Entity” for execution of Power Purchase Agreements with generating companies within or outside state for procurement of power from various sources like Thermal, Hydro, Solar and Wind



Power, etc. The Distribution Companies have entered into Bulk Supply Agreements with GRIDCO Ltd. (in short GRIDCO). After taking over the Intra-state transmission business along with functions of State Load Dispatch Centre by OPTCL (the State Transmission Utility), the present activity of GRIDCO is now confined to planning & load forecasting for bulk purchase of electricity for sale to Distribution Companies of Odisha. This satisfies the definition of trading in section 2(71) of the Act. Therefore, GRIDCO's position under the 5<sup>th</sup> proviso to Section 14 of the Act is that of a trading licensee carrying on trading of electricity in bulk. Bulk Supply activity by a trader is not repugnant to any of the provisions, of the Act, 2003. Such activity is tenable in Law. It is a historical legacy coming down from the period under the Reform Act, 1995 and it continues so long as the bulk supply agreement, with the Distribution Companies subsist. GRIDCO Ltd. Has also been entrusted with the responsibility of Nodal Agency for development of all RE projects within the States and monitor of RPO compliance of all obligated entities in the State as per notification of Govt. of Odisha.

2. The Commission cannot and does not fix tariff for sale of electricity by a trader, vide Section 62 of the Act, and it does not intend to do so for GRIDCO Ltd. as a trader; even though under Section 86(1)(d) read with Section 62 of the Act, the Commission may determine tariff for whole-sale or bulk supply of electricity by generators or distributors (*i.e. licensees other than traders*). This follows from a harmonious reading of Section 62 and Section 86(1)(a) and Section 86(1)(j) of the Electricity Act, 2003. But it just happens that in the present situation of "Single Buyer Model", the regulated purchase price for Distribution Companies fixed under Section 86(1)(b) of the Act coincides with the selling price of GRIDCO Ltd. as a trader for sale of power *only to the present Distribution Companies of Odisha*. If GRIDCO Ltd. sells surplus power, after meeting its contractual obligation under existing Bulk Supply Agreements, directly to any consumer under Section 42 read with Section 49 of the Act or another trader, or even to another distributor licensee under the 6<sup>th</sup> proviso to Section 14 of the Act, the procurement price, which coincides with selling of price of GRIDCO Ltd., fixed in this order is not applicable. Thus, this order does not fix tariff for GRIDCO Ltd. as a trader.
3. The Distribution Companies of Odisha are under obligation to purchase power primarily from GRIDCO Ltd. In order to determine the procurement price of power of DISCOMs, the Commission has to hear not only the buyers (Distribution Companies) but also the seller (GRIDCO Ltd.). No meaningful hearing of GRIDCO is possible unless GRIDCO