



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956)

### TARIFF AND REGULATORY AFFAIRS CELL

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KSEBL/TRAC/CG/ GNA- Staff paper/2024-25/987

2.12.2024

To,

The Secretary

CENTRAL ELECTRICITY REGULATORY COMMISSION,

World Trade Centre, 6th, 7th and 8th floor, Tower -B,

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Sir,

Sub: Staff Paper on modifications in the GNA Regulations - KSEBL Comments – reg:

Ref: Public Notice No L-1/261/2021/CERC dated 09th October, 2024 of Secretary, CERC

**Paragraph-Wise remarks on the Staff Paper notified under vide ref., Regarding CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022, is attached below;**

#### Background

The Central Electricity Regulatory Commission (CERC) notified the **CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022** on 7th June 2022. Subsequent amendments were issued on **1st April 2023** and **19th June 2024**, considering stakeholder feedback. On **9th October 2024**, CERC released a staff paper inviting further comments. Kerala State Electricity Board Limited (KSEBL) submits its remarks on the key issues raised in the staff paper for the kind consideration of the Hon'ble Commission.

#### 1. Substitution of GNA Quantum Under Regulation 17.1(i) to Regulation 17.1(iii)

- KSEBL Remark: Substitution of GNA quantum must not exempt entities from relinquishment charges for the intra-state network. This ensures that financial liabilities are not shifted to DISCOMs, safeguarding intra-state transmission assets.
- Proposed Conditions:
  1. Mandatory NOC from the STU to assess intra-state network readiness.
  2. Payment of relinquishment charges to maintain financial parity for intra-state systems.
  3. Ensure substitution does not lead to stranded intra-state transmission capacity, safeguarding DISCOM investments.

## **2. Use of GNA of a Connectivity Grantee by an Entity Connected to an Intra-State Network**

- KSEBL Concern: Allowing GNA utilization by non-grantee entities without stringent controls could disrupt intra-state network reliability and financial neutrality.
  - Safeguards:
    1. The original GNA grantee must retain liability for all charges, preventing undue financial strain on DISCOMs.
    2. Utilization should be confined to entities within the same region to avoid inter-regional complexities.
    3. Mandatory NOC from the STU must be obtained to ensure intra-state network capacity availability and reliability.
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## **3. Dual Connectivity for Bulk Consumers**

- KSEBL Remark: Dual connectivity introduces risks of underutilization and stranded intra-state assets, increasing DISCOM liabilities.
  - Proposed Measures:
    1. Bulk consumers must pay transmission charges for both ISTS and intra-state networks.
    2. Coordination between CTU and STU to optimize capacity planning and avoid redundancy.
    3. Demonstration of optimal utilization of both networks is mandatory to justify dual connectivity.
    4. In case of transmission corridor constraints, priority must be given to STU and DISCOMs.
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## **4. Provision of Conn-BG2 for Bulk Consumers**

- KSEBL Concern: DISCOMs must not bear costs arising from ISTS augmentation triggered by bulk consumers.
  - Recommendations:
    1. Bulk consumers must provide Conn-BG2 to cover ISTS augmentation costs, ensuring financial insulation for DISCOMs.
    2. Transmission charges for augmentation elements like ICTs should be bilaterally billed after commissioning, ensuring cost transparency.
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## **5. Utilization of Connectivity by Subsidiaries**

- KSEBL Remark:
    1. Connectivity utilization must be restricted to the post-COD phase to ensure clarity and avoid speculative allocations.
    2. Parent companies must ensure subsidiaries adhere to grid compliance norms to prevent operational disruptions.
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## **6. Platform for Providing NOC by STU**

- KSEBL Remark: A centralized platform for NOC applications, as proposed in the staff paper, is a welcome step toward transparency and accountability.
- Proposed Enhancements:
  1. Trackable application status and detailed communication on rejections or modifications should be mandatory features.

2. Monthly reporting by STUs on application statistics (submitted, approved, pending, rejected) to improve efficiency and accountability.
3. Avoid passing platform development costs to DISCOMs, ensuring fair cost allocation.
4. Explore a National Connectivity Portal/Registry to streamline all connectivity applications, integrating STU and CTU workflows for better planning and utilization.

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### **7. Solar and Non-Solar Hour Connectivity**

- KSEBL Remark: The proposal for solar and non-solar hour connectivity is timely to ensure optimal use of transmission systems. However, certain clarifications are needed:
  - Key Considerations:
    1. Specify whether non-solar hour connectivity applies to all generation resources or only RE and storage projects.
    2. Prevent storage-equipped solar generators from shifting all generation to non-solar hours without demonstrating improved transmission utilization.
    3. Enable auxiliary power consumption during non-solar hours for solar generators.
  - Implementation: Define clear eligibility and operational guidelines to ensure transparent allocation of solar and non-solar hour connectivity.

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### **8. Minimum Utilization for Hybrid ISTS Connectivity**

- KSEBL Remark: Mandating a minimum utilization threshold ensures efficient use of transmission assets and reduces stranded capacity.
- Recommendations:
  1. A 50% annual utilization threshold should be applied uniformly to all hybrid ISTS connectivity grantees.
  2. Post-auditing, revoke underutilized capacities and allocate them to other entities, ensuring fairness.
  3. Define a robust monitoring and penalty mechanism for underutilized capacities, publishing regular utilization statistics for accountability.

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### **Conclusion**

KSEBL emphasizes the importance of financial neutrality, operational efficiency, and stakeholder accountability in implementing the GNA regulations. The proposed remarks integrate best practices from the staff paper and aim to protect DISCOM interests while ensuring transparent and efficient network utilization. The Hon'ble Commission is requested to consider these remarks in the finalization of the regulations.

Yours Faithfully,

  
**Deputy Chief Engineer (TRAC)**  
**in charge of Chief Engineer (Commercial & Tariff)**