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Date: Sun, 09 Feb 2025 18:43:13 +0530
Subject: Tata Power_ Comments on Draft 2nd Amend_ CERC CBET Regulation
===== Forwarded message =====

Dear Sir/Mam

Please find enclosed comments from Tata Power on the draft 2nd Amend_ CERC CBET Regulation.

Regards,
Mohd Sarim Siddiqui
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1 Attachment(s) [Download as Zip](#)

Tata Power_ Comments on CERC C... .pdf
304 KB

Comments on CERC (Cross Border Trade of Electricity) (Second Amendment) Regulations, 2024

Sr. No.	Clause No. and Existing Provision	Proposed changes/Suggestion	Rationale for Clarifications / Amendment
1.	<p>Clause No. 7(2) of draft Amendment Regulations. “A Participating Entity located in a neighbouring country, for the purpose of injection into or drawl from the Indian grid, shall be required to seek connectivity or GNA or T-GNA, as the case may be, through separate applications:</p> <p>Provided that an electricity trading licensee of India engaged in cross border trade of electricity may seek GNA or T-GNA, in accordance with these Regulations.”</p>	<p>It is suggested that following proviso may be added to the exiting provisions: Provided that for GNA application, it is not mandatory for the applicant to mention the name of Buyer / Discom in the GNA application.</p> <p>The Designated Authority (DA) may accordingly revise its procedure as well as formats within 30 days from the date of issuance of these Regulations.</p>	<p>This would safeguard the Cross Border generator from risk of transmission congestion for injection into the grid and supply to buyer (i.e., Utility) from the date of commissioning of Project.</p> <p>The Utilities, usually, tie up capacity on long/medium term with a time span of 1 to 2 years from actual supply commencement date which requires a process of PPA finalization followed by Regulatory Approval. Further, transmission system augmentation, if required for injection, also takes time for completion.</p> <p>In view of above, as the Participating entity or trading licensee is providing necessary BGs for securing access to grid, the criteria of mentioning name of Buyer may be relaxed at the time of submission of GNA application.</p>
2.	<p>Clause No. 11(2) of draft Amendment Regulations.</p>		<p>Participating entity in neighbouring country for injection of power into Indian Grid may apply for GNA wherein Buyer’s name may not be mandatory because this would safeguard the Cross Border generator from risk of transmission congestion for injection into the grid and supply to buyer (i.e., Utility) from the date of commissioning of Project.</p> <p>The Utilities, usually, tie up capacity on long/medium term with a time span of 1 to 2 years from actual supply commencement date which requires a process of PPA finalization followed by Regulatory Approval. Further, transmission system augmentation, if required for injection, also takes time for completion.</p> <p>In view of above, as the Participating entity or trading licensee is providing necessary BGs for securing access to grid, the criteria of mentioning name of Buyer may be relaxed at the time of submission of GNA application.</p>

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3.	<p>Clause No. 14(3) of draft Amendment Regulations.</p> <p>“The Cross Border Customer who has been granted GNA may approach CTU and seek permission to exit prior to the award of the contract for execution of the transmission system by the transmission licensee. All such requests shall be considered and decisions communicated to the applicant not later than thirty (30) days from the date of the request:</p> <p>Provided that where exit is permitted, the CTU shall encash the Application Bank Guarantee and return the Access Bank Guarantee”</p>	<p>The clause may be amended as follows”</p> <p>“The Cross Border Customer who has been granted GNA may approach CTU and seek permission to exit prior to the award of the contract for execution of the transmission system by the transmission licensee. All such requests shall be <u>accepted and considered</u> and and decisions communicated to the applicant not later than thirty (30) days from the date of the request:</p> <p>Provided that <u>in such case</u> where exit is permitted, the CTU shall encash the Application Bank Guarantee and return the Access Bank Guarantee”</p>	<p>Since the contract for execution of the transmission system by the transmission licensee has not been awarded by CTU to transmission licensee before the applicant submits permission to exit, exit shall be done mandatorily for applicant with encashment as proposed in the draft.</p>
4.	<p>Clause No. 14(5) of draft Amendment Regulations.</p> <p>“If a Cross Border Customer who has been granted GNA on existing margins with no augmentation in Indian Grid, relinquishes GNA granted under these Regulations, the subsisting Application Bank Guarantee and Access Bank Guarantee shall be encashed by the CTU. In case of no subsisting Access Bank Guarantee, one month transmission charges payable by such entity under the Sharing Regulations shall be payable as relinquishment charges.”</p>	<p>The clause may be amended as follows”</p> <p>“If a Cross Border Customer who has been granted GNA on existing margins with no augmentation in Indian Grid, relinquishes GNA granted under these Regulations <u>and yet to be operationalized</u>, the subsisting Application Bank Guarantee and Access Bank Guarantee shall be encashed by the CTU. In case of no subsisting Application Access Bank Guarantee, one month transmission charges payable by such entity under the Sharing Regulations shall be payable as relinquishment charges.”</p>	<p>In case GNA has been granted on existing margins with no augmentation, then CTU may deduct only the application bank guarantee as relinquishment charges and Access Bank Guarantee may be refunded to the applicant. This is in line with the deduction proposed in Clause No. 14(3) of draft Amendment Regulations where GNA is not operationalized.</p>

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5.	Clause (b)(iv)(b) of “Annexure II” of draft Amendment Regulations “Participating entity injecting power into the Indian grid under collective transactions at Indian Power exchanges using such CBTL shall also pay transmission charges for such CBTL at per unit rate as determined under sub-clause (ii) of this Clause.”	This clause pertaining to charges payable for injection of power by any Cross Border Customer may be deleted.	As per the existing provisions of the GNA Regulations, Buyers have been paying the transmission charges for any drawal of power under collective transactions. Similarly, for Cross Border power, the buying entity whether through Bilateral or through Collective transactions should be made to bear the drawal charges including CBTL charges.
6.	Clause 6: Trade Through Indian Power Exchanges of Principal Regulations	It is suggested that following proviso may be added: “Provided that in case any real time revision in schedule of existing bilateral cross border transactions, generating entity shall have the option to sell the surplus quantum of power in Collective segments (i.e., DAM, GDAM, RTM, any other Collective segments) of Indian Power Exchanges. Accordingly, monthly NOC shall be issued by NLDC to such Cross Border Generating entity for the GNA approved quantum without obtaining the additional approval from Designated Authority (DA).”	As per CEA approved procedure and the current practice, Designated Authority (DA) approval is required to be taken for Import/Export of power to/from India for onward sale to Entity on Bilateral Basis. Further, same entity is not eligible to get DA approval for the same capacity & same period for sale of power in Power Exchanges (PXs). Hence, in case of any downward revision in schedule by Indian Entity during offtake of power from cross border generating entity under Bilateral transaction, the cross-border generator doesn't have any avenue to sell the unscheduled surplus capacity resulting in stranded capacity/Water spillage i.e., wastage of natural resources. In order to allow flexibility to Indian and cross border entity, it is proposed that CEA, while giving its approval for Cross Border Bilateral transaction, may also accord approval to the entity to sell the unscheduled quantum of power in Collective segments (i.e., DAM, GDAM, RTM, any other Collective segments) of Power Exchanges, in case of downward revision in schedule of the Bilateral transaction.
7.	Clause No. 10 (6) of Principal Regulations “A Participating Entity located in the neighbouring country and getting connected to the Indian grid through Cross Border Transmission Link (CBTL)		We understand that in case any new generating station, located in neighbouring country is getting connected to Indian grid through CBTL, such entity is not required to apply for Connectivity as per the existing provisions of the Clause No. 10(6) of Principal Regulations. Hence, such participating entity shall apply only for GNA.

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	shall not be required to apply for Connectivity to the Indian grid.”		<p>We further understand that the Cross Border Entity in neighbouring country connected to Indian Grid through dedicated transmission line shall seek both Connectivity as well as GNA/T-GNA separately.</p> <p>Request to kindly clarify.</p>
8.	<p>Clause No. 33(2)(a) of the Principal Regulations The Cross Border Customer shall establish payment security towards transmission charges and grid related charges at least ninety (90) days prior to the intimated date of commencement of Transmission Access which shall include the following for availing GNA.</p>	<p>The clause may be amended as follows” The Cross Border Customer shall establish payment security towards transmission charges and grid related charges at least ninety (90) days prior to the intimated date of commencement of Transmission Access which shall include the following for availing GNA. <u>This shall be applicable only to the Cross Border entity drawing power from Indian grid under GNA and not be applicable on Cross Border entity injecting power into Indian grid under GNA.</u></p>	<p>This establishment of payment security by Cross Border Customers should be pertaining only for drawal of power from Indian Grid as Buyers are paying the requisite GNA charges as per the prevailing GNA Regulations. Additionally, the Cross Border injecting entity is already submitting the Access Bank Guarantee (BG).</p> <p>Hence, the provisions of payment security shall not be levied on any Cross Border Entity for injection of power into Indian Grid.</p>
9.	Other Provisions		<p>Hydro Generating stations in neighbouring countries may be allowed to inject/schedule up to 110% of GNA approved quantum corresponding to 10% overload capacity during the peak hydro seasons in order to avoid any spillage and loss of generation. For such additional injection, any other GNA / T-GNA / RTDA charges may not be levied on the hydro generation.</p>
10.	<p>Clause 20: Amendment to Regulation 26 of the Principal Regulations The charges for DSM are categorized under “general seller and buyer</p>		<p>The DSM penalties categorized under general seller signifies the implementation of calculation of DSM penalties as per Thermal project standards. Due to intermittency of RE power, these penalties will be very high and in turn will have higher impact on returns.</p>

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			Hence, we request authority to consider the DSM penalties inline to the RE seller and buyer provision instead of general seller and buyer provision.
11.	Transmission Line Charges	We request, Transmission charges waiver for cross-border RE power export for initial settling period of first five years, inline to the CERC guidelines for ISTS charges waiver for RE Projects in the county. This will help India trade RE power with neighbouring countries more efficiently and at scale.	In reference to the guidelines on Transmission charge, there is an ambiguity on the provision of Transmission charges waiver for the power exported from India for the RE projects installed in India and 100% offtake of the green power by neighbouring country.