



ಪವರ್ ಕಂಪನಿ ಆಫ್ ಕರ್ನಾಟಕ ಲಿಮಿಟೆಡ್
POWER COMPANY OF KARNATAKA LIMITED

(GOVERNMENT OF KARNATAKA UNDERTAKING)

ನಿಗಮದ ಗುರುತಿನ ಸಂಖ್ಯೆ (ಸಿ.ಐ.ಎನ್) : ಯು40101ಕೆಎ2007ಎಸ್‌ಜಿಎ043640

Company Identification No (CIN) :U40101KA2007SGC043640

No:PCKL/DDP1/ADP4&9/CERC GNA Regulations/2024-25/3830-36 Date:

Encl: Annexure

17 SEP 2024

The Secretary,

Central Electricity Regulatory Commission,

3rd and 4th Floor, Chandralok Building,

36, Janpath, New Delhi – 110001.

Sir,

Sub: Submission of Comments/Views on the Draft CERC“(Connectivity and General Network Access to the inter-State Transmission System)” (Third Amendment) Regulations, 2024-reg

Ref: CERC Letter No. L-1/261/2021/CERC dated 31.07.2024.

With respect to the above, Power Company Karnataka Limited (PCKL) is hereby furnishing the comments/suggestions/objections on the proposed Draft CERC“(Connectivity and General Network Access to the inter-State Transmission System)” (Third Amendment) Regulations, 2024 as in Annexure enclosed to this letter for further needful in the matter.

It is requested to consider the comments/suggestions/objections furnished while finalizing the Regulations.

Yours faithfully,


Managing Director
PCKL Bangalore

Copy submitted for kind information:

1. PS to Additional Chief Secretary, Energy Department, GoK, Vikasa Soudha , Bengaluru to place before ACS, ED, GoK for information.
2. The Managing Director, BESCO, K.R Circle, Bengaluru-560001.
3. The Managing Director, HESCO, Navanagar, Hubballi-580025.
4. The Managing Director, GESCOM, Station Main Road, Kalaburgi-581002.
5. The Managing Director, MESCOM, Corporate office, 4th Floor, MESCOM Bhavan, Bejai, Kavour cross Road, Mangaluru-575004.
6. The Managing Director, CESC, Corporate Office, No. CA-29, Vijaynagar 2nd Stage, Hinakal, Mysuru – 570 017.

Comments on draft CERC GNA (Third Amendment), Regulations 2024

Annexure

Notification No: L-1/261/2021/CERC dated 31.07.2024

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
			Amendment to Regulation 3.7 of the Principal Regulations:	
		3.1	Regulation 3.7 of the Principal Regulations shall be substituted as under:	
3.7	<p>If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, 50% of the application fee shall be forfeited. Balance 50% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:</p> <p>Provided that if any application is withdrawn after the in-principle grant of Connectivity or grant of GNA, such application shall be closed by the Nodal Agency within a period of 15 days from the date of withdrawal and 100% of the application fee shall be forfeited.</p>	3.7	Withdrawal of Application for Connectivity or GNA and treatment of Bank Guarantees: -	
		3.7.1	If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, , the Nodal	Application fee shall be forfeited if the application is withdrawn before the issuance of the in-principle grant of connectivity. Furthermore, 5% of the Bank Guarantee (BG) amount shall be forfeited, and the remaining

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
			<p>Agency shall deal with such cases in the following manner:</p> <p>(a) 50% of the application fee shall be forfeited (b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:</p>	<p>95% of the BG shall be returned.</p> <p>Rationale: Before issuing in-principle approval, the nodal agency shall conduct system studies. Therefore, the time spent on these activities should be compensated by forfeiting a portion of the Bank Guarantee.</p>
		3.7.2	<p>If any application is withdrawn for partial quantum based on the availability of evacuation capacity at the substation at which Connectivity has been sought before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations, such cases shall be dealt with by the Nodal agency in the following manner:</p>	
		(i)	<p>BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn.</p>	<p>BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn in case only constraint in the evacuation system</p>
		3.7.3	<p>If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:</p>	
		(b)	<p>5% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 95% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</p>	<p>10% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 90% of BG shall be returned to the Applicant within 15 days of withdrawal of the application</p>

Clause	CERC GNA, Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
5	Application for Grant of Connectivity		Amendment to Regulation 5.1 of the Principal Regulations:	
		6.1	The following proviso shall be added to Regulation 5.1 of the Principal Regulations:	
5.1	<p>An Applicant, which is a generating station including REGS, shall apply for grant of connectivity to the Nodal Agency for the quantum equal to the installed capacity of the generating station:</p> <p>Provided that if such an Applicant already has Connectivity to intra- State transmission system for part of its installed capacity, it may apply for Connectivity to the ISTS for a quantum not exceeding the balance of the installed capacity; Provided further that if such an Applicant is a Renewable Hybrid Generating Station or REGS with storage, it may apply for grant of Connectivity for a quantum less than or equal to the installed capacity.</p>		<p>“Provided also that an REGS making an application based on LOA or PPA under Regulation 5.8(xi) may apply for a grant of Connectivity for a quantum equal to the quantum of LOA or PPA, which may be less than the installed capacity.”</p>	<p>Provided also that an REGS making an application based on the installed capacity under Regulation 5.8(xi) may apply for a grant of Connectivity for a installed capacity.”</p> <p>Rationale: The distribution licensee invited a tender for firm capacity under the Firm Dispatchable Renewable Source. In such circumstances, the installed capacity is significantly higher than the PPA quantum. Therefore, consideration should be given based on the installed capacity alone.</p>
			Amendment to Regulation 8.3 of the Principal Regulations:	
		12.1	Regulations 8.3 and 8.4 of the Principal Regulations shall be substituted with Regulations 8.3, 8.4,8.5,8.6 and 8.7 as under:	
8.3 & 8.4	<p>For cases covered under Regulation 7.2 of these regulations, the following procedure shall be followed:</p> <p>(a) The entity that has been intimated in-principle grant of Connectivity, shall submit its consent for execution of</p>	8.4	For applicants, where Connectivity is granted with augmentation (with ATS or without ATS), the Nodal Agency, within 6 (six) months of furnishing of Conn-BG1, Conn-BG2, and Conn-BG3, as applicable, as per Regulation 8.2 or Regulation 8.3 of these regulations, shall intimate to such entity the timeline for completion of augmentation, ATS,	<p>The word “firm” shall be deleted</p> <p>Rationale: As it is proposed in this draft amendment that the word “firm” in the second provision under Regulation 7.2 of the Principal Regulation shall be deleted.</p>

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
	<p>ATS and terminal bay(s), as intimated under Regulation 7.2 of these regulations, along with Conn-BG1, within one month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.</p> <p>The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated under Regulation 7.2 of these regulations, (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity:</p> <p>Provided that if such ATS and terminal bay(s) are planned for more than one entity, Conn-BG2 shall be furnished in proportion to the quantum of Connectivity applied for by such entities:</p> <p>In the event, the Nodal Agency does not intimate the details as per clause (b) of this Regulation within 6 (six) months, the Nodal Agency shall furnish the reasons for such non-intimation to</p>		<p>terminal bay(s), and firm date of start of Connectivity based on scheduled date of commercial operation of such elements:</p> <p>Provided that if such ATS and terminal bay(s) are planned for more than one entity, Conn-BG2 shall be furnished in proportion to the quantum of Connectivity applied for by such entities.</p>	

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
	<p>the entity with a copy to the Central Commission within one month of expiry of such period of six months with a probable date by which the details of Conn- BG2 and such timeline shall be furnished:</p> <p>Provided that in the event of non-intimation by Nodal Agency within six months, the entity shall have the option of withdrawing the application for Connectivity and in such a case, the Conn-BG1 shall be returned within one month of exercising option of withdrawal by the entity and application shall be closed.</p> <p>The amount for which Conn-BG2 is to be furnished as per clause (b) of this Regulation, shall be equal to estimated cost of ATS and terminal bay(s) and the timeline for completion of ATS and terminal bay(s) shall be based on the scheduled date of commercial operation for such ATS and terminal bay(s).</p> <p>(e) The entity that has been intimated in-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of intimation by the Nodal Agency under sub-clause (b) of this Regulation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be</p>			

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
	<p>forfeited.</p> <p>8.4 Conn-BG1, Conn-BG2 and Conn-BG3 shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1.</p>			
			<p>Amendment to Regulation 10.3 of the Principal Regulations:</p>	
		<p>15.1</p>	<p>Regulation 10.3 of the Principal Regulations shall be substituted as under:</p>	
<p>10.3</p>	<p>Within 30 days of the intimation of connection details by the Nodal Agency under Regulation 10.2, Connectivity Agreement shall be signed between the Nodal Agency and the entity which has been intimated final grant of connectivity. On signing of the Connectivity Agreement such entity shall become the Connectivity grantee.</p>		<p>Within 30 days of the intimation of the final grant of Connectivity by the Nodal Agency under Regulation 9.1 of these regulations, a Connectivity Agreement shall be signed between the Nodal Agency and the entity which has been intimated final grant of Connectivity. On signing of the Connectivity Agreement, such entity shall become the Connectivity grantee.”</p>	<p>Clarification is sought since existing clause 10.3 of the Principle Regulation has provision to sign Connectivity Agreement within 30 days of the intimation of connection details by the nodal agency under Regulation 10.2.</p> <p>Rationale: Regulation 10.1 of the Principal Regulation provides entity after final grant of Connectivity shall furnish Technical Connection data to the nodal agency and 10.2 facilitates nodal agency shall intimate the connection details within a period of one month from the date of receipt of Technical Connection data under Regulation 10.1.</p> <p>Regulation 10.4 provides the Technical Connection data indicated at Regulation 10.1 and Connection details indicated at Regulation 10.2 shall form part of the Connectivity Agreement.</p>

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
			Amendment to Regulation 11A of the Principal Regulations:	
		20.1	Clause (4) of Regulation 11A of the Principal Regulations shall be substituted as Clauses (4) and Clause (5) as under:	
11A (4)	In case of Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the requirement of furnishing the documents in accordance with Clauses (1) to (3) shall be the same as applicable to the entities covered under clause (xi)(a) of Regulation 5.8.		“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:	
		(b)	Where the part capacity of the Connectivity granted under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted to Connectivity under Clause (xi)(a) of Regulation 5.8,	
			<ul style="list-style-type: none"> i. CTU shall issue revised Connectivity intimation for each part, treating each part as a separate Connectivity. ii. The entity shall submit separate Conn-BG1 for each part, treating each part as a separate application. iii. Conn-BG2 and Conn-BG3, as submitted towards Connectivity granted under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 shall be revised and resubmitted, as applicable, as applicable, for each part calculated on a pro-rata basis based on the quantum of such part of the capacity. iv. The minimum capacity for conversion of Connectivity is 50 MW. 	As per Regulation 4 of the Connectivity and General Access to the Inter-State Transmission System Regulation, 2022, the minimum capacity for connection to ISTS is 50 MW. Therefore, the stipulated minimum

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
				conversion capacity of 50 MW may be reconsidered
		(d)	After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such reconversion shall be allowed subject to the following conditions:	
			<p>i. The application for conversion of Connectivity shall be accompanied by a non-refundable conversion fee of Rs.50,000/MW for the capacity to be converted. Such fees are payable for each such conversion sought by the entity.</p> <p>ii. On such re-conversion, treatment of each part shall continue to be as a separate application.</p> <p>iii. The entity shall be required to furnish documents under Clauses (1) of this Regulation within three months from the date of approval by CTU for such conversion, if not submitted already.</p> <p>iv. The entity shall be required to furnish documents under Clause (2) of this Regulation considering the scheduled date of commercial operation as the start date of Connectivity.</p>	<p>The non-refundable conversion fee of Rs.50,000/- per application for any capacity shall be proposed.</p> <p>Rationale:</p> <ul style="list-style-type: none"> • Rs.50,000/- per MW in too high since it is non-refundable. • In line with Con BG-1 charges specified per application of the Principal Regulations.
			Amendment to Regulation 22.2 of the Principal	

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
			Regulations:	
22.2 b(ii)	Entities covered under clause (vi) of Regulation 17.1 and applying GNA for injection into the ISTS shall comply with all requirements as applicable to entities under Regulation 4.1. For such entities Conn-BG1, Conn-BG2 and Conn-BG3 shall be returned in accordance with Regulation 16 of these regulations or on expiry of period of GNA, whichever is earlier.”	27.2	The words “, except the requirement of a minimum capacity of 50 MW” shall be added after the words “Regulation 4.1” in Clause (b-ii) of Regulation 22.2 of the Principal Regulations.	In case of Distribution Licensee the minimum capacity of 50 MW may be reviewed. Since, Distribution Licensee can avail the GNA for required quantum to meet the demand.
			Amendment to Regulation 26.2 of the Principal Regulations: A proviso shall be added under Regulation 26.2 of the Principal Regulations as under:	
26.2	A GNA grantee shall be eligible to apply for T-GNA over and above the GNA granted to it, as per eligibility under clause (a) of Regulation 26.1 this Regulation.	35.1	“Provided that the entity covered under clause (ii) of Regulation 26.1(a) may seek T-GNA maximum up to 30% of the GNA granted.	The maximum T-GNA of 30% of the GNA granted to the Distribution Licensee may be reconsidered for removal due to the following reasons: <ul style="list-style-type: none"> The State of Karnataka requires additional T-GNA only for a few months during the summer period to meet the increased demand. During this time, T-GNA will be utilized for additional procurement of power under short-term/exchange/banking/swapping of power. 1850 MW of solar power at Pavagada is connected to the ISTS system and is available during solar hours. For the rest of the period, the State of Karnataka does not require GNA. Therefore, restricting T-GNA to 30% of the GNA may not be appropriate.
			New Regulation 34A	

Clause	CERC GNA Regulation, 2022 & its Amendments	Clause	Draft CERC GNA (Third Amendment) Regulation, 2024	PCKL Comments
		34A.2	<p>In case of collective transactions, NLDC operating charges shall be payable to the respective power exchange by each of the successful buyer and seller on the basis of their energy scheduled (MWh) by NLDC @ Rs.1/MWh subject to a maximum of Rs.200 per day. The NLDC operating charges collected by the power exchanges shall be transferred to NLDC on a daily basis. The Power Exchanges shall provide NLDC with a daily list of successful participants along with their volumes cleared and the NLDC operating charges levied on these successful participants.</p> <p>Provided that under collective transactions, operating charges shall be payable for drawal schedules more than GNA quantum or T-GNA quantum or both, as applicable.</p> <p>Explanation: In order to determine whether the drawl schedule is more than GNA quantum or T-GNA quantum or both in case of collective transactions, SLDC shall furnish to NLDC, intra-state entity-wise details of the schedule under GNA or T-GNA, as the case may be. NLDC shall issue power exchange-wise and entity-wise segregation of payable operating charges under T-GNA for collective transactions.</p>	<p>In case of collective transactions, NLDC operating charges shall be payable to the respective power exchange by each of the successful buyer and seller on the basis of their energy scheduled (MWh) by NLDC @ Rs.1/MWh subject to a maximum of Rs.200 per day / per transaction. The NLDC operating charges collected by the power exchanges shall be transferred to NLDC on a daily basis. The Power Exchanges shall provide NLDC with a daily list of successful participants along with their volumes cleared and the NLDC operating charges levied on these successful participants.</p>


 17/9/2024
Additional Director (Projects)
PCKL, Bengaluru.