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## KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Identity Number (CIN): U40109KA1999SGC025521

Registered Office of the Company, Corporate Office, Kaveri Bhavan, K.G Road, Bengaluru -560009.

No. KPTCL/B36/22485/2021-22/ 765

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Encl: As per letter-3 Pages

**The Secretary,  
Central Electricity Regulatory Commission (CERC),  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath,  
New Delhi - 110001**

**Sir,**

**Sub:** Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024- Regarding

**Ref:** 1. CERC Public Notice No: L-1/261/2021/CERC Dated: 31.07.2024  
2. CERC Public Notice No: L-1/261/2021/CERC Dated: 30.08.2024

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Central Electricity Regulatory Commission (CERC) vide Public Notice Dated :31.07.2024 and 30.08.2024 cited under reference(1) and (2) has sought comments /suggestions /objections on the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations , 2024.

In this regard, I am directed to enclose herewith the comments/suggestions of KPTCL on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations , 2024 with a request to kindly place the same before the Hon'ble Commission for incorporating the suggestions made by KPTCL.

" Approved by  
the Managing Director, KPTCL."

Yours faithfully,

*B. K. Jayaram*  
Financial Advisor  
Regulatory Affairs



**Comments /suggestions of SLDC, KPTCL on Central Electricity Regulatory Commission(Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.**

**Preamble:**

The Hon'ble commission initiative for effective utilization of national transmission assets with minimum cost and reducing the commercial burden on end consumers. In this regard, SLDC, KPTCL would like to submit the following suggestions/comments on the draft third amendments of GNA regulations 2024 for kind considerations;

**In the definition part**, the following definition may be modified/ added for more clarity on the regulations

- a. **“DSM Regulations”** means the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters), Regulations, 2014 **may be modified as** “DSM Regulations” means the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters), Regulations, 2024 since the Hon'ble commission has notified the new DSM regulations which is effective from 16.09.2024
- b. **RLDC Fees and Charges Regulations”** means Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2019 may be modified **RLDC Fees and Charges Regulations”** means Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024 since the Hon'ble commission has notified the same on 12.07.2024.
- c. In this draft the new definition **“(j-i) “Complex of ISTS substations” or “Cluster of ISTS substations”** introduces the term “National Committee on Transmission (NCT)”. *For clarity, the functional definitions of NCT should be included in the regulations.*

**In this draft, clause 3.8** has stated that *“An applicant whose Bank Guarantee (BG) is to be encashed may opt to pay the equivalent amount through online payment mode, in lieu of such encashment of BG under these regulations and seek the return of the BG”:-*

**Suggestions:** Clause 3.8 mentions that an applicant whose BG is to be encashed may opt to pay the equivalent amount online and request the return of the BG. Clarity is needed regarding the timeline for making this online payment before the BG is encashed.



**In this draft “35. Amendment to Regulation 26.2 of the Principal Regulations”:** proviso is stating that “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.”

Is it necessary to restrict with certain numbers!!?? the main aim of this regulation is to enable ease of business for transmission assets utilization. With restriction in the above proviso, it may lead to non-utilization of national ISTS transmission assets by certain users in real time and propagate additional investment on the transmission assets by way of connectivity or additional GNA requisition which may be for a short time period.

Additionally, as per the proposed draft amendment, a bulk consumer with a demand of 50 MW who does not initially have GNA would be ineligible to obtain even 1 MW of T-GNA ???. This provision could unduly restrict access to T-GNA for such consumers.

From the Explanatory memorandum, it is learnt that, the intention of restriction of 30% looks to be fair and justifiable by protecting the DICs business as mentioned reason that *“The reason for limiting up to 30% is that margins under T-GNA get created only when the backbone transmission system is in place, which is paid for by drawee DICs under GNA. Hence, the entity needs to balance between GNA and T-GNA quantum and should not have a huge quantum of T-GNA on an intermittent basis”*.

It is important bring notice of Hon’ble commission that in Electricity act 2003 of Section 38 of subsection (2) (d), Section 39 of subsection (2) (d) and Section 40 of subsection (c) has mandated as follows

*“to provide non-discriminatory open access to its transmission system for use by-*

- (i) any licensee or generating company on payment of the transmission charges; or*
- (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the Central Commission”*,

The restriction on **T-GNA to 30% of GNA might conflict with Sections 38(2)(d), 39(2)(d), and 40(c) of the Electricity Act, 2003**, which mandate non-discriminatory open access to transmission systems.

**Suggestion:** We do appreciate the intention for restriction limiting to 30% for T-GNA, however, for maximum utilizations of national ISTS transmission assets in real time and to avoid creation of additional transmission assets which is actually not required for the users on a long term basis, *the following suggestions to be considered when the user requests for T-GNA more than 30% of GNA , it may*

*be allowed if the left-out margin is available after utilization of DICs, this will enhance the real time transmission capacity utilization and it will reduce the commercial burden to DICs.*

*Hence, review the restriction to ensure it aligns with the provisions of the Electricity Act, 2003, and consider a rider for cases where T-GNA beyond 30% can be granted if the transmission margin is available after utilization by DICs.*

**In this draft “ 36.1. A new Regulation, namely, Regulation 34A, shall be added after Regulation 34.6 of the Principal Regulations as under”:**

The new regulation “34A Operating charges for transactions under T-GNA is proposed in this draft regulation, the following suggestions may be considered for avoiding the double payment towards RLDC and NLDC functions

**Suggestions:** The operating charges T-GNA transactions shall not be imposed since the generating companies, distribution licensees, bulk consumers, inter-State transmission licensees, buyers, sellers, inter-State trading licensees, Settlement Nodal Agency (SNA) and any other users **are paying charges under CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024,**

Further, additional collection of operating charges will be burden on the end consumers. After GNA regulation, Distribution Licensees are scheduling power as per merit order thereby ISTS transmission corridors are being effectively utilized by the way scheduling under GNA and T-GNA. The same encouragement shall be continued and the proposed operating charges shall be **exempted at least for Distribution licensees.** During, CERC (Open Access in inter-State Transmission) Regulations, 2008 (which has been repealed after the effectiveness of the GNA Regulations), there was no proper mechanism of collecting RLDC fees and charges, for this Hon’ble commission was introduced the operating charges. With existing RLDC fees and charges regulation, the additional collection of operating charges from distribution licensees is unjustifiable.

The SLDC, KPTCL suggestions on these draft regulations is submitted for favourable considerations, in the best interest of maximum utilization of ISTS transmission assets.

