

Head – Regulatory : 014

November 11, 2024

To
The Secretary
Central Electricity Regulatory Commission
7th Floor, World Trade Centre
Tower B, Naurojinagar,
New Delhi – 110 029

Kind Attn : Mr Harpreet Singh Pruthi

Dear Sir,

Sub : Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024

With reference to the Public Notice No. L-1/250/2019/CERC dated 9th October, 2024, we are submitting our comments / suggestions in Attachment on the subject.

Yours faithfully,



Balaji Sivan

Head – Regulatory

Comments of CESC Limited is placed below for kind consideration of the Hon'ble Commission:

Sl. No.	Regulation reference	Regulation along with draft amendment	Comments
1	2 (1) (aa-i) 2 (1) (aa-ii)	Insertion of Definition of Tariff Regulations, 2024 and Terminal Bay	The insertions are welcome step to introduce clarity
2	Introductio n of Fourth Proviso to Regulation 12 (1) (a)	Provided also that for a Generating Station having dual connectivity to both inter-State transmission system and intra-State transmission system, the transmission deviation shall be computed as net metered ex-bus injection, in a time block in excess of (GNA to the inter-State transmission system + Connectivity with STU system)	The insertion is a welcome step as it will capture transmission deviation appropriately for generating stations connected with CTU and STU
3	13 (2) (e)	Hydro generating station where (a) PPAs are signed on or after 1.12.2022 but on or before 30.06.2025 and (b) construction work is awarded on or after 1.12.2022 but on or before 30.06.2025 shall be considered for waiver of transmission charges under this Regulation, for a period of 18 years from the date of COD of the hydro generating station	The Hon'ble Commission has proposed to restrict the applicability of transmission charge waiver for hydro power projects, by taking out those projects, where construction work was awarded prior to 1.12.2022. The proposed amendments will be detrimental for addition of hydro power capacity, which is extremely important from grid safety, resource adequacy and load management point of view.
4	13 (2) (a)	REGS or RHGS based on wind or solar sources or Hydro-PSP-ESS which have declared commercial operation upto 30.6.2025 shall be considered for waiver of transmission charges for a period of 25 years from date of COD.	It is respectfully submitted that due to connectivity, land acquisition and other reasons, commissioning of renewable energy projects are getting significantly delayed. A lot of projects may miss the 30.06.2025 deadline for waiver of transmission charges. Though there are provision for case to case determination of extension, such case to case extension will cause immense strain on the resources of authorities and the judicial system. Needless to mention that disputes will continue to drag these issues for foreseeable future. Considering these, the Company proposes to modify

			the regulation as placed below: "REGS or RHGS based on wind or solar sources which have declared commercial operation upto 30.6.2027 shall be considered for waiver of transmission charges for a period of 25 years from date of COD."																																
5	13 (2) (f) (i)	<p><i>REGS or RHGS based on wind or solar sources or Battery ESS which is declared under commercial operation after 30.6.2025 or Hydro PSP ESS which has awarded the construction contract after 30.6.2025 shall be eligible for grant of waiver in the following manner- or BESS-ESS:</i></p> <table border="1"> <thead> <tr> <th>Category</th> <th>(i) Period of COD (for REGS or RHGS based on wind or solar source and Battery ESS / (ii) Period of award of construction work (for hydro PSP ESS)</th> <th>Number of years from COD</th> <th>% of draw from Schedule identified generating station or ESS, to be considered under Annexure-III</th> </tr> </thead> <tbody> <tr> <td>REGS or RHGS based on wind or solar sources</td> <td>1.7.2025 to 30.6.2026</td> <td>25 years</td> <td>75</td> </tr> <tr> <td>or Hydro PSP ESS</td> <td>1.7.2026 to 30.6.2027</td> <td>25 years</td> <td>50</td> </tr> <tr> <td></td> <td>1.7.2027 to 30.6.2028</td> <td>25 years</td> <td>25</td> </tr> <tr> <td></td> <td>After 30.6.2028</td> <td></td> <td>0</td> </tr> <tr> <td>Battery ESS</td> <td>1.7.2025 to</td> <td>12 years</td> <td>75</td> </tr> </tbody> </table>	Category	(i) Period of COD (for REGS or RHGS based on wind or solar source and Battery ESS / (ii) Period of award of construction work (for hydro PSP ESS)	Number of years from COD	% of draw from Schedule identified generating station or ESS, to be considered under Annexure-III	REGS or RHGS based on wind or solar sources	1.7.2025 to 30.6.2026	25 years	75	or Hydro PSP ESS	1.7.2026 to 30.6.2027	25 years	50		1.7.2027 to 30.6.2028	25 years	25		After 30.6.2028		0	Battery ESS	1.7.2025 to	12 years	75	<p>It is respectfully submitted that due to connectivity, land acquisition and other reasons, commissioning of renewable energy projects are getting significantly delayed. A lot of projects may miss the 30.06.2025 deadline for waiver of transmission charges. Though there are provision for case to case determination of extension, such case to case extension will cause immense strain on the resources of authorities and the judicial system. Needless to mention that disputes will continue to drag these issues for foreseeable future. Considering these, the Company proposes to modify the table as placed below:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>(i) Period of COD (for REGS or RHGS based on wind or solar source and Battery ESS / (ii) Period of award of construction</th> <th>Number of years from COD</th> <th>% of draw from Schedule identified generating station or ESS, to be considered under Annexure-III</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Category	(i) Period of COD (for REGS or RHGS based on wind or solar source and Battery ESS / (ii) Period of award of construction	Number of years from COD	% of draw from Schedule identified generating station or ESS, to be considered under Annexure-III				
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6	13 (2) (h)	<p>The following clause has been proposed to be inserted:</p> <p>Any REGS based on wind or solar source which is eligible for a waiver of inter-state transmission charges under Regulation 13(2) of these regulations and is having its scheduled date of commissioning on or before 30th June 2025 is granted extension of time to achieve COD by the competent authority in terms of the Power Purchase Agreements (where PPA has been entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution</p>	<p>The phrase "competent authority" is ambiguous and may kindly be clarified to avoid future litigations.</p> <p>It is respectfully submitted that Force Majeure (FM) is normally invoked as last resort by the Parties under any contract. If any event is accepted as FM event, there are multiple compliances which are required to be met. Considering the socio-political scenario in India, it is submitted that the extension should be for at least one year.</p>

		<p>licensee, consequent to tariff based competitive bidding) or the Commission (for cases other than specified PPA, on an appropriate application made by the entity), on account of any Force Majeure event including non-availability of transmission or for reasons not attributable to the REGS, and the project achieves COD before the extended date, it shall be eligible for a waiver of inter-state transmission charges as if the said REGS had achieved COD on 30.6.2025:</p> <p>Provided that, for the purpose of this Clause, such extension shall not exceed a period of six months at a time and not more than two times.</p>	<p>The suggested clause “Provided that, for the purpose of this Clause, such extension shall not exceed a period of one year at a time and not more than two times.”</p>
7	13 (13)	<p>(13) Availability of the Transmission System</p> <p>Notwithstanding any provisions to the contrary in the Transmission Service Agreement, the Availability of a transmission system or an element thereof shall be calculated as specified in the Tariff Regulations.</p>	<p>There is an already existing clause numbered 13 (13), which is as below: (13) An intra-State transmission system for which tariff is approved by the Commission shall be included for sharing of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations, only for the period for which such tariff has been approved. The proposed clause may kindly be renumbered as (14).</p>