



## ELECTRICITY EMPLOYEES' FEDERATION OF INDIA

B.T. Ranadive Bhawan, 13A, Rouse Avenue, New Delhi-110 002  
Telefax : +91 11 23219670 W : eeficentre.org E : eefederation@gmail.com  
President : Elamaram Kareem (Ex-M.P.) E : elamaramkareem2010@gmail.com  
General Secretary : Prasanta N Chowdhury  
E : prasantaan1@gmail.com

No.  
9<sup>th</sup>/Oc/02/2024

Date :  
11<sup>th</sup> November 2024

**To,  
Secretary**

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi -110 001**

**Sir,**

**Sub: Comments on Draft Central Electricity Regulatory Commission (Sharing of inter State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024**

**Ref.: - CERC Public notice File No L-1/250/2019/CERC dated 09.10.2024.**

Kind attention is invited to the Draft Central Electricity Regulatory Commission (Sharing of inter State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024 notified by Hon'ble Commission vide reference.

As per the draft regulation amendment to Regulation 13 of the principal regulation, CERC has proposed waiver of interstate transmission charges for REGS or RHGS based on wind or solar source or Hydro PSP, ESS etc. The draft regulation also proposes waiver of interstate transmission charges to Green Hydrogen or Green Ammonia Plant. On this it is submitted that,

1. Ministry of Power (MoP), Government of India (GoI), issued an order on November 23, 2021 (File No. 23/12/2016-R&R), waiving inter-state transmission charges for RE projects commissioned by June 30, 2025, subject to specific conditions outlined in the order.
2. Further, MoP, GoI, issued another order on December 1, 2022, extending the waiver of inter-state transmission charges for Hydro Power Projects whose construction contracts have been awarded and Power Purchase Agreements (PPAs) signed until June 30, 2025, for a duration of 18 years from the date of commissioning. This order also extends similar waivers to Pumped Storage Projects (PSPs), Battery Energy Storage Systems (BESS), and Green Hydrogen projects. Also, May 29, 2023, the MoP, GoI, announced the extension of the waiver of inter-state transmission charges to Offshore Wind Power Projects commissioned by December 31, 2032, whether established through PPAs or on a merchant basis.

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3. In accordance with the CERC Regulations for Connectivity and General Network Access to the inter-State Transmission System, the Central Commission also notified the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, on February 7, 2023. This amendment specifies the methodology for sharing inter-state transmission charges among Designated ISTS Consumers (DICs) based on their General Network Access (GNA) and GNARE. The Central Transmission Utility (CTU) has implemented the billing of transmission charges to the Designated ISTS Consumers (DICs) and has also initiated the waiver of transmission charges applicable to the drawee DICs starting from October 2023.

4. By allowing the waiver of inter-state transmission charges, normally CTU has to face short recovery of inter-state transmission charges. However, it is noticed that, the CTU has been recovering the amount of waiver of Inter-State transmission charges from the drawee DICs in proportion to the respective GNA/ GNARE.

5. At the same time, it is to be noted that, there is no explicit provisions in the CERC (Sharing of Inter State Transmission Charges and Losses) Regulation, 2020 and its first amendments in 2023 for recovering the amount of such waiver from the drawee DICs.

6. However, it appears that the PGCIL/CTU has relied on the paragraph (1)(f) of the Annexure-III to 1st amendment of the sharing Regulations, 2023, for recovering the waiver from the drawee DICs including DISCOMS. The relevant paragraph in the annexure-III of the Regulation is extracted below.

*"(f) The first bill shall be sum of transmission charges as calculated at sub- clause (d) of this Clause and amount arrived at by apportioning the total amount of waiver as arrived under sub-clause (e), in proportion to transmission charges of each drawee DIC calculated as per sub-clause (d) of this Clause, and shall be used for billing under subclause (b) of Clause (2) of Regulation 15."*

7. Since the waiver of inter-state transmission charges is allowed as per the policy directions of the MoP, GoI, for the promotion of electricity generation from RE sources, the Central Government has to compensate the waiver amount through its budgetary support to the CTU/transmission licensees. Or, in the alternative, PGCIL/CTU being fully owned by the Central Government, the Central Government can direct the CTU/PGCIL to meet the waiver amount from the accrued revenue surplus of PGCIL or return on equity allowed.

8. It is submitted that; it is inappropriate to ask the drawee DICs including the State DISCOMs to compensate the CTU for the short recovery of transmission charges owing to the waiver allowed to RE projects by the Central Government as part of its policy.

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9. The additional liability due to the waiver for the DICs/DISCOMs in the RE rich States could be much higher, since they mostly meet their RPO requirements from the sources within the State. As more RE power plants are likely to be commissioned and connected to the Inter-State Transmission system till 30th June, 2025, the percentage of waiver of transmission charges may increase further in the coming months.

10. It is also noted that, in the coming months, the cost of waiver of inter-state transmission charges and the unjust burden to be shared by DISCOMs as per the present methodology followed by CTU could increase substantially, due to the huge RE capacity addition and Green Hydrogen production, targeted to be connected to the inter-State transmission system, and are eligible for the waiver.

11. In the above circumstances, this Hon'ble Commission may kindly direct the CTU to stop recovering the cost of waiver of transmission charges allowed to RE projects from the DISCOMs and other DICs. Also amend the paragraph (1)(f) of the Annexure-III to 1st amendment of the sharing Regulations, 2023. Further direction may be issued to the PGCIL/CTU may take up the issue with the Central Government to reimburse the amount from budgetary provisions or other appropriate means. If necessary, the Central Commission may give necessary advice to the Central Government as per Section 79(2) of the EA- 2003.

12. It is submitted that, the above said point may be considered while finalising the regulation.

**Thank you**

**(Prasanta N. Chowdhury)**  
**General Secretary**