

Date:11/11/2024

To,
The Secretary
Central Electricity Regulatory Commission,
New Delhi- 110001
Kind Attn: Shri Harpreet Singh Pruthi

Sub: Submission of Comments on draft central electricity regulatory commission (sharing of interstate transmission charges and losses) fourth amendment regulations,2024.

Ref: Public Notice: No. L 1/250/2019/CERC Dated: 9.10. 2024

Respected Sir,

We would like to thank the Hon'ble Commission for inviting comments and suggestions on the fourth amendment of the **Sharing of Inter-State Transmission Charges And Losses (Fourth Amendment) Regulations 2024**. As a transmission licensee, IndiGrid is eager to provide its comments/suggestion, given the significant implications of the proposed draft regulation. Our detailed comments and suggestions are enclosed in Annexure-I. The detailed discussions and explanations will be presented during the public hearing.

We, therefore, request Hon'ble commission to kindly consider our comments while finalizing the draft regulations.

Thanking you,
Yours sincerely



Lokendra Singh Ranawat
Head Regulatory Affairs

Annexure-I- Comments/Suggestions on Sharing regulation fourth amendment 2024.

S/n	Clause as proposed by Hon'ble Commission	Suggested Clause	Rationale / Suggestive Actionable
1	<p>8) The second Proviso of Clause (3) of Regulation 13 of the Principal Regulations shall be substituted as follows:</p> <p><i>“Provided further that for cases of augmentation without ATS and where the Terminal Bay(s) at the ISTS sub-station, in the scope of the transmission licensee have achieved COD, which is not earlier than the start date of Connectivity, and the COD of a Connectivity grantee or the Renewable Power Park Developer, as the case may be, has not been achieved, the Connectivity Grantee or the Renewable Power Park Developer, as the case may be, shall pay Yearly Transmission Charges for the Terminal Bay(s) corresponding to the Connectivity capacity which has not achieved COD:</i></p> <p><i>Provided also that Yearly Transmission Charges in respect of the Associated Transmission System and terminal bay(s) corresponding to the Connectivity capacity that have</i></p>	<p>8) The second Proviso of Clause (3) of Regulation 13 of the Principal Regulations shall be substituted as follows:</p> <p>“Provided further that for cases of augmentation without ATS and where the Terminal Bay(s) at the ISTS sub-station, in the scope of the transmission licensee have achieved COD, which is not earlier than the start date of Connectivity, and the COD of a Connectivity grantee or the Renewable Power Park Developer, as the case may be, has not been achieved, the Connectivity Grantee or the Renewable Power Park Developer, as the case may be, shall pay Yearly Transmission Charges corresponding to the Connectivity capacity which has not achieved COD and the:</p> <p>Provided also that Yearly Transmission Charges in respect of the Associated Transmission System and terminal bay(s) corresponding to the Connectivity capacity that have achieved COD shall be included for</p>	<p>The provisions that are applicable under Proviso 12 of Regulation 13 of the Principle Regulations (as amended from time to time), in case of mismatch between the two Transmission Licensees should be applied to the cases of augmentation without ATS and where the Terminal Bay(s) at the ISTS sub-station, in the scope of the transmission licensee have achieved COD, which is not earlier than the start date of Connectivity, and the COD of a Connectivity grantee or the Renewable Power Park Developer, as the case may be:</p> <p>The introduction of the proposed provisions in the regulation will create further uncertainty regarding the recovery of yearly transmission charges for the transmission licensee in the following scenarios:</p> <ol style="list-style-type: none"> 1. It is pertinent to mention that there have been multiple cases of mismatch in the past wherein all the issues have gone in litigation. The litigations have been observed to run into multiple years, leading to non-payment of tariff to Transmission Licensee, which impacts the project

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	<p><i>achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations."</i></p>	<p>determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations."</p>	<p>viability severely. By ensuring that the recovery of the ISTS Transmission Licensee (having Terminal Bays or are Non-ATS) being allowed under Regulation 12 Sub Proviso 3 as per the provisions provided under Regulation 13 Sub Proviso 12 will ensure that the ISTS Transmission Licensee has a stable recovery of tariff and the cash flow.</p> <p>2. Example: In a situation where a transmission system is augmented as a Non-ATS scheme to evacuate the power quantum of 1000 MW for five-connectivity grantees at a common terminal bay, if two connectivity grantees fail to achieve COD by the specified date. Under these circumstances, the Transmission license will recover the yearly transmission charges from PoC pool on a proportionate basis for three connectivity grantees that have achieved COD.</p> <p>The remaining portion of transmission charges will need to be recovered from the defaulting grantees through bilateral billing until</p>

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			<p>they achieve COD. Furthermore, the transmission system established for evacuation of power is majorly without ATS and in the event of payment defaults, the transmission charges recovery mechanism is limited to Bank guarantee issued by connectivity grantee. This will create unnecessary disputes between the transmission licensee and the connectivity grantee for recovery of transmission charges.</p> <p>3. Further, if a connectivity grantee experiences delays in achieving COD due to Force Majeure events, the transmission licensee will be unable to recover its annual transmission charges until the connectivity grantee achieves its COD. This will negatively impact on its cash flow and debt repayment obligations.</p> <p>4. Furthermore, if the Scheduled Commercial Operation Date (SCOD) of the transmission licensee does not align with the SCOD of the connectivity grantee, resulting in</p>

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			<p>a mismatch of COD, the transmission licensee will be unable to recover its transmission charges, and the proposed draft regulation does not address these mismatch and recovery of mechanism for yearly transmission charges.</p>
2	<p>A new Clause (13) shall be added after Clause (12) of Regulation 13 of the Principal Regulations as under:</p> <p><i>“(13) Availability of the Transmission System 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”.</i></p>	<p>A new Clause (13) shall be added after Clause (12) of Regulation 13 of the Principal Regulations as under:</p> <p><i>“(13) Availability of the Transmission System 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 per the tariff regulation provided in the respective Transmission service agreement and the RPC Secretariat shall provide deemed availability certificate for the shutdown period availed by transmission licensees (TBCB) for shifting of their Inter State Transmission System (ISTS) lines for all national importance infrastructure projects of NHAI, Railways, BRO etc., provided that</i></p>	<p>While participating the bidding process, the Transmission Licensee had quoted the tariff considered the availability for determination of Tariff based on the prevailing tariff regulations at that time, factoring in the associated risks.</p> <p>However, the proposed amendment to the availability computation will affect the tariff for transmission licenses awarded through the TBCB mode.</p> <p>The Ministry of Power (MoP) directive on considering deemed availability applies to transmission licensees for both RTM and TBCB modes.</p> <p>While the RTM mode is already addressed under the existing tariff regulations, the deemed availability for transmission licenses awarded through the TBCB mode may please be incorporated into the</p>

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		<i>transmission customers are not affected by the shutdown of the line.</i>	proposed amendment, in addition to the availability computation as specified in the respective TSA.