



A Maharatna Company

एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

Date: 11.11.2024

The Secretary
Central Electricity Regulatory Commission,
7th floor, Tower-B, World Trade Centre
Nauroji Nagar, New Delhi-110029

Subject: NTPC Submissions on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024.

Sir,

Hon'ble Commission has published Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024 and has invited comments from the stakeholders on the draft regulation.

In this regard, please find enclosed NTPC submissions on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024

Thanking you,

Yours sincerely

Ajay Dua
ED (Commercial)

NTPC Submissions on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024

1. The Draft Amendment proposes to add the following after third Proviso of sub-clause (a) of Clause (1) of Regulation 12 of the Principal Regulations as under:

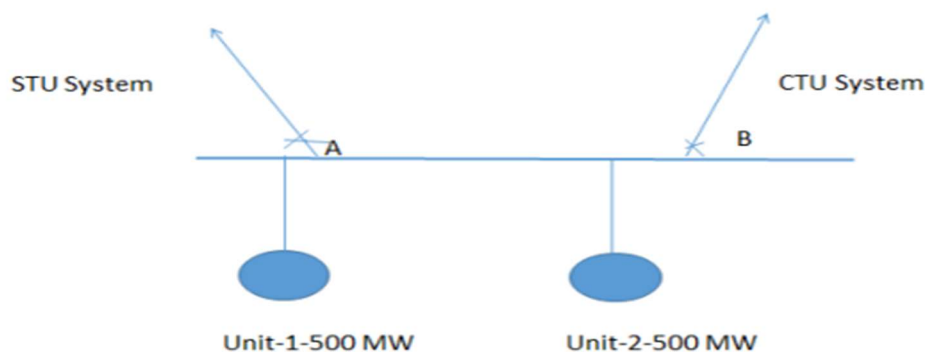
“Provided also that for a Generating Station having dual connectivity to both inter-State transmission system and intra-State transmission system, the transmission deviation shall be computed as net metered ex-bus injection, in a time block in excess of (GNA to the inter-State transmission system + Connectivity with STU system)”

Submission: The draft amendment proposes that the total deviation in excess of (GNA to the inter-State transmission system + Connectivity with STU system) shall be treated as per the CERC sharing Regulations. In this regard it is submitted that for a Generating Station having dual connectivity to both inter-State transmission system and intra-State transmission system, the transmission deviation needs to be apportioned in the ratio of GNA to the ISTS and Connectivity with STU system.

The charges for deviation apportioned corresponding to Connectivity with STU system needs to be treated as per the extant applicable state Regulations and the charges for deviation apportioned corresponding to GNA to ISTS should be calculated as per the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 and amendments thereof.

Illustration: Suppose a generating station with 2 units of 500 MW each has obtained Access to the ISTS and STU system as follows:

- a. Access with ISTS: 500 MW
- b. Access with STU System: 500 MW



The actual injection is taken as the sum of injections at points “A” and “B”. If for a particular time block injection at point B is 600 MW and at point A is 500 MW, the Transmission Deviation for the said block shall be calculated as $\{1100 - (500+500)\}$ MW = 100 MW.

For calculation of Transmission deviation charges this 100 MW may be apportioned as below:

- For $50 \times (500/1000) = 50$ MW, Transmission deviation charges may be calculated as per CERC Sharing Regulations and
- For $50 \times (500/1000) = 50$ MW, Transmission deviation charges may be calculated as per applicable state Regulations.

Accordingly, in view of above the proviso may be modified as follows:

“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 on proportionate basis corresponding to GNA quantum with ISTS, in a time block in excess of (GNA to the inter-State transmission system + Connectivity with STU system)”

2. In regards with waiver of transmission charges for hydro stations, the draft amendment proposes to provide the following:

13 (2) “Waiver of transmission charges for the use of ISTS shall be applicable for scheduling power under GNA, GNARE T-GNA and T-GNARE from

.....

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”*

Submission:

As per draft amendment, in order to get entitled for waiver of transmission charges hydro power stations are required to award the construction work ‘**on or after 1.12.2022 but on or before 30.06.2025**’.

In this regard it may please be noted that Ministry of Power orders dated 01.12.2022 in regards with waiver of transmission charges provides that:

No ISTS charges shall be levied for the transmission of power from Hydro Power Projects where construction work is awarded and PPA is signed till 30.06.2025.

Hence as per above order the construction work is to be awarded before 30.06.2025 and there is no reference of **on or after 1.12.2022**.

It is humbly submitted that placing the condition of awarding the contract on or after 1.12.2022 may place certain hydro stations in disadvantageous condition which have awarded their contract before 1.12.2022 but are stiving for signing the PPA.

In order to promote hydro generation in the country, it is requested that the proposed condition of award of construction work on or after 1.12.2022 may not be placed and accordingly clause may be modified as follows:

13 (2) "Waiver of transmission charges for the use of ISTS shall be applicable for scheduling power under GNA, GNARE T-GNA and T-GNARE from

.....

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 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"

3. The Draft Amendment proposes that Regulation 13 (2) (h) shall be added as below:

"(h) 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 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:

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.”

Submission:

- I. In the proposed draft Amendment, the relief due to Force Majeure event has been provided to REGS based on wind or solar sources only however Renewable hybrid generation sources based on wind or solar source has not been included.

It is worth mentioning that RHGS and REGS based on wind or solar source are similar in nature and the Principal Regulations have also prescribed the same set of timelines for waiver of inter-state transmission charges for both. It is humbly submitted that relief in waiver of inter-state transmission charges due to Force Majeure event may be extended to RHGS based on wind or solar sources also.

In view of above the provision may be modified as follows:

“(h) Any REGS/RHGS 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-----

- II. It is submitted that in the case of Force majeure and reasons not in control of REGS/supply disruptions/Land availability/ non-availability of transmission etc. extension may be required beyond 12 months also. Since the extension is being provided by REIA considering all facts and reasons, the duration of extension may not be limited to 12 months however a stipulation may be provided that REGS shall ensure the early commissioning of the project.

It is also submitted that since the extension is being provided based on certain circumstances such as any Force Majeure event including non-availability of transmission or for reasons not attributable to the REGS, **the limitation of extension of 2 numbers may also not be mentioned.**

- III. It is submitted that the amendment is proposing to extend the waiver of transmission charges on account of Force Majeure event including non-availability of transmission or for reasons not attributable to the REGS, it is required that in order to obviate the RE

generators from transmission charges liability the start date of connectivity may also be extended accordingly. Hence a second proviso after 13(2)(h) may be inserted as

Provided that the period of start date of connectivity shall also get extended accordingly.

- IV. It is submitted that the proviso provides that “the project achieves COD before the extended date”.

For the sake of clarity, the same may be substituted as **“The project achieves COD on or before the extended date.”**

- V. The proposed amendment considers only “a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee” as competent authority to grant extension of time to achieve COD.

It is pertinent to mention that, after implementation of green energy open access, significant Round the clock (RTC) capacities are being planned under captive or third-party mode through open access, wherein bilateral PPA will be signed based on the tariff mutually agreed between the parties. In such cases the extension of the SCOD will be provided by buyer of the power instead of REIA or distribution licensee. The relief in case of delay due to force majeure may be provided to such REGS and RHGS also.

Therefore, “MNRE or any party purchasing power through bilateral PPA as the case may be” may also be considered as competent authority to grant extension of time to achieve COD in case of force majeure.

- VI. The proposed draft Regulation 13 (2)(h) is applicable to only those REGS based on wind or solar source whose scheduled date of commissioning is on or before 30th June 2025 and the REGS based on wind or solar source whose scheduled date of commissioning is after 30th June 2025 are not getting any relief in case of delay on account of any Force Majeure events. The graded waiver for scheduled date of commissioning after 30th June 2025 is applicable as following:

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 drawl Schedule from identified generating station or ESS, to be considered under Annexure-III
REGS or RHGS based on wind or solar source or Hydro PSP ESS	1.7.2025 to 30.6.2026	25 years	75
	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

It is submitted that as there is a provision of graded waiver of transmission charges for REGS or RHGS based on wind or solar source whose scheduled date of commissioning is after 01.07.2025 to 30.06.2028, delay in CoD of such REGS/RHGS on account of any Force Majeure event may also be condoned for the purpose of waiver of transmission charges in the same manner as provided for the projects whose scheduled date of commissioning is on or before 30th June 2025.

Illustration: If scheduled date of commissioning of a REGS/RHGS based on wind or solar source is 01.02.2026 but it is extended to 01.09.2026 on account of any Force Majeure events and the project achieves COD before the extended date, then it should be eligible for a waiver of inter-state transmission charges as if the said REGS had achieved COD on 30.6.2026 (*i.e., within the same slab of graded waiver of 75%*).

4. The Draft Amendment proposes to substitute the second Proviso of Clause (3) of Regulation 13. After substitution Regulation 13(3) shall be read as follows:

*“(3) Where COD of a Connectivity grantee other than Renewable Power Park Developer is delayed on or before start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than start date of **Connectivity**, the **Connectivity grantee shall pay Yearly Transmission Charges** for the Associated Transmission System corresponding to Connectivity capacity which has not achieved COD:*

Provided that where a Connectivity grantee is Renewable Power Park Developer and the generation capacity within the Renewable Power Park has not declared COD on or before start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than start date of Connectivity, the Renewable Power Park

Developer **shall pay Yearly Transmission Charges** for the Associated Transmission System corresponding to generation capacity which has not achieved COD:

*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:*

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 determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations”.

Submission:

It is submitted that as per the proposed draft amendment where the Terminal Bay(s) at the ISTS sub-station, in the scope of the transmission licensee have achieved COD, and the COD of a Connectivity grantee 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. In this regard following may please be noted:

- A. MoP vide letter dt. 15.01.2021 under Section 107 of Electricity Act, 2003 has issued direction to amend the Sharing Regulations as follows:

“12 (i) **On COD of an element of ISTS, its Transmission Charges be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of the Sharing Regulations, independent of the readiness of associated generation or upstream or downstream transmission elements.**

(ii) **No additional penalties through Sharing Regulations to be levied for delay in COD of an element of ISTS in the Regulations.** Delay automatically causes losses to the transmission licensees in the form of delay in realization of revenues, increased finance cost, etc. Moreover, in case of TBCB projects, the penalties for default are already provided in the form of liquidated damages which are linked to the project tariff in TSA. So, there are sufficient disincentives to the transmission licensees for delay in COD. The penalties recovered from the ISTS licensees for delay in commissioning shall be shared with the DICs.”

The essence of the direction is that independent to readiness of associated generation the transmission licensee is entitled to recover its full charges from PoC pool once it has achieved its CoD. Since the Transmission Licensee is recovering its full charges from PoC pool under these circumstances there should not be any additional liability on generators to bear the transmission charges in case it gets delayed in achieving the CoD in matching time frame of transmission licensee.

Further as mentioned under para 12 (ii) of advice, that ***“Delay automatically causes losses to the transmission licensees in the form of delay in realization of revenues, increased finance cost, etc.”*** the same are applicable to generators also. In case of RE projects awarded through TBCB guidelines there are provisions of penalty in the form of Liquidated damages and there is generation loss to generator also.

However contrary to this, Draft Forth amendment in continuation of the Second Amendment of Sharing Regulation under Regulation 13(3) provides that in case the generator gets delayed, it shall pay yearly Transmission charges ***for the Associated Transmission System/ Terminal Bay(s) corresponding to Connectivity capacity which has not achieved COD.***

- B. Hon'ble Commission vide second amendment to sharing Regulations has provided the following:

(e) In case an inter-State transmission licensee is responsible for the delay in the commencement of power flow in the inter-State transmission system of another inter-State transmission licensee which has achieved deemed COD, inter-State transmission licensee of the delayed inter-State transmission system shall pay 50% of YTC of its transmission system OR 50% of YTC of the transmission system which has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD.

Hence as per the above amended provision in case of delay of a transmission licensee, it is required to pay only lower of 50% of YTC of its transmission system or of the system which has achieved CoD. On the contrary, as per the proposed amendment in case a generator gets delayed, it is required to pay 100% YTC of bays.

It is submitted that the proposed amendment is creating a discrepancy in terms of treatment of delay of generator and delay of Transmission licence since if delay is on the part of generator, it is required to pay 100% of the YTC, while if transmission licence gets delayed, is required to pay only 50% of the YTC.

It is submitted that a generator may get delayed due to various reasons which are beyond its control. Hence Hon'ble commission is requested to provide parity in

treatment of delay and in case of delay on the part of generators they may also be required to pay similar as what a transmission licence is required to pay.

5. The draft amendment proposes to insert Illustration in Regulation 13(2)(f)(iv) as below

“Illustration: (i) A Green Hydrogen plant, which declares COD on 01.01.2032 (eligible for 50% waiver as per Table under **sub-clause (f-iii)**), is scheduling power from a REGS based on wind source which has declared commercial operation on 01.07.2025

Submission: The reference of **sub-clause (f-iii)** seems out of place and the same may be corrected as **sub-clause (f-iv)**.

Additional comment:

1. As per the present dispensation, the waiver of transmission charges on hydro generating station is available for a period of 18 years from the date of COD and for hydro PSP ESS, waiver period is 25 years from the date of COD.

It is worth mentioning that useful life for hydro generating station and hydro PSP ESS is 40 years, but the waiver is available for 18 and 25 years only.

In line with Solar/Wind projects where the waiver is provided for useful life after CoD, waiver of transmission charges may be provided to hydro power projects and hydro PSP ESS for their useful life from the CoD.

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