PSPCL Punjab State Power Corporation Limited

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Memo no. 1297

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

Kindly refer to your Public Notice No. L-1 /250/2019/CERC dated 09.10.2024, vide which comments/suggestions/objections of the stakeholders and interested persons on the subject cited draft regulations were invited.

Accordingly, comments/ suggestions of Punjab State Power Corporation Ltd. (PSPCL) are as under:

"The aforementioned draft amendment dated 09.10.2024 proposes inclusion of waiver of Inter-State Transmission Charges to facilitate the execution of offshore wind power projects, Green Hydrogen/ Green AmmoniaPlants, Hydro PSPs, and Hydro Projects in line with Ministry of Power orders dated 29.05.2023 and 09.06.2023.

In this regard, it is submitted that as per the provisions of CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, the existing waiver of transmission charges on account of energy scheduled by DICs from REGS/RHGS based on wind/solar/ESS and New Hydro Projects is being apportioned among all DICs in proportion to transmission chargesof each drawee DIC in line with Clause 1 (f) of Annexure-III for aforementioned First Amendment of Sharing Regulations.

With the inclusion of waiver on account of energy scheduled by DICs from offshore wind power projects, Green Hydrogen/ Green Ammonia Plants, such apportionment shall further increase, causing additional financial implications to the DICs, which are not scheduling or scheduling less energy from such RE sources qualified for waiver.

And

The apportioning of waiver allowed by MoP for promotion of certain RE sources, among the DICs, defeats the whole purpose of waiver/ exemption, as is evident from following example:-

Say the Monthly ISTS Transmission Charges for Punjab =
$$Rs. 200 Cr.$$
 (A)

Total Monthly ISTS Transmission Charges for all DICs =
$$Rs. 4000 Cr.$$
 (C)
Total Monthly Waiver for all DICs = $Rs. 200 Cr.$ (D)

Apportioned Waiver amount for Punjab = $A \times D / C$

$$= 200x \ 200 \ / \ 4000 = Rs. \ 10 \ Cr. \tag{E}$$

Net Waiver for Punjab = B - D = 10 - 10 = Nil

(The Net Waiver may also be negative i.e. payable by Punjab, if the waiver of Punjab is on lower side as compared to the average waiver of rest of States)

It is worth mentioning that this Hon'ble Commission, while issuing Supplementary Draft Notification dated 18.08.2022 to the Draft CERC (Sharing of Inter-State Transmission Chargesand Losses) (First Amendment) Regulations, 2022, had proposed to work out GNA_{RE} for each DIC based on the drawal schedule of such DIC from REGS or RHGS based on wind or solarsources or ESS and deduct such GNA_{RE} from the total GNA quantum of DIC to allow waiver of transmission charges, which seemed a more rational approach. However, without issuing any Statement of Reasons (SoR), the Commission itself revised the approach for calculation of waiver in the final CERC (Sharing of Inter-State Transmission Chargesand Losses) (First Amendment) Regulations, 2022 and by allowing apportionment of waiver among DICs.

As such, it is proposed that the provision for apportioning of waiver under Clause 1 (f) of Annexure-III of Sharing Regulations may be done away and/ or the provision of working out GNA_{RE} for each DIC based on the drawal schedule of such DIC from REGS or RHGS based on wind or solar sources or ESS and deduct such GNA_{RE} from the total GNA quantum of DIC, may be restored in order to avoid financial implications to DICs on account of apportionment of waiver."

This is for your information and further necessary action please.

Chief Engineer/ PP&R, PSPCL, Patiala