

APP Comments on Draft CERC (Sharing of Inter State Transmission Charges and Losses) Regulation 2019

S No.	Extracts from Draft Regulation	Proposed Changes to Draft Regulations	Views/Observations and Recommendation (if any)
1	General		For better understanding of the proposed Draft Regulation it is requested that CERC may conduct a study of at least 3 high injecting States and also drawal States to present scenarios that shall arise under this proposed Regulations. The findings of the study along with a comparison of the current Regulation and proposed Regulation may be published for stakeholder consultation and a workshop should also be conducted, prior to conducting Public Hearing.
2	General		CERC may clarify the apportionment of the charges collected through TDER mechanism to the LTA + MTOA DICs
3	General		It is unclear how the part capacity of a Generator for which LTA has been availed by its Buyer (State Discom) shall be treated with respect to computation and levy of transmission deviation charges i.e. whether this LTA capacity shall be treated as LTA capacity of Generator or aggregate LTA capacity of the State (i.e. the host state of Buyer DISCOM) for the purpose for computation and levy of transmission deviation charges.

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4	General		<p>Currently, as per the prevailing Regulations, Node-wise/ State-wise monthly transmission rates and losses are duly approved and notified by this Hon'ble Commission on quarterly basis, wherein this Hon'ble Commission undertakes a comprehensive prudence check in consultation with various agencies and stakeholders before approving and publishing such rates and losses. As such, these rates and losses bear a testimony of this Hon'ble Commission, leaving hardly any scope of litigations with respect to monthly transmission charges invoices raised by PGCIL. However, we understand the transmission charges billing mechanism envisaged under the Draft Sharing Regulations 2019 would do-away with the existing practice of regulatory approval of the transmission rates and losses. In absence of such a regulatory prudence check and approval, there may be an exponential increase in the available litigations. As such, it is imperative that a periodic regulatory prudence check and approval mechanism should continue in all the times to come.</p>
5	<p><u>Regulation 3 (3)</u> Principles of sharing transmission charges</p>	<p>Definition of "Deemed COD" to be included in the proposed regulations.</p>	<p>The definition of "Deemed COD", may be added in the Regulation, although it is defined under Transmission Service Agreement.</p>
6	<p><u>Regulation 5.2 & 5.4</u> 5 (2) National Component-Renewable Energy shall comprise of</p>		<p>To provide transparency in the information availability and avoid asymmetry in the information, the CTU should</p>

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	<p>transmission charges for transmission systems developed for renewable energy projects as identified by the Central Transmission Utility.</p> <p>5(4) Transmission charges for the National Component shall be shared by the drawee DICs in the ratio of their quantum of Long term Access plus Medium Term Open Access.</p>	<p>Following proviso may be added for information:</p> <ul style="list-style-type: none"> • Provided that, The CTU shall upload the details of LTOA and MTOA for the base year approved by CTU for ISTS on its Website which will be considered for transmission charges. <p>The details of LTOA and MTOA shall be updated on monthly basis</p>	<p>provide the details of information used for computation of charges on its web site:</p> <p>In view of the above rationale, the suggested proviso shall be added and the details of LTOA and MTOA shall be updated on monthly basis.</p>
7	<p><u>Regulation 5.(2), 5.(4) and 5.(5)</u></p>	<p>We request the Commission to exempt the injecting DICs with untied LTA capacity from sharing of NC - RE component.</p>	<p>We understand that as per the proposed Regulation, the Transmission System developed exclusively for RE projects shall be borne by the Drawee DICs as well as by the Injecting DICs with untied LTA capacity.</p> <p>We would like to suggest to the Commission that since the benefit from RE projects are being taken by Drawee DICs in order to meet their RPO and hence the Transmission charges for the Transmission System developed for evacuation of power from RE projects need to be borne only by the Drawee DICs and should not be shared with the injecting DIC.</p> <p>It is also to bring in notice of the Commission that the delivery point under most of the Short-term power procurement bids is State Periphery and till this point all the transmission charges are to be borne by generator.</p>

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			<p>Adding the cost of dedicated RE Transmission system in the National component will put an additional burden on thermal generators who are neither generating RE power nor consuming RE power.</p> <p>In view of above, we request the Commission to exempt the injecting DICs with untied LTA capacity from sharing of NC - RE component.</p>
8	<p><u>Regulation 6.4</u></p> <p>(4) Transmission charges covered under sub-clause (b) of clause (1) of this Regulation shall be shared by DICs of the same region in the ratio of their quantum of Long Term Access plus Medium Term Open Access.</p>	<p>(4) Transmission charges covered under sub-clause (b) of clause (1) of this Regulation shall be shared by drawee DICs of the same region in the ratio of their quantum of Long Term Access plus Medium Term Open Access.</p>	<p>It may be clarified that the said clause shall be applicable only to Drawee DICs</p>
9	<p><u>11.(1) (c)...</u></p>	<p>11.(1) (c)...</p> <p>(ii) Such generation capacity has been declared under commercial operation</p>	<p>Ministry of power came out with a notification on 06.11.2019, wherein it was notified that the date specified for waiver of interstate transmission charges and losses on transmission of the electricity generated from Solar and Wind sources of energy is to be read as 31.12.2022 instead of 31.03.2022.</p>

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	(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022; and	between 13.2.2018 and 31.12.2022; and	In view of that Regulation should also be in same line as specified in the notification issued by MoP & modify that “such generation capacity has been declared under commercial operation Between 13.2.2018 and 31.12.2022
10	<p><u>Regulation 11 (1) (C) & (4) & (5)</u></p> <p>Transmission charges in specific cases:</p> <p>(c) No transmission charges and losses shall be payable for the generation projects based on solar or wind resources for the use of ISTS, for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government;</p>	<p>Wind / Solar Project Developer should also be allowed to extend date of operationalization / SCOD of project due to Force Majeure/unforeseen events beyond the control of developers, subject to getting necessary extension of SCOD from bidding and there should not be any levy of transmission charges for the transmission assets developed or from existing margins. In cases where the Developers have obtained consent from bidding agencies for extension of SCOD, CTU/PGCIL shall accept the revision in LTA operationalization dates in line with revised SCOD. Accordingly, it is</p>	<p>We would like to bring your notice Ministry of power’s (“MoP”) order dated 30.9.2016 wherein the Ministry of Power has notified waiver of ISTS charges and losses on transmission of electricity generated from solar and wind resources of energy under para 6.4(6) of the Tariff Policy, 2016. Further, MoP has extended applicability of this scheme for projects commissioned till 31 December 2022 vide its order no. 23/12/2016-R&R dated 06 Nov 2019. It is very much apparent that the intention of MoP behind the waiver of the inter-state transmission charges and losses is to encourage Wind and Solar Energy in order to achieve the sustainable development.</p> <p>The waiver of ISTS charges is, in effect, socialization of cost among the larger consumer framework, instead of being borne by the purchaser of the renewable power. Further, waiver of ISTS charge on solar and wind capacity commissioned upto December 2022 is largely perceived as a potent tool to encourage setting up of the project in states that have greater resources potential and availability of suitable land. It also helps in creating a pan-India renewable power market, as high renewable potential states</p>

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	<p>and</p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022;</p> <p>and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation Capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.</p> <p>Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD, which is not earlier than its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to capacity of generating station or</p>	<p>requested to incorporate suitable provisions in the Regulations.</p>	<p>would supply to less potential states without additional financial burden.</p> <p>Based on the provisions of Central Electricity Regulatory Commission notification No. L-1/44/2010-CERC dated 1st of April, 2015 (third amendment to Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges & Losses) Regulations, 2010), if <u>the commissioning of a generating station or unit is delayed, the generator becomes liable to pay POC Charges corresponding to its Long term Access from the date of operationalization of Long Term Access granted by CTU.</u></p> <p>The above provision is drafted by keeping conventional generation in mind, where no transmission charge waiver is applicable, and withdrawal charges are otherwise borne by drawing utility under the LTA. Therefore, above provision is not for wind and solar generators, where these charges are waived.</p> <p>We would like to submit that Wind / Solar Power Project developers are getting ISTS project through bid and successful bidder applied Connectivity on immediate basis based on issued LoA, wherein the developers are getting time to commission project within 15/18 months from the issuance of LoA. Developer has to provide a certain date for operationalization of LTA at initial phase of connectivity. It is pertinent to mention here that at an initial phase, developer provides same SCOD date for date of operationalization of LTA, which is SCOD date. However, sometime project face issues to achieve SCOD on time due</p>

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	<p>unit(s) thereof which have not achieved COD.</p> <p>Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations</p> <p>Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access.</p> <p>Provided that the amount received on account of payments in the month towards such Long Term Access shall be reimbursed to the DICs in proportion to their shares under the First Bill in the following month.</p>		<p>to various Force Majeure events, which are beyond the control of developers.</p> <p>However, Wind and Solar Developers are being asked to pay transmission charges prior to date of commissioning even if commissioning has been extended due to reasons not attributable to such developers. Few examples of such reasons are given herein below but not limited to:</p> <ol style="list-style-type: none"> 1. Delay in adoption of tariff by the respective State Electricity Regulatory Commission (SERC) 2. Delay in providing land by the Solar Park agencies 3. Changes in the State Land Policies 4. Changes in the Environment related policies/Acts leading to delay in getting Environmental/Wildlife clearances/approvals 5. Cases filed by NGOs/Social activists before various Legal Forums leading to delay in getting clearances / approvals. 6. Force Majeure events covered under PPA 7. Delay in providing NOCs by Ministry of Defence for Wind Generating Stations. <p>In view of the above, Wind / Solar Project Developer should also be allowed to extend date of operationalization / SCOD of project due to Force Majeure/unforeseen events beyond the control of developers, subject to getting necessary extension of SCOD from bidding agencies and there should not be any levy of transmission charges for the transmission</p>

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	<p>Provided that such Long Term Access shall be excluded for computation under Regulations 5 to 8 of these regulations.</p>		<p>assets developed or from existing margins. In cases where the Developers have obtained consent from bidding agencies for extension of SCOD, CTU/PGCIL shall accept the revision in LTA operationalization dates in line with revised SCOD. Accordingly, it is requested to incorporate suitable provisions in the Regulations.</p>
11	<p><u>Regulation 11(5)</u> Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access.</p>	<p>This sub-clause may be deleted.</p>	<p>It is our submission that if LTA has been granted on existing margins, there should not be any charge on the DIC until the generating station achieves COD.</p>
12	<p>Additional Clause</p>	<p>In case of any delay in commissioning of evacuation system by CTU then generating stations shall be entitled to refund of Bank Guarantees submitted if any.</p>	<p>Any such delay was not factored in by generator while quoting the tariff. BG comes with a cost and delay has added cost. Therefore, generator must be protected from this additional cost which is not due to its fault.</p>

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13	<p><u>Regulation 11.(7)</u></p> <p>In case the generating station or unit(s) thereof has achieved COD and transmission system is delayed, the concerned transmission licensee(s) shall make alternate arrangement for dispatch of power in consultation with Central Transmission Utility at the cost of the transmission licensee(s).</p> <p>Provided that till such alternative arrangement is made, the transmission licensee(s) shall pay to the generating station the transmission charges proportionate to Long Term Access for the transmission system which is delayed.</p>	<p>11.(7) In case the generating station or unit(s) thereof has achieved COD and transmission system is delayed, the concerned transmission licensee(s) shall make alternate arrangement <u>which shall be acceptable to the generator</u> for dispatch of power in consultation with Central Transmission Utility at the cost of the transmission licensee(s).</p> <p>Provided that till such alternative arrangement is made, the transmission licensee(s) shall pay to the generating station the transmission charges proportionate to Long Term Access for the transmission system which is delayed <u>and shall ensure that the generator is compensated for the entire loss on account of power generation which could not be dispatched during that period</u></p>	<p>The changes proposed in the regulation is for the purpose of protecting the interest of the generator and such arrangement between the parties shall be through a proper commercial agreement.</p> <p>Hence it is requested to consider generation loss of developer due to unavailability of Transmission System and concerned transmission licensee(s) shall compensate revenue loss based on the tariff in the PPA's entered by the generating station</p>

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14	<p><u>Regulation 11.(9)</u></p>	<p><u>11(9) Additional proviso:</u> Transmission deviation charges for drawing start-up power shall be exempted for Wind and Solar projects covered under the special cases under clause 11(1) of this regulation</p>	<p>Since MoP has already provided waiver of transmission charges and losses for wind and solar projects, therefore, it is requested that withdrawal of startup should also be considered in line of that and no transmission deviation charges should be levied for drawing start-up power for Wind and Solar projects.</p> <p>Moreover, the annual CUF for Wind / Solar Power Project is in the range of 25% to 35%, which is around ¼ to 1/3 of Conventional Energy, hence the treatment of startup power should be different. Otherwise in energy terms, it becomes very onerous for wind/solar power.</p>
15	<p><u>Regulation 11(11)</u></p> <p>Where a transmission system has been declared to have achieved deemed COD in terms of Transmission Service Agreement under Tariff Based Competitive Bidding (TBCB) or the Commission has approved the date of commercial operation of such transmission system in terms of clause (2) of Regulation 5 of Tariff Regulations, 2019 or proviso (ii) to clause (3) of Regulation 4 of the Tariff Regulations, 2014, the transmission licensee or generating company</p>		<p>In line with MoP order regarding waiver of transmission charges and losses for wind and solar projects, there should not be any levy of transmission charges for delay in COD of wind and solar projects although transmission system has been declared to have achieved deemed COD in terms of Transmission Service Agreement under Tariff Based Competitive Bidding (TBCB) or the Commission has approved the date of commercial operation of such transmission in terms of clause (2) of Regulation 5 of Tariff Regulations, 2019 or proviso (ii) to clause (3) of Regulation 4 of the Tariff Regulations, 2014.</p>

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	<p>whose transmission system or generating station or unit thereof is delayed shall pay the transmission charges of the transmission system till the generating station or unit thereof or the transmission system achieves COD.</p> <p>Provided that where more than one transmission licensee or both transmission licensee and generating station are getting delayed, the proportionate sharing of above transmission charges shall be as decided by Commission.</p>		
16	<p><u>Regulation 12.(5)</u></p> <p>Timelines for preparation of base case, notification of transmission charges, issue of Regional Transmission Accounts and raising bills shall be as under:</p> <p>(a) Base case for the Billing month shall be prepared by the</p>	<p><u>(Appropriate changes to be made in CERC Tariff Regulations 2019 and also a clarification is to be issued for section 63 projects)</u></p>	<p>As per current practice, the RTA accounts are usually finalized and notified by RPCs by 5th/6th of the second month following the billing month, which in turn equips the CTU to raise invoices within 7-10 days of the second month following the billing month.</p> <p>Such invoices are raised with a due date of 45 days which in turn makes the usual recovery cycle of the Transmission licensee's monthly bills to vary from 52 to 60 days as against a receivables built up of 45 days in Interest on</p>

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	<p>Implementing Agency by 15th day of the month following the Billing month.</p> <p>(b) Payable transmission charges shall be notified by the Implementing Agency by 25th day of the month following the Billing month.</p> <p>(c) Based on the notified allocation of charges by the Implementing Agency, Regional Power Committee Secretariat shall issue Regional Transmission Accounts by the end of the month following the Billing month.</p> <p>(d) Central Transmission Utility shall raise bills on DICs based on Regional Transmission Accounts in first week of the second month following the Billing month.</p> <p>Read with</p> <p>14. Due date</p>		<p>Working Capital for Transmission projects built under section 62 as per CERC Tariff Regulations.</p> <p>However, as per the proposed cycle, the usual recovery cycle of the Transmission licensee's monthly bills will increase to 75 - 80 days (30 to 35 days +45 days) from earlier cycle of 52 - 60 days i.e an increase of 15-20 days. Hence, we humbly submit that in such case the Tariff Regulations shall be amended to provide additional Interest on Working Capital for such additional period. Also, for Transmission projects built/bid out under section 63 shall be allowed a change in law to compensate for such additional no of days.</p>

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	<p>Due date in relation to any Bill shall mean the forty fifth (45th) day from the date on which such Bill is raised by the Central Transmission Utility.</p>		
17	<p><u>13.2 (c) (ii)</u></p> <p>In case aggregate metered ex-bus MW injection or the aggregate metered MW drawal of a DIC, in any time block exceeds the sum of Long Term Access and Medium Term Open Access, the concerned DIC shall be charged for such deviations @ Transmission Deviation Rate as determined below</p>	<p>In case aggregate metered ex-bus MW injection or the aggregate metered MW drawal of a DIC, in any time block exceeds the sum of Long Term Access and Medium Term Open Access and <u>approved Short Term Open Access and collective transactions</u>, the concerned DIC shall be charged for such deviations @ Transmission Deviation Rate as determined below</p>	<p>While determining the Transmission Deviation Rate, it is also necessary to consider the approved Short Term and Collective Transactions. If this is not considered, then it would imply that all STOA transactions will be subject to 20% additional deviation charges. This will put an unjust burden on generators who are forced to sell power under STOA at unviable tariffs due to non-availability of long term/medium term power sale opportunities. Forcing such generators to pay additional 20% charges will make them further unviable.</p> <p>Ideally, it is felt that instead of introducing such Transmission Deviation Rate, the Commission may revert to the existing mechanism wherein transmission charges are applicable under STOA. This will also not disturb the off-setting mechanism which has become established by now.</p>

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18	<p><u>Regulation 13.2 c (iii) (b)</u></p>		<p>As suggested above, either the existing mechanism may be retained wherein transmission charges are applicable under STOA and the proposed system of Transmission Deviation Rate may be done away with, OR, while determining the Transmission Deviation Rate, the approved Short Term and Collective Transactions may also be considered.</p> <p>If the existing mechanism is not retained, then we further submit the following:</p> <p>As per the proposed Draft, the Transmission Deviation Rate will be calculated on the Transmission charges of the State where the generator is located. Whereas, under the existing regulations, STOA charges are separately provided for the generator with untied LT capacity.</p> <p>Following points are worth noting,</p> <p>(a) since a generator is connected to the ISTS system, it is not fair to determine its charges based on its geographical location,</p> <p>(b) TDR charges applicable for STOA (over and above untied LT capacity) are already proposed to be 20% more than LT charges, further linking it with the charges applicable to the State in which it is located may in many cases put additional burden on ISTS generator. This may be due to the fact the State in which such generator is</p>

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			<p>located has not optimized its LTOA/MTOA because of which its charges for the State may be higher.</p> <p>It is requested to the Commission that under the proposed amendment, as the Commission continues to recognize generators with untied LT capacity as a separate DIC and will also provide separate LT transmission charges the same should be linked to compute the TDR instead of the charges applicable on the State in which it is located.</p> <p>We request the Commission that as the Transmission charges for the generator with untied LTA capacity are to be determined separately, in case of any deviation by the generator, the generator shall pay the Transmission charges @ 1.2 times of the Transmission charges that are determined for that particular generator.</p>
19	<p><u>13.2 (c) (ii)</u></p> <p>In case aggregate metered ex-bus MW injection or the aggregate metered MW drawal of a DIC, in any time block exceeds the sum of Long Term Access and Medium Term Open Access, the concerned DIC shall be charged for such</p>	<p>We request the Hon'ble commission to keep the same existing provision of monthly average supply calculation for target region customers instead of time block wise calculation for refund of transmission charges against the LTA for target region.</p>	<p>As we have suggested earlier, the existing mechanism may be retained wherein transmission charges are applicable under STOA and the proposed system of Transmission Deviation Rate may be done away with.</p> <p>If the existing mechanism is not retained, then we further submit the following:</p> <p>In the draft regulation, computation of transmission charges/transmission deviation charges, is block wise instead of monthly average schedule basis. Due to coal shortage, outage of generating plant or unviable short term market rates, generators may not be able to sell full target</p>

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	<p>deviations @ Transmission Deviation Rate as determined below</p>		<p>region LTA quantum under MTOA/STOA/ Collective transaction, in each time block. Thus, they may incur additional cost for such shortage even after selling higher quantum in some time blocks under MTOA/STOA/Collective transaction as compared to LTA quantum for target region.</p> <p>Hence, we request the Hon’ble commission to keep the same provision of monthly average supply calculation for target region customers instead of time block wise calculation (Ref: 13.2. (c) iii (a), may be modified accordingly)</p>
20	<p><u>13.3 Billing Related Clause :</u></p> <p>No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.</p>	<p>It is suggested that the existing off-setting mechanism whereby the MTOA and STOA charges are offset against target region LTA charges (for untied capacity) is continued with.</p>	<p>Currently, there are a large number of IPPs in the country who have substantial untied LTA capacity. However, due to the existing Off-setting Mechanism under the prevailing PoC Regulations, such IPPs are not subjected to any additional monthly transmission charges for such un-tied LTA capacity as long as sum of quantum of monthly power transacted through MTOA and/or STOA exceeds or equals such untied LTA capacity.</p> <p>However, as per the Draft Sharing Regulations 2019, the Generator shall be liable for payment of transmission charges of such untied LTA capacity even if this Generator sells such untied LTA capacity under MTOA and/or STOA transactions (both Bilateral and Collective).</p>

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			<p>This is because the existing off-setting mechanism has been rendered obsolete, and further, no STOA charges will be payable by the Buyer.</p> <p>It may be appreciated that there are certain Short-Term and Medium-Term PPAs where the obligation of securing such Open Access and payment of transmission charges thereof vests with the Buyer. In such a scenario, despite the Generator selling the un-tied LTA capacity under Medium-Term and/or Short-Term transactions, he will still be saddled with obligation of payment of transmission charges of such un-tied LTA capacity and the benefit of the same would accrue to Buyer, who is otherwise obliged to pay for these transmission charges under such Short-Term and/or Medium-Term PPAs.</p> <p>This would essentially compel the generator to relinquish their target region LTA, thereby leading to a fresh spate of avoidable disputes/litigation.</p>
21	<p><u>Regulation 16 (1),(2)</u></p> <p>Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, as the case may be, each DIC shall, through a scheduled bank, open an irrevocable, unconditional and</p>	<p>Suitable provision regarding waiver of LC may please be incorporated as the LTA charges are waived off for Wind and Solar projects.</p>	<p>We suggest that the Wind and Solar Projects may please be exempted from providing LC against the LTA granted in line with MOP order for waiver of transmission of charges. Further, the LC condition also should not be made applicable for the period from LTA operationalization to actual SCOD of wind/solar projects if the delay in actual SCOD is due to any reasons not attributable to Wind and Solar Generators.</p>

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	<p>revolving Letter of Credit or any other acceptable payment security mechanism in favour of the Central Transmission Utility, to be made operative from a date prior to the Due Date of its First Bill and shall be renewed annually.</p> <p>The Letter of Credit shall have a term of 12 (twelve) months and shall be for an amount equal to 1.05 (one point zero five) times the average amount of the First Bill for a year, where tripartite agreement for securitization on account of arrears against the transmission charges with the Government of India exist.</p> <p>Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of First Bill for a year</p>		<p>It may please be noted that Wind/Solar ISTS connected projects are being developed under competitive bidding in accordance with guidelines issued by Central Government and providing power to various state DISCOMs for compliance of their renewable purchase obligation.</p> <p>For such projects, MoP has notified waiver for the LTA charges for the Wind and Solar projects wherein SCOD is achieved on or before 31 December 2022 for a term of 25 years.</p> <p>Therefore, in Chapter-3, Regulation-11, a suitable provision regarding waiver of LC may please be incorporated as the LTA charges are waived off for Wind and Solar projects.</p>

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22	<p><u>Regulation 18 (4)</u></p> <p>Relinquishment charges for Wind / Solar Project in case of termination of PPA:</p> <p>Provided that in case of termination as DIC of an entity on account of DIC's event of default, the Long Term Access or Medium Term Open Access or both of such entity shall be cancelled. Such cancellation shall be treated as relinquishment of Long Term Access or Medium Term Open Access in terms of Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 and the said entity shall pay the relinquishment charges accordingly.</p>	<p>The Hon'ble Commission is requested to issue directions to CTU/Implementing agency so that that a separate methodology for Wind / Solar Projects is determined for computation of Relinquishment charges.</p>	<p>Wind/Solar projects who have terminated their PPAs subsequent to unforeseen events beyond the control of generators and accepted by SECI/Bidding agency should be allowed to relinquish the LTA without any penalties and it should not be considered as DIC Event of Default Accordingly, it is requested to incorporate suitable provisions in the Regulations.</p> <p>Further, the applicability of Relinquishment charges would differ for Conventional & Non-Conventional source of energy as an annual CUF for Wind / Solar Power Project is in the range of 25% to 35%, which is around 1/3 of Conventional Energy. The same relinquishment methodology formulated for conventional project shall not be made applicable for the Wind / Solar Power Project and need to determine a separate methodology for Wind / Solar Project. Accordingly, the Hon'ble Commission is requested to issue directions to CTU/Implementing agency.</p>
23	<p><u>Regulation 18(4)</u></p> <p>Permission of Location Change for Wind / Solar Project.</p>		<p>The Green energy corridor is being developed to accommodate the Renewable energy projects wherein the high potential states would be targeted for setting up projects and supply to less potential states. This facilitates developers to choose any location pan India where there is high potential of renewable energy generation.</p>

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			<p>With the same intent, the bidding guidelines have come up with a provision for change of location of project due to Force Majeure/unforeseen events and/or reasons which are beyond the control of developers, subject to submission of necessary supporting documents to the satisfaction of bidding agencies - SECI/NTPC/Procurer with necessary extension of SCOD.</p> <p>The Hon'ble Commission is requested to take cognizance of above provision and make necessary changes in the draft Regulations with directions to CTU to accommodate the request for change in location in line with the acceptance of SECI/Bidding agency without imposing any transmission/relinquishment charges/penalties on account of delay to the Project Developer wherein the reasons for delay are not attributable to the Project Developer.</p>
24	<p><u>Regulation 18(5).</u></p> <p><u>Event of default of a DIC</u></p> <p>Upon termination of the status of DIC, the entity shall not be eligible for interchange of power under any</p>		<p>As the relinquishment charges may be huge and DIC may not be able to make all the payment in one go but agreed to make payments in some segments. Then entity shall be entitled for inter change power under open access.</p> <p>In view of that the suggested clause is “Upon termination of the status of DIC, the entity shall not be eligible for interchange of power under any form of open access unless such entity remedies the default and makes an agreement</p>

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	<p>form of open access unless such entity remedies the default and makes payment of all outstanding charges including relinquishment charges</p>		<p>with the transmission licensee for payment of all outstanding charges including relinquishment charges”</p>
25	<p><u>Regulation 20.1</u></p> <p><u>20.Procedures to be framed under these Regulations</u></p> <p>(1) Implementing Agency shall notify detailed procedures and formats for collection of generation and demand data from each DIC, data pertaining to the Basic Network and for calculation of transmission charges within 90 (ninety) days of the notification of these Regulations and post it on its website</p>		<p>The Stakeholder shall be given opportunity to offer comments on the Draft Procedure to be formulated by Implementation Agency.</p>

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26	<p><u>Regulation 21. (6)</u></p> <p>If a DIC does not provide the required data, including injection or drawal data for intra-State points within stipulated time period, it shall be levied an additional transmission charge @ 1% of the transmission charges under the First Bill for the month.</p>	<p>If a DIC does not provide the required data, including injection or drawal data for intra-State points within stipulated time period, it shall be levied an additional transmission charge @ 1% of the transmission charges under the First Bill for the month <u>provided the reason for DIC not submitting such data is a controllable parameter of DIC.</u></p>	<p>There does not seem to be any major/substantial reason for delaying or avoiding such data submission. Hence, in most of the cases there would be some substantial reason/hurdle beyond the control of DIC for not submitting such data. However, the onus to prove that the matter was beyond its own control shall be put on the DIC.</p>
27	<p><u>Annexure 1 – E</u></p> <p><u>Computation: Determination of sharing of transmission charges</u></p>		<p>The transmission charges sharing mechanism of AC System Component envisaged in the Draft Sharing Regulations 2019 is contingent upon the injection by a Generator during the peak block (<i>defined as the block in a month in which sum of net ISTS drawals by all States is maximum during that month</i>). However, it is not clear how this transmission charges sharing mechanism would be implemented if the injection by a Generator during the peak block is nil or if there is a substantial variation in the actual injection pattern of the Generator over a month vis-à-vis the injection by this this Generator during the peak block. The injection pattern of any Generator is dynamic in nature on account of various uncontrollable factors (like scheduling by Buyer, grid conditions, load pattern and seasonal variations etc.) and as such injection during a particular block (i.e. the defined peak block) can in no way</p>

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			<p>be a true determinant of transmission charges sharing mechanism envisaged in the Draft Sharing Regulations 2019.</p>
28	Additional Comment		<p>The Draft Sharing Regulations 2019 provide that transmission charges for the quantum of power tied-up under PPAs shall be billed directly to the Buyer, even if the LTA and/or MTOA for such a capacity has been availed by the Generator. However, in most of the PPAs, it is the obligation of the Generator to avail such Open Access and pay the monthly transmission charges thereof and subsequently claim the same from the Buyer. Hence the above provision of Draft Sharing Regulations 2019 with respect to billing directly on the Buyer, would necessitate amending the existing PPAs. As such, clear and unambiguous directions may be issued by this Hon'ble Commission in these Draft Sharing Regulations 2019 only for amendment in the existing PPAs to this effect.</p>

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29	Additional Comment	Definition of “Bulk Consumer” or “Bulk Customer” may be specified.	Definition f) ‘Designated ISTS Customer’ or ‘DIC’ refers to the term Bulk Consumer. It is also used in the Regulations at several places. The same may be defined in the section definition to avoid any ambiguity in future.
30	Additional Comment	Submission of Financial Closure documents in PGCIL within the time stipulated in the PPA.	<p>It is to be noted that Wind / Solar Developer has to submit documents of Financial closure within the time stipulated in the PPA, in line of 9.3.1 of Detailed Procedure for “Grant of Connectivity to projects based on Renewable Sources”, is quoted below:</p> <p>“9.3 Conditions to be met by Stage-II Connectivity Grantees</p> <p>9.3.1 After grant of Stage-II connectivity, the grantee covered under Clause 9.2.1 shall have to achieve the following milestones in accordance with bidding documents and submit the proof to CTU within a week of achieving the milestone(s):</p> <p>(i) Ownership or lease rights or land use rights of the land required as per bidding documents for the capacity of Stage-II connectivity.</p>

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			<p>(ii) Financial closure within the time stipulated in the PPA. Sanction letter from financial institution to be submitted as proof of financial closure.</p> <p>(iii) Proof of release of at least 10% funds towards generation project execution within three months from the date of financial closure supported by Auditor's certificate regarding release of such funds through equity."</p> <p>We would like to submit that due to various FM event, developers are not in position to fulfill stipulated conditions in PPA for achievement of FC on time and also getting consent from bidding agencies, from which they bidder has signed PPA.</p> <p>In view of the above, in case Developers are getting approval from bidding agencies for extension of FC and/or SCOD, the Hon'ble Commission may issue directions to CTU/PGCIL to allow the project developers extended timeline for submission of documents in respect of FC and/or SCOD.</p>
31	Additional Clause	<p>Force Majeure</p> <p>1.Any Force Majeure event to the generating stations identified and acknowledged by appropriate agency</p>	<p>Regulations should provide appropriate relief to developers in case of force majeure events as it is beyond the control of developers and hence generators cannot be punished under such situations.</p>

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		<p>shall be covered under Force Majeure and in all such cases, generating stations shall be entitled for appropriate extension in all the timelines as mentioned under LTA and Transmission Service agreement (TSA)</p> <p>2.Continuation of any force majeure event to the licensee or generating stations by more than three months shall entitle generating stations to exit from the agreement with no liability</p>	
32		<p><u>Reference to CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in inter-state Transmission and related matters) Regulations 2009 along with</u></p> <p><u>DETAILED PROCEDURE FOR “GRANT OF CONNECTIVITY TO PROJECTS BASED ON RENEWABLE SOURCES TO INTER-STATE TRANSMISSION SYSTEM”</u></p>	<p>Joint reading of the clauses suggest that while, it is the responsibility of the renewable generators (capacities less than 250 MW) to construct Transmission lines including bays to get connected to the nearest sub-station at its own cost and the responsibility to build the terminal bays is with the Licensee.</p> <p>However, it has been observed that on many occasions RE generators are constrained to not only construct the</p>

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	<p><u>Proviso 1 to Regulation 8.(8) of Connectivity Regulations</u></p> <p>“Provided that a thermal generating station of 500 MW and above and a hydro generating station or a generating station using renewable sources of energy of capacity of 250 MW and above, other than a captive generating plant, shall not be required to construct a dedicated transmission line to the point of connection and such station shall be taken into account for coordinated transmission planning by the Central Transmission utility and Central Electricity Authority”.</p> <p><u>read with</u></p> <p><u>5.3.1 of the approved Procedure</u></p> <p>5.3 Scope of bays for dedicated transmission line</p> <p>5.3.1 For the connectivity system, the dedicated transmission line including line bays at generation pooling station shall be under the scope of the applicant and the terminal bays at the ISTS sub-station shall be under the scope of transmission licensee owning the ISTS sub-station subject to compliance of relevant provision of tariff policy.</p>		<p>terminal bays at their own cost but also bear O & M charges (as per CERC Tariff Regulations from time to time) in addition to overhauling and replacement charges being asked (as per the bilateral agreement which the RE generators are compelled to enter into).</p> <p>Considering the lop sided clauses of such agreement, we request Hon'ble Commission to kindly approve a standard charges format which may be charged to such RE generators and thus bring such segment of transactions under Hon'ble Commission's jurisdiction as any such revenue by the Licensee shall be utilized to reduce the ARR of the licensee and thus the LTOA/MTOA charges payable by the long term beneficiaries.</p>