CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

New Delhi, the 7th February, 2014

NOTIFICATION (Draft)

L-1/44/2010/CERC: In exercise of the powers conferred under Section 178 read with Part V of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission propose to makes the following regulations :

1. Short title, extent and commencement

(1) These regulations may be called the Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Third Amendment) Regulations, 2014.

(2) These regulations shall come into force from date of its publication and first application period shall be QI of 2014-15.

2. Amendment in Regulation 2

(1) Sub-clause (b) of clause (I) of Regulation 2 of the Principal Regulations shall be substituted as under:

"(b) **Application Period** means the period for application of the transmission charges determined in accordance with these regulations and shall ordinarily be 12 (twelve) months coinciding with the Financial Year, which shall be further divided into four quarters of three months each and each quarter shall be an application period for computation of PoC charges."

(2) Sub-clause (c) along with Proviso of clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

"(c) **'Approved Injection'** means the maximum injection in MW computed based on injection during corresponding application period of last year validated by Implementing Agency (IA) for the Designated ISTS Customer for each application period, during peak period at the ex-bus of the generator or any other injection point of the Designated ISTS Customer into the ISTS, and determined on the basis of generation data submitted by the Designated ISTS Customers incorporating total injection into the grid."

(3) Sub-clause (f) along with Proviso of clause (l) of Regulation 2 of the Principal Regulations shall be substituted as under:

"(f) **'Approved Withdrawal'** means the simultaneous Peak withdrawal in MW based on actual peak during corresponding application period of last year validated by Implementing Agency for any Designated ISTS Customer in a control area aggregated from all nodes of ISTS to which Designated ISTS Customer is connected for each representative block of months and peak scenarios at the interface point with ISTS, and where the Approved Withdrawal shall be determined on the demand data submitted by Designated ISTS Customers. Provided that in case data submitted by DIC is different from data computed on the basis of last year actual data, suitable justification by the DIC is required to be submitted for considering the data. Provided further that any mis-declaration by the DICs would be liable for Deviation charges."

(4) Sub-clause (l) of clause (l) of Regulations 2 of the Principal Regulations shall be substituted as under:

"(l) **Designated ISTS Customers** (DICs) means the users of any segments/elements of the ISTS and shall include all generators, state transmission utilities, SEBs or load serving entities directly connected to the ISTS including Bulk Customer and any other entity/person. The intra-State entities connected to STU, but using inter-State transmission system shall also be considered as DICs for their injection payment liabilities and withdrawal payment liability should be of the concerned STU. The payment liability for their injection shall be settled with concerned STU who may make interim arrangement for collection of the same from the concerned intra-State earlier.

(5) Sub-clause (v) of clause (l) of Regulation 2 of the Principal Regulations shall be deleted.

(6) Sub-clause (w) of clause (l) of Regulation 2 of the Principal Regulations shall be deleted.

(7) Sub-clause (x) of clause (l) of Regulation 2 of the Principal Regulations shall be deleted.

(8) Following shall be added at the end of Sub-clause (y) of clause (l) of Regulation 2 of the Principal Regulations:

"However in case of non-ISTS lines (lines owned by STU but being used for carrying ISTS power), the average YTC of similar lines of ISTS shall be used. For the computation for payment purpose, if the approved capital cost and tariff is available either from State Commission or Central Commission, tariff proportionate to actual usage shall be reimbursed. The payment to the concerned STU shall be adjusted in proportion to its approved Annual Revenue Requirement.

Provided that where separate line wise capital cost is not available, only the proportionate O&M charges in accordance with O&M norms of concerned State's Tariff Regulations shall be reimbursed to the concerned STU."

(9) In sub-clause (b) of Regulation 3 of Principal Regulations, the word "generators" shall be replaced with the words "Generator connected with STU system and using ISTS".

3. Amendment in Regulation 7

(1) Sub-clause (d) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(d) Nodal generation information shall be based on the forecast provided by Designated ISTS Customers. Such forecast shall incorporate estimates of Maximum total injection into the grid, considering the long term and medium term during application period peak conditions. The forecast submitted shall be vetted by Implementing Agency based on historical generation levels obtained from the NLDC/RLDCs/SLDCs under such peak conditions identified in advance by the NLDC. Any changes in the forecast generation shall be communicated to the appropriate Designated ISTS Customer by the Implementing Agency; if DICs request any change in forecasted injection, then detailed justification for this need to be submitted and confirmed in the Validation Committee."

(2) Sub-clause (e) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(e) Forecast demand data shall be submitted by the Designated ISTS Customers for each node or a group of nodes in a zone, identified by Implementing Agency under these regulations. The forecast demand data shall incorporate estimates of Maximum drawl and under peak conditions. The forecast submitted shall be vetted by the Implementing Agency based on historical demand of each Designated ISTS Customer for all the months during peak conditions identified by the NLDC. Any changes in the forecast demand shall be communicated to the appropriate Designated ISTS Customer by the Implementing Agency. The request for change in forecasted Demand, if any, shall be accompanied with detailed justification and the data as confirmed in the Validation Committee shall be final."

(3) Sub-clause (i) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(i) Basic Network along with the converged load flow results for various grid conditions shall be validated by the Validation Committee. The Basic Network, nodal generation, nodal demand and the load flow results for each application period shall be validated by this Committee not later than 45 days before beginning of each application period. The approved Basic Network, nodal generation, nodal demand along with the load flow results shall be made available on the websites of the Commission and NLDC immediately after its approval by the Validation Committee."

(4) The proviso under sub-clause (1) of clause (I) of Regulation 7 of the Principal Regulations shall be deleted.

(5) Sub-clause (k) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(k) Consequent to the development of the base load flows on the Basic Network, the Hybrid method shall be applied by the Implementing Agency on the Basic

Network to determine the transmission charges and loss allocation factors attributable to each node in power system.”

(6) Sub-clause (n) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(n) For the computation of transmission charges at each node as per the Hybrid methodology requires cost to be adopted for ISTS transmission licensees whose lines feature on the Basic network.

Provided that in case tariff is not available for any transmission line, average tariff as computed for POWERGRID transmission lines shall be used for computation purpose only. The actual tariff to be reimbursed to the licensee will be in accordance with the tariff order of the Appropriate Commission. In the event of line wise tariffs not being available, then tariff will be computed based on ARR using the methodology similar to 7(1) (l) adopted for ISTS transmission licensees. For the purpose of payments, the computed charges shall be adjusted proportionate to approved Revenue Requirement of the concerned STU.”

(7) Sub-clause (o) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(o) The participation factors, and hence the Point of Connection nodal and zonal charges thus determined, shall be computed for each application period for peak. Four quarterly application period shall be (i) April to June, (ii) July to September, (iii) October to December, (iv) January to March. Peak hours shall be considered for a period of four hours. However for the ex-ante computations, the Implementing Agency may specify the date on each application period for which Peak Scenario shall be computed. Normally it will be the mid date of each application period unless it is a holiday in a particular application period.

Provided further that the load flow studies shall be carried out for each application period by Implementing Agency as and when the YTC is revised in accordance with proviso of sub-clause (I) of clause (I) of this regulation."

(8) Sub-clause (q) of clause (I) of Regulation 7 of the Principal Regulations shall be deleted.

(9) Sub-clause (s) of clause (I) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(s) The losses shall be attributed to the Designated ISTS Customers by suitably adjusting their scheduled MWs. The extent of adjustment shall be based on the losses attributed to each Designated ISTS Customer based on the Hybrid Method. The detailed procedure for application of losses to various Designated ISTS Customers shall be prepared by NLDC within 30 days of the notification of these regulations.

(10) The proviso under para (iv) under sub-clause (t) of clause (1) of Regulation 7 shall be deleted.

(11) Para (vii) under sub-clause (t) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"7(t) (vii) In case an ISGS is connected only to STU network and the shares of beneficiaries of this station are being delivered through the STU network, such a line of STU shall be considered as an ISTS.

If an ISGS is connected to both STU and ISTS, the injection corresponding to flow on ISTS shall only be considered for transmission charges. However, the application of losses shall depend on whether RLDC or SLDC is doing scheduling for the same. In case scheduling is being done by RLDC, ISTS losses shall be applicable for those schedule."

(12) Sub-clause (u) of clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(u) No transmission charges for the use of ISTS network shall be charged to solar based generation. This shall be application for the useful life of the projects commissioned in next three years i.e. between 1.7.2014 to 30.6.2017".

(13) Sub-clause (v) of clause (I) of Regulation 7 of the Principal Regulations shall be substituted as under:

"(v) No transmission losses for use of ISTS network shall be attributed to solar based generation. This shall be applicable for the useful life of the projects commissioned in next three years, i.e. between 1.7.2014 to 30.6.2017."

4. Amendment in Regulation 8

Clause (5) of Regulation 8 of the Principal Regulations shall be substituted as under:

"(5) In case of Approved Withdrawal or Approved Injection not materializing either partly or fully for any reason whatsoever, the Designated ISTS Customer shall be obliged to pay the transmission charges allocated.

Provided that in case commissioning of the generating station is delayed due to any reason not attributable to transmission licensee, generator shall be liable to pay injection and withdrawal charges from the date on which access granted by

CTU and communicated to Implementing Agency, became effective, at the average rates of injection and withdrawal for the plant capacity.

Provided further that during the period when a generating station draws startup power or injects infirm power, withdrawal or injection charges corresponding to actual injection or withdrawal shall be payable by the generating station and amount received through this shall be adjusted in next quarter against the ISTS transmission charges, to be recovered through PoC mechanism, from all DICs."

5. Amendment in Regulation 11

(1) Second proviso to clause (4) of Regulation 11 of the Principal Regulations shall be substituted as under:

"Provided further that the charges for the DICs having long term access without beneficiaries shall include the Injection PoC charges and average of the Demand PoC charges among all the DICs, and shall be based on peak injection."

(2) The para below the computation formulae in clause (5) of Regulation 11 of the Principal Regulations shall be substituted as under:

"The second part of the bill shall be raised on the Designated ISTS Customers along with the first part of the bill.

Provided that the revenue collected from the approved additional Medium-term Open Access customers in the synchronously connected grid, which has not been considered in the Approved Injection / Approved Withdrawal, shall be reimbursed to the DICs located in the same synchronously connected grid having Long-term Access in the following month, in proportion to the monthly billing of the respective month.

Provided further that the Injection POC charges and Demand POC charges for Medium-term Open Access to any region shall be adjusted against Injection POC charges and Demand POC charges for the Long-term Access to the target region without identified beneficiaries.

Provided also that a generator who has been granted Long-term Access to a target region without identified beneficiaries, shall be required to pay POC injection charge plus the average of the POC demand charge among all the DICs in the target region for the remaining quantum after offsetting the quantum of Medium-term Open Access subject to the last proviso of clause (4) of this regulation ".

(3) All provisos under Clause (9) of Regulation 11 of the Principal Regulations shall be substituted as under:-

"Provided that the DICs which were granted LTA without identified beneficiaries and are paying both injection and withdrawal charges for long term access, the liability of the DICs for injection POC charges and Demand POC charges for Short-term Open Access to any region shall be adjusted against the injection POC charges and Demand POC charges for long term access based on Peak Injection:

Provided further that a generator who has been granted Long-term Access to a target region without identified beneficiaries, shall be required to pay POC injection charges plus the Average of the POC demand charges among all the DICs for the remaining quantum of long term access after offsetting the quantum of Medium-term Open Access and Short-term Open Access:

Provided also that the injection POC charge/ withdrawal POC charge for Short-term open access granted to a DIC shall be offset against the corresponding injection POC and withdrawal POC charges to be paid by the DIC for Approved injection/ Approved withdrawal based on Peak Injection/ Withdrawal:

Provided also that this adjustment shall not be allowed for collective transactions and bilateral transactions carried out by the trading licensees who have a portfolio of generators in a State for which LTA was obtained to a target region."

6. **Amendment in Regulation 17**

Regulation 17 shall be substituted as under:-

"17. Information to be published by the Implementing Agency

(1) The information to be provided by the Implementing Agency consequent to the computations undertaken shall include:

(a) Approved Basic Network Data and Assumptions, if any;

(b) Zonal or nodal transmission charges for the ensuring application period;

(c) Zonal or nodal transmission losses data;

(d) Schedule of charges payable by each constituent for the ensuring Application Period;

(e) YTC detail (Information submitted by all transmission licenses and computation by implementing agency)".

7. **Amendment to Annexure of the Principal Regulations:**

(1) The blocks of months given under Para 2.1.1 of the Annexure of the Principal Regulations shall be substituted as under:-

"April to June
July to September
October to December and
January to March"

(2) Last sub-para under Para 2.1.2 of the Annexure of the Principal Regulations under the head "Network Data" shall be substituted as under:-

"(g) Overall charges to be allocated among nodes shall be computed by adopting the YTC of transmission assets of the ISTS licensees, deemed ISTS licensees and owners of the non-ISTS lines which have been certified by the respective Regional Power Committee (RPC) for carrying inter-State power. The Yearly Transmission Charge, computed for assets at each voltage level and conductor configuration in accordance with the provisions of these regulations shall be calculated for each ISTS transmission licensee based on indicative cost level provided by the Central Transmission Utility for different voltage levels and conductor configuration. The YTC for the RPC certified non-ISTS lines which carry inter-State power shall be approved by the Appropriate Commission.

In case the tariff for the RPC certified non-ISTS lines have not been specified by the Appropriate Commission, the average YTC as computed for the relevant voltage level and conductor configuration shall be used.

For certifying non-ISTS lines for carrying inter-State power, which were not approved by the RPCs on the date of notification of the Principal Regulations, this shall be determined through the process of load flow studies. The results of the load flow studies, and participation factor indicating flow of ISGS power on these line shall be used to compute the usage percentage on these lines.

STUs shall be reimbursed on the proportionate usage basis. The tariff for these lines shall be computed based on Approved ARR and it shall be allocated to different lines of voltage and configuration on the same principle as is being done for ISTS lines. In case no capital cost is available or ARR is not approved by the Central Commission or the State Commission, then proportional O&M charges shall be reimbursed."

(3) Para 2.3 of Annexure to the Principal Regulations shall be deleted.

(4) Proviso under Step 4 under Para 2.7.2 of Annexure of the Principal Regulations shall be deleted.

(5) Sub para 12 at the end of Para 2.7 of the Annexure of Principal Regulations shall be deleted.

(6) The table under para 2.8.1 of Annexure to the Principal Regulations shall be submitted as under:-

ZZ zone computation in a particular scenario:

	Transmission Charge (₹/ month)	Approved Injection/Approved withdrawal* (₹/MW/month)	Zonal Transmission Rate
PP	45,00,000	250	70,000
AA	50,00,000		
KK	80,00,000		
ZZ-Zone	**1,75,00,000**	**250**	

*Approved Injection/ Approved Withdrawal (MW) shall be the Long-term Access for the average scenario based on the CEA generation and demand data. Otherwise, or the scenarios mentioned in Regulation 7 (1) (o) of the Principal Regulations, it shall be the Approved Injection/ Approved Withdrawal.

sd/-
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Note: The Principal Regulations were published on 16th June 2010 in the Gazette of India Extraordinary Part III-Section 4 at Serial No. 162. The first amendment to the Principal Regulations was issued on 25th November 2011 in the Gazette of India Extraordinary Part III, Section 4 at Serial No. 229. The second amendment to the Principal Regulations was issued on 28.3.2012 in the Gazette of India Extraordinary Part III, Section 4 at Serial No. 76.