



# BONAFIDE HIMACHALIES HYDRO POWER DEVELOPERS ASSOCIATION

Society registered in accordance with H.P. Societies Registration Act, 2006

Sai Bhawan, Sector-IV, Phase-II, New Shimla-171009 (H.P.)

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Ref. No. BHHPDA/SML/2016-37

Dated 15/11/16

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**To**

Ms. Shubha Sarma (Secretary),  
Central Electricity Regulatory Commission,  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath, New Delhi-110001,

**Sub-:** Comments/suggestion/objections on draft regulations under "Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016" with respect to public notice vide letter No. : L-1/(3)/2009-CERC & L-1/44/2010-CERC Dated: 28th October, 2016

Respected Madam,

In reference to the aforementioned subject, We, Bonafide Himachalies Hydro Power Developers Association wish to submit the the following-

1. The Hon'ble Commission has issued the "Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) 2016 (Hereafter referred to as "Regulation") calling for comments/suggestions from all interested parties by issuing a public notice.

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2. The present submissions/objections are being filed by the Bonafide Himachalies Hydro Power Developers Association. It is an association of Independent Power Producers who have set up and are operating Small Hydro Plants in the state of Himachal Pradesh.
3. The Hon'ble Commission has issued the draft Regulation along with the Explanatory Memorandum calling for comments from the stake holders.
4. It is respectfully submitted that the Amendment Regulations as proposed contain several provisions which will instead of promoting will prohibit the open access in the country. It is stated that one of the objectives of the Electricity Act, 2003 is to promote open access and provide non-discriminatory open access to the consumers subject to payment of charges. However, the scheme of the proposed amendments as per Draft Regulations will not achieve this mandate and will instead; create several impediments and road-blocks in obtaining the open access for consumers.
5. It is respectfully submitted that following provision of the draft regulations needs consideration as under:-

***A New Sub clause (y) to Clause (1) to Regulation 7 of Principal Regulations shall be added as under:***

*"No transmission charges and losses for the use of ISTS network shall be attributed to wind based generation for the projects awarded through competitive bidding and commissioned till 31.3.2019. This shall be applicable for a period of 25 years from the date of commissioning of such projects.*

*Provided that such waiver will be available only for the projects entering into Power Purchase Agreements (PPAs) for sale of electricity to the Distribution Companies for compliance of their renewable purchase obligation."*

6. As per the above amendment, it is submitted that it is great step taken by the Hon'ble Commission towards promotion of wind energy in the market but in such case we would humbly suggest the Hon'ble commission to take a step ahead and include Small Hydro Plants upto 25 MW under the same exemption policy as small hydro is also a renewable form and hence comes under renewable energy approved by MNRE. Such step can bring a boom in the development of new small hydro projects as well as renewable market.

7. It is further submitted that the EA 2003 delicensed the generation of electricity. The generator is therefore, free to choose to which entity it wants to sell power. It is a settled principle of law that no policy document can be issued which brings back even an iota of the earlier licensing regime through back door, thereby creating a mechanism of any kind of control over generators post the enactment of the EA 2003. This above mentioned clause of this regulation is not only hostile to the interest of the other RE Generators specifically SHPs but also stands in contravention to the right of the said generators to supply electricity to any licensee or to any consumer under sub section 2 of Section 42.
8. The selective treatment to exempt transmission charges for only those wind generators which enter into PPAs with Discoms is violative of level playing field for consumers and generators of other RE technologies.
9. SHPs all over the country are giving free power out of generation of the project to the host states. The sale rate of power to state discom under preferential tariff is too low and we are not able to cover the cost of generation. Even the sale under APPC is not yielding profits as RECs are not selling and APPC is fixed on the rates of previous year. Due to this large number of SHPs are reporting losses in their annual accounts.
10. Exempting CTU transmission charges on transmission of SHP power sold to obligated entities to meet their RPO will go a long way to support the upcoming SHPs. This will also enable the State Commissions to exempt wheeling charges on the wheeling of Power generated from SHPs.

We request the Hon'ble Commission to consider the above suggestion positively.

**Yours faithfully**

  
**(Authorised Signatory)**