



केन्द्रीय विद्युत विनियामक आयोग

CENTRAL ELECTRICITY REGULATORY COMMISSION



Gireesh B. Pradhan

Chairperson

D. O. No. 10/8/2017/Reg.Aff. /Statutory Advice/CERC
Dated the 22nd March, 2017

Sub: Advice to facilitate cross border trade of electricity.

Dear *Shri Prjari*,

I am writing to you on specific issues connected to the cross border trade of electricity.

2. The Ministry of Power has notified the Guidelines on Cross Border Trade of Electricity, with the objective of facilitating cross border trade of electricity between India and neighbouring countries. These Guidelines provide inter-alia for planning of the transmission interconnection between India and its neighbouring country, jointly by the two countries. For safe and controlled operation of the grid, the Guidelines also provide for construction of cross border transmission lines between the pooling stations and such interconnection between the two pooling substations to be monitored and controlled by the respective system operators with proper coordination. Relevant extract of the Guidelines is provided as **Annexure-A**.

3. As regards determination of transmission projects, Clause 5.3 of the Revised Tariff Policy, 2016 notified by the Government of India mandates that tariff of all new generation and transmission projects of company owned or controlled by the Central Government shall continue to be determined on the basis of competitive bidding as per the Tariff Policy notified on 6 January, 2006 unless otherwise specified by the Central Government on case to case basis. Therefore, it appears that ordinarily, the above provision would be applicable in case of development of transmission link from the pooling station till the Indian Border as well. Relevant extract is provided as **Annexure-B**.

4. The Central Commission, while considering the Cross Border Trade of Electricity Regulations, deliberated on the matter related to development of transmission link from the pooling station upto the Indian border and was of the view that such projects being of strategic importance for the country, it would be desirable to make the CTU responsible for their implementation.

5. Clause 7.1 (7) of the Revised Tariff Policy, 2016 also provides that while all future inter-state transmission projects shall, ordinarily, be developed through competitive bidding process, the Central Government may give exemption from competitive bidding for (a) specific category of projects of strategic importance, technical upgradation etc. or (b) works required to be done to cater to an urgent situation on a case to case basis. Relevant extract is provided as **Annexure-C**.

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Way forward:

6. In view of the above, the Central Electricity Regulatory Commission in exercise of its powers under Section 79(2) of the Electricity Act, 2003, advises the Ministry of Power as per the following:

- A. The transmission link between the pooling substation upto the Indian border is sensitive in nature, and of strategic importance for the country. Therefore, in such cases, the requirement of competitive bidding may be dispensed with, and the CTU may be entrusted with the responsibility of implementation of such cross border transmission link between the pooling station within India till the Indian border.
- B. Ministry of Power may issue suitable clarification/notification on above lines.

With warm regards,

Yours sincerely,

Gireesh B. Pradhan

(Gireesh B. Pradhan)

Encl: As above.

Shri Pradeep Kumar Pujari
Secretary
Ministry of Power
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New Delhi-110001

Annexure-A

8.1.2 The cross border transmission lines may be constructed between the pooling stations of one country to the pooling stations of the other country for secure, safe and controlled operation of the grid.

8.1.3 The interconnection between two pooling substations of different countries shall be monitored and controlled by the respective system operators of the two countries, with proper coordination.

8.1.4 Pooling station will be the sub-station which shall be monitored by the system operator of the respective countries. Transmission line from pooling station of one country to the pooling station of the other country will be planned jointly by the nodal transmission agencies of the participating countries.

Annexure-B

5.3 The tariff of all new generation and transmission projects of company owned or controlled by the Central Government shall continue to be determined on the basis of competitive bidding as per the Tariff Policy notified on 6th January, 2006 unless otherwise specified by the Central Government on case to case basis.

Further, intra-state transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit which shall be decided by the SERCs.

7.1(7)

While all future inter-state transmission projects shall, ordinarily, be developed through competitive bidding process, the Central Government may give exemption from competitive bidding for (a) specific category of projects of strategic importance, technical upgradation etc. or (b) works required to be done to cater to an urgent situation on a case to case basis.