पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
पावरग्रिड

केन्द्रीय कार्यालयः "सौदामिनी" प्लॉट सं. 2, सैक्टर–29, गुडगाँव–122 001, (हरियाणा) दूरभाषः 0124-2571700-719, फैक्स : 0124-2571762,
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

Ref : C/RC/Tr. Plng Reg.

Date: 5th June 2017

To,
The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chandralok Building,
36, Janpath, New Delhi-110001

Sub: Draft CERC (Transmission Planning and other related matters) Regulations, 2017
- Extension in submission of comments/suggestions thereof regarding.

Sir,

This has reference to public notice ref. L-1/220/2017/CERC dated 26th April, 2017 vide which a draft CERC (Transmission Planning and other related matters) Regulations, 2017 has been issued. Vide this notice; CERC has solicited comments/ suggestions on the above draft regulation by 25th May 2017.

It is noted that the above draft notice encompasses a gamut of issues related to coordinated planning and development of the ISTS and associated intra-State Transmission Systems involving various entities.

In order to furnish the comments on the above draft notice, various aspects are to be studied in detail. It is expected that furnishing of the comments/suggestion may take some more time.

In view of the above, Hon'ble Commission is requested that the last date for seeking comments/suggestion may be extended by Four weeks i.e. upto 22nd June 2017.

Thanking you,

Yours faithfully,

5/6/2017

(H K Mallick)
GM (Comml. & Reg. Cell)

Comments on draft Central Electricity Regulatory Commission (Transmission Planning and other related matters) Regulations, 2017

Draft Transmission Planning Regulations notified by the Hon'ble Commission have been formulated to govern planning and development of an efficient, reliable and economical system of ISTS and associated Intra-State systems. The proposed regulation covers a diverse range of topics regarding Transmission Planning including

- Planning Approach under GNA,
- Formation of new Agencies to be involved in Transmission Planning,
- Roles and Responsibilities of various stakeholders,
- Technical details regarding studies,
- Procedure for Transmission Planning,
- Timelines for various milestone, etc

Above mentioned aspects are presently governed by different provisions of Electricity Act, 2003, CERC regulations, and CEA technical standards. Therefore, the regulation has been studied with a holistic approach viz.-a-viz. existing provisions.

At present planning of transmission system is done by CEA and CTU along with stakeholders on the basis of long term power transfer requirements (LTA) of the customers. The Central Electricity Authority is responsible for preparation of perspective transmission plan and for coordinating the activities of planning agencies as provided under Section 73(a) of the Electricity Act 2003. CEA has constituted Regional Standing Committees for Power System Planning (SCPSP) to firm up transmission plans . As per Section-38 of Electricity Act, 2003, Central Transmission Utility (CTU) is responsible for development of an efficient and coordinated inter-state transmission system (ISTS) and to discharge all functions of planning and co-ordination relating to ISTS with other stakeholders. One of the major inputs for transmission planning is the connectivity/LTA applications in accordance with CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009. Transmission systems so planned in accordance with "CEA - Manual on Transmission Planning Criteria, 2003" are deliberated and finalised with CEA and stakeholders in the concerned Regional Open Access / Standing Committee meetings. The system thus finalized is further taken up for approval in respective Regional power Committee (RPC) meeting where all the stakeholders (CEA, POSOCO, Discoms, Traders, State Gencos, STUs, IPPs) are present. Subsequently, transmission system is taken up for regulatory approval of CERC, if applicable. Similarly, the State Transmission Utility (STU) is responsible for development of an efficient and coordinated intra-state transmission system (Intra-STS). The ISTS and Intra-STS are interconnected and together constitute the electricity grid. Thus, the present planning philosophy

and methodology is executed through multi agency & committee framework in accordance with Electricity Act, regulations and technical standards as mentioned above.

The proposed regulation formulates procedure for collection and compilation of transmission planning inputs at different levels and the transmission planning process in a time bound manner. General Comments/observations on the draft Regulation are as follows:

(i) General Network Access (GNA)

It is understood that the present draft Regulations have been formulated considering General Network Access (GNA) as the focal point for planning of Inter-State Transmission system (ISTS). The same is also been mentioned a number of times in the draft Regulations. The concept of GNA was mooted by CEA and subsequently the Hon'ble Commission published "Staff paper on Transmission Planning, Connectivity, Long term Access, Medium Term Open Access, and other related issues" in September, 2014. Further, a task force under Chairmanship of Chief (Engg.), CERC and a committee under the Chairmanship of Sh. Mata Prasad, had also discussed the concept of GNA in details in their reports. GNA is still in conceptual stage and provides a radically different approach to Transmission Planning compared to prevailing LTA-based planning regime. However, GNA Regulations are still to be formalized and there is no clarity regarding its modalities or legal and regulatory position. Changes proposed in the regulation will bring fundamental changes in the prevailing planning procedures whose effect would vary considerably depending upon the proposed structure of the GNA and its modality. Therefore, suitability of proposed Transmission Planning Regulations for GNA regime is difficult to ascertain in absence of clarity regarding GNA Regulations. Thus, it is evident that GNA Regulations shall be a precursor for Transmission Planning Regulations.

(ii) Composition and Roles of various entities being formed under present draft Regulations

Further, the subject regulation has proposed to form different committees at Central, Regional and State levels (Regional Study Committees (RSCs), Central Study Committee (SCS) and State Power Committees (SPCs)). However, as Regional Power Committees were established by resolution of the Central Government for a specified region i.e. for facilitating the integrated operation of the power systems in that region, they find legal backing in Electricity Act, 2003.

In the draft regulations, the functions relating to planning and coordination of ISTS has been given to Central Study Committee and Regional Study Committees. However, as mentioned before, planning and co-ordination relating to ISTS has been defined as role of CTU under the Electricity Act, 2003. Accordingly, if the CTU functions are to be reviewed and rewritten in the CERC Regulations, then it must be preceded with appropriate amendments in the Electricity Act, 2003.

Some observations on the sections identifying the composition and roles of various new committees are mentioned below:

a) Regional Study Committees (RSCs)

As per clause 3.4, RSC is a standing committee under RPC, however CSC has been defined in clause 3.2 as a standing committee constituted by CEA. Therefore, in line with definition of CSC, it is important to clarify the entity responsible for the constitution of the RSC.

Similarly, in definition of CSC in clause 3.2, it has been mentioned that CEA would be in lead role. However, in definition of RSC, lead role has not been defined. Further, in clause 6(2), CEA has been given role of leading both Central and Regional Study Committees.

Therefore, composition of RSC may be clarified in the draft regulations.

b) Representation of States in Central Study Committee (CSC)

As per clause 3.2 of the draft Regulations, Member Secretaries of State Power Committees (Till such time SPC are formed, STU) shall be member of CSC. These means all the SPCs (STUs) would be member of CSC.

However, as per clause 3.3, "*One of the STUs on rotational basis shall take the* lead role among STUs and represent in the Central Study Committee…"

Therefore, Representation of States in Central Study Committee may be clarified in the draft regulations.

c) Role of Central Study Committee (CSC)

As per clause 7.2 (d) of the draft Regulations, CTU shall "*To carry out studies for evolving transmission system by the Central Study Committee and share the base case file with Regional Study Committee*". The same is also confirmed in Clause of 15 (e), which defines role of CSC as "*To discuss results of the studies carried out by CTU and recommend the decision of the Central Study Committee to CEA for discussion in the Standing Committee*".

However, in clause 22.2 it is mentioned that "*CEA will compile the data as well as alternatives as received from Regional Study Committee for study at national level and prepare regional and national transmission plans*".

Therefore, clarifications may be included in the draft Regulation regarding the entity responsible to carry out studies and propose transmission plans in CSC.

d) State Power Committees (SPCs)

In clause 3.5, SPCs have been defined as "*a committee established by resolution by state government for a specific state for facilitating the integrated operation of Power system in the state*". The functions, roles, and responsibilities of State Power Committee need to be explained in detail along with timeline for formation of these Committees by respective states.

(iii) Time line for grant of LTA

As per the present timelines, from the date of receipt of application, LTA needs to be granted within (i) 120 days for grant of LTA without system strengthening, and (ii) 180 days for grant of LTA with system strengthening. It is observed that the transmission planning timelines as proposed in the draft Transmission Planning Regulations do not conform to these requirements.

(iv) Time line for Grant of GNA

As mentioned above GNA regulations are yet to be notified. However, in the draft regulations, it has been mentioned that GNA applications received upto 31st March shall be considered in the planning process. From this, it is understood that applications received from 1st April onwards can only be processed in the next cycle (i.e. 31st March of next year) and transmission system if any required for the same can only be finalised by 15th December of the following year. This may lead to delay in processing of applications and development of transmission system.

(v) Time line of Transmission Planning Process

As per the draft regulations, 20 days (15th May – 5th June) have been allocated for "*Study and proposal of new transmission plans including uploading of options on CTU website for comments of stakeholders*". Here, it needs to be appreciated that in the entire transmission planning process, the system study part should be the main focus area. In this case, out of a procedure spanning over 12 months, only 20 days have been allotted for carrying out system studies which includes development of year-wise Quarter-wise study files, probabilistic cases, load flow studies, short circuit studies, reactive power compensation studies, voltage and angular stability studies, etc. These are the technical basis for asserting the suitability/requirement of Transmission System augmentation.

Further, 25 days (5th June- 30th June) have been allocated for "*Recommendation of new transmission plan to be included in the agenda of Standing Committee Meeting*". It needs to be appreciated that within this interval, comments received from various stakeholders have to be addressed by the Central Study Committee. This may even lead to entire revision of studies which shall require substantial time and efforts along with additional meeting of Central Study Committee.

Therefore, it is suggested that timeframe for activities of Central Study Committee needs to be increased substantially (about 4 months), considering the above mentioned aspects.

(vi) Planning considering Merit-order Despatch

As per Clause 23.1 (i), "*the variable cost of new generating stations should be estimated by CTU in consultation with CEA…*" Cost estimation for new generating stations is a tricky process as cost of power production varies with competition in the market, contractual obligations, and economic scenario. This function may be carried by a dedicated committee which may include experts in power generation, DISCOMs, CERC and CEA.

(vii) It must be obligatory for generators to provide information sought under the proposed regulations.