Ref No: RA/II/002/17-18/1677 13th December, 2017

To
The Secretary
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanakery Building,
36, Janpath,
New Delhi-110 001

Subject: Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017

Ref: Public Notice No. L-1/229/2017-CERC dated 14.11.2017

Respected Sir,

With reference to the notice dated 14.11.2017 inviting objections/suggestions/comments on the Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017, India Power Corporation Limited (IPCL) hereby submits its suggestions on the same as enclosed herewith.

Thanking you,
Yours Sincerely

For India Power Corporation Limited

[Signature]
Debasish Das
Vice President (Regulatory Affairs)

Encl.: As above
Comments on CERC (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017

A. GENERAL COMMENTS:

1. The primary objective of the Hon’ble Commission behind this new regulation is to simplify the procedure for grant of connectivity and strengthen the Open Access regime on Inter-State Transmission System.

2. The inclusion of “Distribution Licensee” in the definition of “Applicants” in this draft regulation suggests that the Hon’ble CERC has recognised the requirements of a distribution licensee to connect to CTU network that may be necessary due to economic and technical reasons.

3. There are cases where the nearest STU network for a distribution licensee is almost more than 90-100 kms while CTU network is around 20-25 kms. In order to fulfil its USO within SOP norms, save cost and reduce technical losses, it is more feasible for a distribution licensee to connect to CTU network rather than construct very long transmission lines upto far off STU Network. There are further repercussions of delay/rejection of CTU connectivity in such cases in the form of loss of investment, as due to delay in getting power supply the companies do not get the confidence of setting up industries in such area. The whole purpose of “Ease of Doing Business” is defeated. Therefore, it was important that the requirement of connectivity of Distribution Licensee to ISTS is recognised and promoted. Accordingly, under the above situation, the technical viability, ease of doing business and the need to provide timely power supply to consumers must also be a criteria for consideration.

4. The Hon’ble Commission is humbly requested to further segregate the minimum load requirement for connectivity of distribution licensee to CTU grid based on voltage level basis, i.e. 100 to 250 MW on 220 KV level and for 250 MW+ load, connectivity should be on 400 KV level.

5. In the wake of the draft regulation, CTU may now take cognizance of the underlying objective of the Hon’ble Commission and prepare themselves to approve the applications for grant of connectivity based on only techno-commercial criteria of available capacity and proposed plan.

B. SPECIFIC COMMENTS:

1. **Short Title and Commencement** – Agreed. No Comments.

2. **Definitions**

   Regulation 2.1(c) (v)... In our view, the minimum load requirement for connectivity of distribution licensee to CTU grid should be on voltage level basis, i.e. 100 to 250 MW on 220 KV level and for 250 MW+ load, connectivity should be on 400 KV level. In any case CTU does
not provide connectivity below 220 KV level, therefore, below 220KV level the connectivity will be restricted to STU system. This holds true even with the fact that the POC mechanism of the sharing of transmission charges focuses on the net energy flow over and above the 220 kV level connectivity of the entities.

3. **Scope** - Agreed. Agreed Comments.


5. **Filing of Applications** -

   **Regulation 5.3.** - It is not clear from this para, whether only STU is allowed to apply for GNA on behalf of Distribution licensees and other intra-state entities or, Distribution licensee connected to ISTS system can make GNA application independently. Although the same has been answered in Regulation 11.2, it is humbly requested that it must be made clear in Regulation 5.3 itself.

6. **Timeframe for processing of application** - No Comments with respect to Regulations 6.1 & 6.2.

   **Regulation 6.3.** - Though the regulations restrain withdrawal of connectivity once granted, however in subsequent clauses, it restricts amendment to the connectivity condition as well. Instead it is required that there may be freedom to amend the connectivity due to any unforeseen reason w.r.t. ROW issues and other technical constraints when the point of drawl and destination of connectivity is same but the route to both changes. Similar case is being faced by India Power Corporation Limited, wherein only the route has changed but it has been asked to file fresh connectivity application and old approval has been cancelled. It is further requested that Hon'ble CERC may also consider allowing amendment to grant of connectivity w.r.t. fact modification of LILO to mainstream transmission connectivity as this ease the bottleneck in transmission system operation as well.

7. **Grant of Connectivity** -

   **Regulations 7.1 to 7.5, 7.9 to 7.17, 7.20, 7.24 to 7.27 and 7.34 to 7.39.** - These Regulations are specific to applicants who are basically generators (conventional or renewable). There is no specific provisions for the Applicants who are distribution licensee. The Hon'ble CERC may consider inserting customised application requirements for Distribution licensee, who intend to apply for grant of connectivity to ISTS system.

   **Regulation 7.2.** - It is not clear whether the captive generating station already connected to ISTS and already having LTOA but operating in Short term also need to define their maximum net exportable capacity as GNA or not. Hon'ble CERC may consider clarifying the same.
Regulation 7.13. - It is not clear whether the definition of week for response to rectification to connectivity and GNA application includes the holiday or not. The week for the purpose of business shall be business day only. It also need clarification on whether the connectivity application received in one month but rectified in following month will have priority over the application received in following month or not.

Regulation 7.14. - The provision requires filing fresh application in case of change of location or any material change in location of applicant or change of quantum of power accompanied by application fee, however, this shall consider adjustment of application fee filed earlier for which the grant of connectivity has been issued. We request Hon'ble CERC to permit allowing any amendment to grant of connectivity wherein there is no material change in location of applicant or quantum of power.

Regulation 7.16 and 7.17 - The draft regulation allows creating a concept of Principal Generator to provide connectivity and GNA in case of renewable energy generators, however, restricts only central/state government notified developer only to take infrastructural works for connectivity, this need clarification whether does it require only government notified entities to be Principal Generator or what if there is a private renewable generator who wish to get connectivity to supply any bulk consumer in open access. It also need clarification w.r.t. who will bear the cost of infrastructure development and whether such cost would be subject to approval of the Hon'ble CERC or not. This is needed to avoid litigation of cost-sharing by the entities engaged with Principal Generator.

Regulation 7.21. - It is humbly requested that the Regulation 7.21 may be rephrased as below:

"7.21 While granting connectivity, the nodal agency shall specify the name of the substation or pooling station or switchyard where connectivity is to be granted. In case connectivity is to be granted by looping-in and looping-out (LILO) of an existing or proposed line, the nodal agency shall specify the point of connection and name of the line at which connectivity is to be granted. The nodal agency shall indicate the broad design features of the dedicated transmission line or LILO, as the case may be and the timeframe for completion of the dedicated connecting transmission line. In case of Renewable Energy Generating Station or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer, while granting Connectivity, the nodal agency shall indicate one firm location and one nearby alternative location."

Regulation 7.39. - This provision is repeated in view of provision 7.2 and need to be accordingly modified.

8. Construction of Dedicated Transmission Line –

Regulations 8.1 to 8.4(i) – These Regulations are specific to generators seeking connectivity and GNA on ISTS system through dedicated transmission system. There are no provisions indicated for distribution licensee seeking connectivity and GNA through dedicated
transmission line. In this regard, it need to be clarified whether distribution licensees are allowed to construct the dedicated transmission line or not and whether there would be any NOC needed from respective STU for the same.

It is further submitted that in case of distribution licensee seeking CTU connectivity, the responsibility of constructing connecting bays at CTU end should lie on the distribution licensee at the demarcated area as per the standard technical specifications of CTU. CTU may charge supervision charges as per their rule.

9. **Start Date of Connectivity** - Agreed. No Comments.

10. **Point of Commercial Metering** - This regulation should also include specific provisions for commercial metering for distribution licensee seeking connectivity with ISTS. The responsibility of metering such an interconnection point should be clearly specified. It is suggested that the reading of such interface meters should be through the use of telemetry to avoid human errors so that data collected is verifiable. Likewise the energy settlement mechanism among pool generators also needs to be specified.

11. **Application for General Network Access** -

   **Regulation 11.2** - It is humbly requested that once the Distribution Licensee qualifies for CTU connectivity as per these regulations, there is no need for a "NO Objection Certificate" from STU and hence the same may be waived off.

   **Regulation 11.8 (d)** - It is humbly requested that LOI may be allowed as a basis of ascertaining the required quantum of power to be interchanged from the grid.


14. **System Study by the Nodal Agency** - Agreed. No Comments.

15. **Regulatory Oversight** - The provision considers regulatory approval before commencing the system strengthening work on any transmission system. In the similar way, the CTU shall update the Hon'ble CERC of any change in proposed capital expenditure on the system, on periodic basis and any major change caused due to time or cost-over run must be presented before incurring the same.

16. **General Network Access by Generators** - It is humbly requested that a separate para may be introduced for General Network Access by ISTS connected Distribution Licensee as well.

17. **Network Services for Transfer of Power** - Agreed. No Comments.
18. **Scheduling by SLDC** - Agreed. No Comments.

19. **Access Bank Guarantee** – GNA application bank guarantee has been considered as Rs 20 lakh/MW which is exorbitant as such money will constantly block the working capital margin of the entities. Bank Guarantee shall be treated as fall back option only to be exercised when either the payment default happens or the payment security mechanism fails. Keeping this bank guarantee alive for 5 years even after operationalization of GNA requires reconsideration as the same will cause financial burden of not only transmission charges but the cost of the BG as well.

20. **Communication of Estimate of Transmission Charges** – Agreed. No Comments.


22. **Effective Date of General Network Access** - Agreed. No Comments.


25. **Transition phase between prevailing LTA Regulations and new proposed GNA mechanism** – It is not clear whether the existing LTA for Distribution Licensee shall be automatically converted by CTU into GNA or, does the ISTS connected Distribution Licensee with existing LTA need to apply separately for conversion to GNA.


27. **Treatment of delay in Transmission system or Generation Projects** – Agreed. No Comments.

28. **Treatment of payment of charges in case of non-availability/ delay in upstream/ downstream system** – Agreed. No Comments.

29. **Curtailment** – Agreed. No Comments.


31. **Detail Formats** - The formats mentioned in the draft regulations is not available in public domain. Therefore, it is not possible to comment on the same at this instant. It is humbly requested to circulate the same for understanding and providing suggestions /objections /comments.

32. **Payment of Fees and Charges for the Regional Load Despatch Centre and State Load Despatch Centre** - Agreed. No Comments.
33. **Charges for Deviation** - Agreed. No Comments.

34. **Transmission Corridor Allocation for power markets** - Agreed. No Comments.

35. **Sale of Surplus Power** – Agreed. No Comments.


37. **Power to Remove Difficulty** - Agreed. No Comments.

38. **Repeal and Savings** – Agreed. No Comments.