Ref.: JPVL: GNA: 2018(1)

Shri Saroj Kumar Jha
Secretary
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi – 110001

Subject: Draft CERC Regulations, 2017 regarding 'Grant of Connectivity and General Network Access to the Inter-State Transmission System and other related matters and Explanatory Memo.

Dear Sir,

This has reference to CERC draft Regulations bearing no. L-1/229/2017-CERC dated 14th November, 2017 regarding ‘Grant of Connectivity and General Network Access (GNA) to the Inter-State Transmission System (ISTS)’ and other related matters and seeking comments from stake holders.

It is observed that the subject cited GNA Regulations bring out fundamental changes to the concept of access to transmission network in comparison to the existing mechanism of open access to the grid. In this regard, a few of our general observations are as under:

i) Under the prevailing Regulations, open access to network can be availed through grant of Long Term Access (LTA), Medium Term Open Access (MTOA) and Short Term Open Access (STOA) and transmission charges are recovered based on capacity allocation (in Rs./MW/Month) from LTA and MTOA consumers and on usage basis (Paisa/Unit) from STOA consumers in line with Sharing Regulations. As per the provisions of draft Regulations, GNA will replace LTA, MTOA and STOA and all the generators connected to ISTS will have to obtain GNA for their installed capacity less auxiliary power consumption and transactions can be made under LTA or MTOA or STOA contracts, after obtaining GNA. The methodology of recovery of transmission charges from GNA holders need to be rationalized.

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ii) Many consumers and generators, including Captive Power Plants (CPPs) embedded with Inter-State Transmission System transact power through inter-state system in short-term market and pay transmission charges as and when they transact power. Though these short term transactions are not on continuous basis, such consumers and generators are envisaged to seek GNA and take liability of transmission charges for inter-state transmission system round the year. Hence, GNA mechanism would have repercussions on short term power trade and as a consequence would cause avoidable resentment of stakeholders.

iii) With the introduction of GNA, primarily no impact is foreseen on the generating stations like NTPC which have long term PPAs for the entire capacity as their existing LTA will be converted to GNA. The generating stations which could not fully tie-up their full capacity on long term PPAs for whatsoever reasons, would have to apply for GNA and be granted GNA for the net capacity connected to ISTS grid. However, such generating stations will have to pay transmission charges, even if their generating stations are non-operational. Thus, generating Stations which do not have long term/medium term PPAs and are selling only part of power in short term will have additional liability to pay transmission charges corresponding to GNA, even if entire capacity is not scheduled. Under the prevailing regulations, such generators bear transmission charges applicable to short term transactions on scheduled capacity only. This mechanism need to be continued, albeit with some higher transaction charges in comparison to LTA/MTOA customers. Keeping in view present financial hardships of thermal power generators, it is necessary that GNA Regulations should facilitate to provide adequate flexibility to accommodate needs of all types of stake holders, according to their participation in entire power scenario, so that Indian power market remains active and healthy.

iv) The draft GNA regulations aim to introduce fundamental changes to the concept of access to transmission network, whereas existing regulations issued by CERC for Open Access in Inter-State Transmission System (ISTS) and by various SERCs on grant of Open Access to Intra-State Transmission and Distribution Systems are also considered not very old and are in consolidation phase. It is felt that departure to a new concept of GNA based access at this stage would need a lot of deliberations and efforts for aligning existing regulations, code and practices, particularly of the States, to the proposed GNA regulations and philosophy. Therefore, it is opined that a detailed roadmap and preparatory actions for seamless transition to new mechanism be worked out in association of the States and other Stake holders, if new mechanism is decided to be introduced.

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In view of the above backdrop, Hon'ble Commission may also like to review whether introduction of subject Regulations is really a necessity for the betterment of the sector or alternatively, some suitable modifications to address shortcomings in existing Regulations would be suffice to meet the objectives?

Thanking you,

For Jaiprakash Power Ventures Ltd.

(M.K.V. Rama Rao)
Director (Technical)