Ref. No.- MPL/DEL/2018/0365

Dated: 27th Feb, 2018

To,

The Secretary,

Central Electricity Regulatory Commission

3rd & 4th Floor, Chanderlok Building,

36, Janpath, New Delhi- 110001

Sub: Supplementary Comments and Suggestions on Draft (Grant of Connectivity and General Network Access to the Inter-State Transmission System and other related matters) Regulation, 2017

Dear Sir/Ma’am,

This letter is with reference to the Draft Regulation published by CERC, bearing notification No. No. L-1/229/2017-CERC dated 14/12/2017 titled “Grant of Connectivity and General Network Access to the Inter-State Transmission System and other related matters Regulation, 2017” which is aimed to advance to a market friendly approach from the prevailing mechanism of transmission connectivity and operation.

We have submitted our Comments and Suggestions vide letter dated 15th Jan, 2018 bearing reference number MPL/DEL/2018/0125. The Hon’ble Commission has allowed the stakeholder to submit supplementary comments pursuant to public notice and

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interactive session held on 12.01.2018 at CERC. Therefore, we hereby submit our supplementary submission.

1. **Exclusion of Trading Licensee as an Applicant for GNA**

   In the Explanatory Memorandum published by Hon’ble Commission on GNA, the Hon’ble Commission has specifically mentioned that henceforth, traders will not be allowed to apply for GNA on behalf of generators as due to the dispute between the Generator and Trading Licensee the LTA cannot be utilized. We would like to request Hon’ble Commission to ponder upon the following rationale for inclusion of Trading Licensee as an Applicant:

   i. It must be noted that in case of Trading Licensee is being an applicant, the right of use or surrender the corridor remains at the discretion of the Generator alone. It is well-known fact that in majority of the LTA applications Generators themselves are the applicant therefore, taking the account of the disputes to exclude Trading Licensee as an applicant seems capricious. It is also requested to the Hon’ble Commission to provide data or analysis on the disputes between Trading Licensee and the Generator as to how much capacity has remained stranded, on the basis of which Trading Licensee has been excluded.

   ii. Also, implementation of GNA procedure will result in a revamping of procedures, which may lead to confusion resulting a loss in efficiency. Allowing Traders to participate on behalf of the generators will mitigate
this problem. As per Sec 81(i) and Sec 79 (2) of the Electricity Act, 2003, it is the duty of the Central Commission and the Central Advisory Committee to advise Central Government on the promotion of competition, efficiency & economy in activities of Electrical Industry and to question major policy decisions. Hence, considering national, economical and business implication of the said amendment/repealing of the existing regulation, we urge the Hon’ble Commission and Advisory Committee to deliberate upon including Trading Licensee in the definition of Applicant for GNA under Clause 2.1 (d).

2. **Allocation of 5% Transmission Corridor**

The Hon’ble Commission in Clause 34 of the Draft regulation has proposed to allocate 5% of Transmission Corridor for Power Markets. Needless to say, this is a bold and reformative step which is bound to promote Open Access and Power Market performance. This will not only act against the problem of Transmission Congestion but also help to secure the Market Clearing Price as the Supply available for any particular day will not fall below a certain limit due to Transmission Congestion. Although this is a welcome step, we propose the Commission to consider allocating the corridor to short-term bilateral transactions.

i. CERC Market Monitoring Report, 2016-17, provides us with data on the percentage of total short-term transaction volume w.r.t total electricity
generation 2016-17. It can be meticulously observed that the percentage has a minimum value of 9% and a maximum value of 11% over the span of years from 2009-10 to 2016-17. Hence, we humbly propose the Hon’ble Commission to allocate a Transmission Corridor of 10% for short-term Bilateral Transactions as well considering the growth of the market and average of the total percentage from the said period.

Therefore, we humbly request the Hon’ble Commission to take our views into consideration.

Regards

For Manikaran Power Limited

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Authorised Signatory