Guj-SLDC/SCH/F-41/5163

Date: 13/12/2017

To
The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36, Juna Path.
New Delhi-110001

Sub: Comments of Gujarat SLDC, GETCO on Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017

Respected Sir,

With reference to the above, comments of Gujarat SLDC, GETCO on proposed Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017 are as under:

Vide letter at reference, SLDC GETCO had submitted the comments on the draft framework/amendments considering the various aspects. Hon'ble commission is once again requested to consider following points (submitted vide letter at reference) and incorporate it in the subsequent amendment.

(1) Clause No. 7.24, 7.25, and 8.4 needs clarity.

As per draft clause No 7.24 'More than one generator can use the dedicated transmission line connecting their generating station to pooling station of ISTS after formalising all aspects including sharing of the transmission charges and losses of the transmission line among the generators. The transmission charges shall be decided amongst themselves after taking into account the norms specified in the Tariff Regulations issued by Central Commission from time to time.'

As per draft clause No 7.25 'On completion of the dedicated transmission line the generator(s) shall be required to hand over the dedicated transmission line to CTU for the purpose of operation and maintenance. CTU shall be entitled to normative operation and maintenance expenses as per CERC Tariff Regulations. The line shall be under the operational control of CTU for all the purposes.'
As per draft clause No 8.4 ‘Where the dedicated transmission lines have already been constructed or are under construction by ISTS Licensee (including deemed licensees) under coordinated transmission planning: (i) The transmission charges for such dedicated transmission lines shall be payable by the concerned generating company to the transmission licensee from the date of COD of the dedicated line till operationalization of GNA of the generating station in terms of Regulation 22 of these Regulations; (ii) After operationalization of GNA, such dedicated transmission line shall be included in the PoC pool and payment of transmission charges for the said dedicated transmission line shall be governed as per the CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time.’

**Comments:** As per clause No. 7.24, charges have to be shared among generators if more than one generator is using the same dedicated line. Further, as per clause No. 7.25, commercially the dedicated line shall be owned by the developer/generating station and the tariff will not be pooled in the PoC. Accordingly, losses on these lines also shall be on account of the owner of the line. As per clause No. 8.4 after operationalization of GNA, dedicated transmission lines shall be included in the PoC pool. The status of line (dedicated) also need to be clarified.

(2) Clause No. 7.34 (a) needs amendment.

As per draft clause No 7.34 (a) ‘Drawl of start-up power shall not be allowed prior to fifteen (15) months from expected date of first synchronization and six (06) months after the date of first synchronization.’

**Comments:** The above clause may be redrafted as ‘Drawl of start-up power shall be allowed for 6 months prior to expected date of first synchronization and six (06) months after the date of first synchronization. Further, total allowed time period (pre and post first synchronization) may not exceed more than one year. In case of additional need of startup power, generator may approach concerned DISCOM for the same.

(3) Clause No. 9.2 needs clarity.

As per draft clause No 9.2 ‘A generator shall be allowed to draw start-up power from the grid or inject infirm power into the grid only through dedicated line after grant of Connectivity and GNA except where LILO has been allowed as part of coordinated transmission planning.’

**Comments:** It means, in most of the cases, construction of dedicated lines are must.
(4) Clause No. 10 (a) & 10 (b) looks somewhat contradictory.

As per draft clause No 10 'a & 10 (b) 'In case dedicated transmission lines are owned/ constructed by a generator, such metering point shall be at the pooling sub-station of ISTS license. (b)In case generator is connected to more than one pooling station, metering shall be at the bus bar of the generating station.'

Comments: As per clause No 10 (a), losses are not pooled. Whereas as per clause No. 10 (b), loosed are pooled. This seems contradictory.

(5) Clause No. 18.2 needs amendment.

As per draft clause No 18.2 'If it is not possible to accommodate the quantum requested by a state on day ahead basis because of transmission constraint in the ISTS, the SLDC shall provide its revised schedule with equal priority to all type of transactions as per the relative economics of the transactions to the SLDC on day ahead basis.

Comments: It may not be appropriate for SLDC to check relative economics of the transactions. The above clause may be redrafted as 'If it is not possible to accommodate the quantum requested by a state on day ahead basis because of transmission constraint in the ISTS, the SLDC shall provide its revised schedule as per the curtailment priority defined in the regulation.

(6) Clause No. 32 needs clarity.

As per draft clause No 32 ' 5% of each corridor for which separate ATC is declared shall be reserved for day ahead collective transactions at the power exchanges. In case of non-utilization of the corridor by exchanges, National Load Despatch Centre (NLDC) shall release the capacity for contingency market. The percentage of reservation shall be reviewed after five years of operation'.

Comments: It is requested to clarify. How the transmission charges of such corridors will be ensured in case of underutilization of by power exchange(s)/day ahead STOA?

(7) As per the above draft GNA regulation, transmission charges shall be governed as per the CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time. In this regard, the suggestions for PoC mechanism as under:

- Refund of STOA Transmission charge:

**Existing Provision:** The transmission charges collected by the nodal agency for use of the transmission system other than State network, for a bilateral or collective transaction for each point of injection and each point
of drawl shall be given to Central Transmission Utility (CTU) for disbursement. The CTU shall disburse these transmission charges to the long-term customers of the synchronously connected grid where the point of injection or point of drawal is situated, as the case may be, in proportion to the monthly transmission charges payable by them after making adjustments against Long-term Access to target region in accordance with the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

**Suggestions:** Each State has different regulations for STOA. The quantum of STOA granted/availed by State as a whole varies to large extent from State to State. Hence, it is inappropriate to refund transmission charges towards STOA based on the LTA. Here, State having ZERO STOA also gets refund.

**Hence, Instead of refund based on LTA, it should be based on STOA granted/availed.**

- **Role of Validation committee:**

  **Existing Role:** Validation committee means the committee appointed by the Commission comprising officers from the Commission, the Implementing Agency, each of the RPCs, CTU, CEA, STUs for the purpose of discharging various functions vested under the regulations, and the meetings of the committee shall be chaired by a nominee of the Commission.”

As per the regulation, Basic Network along with the converged load flow results for various grid conditions shall be validated by the validation committee. The major function of the committee is related with technical data validation and load flow studies.

**Suggestions:** Since, PoC mechanism has a direct commercial impact; the role of validation committee should be increased. The technical part is well covered by the validation committee. At the same time, commercial part should also be equally vetted. YTC of transmission licensees considered for the billing period should also vetted by the committee. In other words, cost component of PoC mechanism should also be well checked and derived after the consultation of all stake holders/committee members. And for that, the representative of DISCOMs should also be included.

- **LTA/MTOA Tr. Charges V/s STOA Tr. Charges.**

  **Existing Provision:** As per the recent, PoC rates and transmission losses for the period of Oct to Dec 2017, transmissions charge for Gujarat for LTA/MTOA and STOA is as under:

  For LTA/MTOA

  PoC Slab Rate (Rs./MW/ Month) = 266088

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132kV Gotri Sub Station Campus, Opp. Kalpurux Building,
Near T.B. Hospital, Gotri Road, Vadodara – 390 021.
Reliability Support Charges Rate (Rs./MW/Month) = 24271
HVDC Charges Rate for WR (Rs./MW/Month) = 7459

Total (Rs./MW/Month) = 297817

It is derived @ 41.32 Paise/KWH.

41.32 Paise/KWH is derived considering utilization of full tied up capacity with ISTS (presently it is 5610 MW).

In actual, average requisition from central sector over the year remains @ 70 to 75 % of total tied up capacity. Hence, effective transmission charge per unit becomes @ 55 to 60 paise/KWH.

For STOA (Purchase)

PoC Slab Rate (paise/kWH) = 19.03
Reliability Support Charges Rate (paise/kWH) = 3.37

Total (Paise/KWH) = 22.40

For STOA (Sale)

PoC Slab Rate (paise/kWH) = 04.28
Reliability Support Charges Rate (paise/kWH) = 3.37

Total (Paise/KWH) = 07.65

It can be seen that Tr. Charge for LTA/MTOA is almost DOUBLE and SIX times than STOA (purchase) & STOA (sale) respectively.

Suggestions: Lower transmission charge for STOA (than LTA) instigates private DISCOMS/OA consumers to avail more STOA. Private DISCOM (say Torrent power) doesn’t tie up LTA to meet their demand and they tend to depend more on STOA. This also leads to increase burden on existing beneficiaries.

Hence, transmission charge for STOA should be equal to LTA.

➢ Waiver of transmission charge for RE generators:

Existing Provision: In order to encourage the renewable resources of energy, no transmission charges and losses may be levied till such period as may be notified by the Central Government on transmission of electricity generated from Solar and Wind resources of energy through the inter-state transmission of system for sale.
Such waiver is available for a period of 25 years from the date of commissioning of such projects.

**Suggestions:** In order to meet the ambiguous target of 175 GW RE by 2022, huge infrastructure is being developed. Large capacity transmission lines/substations are constructed. RE potential is not uniform throughout the country. Hence, development of transmission corridors is likely to be constructed according to RE potential. And accordingly, RE rich State has to bear more burden of transmission charge. RE is a national resource and cost of development should not be limited to RE rich States only.

**Burden of Waiver of transmission charge should be distributed across the country based on the RPO obligations and should not be based on PoC mechanism. Further, percentage of RPO obligation should be uniform throughout the county.**

- Waiving of payment of transmission charges for use of inter-state transmission system for STOA availed by State Utility up to the granted LTA

**Existing Provision:** The clause No.10.4 (amendment of Regulation 25 of the principal regulations) of the CERC, open access in inter-state transmission, second amendment, regulations 2013 is reproduced as under:

"In case a State utility is the short-term customer, the operating charges and the transmission charges collected by the nodal agency shall not include the charges for use of the State network and the operating charges for the State Load Despatch Centre."

However, as of now, utility needs to pay transmission charge for the STOA availed.

**Suggestions:** State utilities already have LTA for the designated quantum. Irrespective of the use of LTA (in terms of quantum), State utilities pay the full transmission charges as per the sharing of inter-state transmission charges and losses) regulations, 2010 as amended time to time. As of now, state utilities do not require to pay any transmission charges for the use of State network for STOA. Apparently, payment of transmission charges for use of ISTS network for STOA seems duplication of payment (up to LTA). The only quantum of STOA above the LTA should attract the ISTS transmission charge.

In view of the above, it is requested to incorporate above points while finalizing the above regulation.

Thanking you,
Yours Faithfully,

(B.B.Mehta)
Chief Engineer (LD)
SLDC, Vadodara.