



**CAPTIVE POWER PRODUCERS ASSOCIATION**

(Registered U/sec. 25 of Company Act 1956 & Certificate of IT 12AA  
CIN: U91990MH2003GAP141611)

Secretariat Office  
Technocraft Industries (India) Ltd.  
Technocrat House A-25 MIDC, Marol Andheri (East),  
Mumbai 400093

Vikas Patangia  
**PRESIDENT**

To,

Date :07<sup>th</sup> July, 2022

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

**Comments on proposed Draft Central Electricity Regulatory Commission  
(Sharing of Inter-State Transmission Charges and Losses) (First  
Amendment) Regulations, 2022.**

Dear Sir,

Captive Power Producers Association ("CPPA") is representing the interest of Industries in various States and UTs having captive power plants at their industries in fulfilling the energy requirement of their industries through captively produced power.

First of all, we would like to thank you for the proposed Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022.

The proposed amendments are forward looking steps and will help in reviving the power sector and development of easier ISTS Network Access and associated charges.

In response to some of the proposed Regulations, we would like to submit our comments as per **Annexure – I.**

We request you to consider our comments while finalising the amendment and also provide us an opportunity to discuss our comments in person / during hearing.

**Thanking you.**

**Yours faithfully,  
For Captive Power Producers Association**

**Annexure – I**

**CPPA - Comments/suggestions on Draft CERC (Sharing of ISTS Charges and Losses) (First Amendment) Regulations,2022.**

<b>SL. No.</b>	<b>Regulation</b>	<b>Draft Amendment and comments</b>	<b>Rational for Comments/Suggestions</b>
1.	Regulation 2. Definition of GNA/T-GNA	Definition of <b>GNA/T-GNA</b> is missing. The definition as captured CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 shall be inserted in this Regulation.	Clearly the proposed draft has provisions GNA /T-GNA and hence the same shall be captured in all relevant Regulations.  Hence, the same should be defined in the definitions in clause 2 of proposed amendments.

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2.	Chapter 3 of Regulation 13 <b>Treatment of transmission charges and losses in specific cases of Principal Regulation</b>	<p>Draft Regulation proposes to remove Clause (1) of Principal Regulation 13 on waiver of transmission charges and losses for the use of ISTS by the generating stations:</p> <p>The clause (1) of regulation 13 provided ISTS waiver for solar and wind plants commissioning till 31.12.2022 for entities having PPA for selling power to all entities including Distribution Companies. With removal of this waiver clause, ISTS charges will be made applicable to all solar and wind power plants (including BESS).</p> <p>The clause shall be retained with amendment as per Ministry of Power's notification dated 23<sup>rd</sup> November, 2021 clauses 3.1, 3.2, 4.0 and 5.0.</p> <p>The clause shall also be amended based on Green Hydrogen Policy of Government of India dated 17<sup>th</sup> February, 2022.</p> <p>Proposed Amendment:</p> <p>“(A) For Solar, wind, Hydro PSP and BESS projects commissioned upto</p>	<p>As per the Ministry of Power notification dated 23<sup>rd</sup> November 2021, the regulations should provide waiver of transmission charges for Solar, Wind, Hydro PSP and BESS projects commissioned upto 30th June 2025. Further such waiver shall be applicable for self-consumption or sold to any entity through competitive bidding, power exchange or bilateral agreement under third party or captive mode.</p> <p>Also, the Green Hydrogen Policy notified by Ministry of Power on 17<sup>th</sup> February 2022 provides for waiver of ISTS charges for Green Hydrogen and Green Ammonia projects.</p> <p>Such policy waiver is critical to further enhance the investments into renewables and provide impetus to the sector to meet the COP26 commitments of India.</p> <p>The relevant notifications of Ministry of Power are attached herewith.</p>

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		<p>30.06.2025, the waiver of interstate transmission charges shall be applicable for the following:</p> <ul style="list-style-type: none"> <li>(i) Solar or wind generation set up by any person/entity. The power generated from such sources can be self-consumed or sold to any entity either through competitive bidding, power exchange or bilateral agreement.</li> <li>(ii) Electricity from solar and /or wind sources used by hydro pump storage plant (PSP) and Battery energy storage system (BESS) project subject to following conditions: <ul style="list-style-type: none"> <li>a. At least 51% of the annual electricity requirement for pumping of water in Hydro PSP is met by use of electricity generated from solar/wind power plants.</li> <li>b. At least 51% of the annual electricity requirement for charging of BESS is met by use of electricity generated from solar/wind power plants</li> </ul> </li> </ul>	

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		<p>(iii) Electricity generated/supplied from such Hydro PSP and BESS power plant as mentioned in (ii).</p> <p>(iv) For trading of electricity generated/supplied from Solar/Wind and sources as mentioned (ii) and (iii) above, in Green Term Ahead market and Green day ahead market upto 30.06.2025.</p> <p>(v) For green hydrogen plant, waiver for 25 years to the producers of Green Hydrogen and Green ammonia from the projects commissioned before 30.06.2025.</p> <p>(vi) For the power generated from Solar and Wind energy as per RE bundling scheme issued by Ministry of Power on 16.11.2021. Provided that evacuation of this solar/wind power is made from the main substation of thermal /hydro power plant and this does not lead to any additional cost in augmentation of transmission system. Further no ISTS charges shall be levied when solar/wind power</p>	

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		<p>from power plant situated at one thermal /hydro generating station is supplying to procurer of another generating station of same generating company located at different place.</p> <p>(B) In order to have long term visibility and certainty to the renewable power generation, it is also provided that the ISTS charges shall be levied for Solar, wind, Hydro PSP and BESS projects commissioned after 30.06.2025, gradually as per following trajectory.</p> <table><tr><td>Period of Commissioning</td><td>ISTS Charges</td></tr><tr><td>1.7.2025 to 30.6.2026</td><td>25% of applicable charges</td></tr><tr><td>1.7.2026 to 30.06.2027</td><td>50% of applicable charges</td></tr><tr><td>1.7.2027 to 30.06.2028</td><td>75% of applicable charges</td></tr><tr><td>From 1.7.2028</td><td>100% of applicable charges</td></tr></table> <p>(C)The waiver shall be applicable for the period of 25 years for Solar, wind</p>	Period of Commissioning	ISTS Charges	1.7.2025 to 30.6.2026	25% of applicable charges	1.7.2026 to 30.06.2027	50% of applicable charges	1.7.2027 to 30.06.2028	75% of applicable charges	From 1.7.2028	100% of applicable charges	
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		<p>and Hydro PSP projects or for the period of 12 years for ESS projects</p> <p>(D) The waiver is allowed for ISTS charges only and not losses. However, the waiver of losses shall be applicable for the projects whose bidding was completed up to 15.01.2021.</p>	
3.	Regulation 11	Draft Regulation proposes to amend the Transmission charges for Short	The transmission charges Unit for short term open access has

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	<b>Transmission charges for Short Term Open Access.</b>	<p>Term Open Access (Regulation 11 clause (1))</p> <p>The formula for calculation Transmission charges for Short Term Open Access in the Principal Regulation for a month is amended as below in the Draft Regulation. (Transmission charges for GNA for entities located in the State under first bills (in INR) <math>\times 1.10</math>) / (No. of days in a month <math>\times 96 \times</math> GNA quantum in MW for all such entities located in the State) The charges for short term open access (T_GNA) shall be restored as per current regulations i.e. the charges shall be levied based on Rs/kWh</p>	<p>been proposed to change from paise/kWh to INR/MW/Block. Hence, By virtue of its Infirm Nature have RE power have CUF ranging from 15-30%. Thus, Transmission charge will have a 4 times impact on the per unit charges as compared to Transmission charges for power generated from conventional sources.</p> <p>This will impact the commercial viability of RE Generating plants selling under open access to Bilateral or at Exchange under short term open access or T – GNA.</p> <p>Transmission charges for the Renewable power plants such as Solar, Wind, Hydro PSP and BESS projects shall be charged in paise per kWh. This will support developing the Bilateral and exchange market also it will provide more robust alternatives for consumers to procure green power through short term (T-GNA) procurements.</p>



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4.	Chapter 2 Regulation 10 of Principal Regulation, Sharing of Transmission Losses Regulation 10 <b>Clause 1</b>	<p>Draft Regulation proposes change in formula for calculation of Transmission losses for ISTS. The formula for calculation of Transmission losses in the Principal Regulation is given as</p> $\left[ \frac{In - Dr}{Ir} \right] \times 100$ <p>Where:  <b>“In”</b> denotes sum of injection into the ISTS at regional nodes for the week.  <b>“Dr”</b> denotes sum of drawal from the ISTS at regional nodes for the week.  <b>“Ir”</b> denotes sum of injection into the ISTS at regional nodes less injection from projects covered under Clause (1) of Regulation 13 of Principal Regulation for the week.</p> <p>The Draft Regulation provides definition of “Ir” as <b>sum of injection into the ISTS at regional nodes.</b></p> <p><i>The def of Ir as per the principal regulation: - <b>Ir</b>” denotes sum of injection into the ISTS at regional nodes less</i></p>	Clarification is needed from the Commission on these definitions as this change/replacement of definition of Ir will have same meaning of both "In" and "Ir" as per definition.

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		<p><i>injection from projects covered under Clause (1) of Regulation 13 of Principal Regulation for the week.</i></p> <p>With the proposed changes definition of <b>Ir</b> and <b>In</b> became similar.</p>	
5.	Regulation 12 of Principal Regulation, Transmission Deviation Regulation 12 Clause <b>2</b>	<p>Draft Regulation proposes to amend the Transmission Deviation Rate (INR/MW) for a State or any other DIC located in the State. The formula for calculation Transmission Deviation Rate in the Principal Regulation for a time block during a billing month is amended as below in the Draft Regulation.</p> <p><b>(1.35 X</b> (transmission charges for GNA of entities located in the State, under first bill in INR ) / (GNA quantum in MW of such entities located in the State X no. of days in a month X 96 )</p> <p>The transmission deviation charges shall be restored as per Principal regulation 12 of Clause 2 i.e. factor of 1.05 instead of proposed 1.35.</p>	<p>Earlier formula as per the principal regulation is as below,</p> <p><b>1.05 X</b> (transmission charges of the State for the billing month in Rs.)/ (quantum in MW of Long Term Access plus Medium Term Open Access of the State for the corresponding billing period X 2880).</p> <p>Certainly, with increase in factor from 1.05 to 1.35 in the formula will increase the transmission deviation charges by 28%-30 % based on no of days in month.</p> <p>Commission may take the appropriate decision to avoid such increase in the Transmission deviation rate.</p>