

Greenko comments on Draft 1st Amendment to CERC Sharing Regulation 2022

S.No	Clause No	Present Clause	Suggested Clause	Comments/Rationale
1.	2 (1) (b)	<p>“(b) ‘Associated Transmission System’ or ‘ATS’ shall have the same meaning as defined in GNA Regulations.</p> <p>ATS definition as per GNA Regulations: 6.2. Of the augmentation requirement as identified under Regulation 6.1 of these regulations, augmentation required for immediate evacuation of power of the Applicant (s), excluding terminal bay(s), shall be considered as the Associated Transmission System (ATS) for the Applicant(s).</p>		<p>ATS is defined as augmentation required for the immediate evacuation of power. However, the term ‘immediate evacuation’ is arbitrary and not defined in the Regulations.</p> <p>Therefore, the term ‘immediate evacuation’ should clearly be defined so that the ATS considered shall be unambiguous and thereby have an unanimous agreement between all the parties</p>
2.	3 (3)	3 (3) Bills for transmission charges shall be raised on the buyer in terms of this clause notwithstanding any provisions in the PPA and the settlement of the transmission charges inter se between the buyer and the generating station or the seller, wherever necessary, shall be made in terms of the PPA or as per the mutual agreement.	3 (3) Bills for transmission charges shall be raised on the drawee DIC in terms of this clause notwithstanding any provisions in the PPA and the settlement of the transmission charges inter se between the drawee DIC and the generating station or the seller, wherever necessary, shall be made in terms of the PPA or as per the mutual agreement.	<p>The definition of the term ‘Buyer’ is referred to in DSM regulations, which have a different context and purpose than to Sharing Regulations.</p> <p>Therefore, it would be appropriate to replace the word ‘Buyer’ with ‘Drawee DIC’ as it is expressly defined and would reflect the actual intent of the clause without any ambiguity.</p>
3.	13 (1)	<p>13 (1) No transmission charges and losses for the use of ISTS shall be payable for:</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p>		<p><u>MoP orders on ISTS waiver need to be considered</u></p> <p>We reiterate our submissions made during the GNA regulations consultation process that the provision related to</p>

	<p>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p> <p>(c) generation based on solar or wind power resources , for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.</p>		<p>Waiver of ISTS charges for RE as mandated by MoP should be continued.</p> <p>Removal of waiver will bring a huge dent to the process of achieving the RE target of 500 GW by 2030 set by the nation. It would hit the inter-state RE project growth leaving states with lesser Solar and Wind potential deprived and thereby leading to shortfall in their RPO compliance.</p> <p>Inter-state C&I transactions were granted ISTS waiver only recently and were about to reach pace. Removal of the waiver provision will kill the segment even before it got started.</p> <p>Therefore, we request you to continue implementing the waiver provisions</p> <p>We are submitting our brief views on how the Waiver provision can be implemented in the GNA regime in the <u>Appendix-I</u>.</p>
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4.	13 (1)	<p>13 (1) No transmission charges and losses for the use of ISTS shall be payable for: (c) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the following conditions: (i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and (ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and (iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.</p>	<p>13 (1) No transmission charges and losses for the use of ISTS shall be payable for: (c) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the following conditions: (i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and (ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and (iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.</p> <p>Provided that for any solar, wind sources as mentioned in para 13 (1) above, which is eligible for waiver of inter-state transmission charges and losses and is having its scheduled date of commissioning on or before the dates mentioned in above clause 13 (1) is granted extension of time on account of Force Majeure or for delay on the part of the transmission provider in providing the transmission even after having taken the requisite steps in time; or on account of delays on the part of any Government</p>	<p><u>Interstate Transmission Charges Waiver</u> Government of India from time-to-time issues order for waiver of inter-state transmission system (ISTS) charges and losses on transmission of wind/solar power till a certain date. At present this waiver is extended by CERC in the sharing Regulations 2020 till Dec., 2022. In case the commissioning of the Project gets delayed beyond the applicable date of ISTS waiver, arising out of any reasons whatsoever, SECI bidding conditions provide that SECI shall bear no liability with respect to transmission charges and losses levied, if any.</p> <p>There is no clarity as to who will bear such charges in case reasons for delay are not attributable to the IPP. Non-waiver may bring in significant financial impact to the IPP. So, the projects which get delayed for the reasons not attributable to the IPPs, need to get the waiver from payment of such charges. Otherwise, the IPPs being the Applicant of connectivity and LTA may need to bear the charges which would be very significant.</p>
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5.	13 (3)	<p>(3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:</p> <p>.....</p>	<p>(3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:</p> <p>.....</p> <p>Provided that if a RE Developer, who is a connectivity grantee and yet to apply for LTA or Applied for LTA at later date of</p>	<p><u>Effective date of Connectivity and GNA</u></p> <p>Presently, RE Developer apply for connectivity Stage-1 and Stage-II and CTU grant the same from date sought by the applicant or date of commission of the associated transmission system whichever is later. Along with Stage-II connectivity application or subsequent to grant of connectivity, RE developer apply for Long Term Open Access (LTA). LTA operationalisation date of project could be any date later than the effective date of connectivity. The transmission charges obligation could be</p>

			<p>effective date of connectivity, under the CGNA regulation, effective date of GNA should be from the date on which Developer sought LTA and no transmission charges liability shall arise on it, till the effective date of GNA.</p> <p>Provided also that the clause 13 (3) is not applicable in case the Connectivity Grantee is a Renewable Power Park developer given that he requires time to bring the Power project developers in the park and same is possible only after the grant of connectivity and land in hand</p>	<p>arisen on such RE project developers if its project gets delayed beyond the respective LTA operationalisation date.</p> <p>The Hon'ble CERC notified the CGNA Regulations. In terms of the said Regulations connectivity grantee is also a deemed GNA grantee equal to the quantum of Connectivity from the start date of its connectivity. Draft Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022, imposes liability of payment of transmission charges kept on the buyers. However, it is also proposed that if COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System (ATS) has achieved COD, the Connectivity grantee is liable to pay Yearly Transmission Charges for the ATS corresponding to Connectivity capacity which have not achieved COD.</p> <p>We suggest that a proviso may be incorporated to the above proposed amendment to clarify that if a RE Developer, who is connectivity grantee and yet to applied for LTA or Applied for LTA at later date of effective date of connectivity, under the CGNA regulation, effective date of GNA should be from the date on which Developer sought LTA and no transmission charges</p>
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				<p>liability should be arise on it, till the effective date of GNA.</p> <p>The above clarification is also required as the Connectivity Grantee being a Renewable Power Park developer, in terms of the CERC CGNA regulations, 2022, is also a deemed GNA grantee equal to the quantum of Connectivity from the start date of Connectivity. Renewable Power Park Developer needs time to bring the Power project developers in the park and same is possible only after the grant of connectivity and land in hand</p>
6.	13 (7)	Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 3000 /MW/month	Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 1000 /MW/month	In case the connectivity is granted on existing margins there is no additional capex/investment requirement by the ISTS licensees. Therefore, any penalties levied in case of delay in COD of the Grantee should only be nominal in nature. We request you to reduce the penalties to Rs. 1000/MW/Month .
7.	13 (10)	(10) Regional entity Generating stations (a) drawing start-up power or (b) drawing power during shutdown after COD or (c) for REGS drawing power during non-generation hours or (d) injecting infirm power, through ISTS, shall pay transmission charges for injection or drawl beyond its T-GNA , at the rate of Transmission Deviation Rate for the State in which they are located...		<p>Hon'ble CERC in its order dated 25.04.2022, in Petition No.345/MP/2018 directed RE generators to purchase auxiliary power during non-generation hours through Open Access or from DISCOMs. Relevant extract is below:</p> <p><i>"40. Therefore, the Respondent-SPDs should immediately and not later than one month from the date of this Order, enter into power purchase arrangement</i></p>

				<p><i>for such drawl of power either with the distribution licensee of the State in which they are located or with any other entity through open access. Once such an arrangement has been made, the energy drawn should be scheduled and accounted as per the provisions of the Grid Code and deviation settled as per the provisions of the DSM Regulations, 2014 or the DSM Regulations, 2022 once the same is brought to force.”</i></p> <p>We would like to highlight some of the many challenges in implementing the same:</p> <ol style="list-style-type: none"> 1. Uncertainty in cost of generation as DISCOM tariffs are revised upward yearly 2. Aux consumption for Solar is only around 0.1%, which for a typical solar plant size of 300 MW is lower than the minimum quantum required for obtaining OA. <p>Therefore, it is suggested that the existing arrangement as being applicable to the thermal generators, wherein the aux power is netted off with the energy sent out, be applied to the solar power generators as well</p>
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				A detailed note explaining the challenges in the Hon'ble CERC proposed method of accounting Auxiliary consumption is enclosed as Appendix-2
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APPENDIX I: Implementation of Ministry of Power (MoP) Transmission Waiver Order dated 23rd, 30th November 2021 under GNA Regime

In the current LTA regime ISTS charges are waived for RE for the quantum corresponding to the projects meeting MoP ISTS waiver notifications. There is no challenge to identify such sources as LTA quantum, in the current regime, is sum of all LT contracts including such waiver-based contracts. However, GNA quantum is delinked from the contracts, so mapping contracted capacity with the GNA capacity is not possible, making it difficult to implement ISTS waiver provision.

We propose that GNA quantum may be bifurcated into parts, in proportion to the energy drawl (in MU) by the Drawee DIC from non-Waiver based sources and Waiver based sources. The proportion of GNA corresponding to non-Waiver based sources will only be considered for Sharing of ISTS charges.

A simple illustration is provided below:

	Drawee DIC's Actual GNA, in MW	Drawl source	Drawl during the month, in MU	GNA considered for Sharing of ISTS charges, in MW
	a			$c = a * b1 / (b1 + b2)$
State A	10,000	From non-waiver sources (b1) #	5,100	8,095
		From waiver sources (b2) @	1,200	
State B	12,000	From non-waiver sources (b1)	5,200	7,341
		From waiver sources (b2)	3,300	
Bulk Consumer	100	From non-waiver sources (b1)	10	17
		From waiver sources (b2)	50	

Include non-RE and Solar and Wind commissioned after June'25"

@ Include Solar and Wind sources commissioned before June'25 as per MoP notification dt. 23.11.2021"

APPENDIX-II: Note on the Treatment of power drawn by Grid connected Solar Power Project during non-generation night hours, shutdown periods.

1. All the Solar Power Projects of any size or capacity generates power during sun hours and supply power to the grid and **consumes very small auxiliary power to meet the power requirement of the plant auxiliaries. (Losses of transformer, inverter losses and general lighting etc.)**
2. Presently, there are no regulations of the Commission dealing with drawl of power by solar projects during non-generation night hours and during shut down for maintenance and other purposes and such drawl of power is being done continuously by the Solar Power Generator (SPG) post commissioning of the project. Thus, there is no mechanism for accounting of the said drawl of under the present regime.
3. Presently following methodology is in practice for accounting of the power drawn by the grid connected Solar Power Plants.
 - I. Any drawl of power from ISTS/STU by the SPG is accounted and netted off with the power generated by the SPD.
 - II. Any drawl of power from ISTS by the SPG is accounted and billed as per the 2nd Amendment of DSM Regulation 2015.
 - III. Any drawl of power from the STU by the SPG is accounted and billed as per the HT tariff schedule rates.
4. The requirement of Auxiliary power is technical and essential in nature and is required for keeping the solar plant in safe, healthy & ready condition for generation during the solar hours. In case of thermal power station, the Auxiliary Power requirement is met through the station transformer and consumption of power in the station transformer is netted off with the energy sent out by the thermal power plant, hence the Auxiliary power consumption in the power plant has no commercial implications.
5. CERC in its order 345-MP-2018 dated 25.04.2022 has mentioned that there is no provision in the existing Regulations of CERC for injection/drawl of such power and its treatment as deviation. Therefore, it would be incumbent upon the solar generators to make their own arrangements for purchase of such power during non-generation night hours and during shutdown periods, instead of leaning on the grid through DSM.

Clearly, through this regulatory dispensation the Commission wants such generators to enter into contracts which can be scheduled.

In the above order, CERC has directed that the Respondent-SPDs should immediately and not later than one month from the date of this Order, enter into power purchase arrangement for such drawl of power either with the distribution licensee of the State in which they are located or with any other entity through open access.

6. It is proposed that the existing arrangement as being applicable to the thermal generators be applied to the solar power generators considering the following points
 - I. To make the transaction independent of financial involvement and keep it as simple as possible. (The tariff schedule of DISCOMS get revised upwards in every ARR)

- II. The quantum of Auxiliary Power consumed by SPD is very small percentage of the capacity of the solar plant (around 0.1%). Typically for a 300 MW it may be less than the minimum quantum required for obtaining open access
 - III. All the SPDs are connected to the grid and through their own system they are drawing Auxiliary Power, obtaining a separate connection from the DISCOM would result in creation of duplicate assets and wastage of national resources.
 - IV. In case of power sourced through open access or through a separate consumer connection from DISCOM, it has additional financial burden on to the SPDs as their tariff are determined under Section-63 and would be difficult to pass through unless mandated as change in law.
 - V. This issue needs to be addressed with a view that the RE capacity is poised to be increased to 500 GW by the year 2030.
7. The issue of drawing power from the grid for providing reactive power support to the system by the RE Generators has been addressed in the proposed IEGC and the power drawn from the grid for that purpose has been proposed to be considered as the transmission losses.
The relevant clause of IEGC 39(2), (10) & Annexure-4 (3) has been reproduced

Clause 39(2) (10)

Any commercial settlement for reactive power shall be governed as per regulatory framework specified in Annexure-4 until the same is separately notified as part of the CERC Ancillary Services Regulations.

Annexure-4(3)

All the Inverter Based Resources (IBRs) covering wind, solar and energy storage shall ensure that they have the necessary capability, as per CEA Connectivity Standards, all the time including non-operating hours and night hours for solar. The active power consumed by these devices for purpose of providing reactive power support, when operating under synchronous condenser/night-mode, shall not be charged under deviations and shall be treated as transmission losses in the ISTS.