Ref No: CERC/BEPL/Sharing Regulations/01 **Date:** 17th August, 2022

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

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

Dear Sir,

A. We would like to introduce ourselves as Blupine Energy Private Limited (Blupine), a new cleantech platform of ACTIS (https://www.act.is), a UK based global investment firm focused on the private equity, energy, infrastructure, and real estate asset classes. ACTIS' energy infrastructure team has invested in over 70 renewable energy projects worldwide to date, generating approximately 11GW of power globally. This makes ACTIS one of the world's largest owner-operators of renewable power assets. In India, Blupine has a total commitment of US$800 Million of equity from ACTIS Energy Funds to set up ~ 4+ GW of renewable energy capacity, especially solar and wind, in the next 4-5 years, exclusively in India.

B. Previously, ACTIS has already setup 2 (two) renewable energy platforms in India – Ostro Energy (which was sold to Renew Power in Apr-2018), and SPRNG Energy which has just been sold to Shell Plc. Through both the Ostro and Sprng renewable platforms, ACTIS successfully deployed over US $750 Million of Equity in the renewable energy space in India.

C. We are pleased to note that CERC has proactively issued Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022. In this regard, we would like to participate in the consultation process with CERC and we are herewith submitting our comments on the same (enclosed herewith). We are hopeful that CERC would find merit in our submissions and incorporate the same Regulations.

Thanking you,

Yours faithfully,

BLUPINE ENERGY PRIVATE LIMITED

Ankur Pathak,
Head – Regulatory Affairs
Encls: As above

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COMMENTS ON PROPOSED DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION (SHARING OF INTER-STATE TRANSMISSION CHARGES AND LOSSES) (FIRST AMENDMENT) REGULATIONS, 2022

Clause	Description	Proposal	Rationale
11(1)	T-GNA Rate (in Rs./MW/block) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under: Transmission charges for GNA for entities located in the State, for the billing month, under first bill (in rupees) X **1.10**/ (number of days in a month X 96 X GNA quantum in MW, of Long Term Access plus Medium Term Open Access for all such entities located in the State considered for billing, for the corresponding billing period.)	T-GNA Rate (in Rs./MW/block) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under: Transmission charges for GNA for entities located in the State, for the billing month, under first bill (in rupees) X **1**/ (number of days in a month X 96 X GNA quantum in MW, of Long Term Access plus Medium Term Open Access for all such entities located in the State considered for billing, for the corresponding billing period.)	Under the 2020 Sharing Regulations, the Short Term Charges were equivalent to the long term charges converted to paise/kWh. Amendments propose T-GNA charges to be 110% of GNA charges for the State. T-GNA would be granted on existing margins, and it is a substitute product for Short Term Access. It is suggested that the charges for T-GNA be retained equivalent to State's GNA charges. A REGS availing T-GNA for drawal during non-generation hours, would be using the same transmission infrastructure used for connecting and injecting power in generation mode, however the transmission charges would be 10% higher for all drawls during non-generation hours. It is suggested that the rates of GNA and T-GNA be same. It is also suggested that T-GNA charges for drawl by REGS, which is within the granted GNA may be waived as the GNA charges has already been paid for. Additional T-GNA charges within the same GNA, may cause double accounting for the same transmission system.

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12(2)	Transmission Deviation Rate in Rs./MW, for a State or any other DIC located in the State, for a time block during a billing month shall be computed as under: **1.35** X (transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.)/ (GNA quantum in MW of Long Term Access plus Medium Term Open Access of such entities located in the State, considered for billing, for the corresponding billing period X number of days in a month X 96)	Transmission Deviation Rate in Rs./MW, for a State or any other DIC located in the State, for a time block during a billing month shall be computed as under: **1.05** X (transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.)/ (GNA quantum in MW of Long Term Access plus Medium Term Open Access of such entities located in the State, considered for billing, for the corresponding billing period X number of days in a month X 96)	Under the 2020 Sharing Regulations, the Transmission Deviation Rate was 5% higher than the transmission charges, as it was reasoned in the SOR that "*an entity which has not obtained adequate LTA or MTOA and uses the system over and above its LTA or MTOA, does not pay for such system on a regular basis, while other DICs bear charges for such system. Hence, charges for utilising the system over and above LTA+MTOA has been kept marginally higher.*" Same reasoning holds true under the GNA regime and hence the TDR should be retained at 1.05 time above the transmission charges.

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13(1)	~~(1) No transmission charges and losses for the use of ISTS shall be payable for:~~ ~~(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.~~ ~~(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:~~ ~~(i) Such generation capacity has been awarded through competitive bidding; and~~ ~~(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~~ ~~(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation~~		The draft amendments have done way with the exemptions from levy for transmission charges and losses for RE generators. The transmission charges for RE evacuations would no longer be socialized and discoms would be required to pay transmission charges in full for RE power drawn under GNA from the ISTS network. Resultantly, the discoms would be disincentivized to procure RE power since RE procurement would now be compared/ evaluated on landed cost basis with thermal power. The provision of socializing the cost of RE evacuation infrastructure needs to be continued for promotion of RE. MoP through its order dated 23rd Nov 2021 covering Solar, Wind, Hydro PSP and BESS projects commissioned upto 30-06-2025, provided for waiver of inter-state charges which shall be applicable for • Solar or wind energy generation set up by any person/entity. The power generated from such sources can be self-consumed or sold to any The draft amendments have done way with the exemptions from levy for transmission charges and losses for RE generators. The transmission charges for RE evacuations would no longer be socialized and discoms would be required to pay transmission charges in full for RE power drawn under GNA from the ISTS network. Resultantly, the discoms would be disincentivized to procure RE power since RE procurement would now be compared/ evaluated on landed cost basis with thermal power. The provision of socializing the cost of RE evacuation infrastructure needs to be continued for promotion of RE. MoP through its order dated 23rd Nov 2021 covering Solar, Wind, Hydro PSP and BESS projects commissioned upto 30-06-2025, provided for waiver of inter-state charges which shall be applicable for • Solar or wind energy 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 through bilateral agreement • For trading of electricity generated/ supplied from solar, wind & other sources in GTAM and GDAM upto 30-06-2025

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	~~capacity to the Distribution Companies for compliance of their renewable purchase obligation.~~ ~~(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.~~		The objective behind providing such waivers is promotion of RE and facilitating increased off- take of green power by all categories of consumers. It is recommended that provision for providing waivers in line with the MoP order be incorporated and RE encouraged. Further, Green Hydrogen Policy provides for exemption from transmission charges for RE power utilized for production of green hydrogen and green ammonia. It is not clear how these exemptions would be extended under these amendments.

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13(1)	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:	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: **Provided that where the COD of the Connectivity Grantee is extended by the competent authority, the start date of Connectivity in terms of the GNA Regulations would be aligned to and commence from the extended COD of the Connectivity Grantee.**	Ministry of Power's has vide its direction (dated 15th January 2021) issued under Section 107 of EA'2003 has stated as follows: *"Provided also that where a Renewable Energy generation capacity which is eligible for ISTS waiver in terms of the extant orders, is granted extension in COD by the competent authority, the commencement and the period of LTA shall also get extended accordingly, and it will be deemed that the period of ISTS waiver is extended by the said period."* It is suggested that the start date of connectivity be extended and aligned with the extended SCOD of the RE project and transmission charges levied only if the commissioning of the RE project is delayed beyond the extended SCOD.

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		The Connectivity Grantee shall pay the Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity, which has not achieved the extended COD.	
13 (9) b	paid by the generating company whose generating station or unit(s) thereof is delayed, till the generating station or unit thereof, achieves COD, or	paid by the generating company whose generating station or unit(s) thereof is delayed, till the generating station or unit thereof, achieves COD, or **till the extended SCOD granted by competent authority,** or	It is suggested that the SCOD is aligned with the extensions as provided by competent authorities for projects under sections 62 or 63. REGS should not be penalized or burdened with charges SCOD is extended on legitimate grounds.
13 (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	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	If drawal is under being done under T-GNA which is within limits of GNA so granted, then no charges should be applicable. Only, if T-GNA over and above GNA is breached or there is an additional T-GNA granted over and above GNA, the applicable transmission deviation charges or T-GNA charges, whichever is applicable should be levied for the cases (a), (b), and (c) as provided in this provision should be applicable.

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	T-GNA, at the rate of Transmission Deviation Rate for the State in which they are located:	charges for injection or drawl beyond its T-GNA or **GNA**, at the rate of Transmission Deviation Rate **or nominal T-GNA charges, whichever is applicable,** for the State in which they are located:	

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