



AEML/CERC/Draft GNA Regulations/01
February 25, 2022

**The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36 Janpath, New Delhi – 110001**

Dear Sir,

Sub: Comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 sought vide Notification No. L-1/261/2021/CERC dated 16.12.2021

Please find enclosed herewith AEML comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

**Thanking You,
Yours faithfully,**

A handwritten signature in blue ink, appearing to read "Kishor Patil", with a horizontal line underneath.

**Kishor Patil
Sr. Vice-President, Business – Regulatory,
Adani Electricity Mumbai Ltd.**

Encl: As above.

**Suggestions /Comments from AEML on draft CERC (Connectivity and
General Network Access to the inter-State Transmission System)
Regulations, 2021**

Review of the Grid connectivity and Open Access Regulations is a welcome step. Impediments were faced by the Generators/ OA Users as there is mandatory requirement to have the contract/PPA for availing the MTOA/LTOA. Proposed GNA framework simplifies the connectivity and Open Access Framework and is expected to aid in holistic development of the sector. Further AEML submits following comments /suggestions for kind consideration of Hon'ble Commission.

1. GNA charges for RE capacity tied up by DISCOM/State from RE Generators exempted from payment of ISTS charges & Losses

DISCOMs undertake the purchase of RE power through competitive bidding as per the guidelines issued by MoP from time to time. As the bidding is at national level, generators connected to the state grid of the buyer, Inter-State / Intra-State Transmission System or located in any other state can participate in the bidding. As per the policy directives /Orders issued by Central Govt from time to time, RE generators are exempted from payment of ISTS charges & losses. Accordingly, while evaluating the net landed cost, the buyer Distribution Companies contracted with Generators who have availed such exemption. However, as per the draft GNA Regulations, it appears that the entire drawl of the State/Distribution Licensee will be subjected to GNA, which will include the purchase from aforesaid RE generators as well. This means that the RE purchase undertaken competitively, which is so far exempt from ISTS charges will also be levied GNA charges.

The bidding process accounted for the exemption of ISTS charges and basis which the seller selection was made. Generators connected within the State may have also participated but lost out due to applicability of Intra-State Transmission Charges. Therefore, subsequent application of GNA charges as per these draft Regulations, renders the whole process of bidding null and void. At the same time, the economics of buyers and their competitiveness vis-à-vis other suppliers (OA suppliers or parallel distribution licensees in the area) will also suffer.

Therefore, to ensure Regulatory and policy certainty, the exemption already granted by Central Govt should continue and accordingly GNA Regulations should make provision to exempt such RE power from applicability of ISTS charges/losses. It is submitted that the Hon'ble CERC should create one more subcategory of GNA say "GNA exempted RE" under which the qualifying RE generators' capacity will be allowed and ISTS charges/losses will not be levied for such capacity based on the eligibility.

2. Revision window for T-GNA

As proposed under Regulation 32, T-GNA booked under Advance category can be revised with 30 days advance notice. These provisions impact the Distribution Licensee's operational flexibility and hence may kindly be reviewed:

- a. Distribution Licensee is merely an aggregator of demand. It does not control demand of the consumers and hence Distribution Licensees arrange power from time to time as per their varying requirements. As there is both seasonal and time of day variance in demand due to various unforeseen reasons, flexibility is required in booking transmission capacity corridor.
- b. Outage of a generator/ revision in availability of IntraState sources forces distribution licensees to look for alternate sources or seek downward revision on ISTS based on Merit Order Despatch.

Considering the above, the Distribution Licensees need flexibility in procuring power on ISTS through T-GNA. Even the current Regulations acknowledge this and provide for revision with advance notice of 2 days is available. Regulation 14 of CERC (Open Access in Inter-State Transmission) Regulations 2008, in this regard, is reproduced as below:

" 14. (1) The short-term open access schedules accepted by the nodal agency in advance or on first-come-first-served basis may be cancelled or revised downwards on an application to that effect made to the nodal agency by the shortterm customer: Provided that such cancellation or downward revision of the short-term

open access schedules shall not be effective before expiry of a minimum period of two (2) days; Provided further that the day on which notice for cancellation or downward revision of schedule is served on the nodal agency and the day from which such cancellation or downward revision is to be implemented, shall be excluded for computing the period of two (2) days. (2) The person seeking cancellation or downward revision of short-term open access schedule shall pay the transmission charges for the first two (2) days of the period for which the cancellation or downward revision of schedule, as the case may be, has been sought, in accordance with the schedule originally approved by the nodal agency, and thereafter in accordance with the revised schedule prepared by the nodal agency during the period of such cancellation or downward revision."

The above Regulation is in vogue for quite a long time and is in operation very effectively and the same may be continued. This gives operational flexibility to Distribution Licensees as well and, in no manner, impacts the intent of the Regulations. Hence the Hon'ble Commission is requested to continue with the current provision of rescheduling with 2 days' advance notice. Considering online/system driven processing of applications Hon'ble Commission may consider reducing these timelines to offer flexibility to the Users.

Further, because of the various uncontrollable reasons, the Distribution Licensees may not be able to fully utilize the capacity allotted under T-GNA Advance category. In this regard, the Regulation 33.3 of draft Regulations provide that if T-GNA grantee does not schedule power up to its T-GNA quantum at the time of making scheduling request, the un-utilized quantum of T-GNA shall be released for collective transactions under day ahead market, schedule revision by GNA grantees, Exigency applications for T-GNA and collective transactions under real time market. Therefore, to the extent of un-utilised quantum of T-GNA by one grantee, there will be re-allocation of such quantum among other grantees as per this Regulation 33.3 and consequently there will be recovery of transmission charges from such other grantees, as well. This will lead to double recovery of transmission charges for the same capacity i.e. first recovery by the Advance Grantee and then recovery from other Grantees in case of non-utilisation by the Advance Grantee. Hence, the charges recovered from other grantees should be refunded to the Advance Grantee(s), which did not utilize their T-GNA fully, alternatively the recover should be linked to actual schedule.

3. Payment of Transmission charges under T-GNA (Regulation 34)

Draft GNA Regulations propose advance payment of Transmission charges towards T-GNA. Normally the T-GNA Advance / contingency is booked by the Operational staff of the DISCOMs which are operating in the RTC Control Room to whom the financial transaction authority are generally not available. This will create many difficulties while booking T-GNA as it is to be booked as and when required.

Further all the DISCOMs are paying Transmission charges in timely manner and also there are stringent provisions towards the recovery of Transmission charges including Payment Security mechanism.

Therefore, considering above and as per prevailing practice payment of Transmission charges on post fact basis may be allowed. To have a better control on outstanding amount, reconciliation at weekly basis may be allowed so that payment is not outstanding for period more than one week.