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REF NO:GUVNL/COM/2022/ 55		Date: 15-01-2022.

To,
 The Secretary
 Central Electricity Regulatory Commission
 Chanderlok Building,
 36 Janpath,
 New Delhi – 110001,

Fax no. - 011-23753923

Sub: Comments of GUVNL on Draft CERC (Connectivity and General Network Access to Inter-State Transmission System) Regulations, 2021.

Sir,

This has reference to Hon'ble Central Electricity Regulatory Commission (CERC) public notice dated 16.12.2021 issuing Draft CERC (Connectivity and General Network Access to Inter-State Transmission System) Regulations, 2021 and seeking comments / suggestions from stakeholders.

In this regard, GUVNL would like to submit the following comments / views for consideration of Hon'ble CERC:

1. **Regulation 4.1 (d)** allows a Renewable Park Developer to seek connectivity to ISTS network.

Comments: The Regulation need to clarify the minimum MW capacity of a Renewable Park Developer for being eligible to seek connectivity to ISTS.

2. **Regulation 4.3** in effect provides that a generating station may have dual connectivity both with State Grid and Central Grid.

Comments: In this regard it is to state that allowing dual connectivity may lead to suboptimum utilization of network and the cost implication on consumers. Therefore, Hon'ble CERC may define a specific guideline / conditions only under which dual connectivity can be granted so as to ensure optimization of transmission system.

3. **Regulation 5.3** provides that a captive generating plant shall apply for grant of Connectivity for a quantum of its proposed maximum injection to ISTS.

Comments: In this regard it is to state that the Regulation is framed assuming that the captive generating plant will be only exporting power, however, there is no mechanism provided for drawl of incidental power by such captive generator from the grid after grant of GNA. Hon'ble CERC may devise necessary mechanism specifying treatment for drawl of incidental power by such captive generator from the grid.

4. **Regulation 13** provides that Connectivity grantee shall be eligible to inject infirm power and draw start-up power in accordance with the provisions of the Grid Code.

Comments: In this regard it is to state that the power flowing in the transmission network is scheduled by DISCOMs / other entities and penalty is applicable for any deviation beyond schedule as prescribed by Hon'ble CERC wherein all parties are expected to strictly adhere to the schedule. Therefore, it would be appropriate that the generator may make its own arrangement for startup power than being permitted to draw from the grid under DSM. This will also avoid misuse of grid power for construction purpose. Hon'ble CERC may accordingly make necessary modifications in the Regulation.

5. **Regulation 17.1 (iii)** provides that a distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above is eligible for GNA. Further, as per Regulation 12.5, the line to connect such Bulk consumer to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained by a licensee.

Comments: In this regard it is to state that as per Section 43 of Electricity Act, 2003 the local distribution licensee is having Universal Supply Obligation to provide electricity upon application made by consumer within the prescribed time limit by extending distribution mains and commissioning of new sub-stations. Thus, the concerned distribution licensee in whose area such consumer is located is obliged to provide connectivity and make available power supply as and when requisitioned by the consumer. In view of the obligation entrusted upon of the Distribution licensee under the E.A. 2003, allowing consumer to have multiple connectivity to be provided by licensee both with inter-state and intra-state network will lead to duplication of resources, operational issues and complicity. Accordingly, it is requested to allow the consumer to seek GNA with ISTS through STU only. In any

case, the eligibility criteria for minimum load requirement may be retained at 100 MW instead of 50 MW as proposed in the Draft Regulation.

It is further to state that in view of the obligation on local DISCOM to make available power supply to consumer on request and to mitigate the current level of cross subsidization in the tariff structure for making available the power supply at reasonable rate to vulnerable section of society, E.A. 2003 provides for levy of Cross Subsidy Surcharge and Additional Surcharge by DISCOM on the purchase of power from the sources other than the local DISCOM. These charges are compensatory in nature to compensate local DISCOMs towards the loss of cross subsidy revenue and to mitigate the stranded generating cost respectively due to choice of consumer to purchase power from sources other than local DISCOM. However, it has been experienced that when a Bulk Consumer is allowed to connect directly to ISTS network, such consumer are avoiding payment of Cross Subsidy Surcharge and Additional Surcharge by DISCOM.

Accordingly, Hon'ble Commission is requested that in case direct connectivity to ISTS network is allowed to a Bulk consumer, a specific provision may be incorporated in the Regulation to the effect that such Bulk consumer who have been granted direct connectivity to ISTS network shall be liable to pay Cross Subsidy Surcharge and Additional Surcharge as may be determined by the respective State Regulatory Commission from time to time. Otherwise, this will incentivize more consumers to avail power supply from ISTS network in order to avoid payment of Cross Subsidy Surcharge and Additional Surcharge otherwise payable as per provision of E.A. 2003. Moreover, it also needs to be clarified as to which licensee shall be responsible for providing direct connectivity to Bulk consumer with ISTS network.

6. **Regulation 18** provides that on the date, these regulation comes into force, the GNA for a State shall be the average of 50% each of (max ISTS drawl in a time block in a day + average of max ISTS drawl in a time block in a day / during the year) for F.Y. 2018-19, 2019-20 & 2021-21 including intra-State entity (ies) and other drawee entities.

Comments: In this regard, it is to state that for the transition, Hon'ble Commission is requested to consider GNA quantum as the higher of GNA as worked out by above formula or the existing LTA + MTOA of the Designated Inter-State Customers (DICs).

Further, as and when any capacity allocation to a state from the Central Generating Stations is changed by way of allocation by Ministry of Power, the GNA may be accordingly increased / reduced matching with the MOP allocation without the State seeking change in GNA.

7. Regulation 24 & 25 dealing with relinquishment of connectivity & GNA

Comments: It is to state that as per Regulation 25 in effect provides that an entity covered under Regulation 17.1 (drawee entity) is required to pay transmission charges equivalent to balance period of 60 months as relinquishment charges. Whereas, the Regulation 24 provides for relinquishment of Connectivity by a entity covered under Regulation 4.1 (injecting entity) by encashment of subsisting BGs. There is no other provision dealing with relinquishment of GNA by entity covered under Regulation 4.1 (injecting entity). Thus there is different treatment for applicability of relinquishment charges for entity covered under Regulation 4.1 (injecting entity) and entity covered under Regulation 17.1 (drawee entity). Hon'ble Commission is requested to provide uniform treatment to both the entities towards payment of relinquishment charges. Accordingly, the entity covered under Regulation 4.1 (injecting entity) shall also be liable to pay transmission charges equivalent to balance period of 60 months as relinquishment charges after adjusting the amount realized by encashment of subsisting BGs.

- 8. Regulation 37.3 (2) & (3)** in effect provides that in the cases where long term access has been granted under existing Regulations, such entity shall have an option to either convert the existing long term open access as GNA under this Regulation or to surrender such long term open access without payment of transmission charges for such relinquished capacity.

Comments: In this regard it is to state that many generators are seeking for relinquishment long term open access for aggregate capacity of around 25,000 MW without payment of relinquishment charges for which transmission system has been created with huge investment. Therefore, allowing the generators to surrender the long term open access without payment of any transmission charge shall have a huge impact towards transmission charges on the existing DICs and the end consumers of states. Further, this will be contrary to the provision of existing Regulation which provides for creation of network on demand based on commitment to pay transmission charges i.e. 'cause to pay'. Accordingly, Hon'ble Commission is requested to incorporate the provision for levy of transmission

charges for a minimum period of 5 years if the generator opts to surrender the existing LTA.

9. **Period of GNA:** As per the existing Regulation, an entity has a right to use inter-State Transmission system for a period exceeding 7 years under Long Term Access and for a period equal to or exceeding 3 months but not exceeding 5 years under Medium Term Open Access.

The draft regulation has not specified the period for utilization of ISTS for a period other than T-GNA (1 block to 11 months). Hon'ble Commission may kindly specify the period of GNA since an entity seeking relinquishment has to pay transmission charges equivalent to balance period of 60 months (5 years) towards relinquishment charges. This will also clarify as to how an entity can seek GNA for a period less than 5 years in line with present Medium Term OA.

Thanking You.

Yours faithfully,



(K.P. Jangid)
General Manager (Commerce)