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ODISHA POWER TRANSMISSION CORPORATION LIMITED

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No.- RT&C 27/ 2020 - ୧୧

Dated 25/2/2022

To

The Secretary, CERC, 3rd & 4th Floor,
Chanderlok Building, 36, Janapath,
New Delhi-110001

Sub: Views/Comments of OPTCL on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

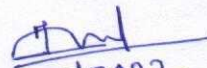
Sir,

In response to your public notice dated 16.02.2022, OPTCL (STU) likes to submit its views on Draft (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

The same is annexed herewith for your kind consideration.

Yours faithfully,

Encl: As above


25/02/2022
General Manager, (RT&C)

ANNEXURE

Views/Comments of OPTCL (STU) on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

CERC has published the draft "Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-state Transmission System) Regulations, 2021" along with corresponding Explanatory Memorandum inviting comments/views from the stakeholders. The said draft Regulations (herein after termed as 'GNA Regulations') intends to address the connectivity to ISTS as well as Long-term Access, Medium-term Access and short term access to the ISTS as a whole.

In response, OPTCL likes to offer its views on the said draft Regulations as given hereunder:

1. No justification is given in explanatory memorandum about the perceived benefit in terms efficiency and economy in interstate transmission system which will be achieved with implementation of GNA regulation which is dependent on minimisation of stranded capacity.

2. **Applicability of calculated deemed grant of GNA for states as per Annexure-I**

Quote

"18.1. On the date, these regulations come into force,

- (a) *be the average of "A" for the financial years 2018-19, 2019-20 and 2020-21:*

where,

"A" = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}

- (b) *GNA computed as per clause (a) of this Regulation is given at Annexure-I to these regulations.*

- (c) *GNA for a State including intra-State entity(ies) as per clause (b) of this Regulation shall be deemed to have been granted to STU of that State on behalf of such intra-State entities and shall remain valid until relinquished in accordance with these regulations.*
- (d) *GNA deemed to have been granted to STU as per clause (c) of this Regulation, shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations.*
- (e) *GNA deemed to have been granted to STU under clause(d) of this Regulation, shall be segregated for each intra-State entity, including distribution licensee, by the respective SLDC, and intimated to STU, Nodal Agency and NLDC within 1 month of publication of details by the Nodal Agency under clause (d) of this Regulation."*

Unquote:

In deriving the value of "A" as described above in draft regulation maximum ISTS drawal includes the short term open access drawl which is not a part of GNA. 50% weightage to yearly maximum drawl figure will give an unrealistic and inflated figure for deriving the value of deemed GNA for the state. By deriving GNA in the above manner, some of the states will end up in paying higher transmission charges irrespective of availing T-GNA or not.

- 3. **Temporary GNA (in short T-GNA), which is clear from the Explanatory Memorandum to the draft regulations, as reproduced hereunder:**

Quote

"T-GNA and National Open Access Registry (NOAR)

14.1 ***T-GNA may be availed over and above the GNA and is a product akin to prevailing Short term Open Access. T-GNA is an open access provided to eligible buying entity for any duration from **one time block and up to eleven months**. Apart from catering to the need of short term customers, the proposed framework of T-GNA will also facilitate GNA grantees to balance their portfolio due to any eventuality or demand***

variability.

14.2 T-GNA shall be **granted over the available surplus capacity in ISTS after allocating the quantum for GNA**. This proposal is similar to the prevailing practice under the Open Access Regulations, wherein short term open access (STOA) is granted subject to surplus capacity available after use by LTA and MTOA customers."

"29.1. T-GNA shall be granted within the available transfer capability (ATC) on the ISTS after accounting for GNA of the GNA grantees."

Again in Clause 6.3 of Explanatory Memorandum to above draft Regulations stipulates as under:

6.3 "Payment of transmission charges under GNA

(f) *The transmission charges shall be shared by the buying entities broadly in proportion to their GNA in terms of the Sharing Regulations.*"

Unquote:

So the formula for calculation of deemed GNA grant should be revisited as it has financial impact on the consumers of the state.

4. The relinquishment charge for GNA is not realistic when the national grid is operating dynamically. The relevant draft regulation is reproduced below.

Quote

"25.1. For an entity covered under Regulation 17.1, GNA once granted can be relinquished, in full or in part, on payment of relinquishment charges in advance as per following:

(a) For an entity covered under clause (i) of Regulation 17.1 of these regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 60 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum."

Unquote:

In the context of LTA period reduced to 7 years penalty for relinquishment at the rate of 60 month transmission charge seems to be very high and unrealistic. The relinquishment charge should be 5 times the transmission charge paid by such intra state entity for the last billing month as per sharing regulation corresponding to the relinquished quantum. The corridor relinquished can be utilised for T-GNA or can be allotted to other GNA grantee.

5. Nodal agency should allow States to **relinquish GNA without any burden of Relinquishment charge** in a scenario where states can declare their GNA for succeeding Seven(07) years from the effective date of regulation coming in force.
6. Any state embedded entity/distribution licensee having direct connectivity to ISTS desires to be a **Grantee**, the amount of GNA applied, should be deducted from the state share of GNA.
7. In case of state of Odisha, can Gridco and OPTCL(STU) both of them apply to be Grantees of GNA?
8. It may be stipulated in GNA regulation that the bill towards transmission charge would be served on connectivity/ GNA grantee of the state individually.
9. Information in support of performance of ISTS and generators in subsisting regulations vis-a vis implication of draft GNA regulation for the benefit accrued by drawee utility has to be analysed.