



दामोदर घाटी निगम
DAMODAR VALLEY CORPORATION
वाणिज्यिक विभाग/COMMERCIAL DEPARTMENT
DVC TOWERS, VIP ROAD, KOLKATA- 700054

Tel. No.: (033) 6607 2139

e-mail: commercial.dvc@dvc.gov.in

No. Ed/Comml./CERC /20/06

Dated: 03th April 2025

To

The Secretary

Central Electricity Regulatory Commission

6th, 7th & 8th Floors, Tower B, World Trade Centre,

Nauroji Nagar, New Delhi-110029

Subject: Comments on Draft Central Regulatory Commission (Connectivity and General Network Access to the inter- State Transmission System) (Fourth Amendment) Regulations, 2025 and Principal Regulations

Reference: Public Notice Vide No L-1/261/2021/CERC dated 03.03.2025

Dear sir,

This has reference to the public notice/communication File No L-1/261/2021/CERC dated 03.03.2025 on the above subject posted on the CERC website, wherein comments/suggestions of the stakeholders were solicited.

Comments/suggestions in detail, on the Draft Central Regulatory Commission (Connectivity and General Network Access to the inter- State Transmission System) (Fourth Amendment) Regulations, 2025 and Principal Regulations are enclosed herewith as mentioned below for your kind perusal.

Appendix-I: DVC Comments on the Draft Central Regulatory Commission (Connectivity and General Network Access to the inter- State Transmission System) (Fourth Amendment) Regulations, 2025 and Principal Regulations.

As advised ,the soft copy of the above documents has been mailed to secy@cercind.gov.in and shilpa@cercind.gov.in and the same has also been uploaded through e-Regulation link in SAUDAMINI Portal.

We also crave leave to submit at future date further materials on the subject that may be available to us in the event we think that same would render meaningful assistance to the Hon'ble Commission in the matter.

It is our earnest hope and humble prayer that the Hon'ble Commission will recognize our concerns and make necessary modifications.

Thanking you,

Yours faithfully

Sr. General Manager (Commercial)

Somit Mandal
Sr. General Manager (Comm.)
Comm. Dept., DVC, Kol-64

Enclosure:- As stated above



Appendix-I

Extract of Comments of Damodar Valley Corporation Limited on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-state transmission System) (Fourth Amendment) Regulations, 2025 along with Principal Regulations

Based on the careful study of the 'Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025' alongside the Principal Regulations, thoughtfully drafted by the Hon'ble CERC, DVC respectfully submits its comments and humbly requests the Hon'ble Commission to kindly take these inputs into consideration during the finalization of the regulations.

Comments of DVC:

A. Treatment of DTL Costs

Under Regulation 12.1 of the CERC (Connectivity and General Network Access to the Inter-state Transmission System) Regulations, 2022, it is outlined that if a Connectivity Grantee is a generating station and dedicated transmission lines (DTLs) are necessary to achieve connectivity to the Interstate Transmission System (ISTS), the responsibility to establish, operate, and maintain such DTLs lies solely with the Connectivity Grantee.

DVC respectfully submits that the financial implications of constructing and maintaining these DTL necessitate a reassessment of the current treatment of DTL costs. For small-capacity projects, the burden of these costs could severely impact the overall feasibility and viability of the project. Additionally, establishing clear guidelines and limitations regarding the length and associated expenses of DTLs would greatly enhance predictability and enable more effective planning for future projects.

Moreover, the onus for the construction of DTL shall be on the Transmission Utility 'who has the requisite expertise in the construction of the Transmission Lines.

DVC proposes that an 'ISTS pooling station' may be constructed near the upcoming generating station in order to remove the hindrances associated with the ROW, forest clearance which might be required for the construction of the DTL, as well as to place it in the same level playing field with other generators which are directly connected to the existing ISTS station.

DVC therefore humbly requests the Commission to reconsider the present approach towards DTL costs and their allocation. A balanced and financially sustainable framework

would undoubtedly foster the growth of the power sector and encourage the realization of a greater number of projects, contributing to the sector's long-term development.

B. Specific Provision for interconnection of ISTS connected Generator with dual connected Generator

Most humbly submitted, Section 38(2)(c) of the Act mandates the development of an efficient, coordinated, and economical system of inter-State transmission lines to ensure the smooth flow of electricity from generating stations to load centers. This statutory directive emphasizes the need to minimize redundant infrastructure and optimize the use of existing systems, particularly where current facilities can accommodate additional loads.

DVC respectfully submits that operational data demonstrates significant underutilized capacity within the existing system, making it technically viable to evacuate the additional power generated by Phase II of the Koderma TPS and the Raghunathpur TPS. Consequently, constructing new infrastructure such as DTLs, line shifting, or additional bay installations would be redundant and contrary to the statutory obligation to develop a cost-efficient inter-state transmission network. Physical separation between 'ISTS Connected Station' and 'Dual Connected Stations' through additional infrastructure creation, when the current infrastructure is sufficient, conflicts with the principles of resource optimization and cost minimization outlined in Section 38(2)(c) of the Act. Additionally, the environmental and logistical challenges posed by forested areas surrounding Phase II of the Koderma TPS and Raghunathpur TPS of DVC highlight the disproportionate financial and environmental costs of unnecessary infrastructure development, which undermines the Act's objectives for an efficient and coordinated system.

The GNA Regulations, 2022, further emphasize simplified connectivity and non-discriminatory network access. By removing previous preconditions for connectivity, the framework aims to facilitate integrated access and prevent over-investment in transmission infrastructure. The demonstrated adequacy of the existing system to handle upcoming Phase II loads aligns with these principles, rendering additional infrastructure requirements inconsistent with the regulatory framework. Such impositions contradict the objectives of streamlining connectivity and optimizing resource use, especially when sufficient capacity already exists.

Furthermore, the GNA framework introduces provisions for dual connectivity, allowing generation units to link with both inter-state and intra-state systems. As a generator fulfilling dual connectivity criteria, the Petitioner's facilities should qualify under this provision without added constraints. DVC respectfully submits that the Regulation should explicitly allow for the interconnection of 'ISTS Connected Generator' with 'Dual-Connected Generator' to align with policy provisions supporting dual connectivity and its operational feasibility.

Lastly, the 2018 Planning Regulations underscore the obligation to construct ISTS systems in a reliable and economical manner. Regulation 6(1)(h) mandates resource

optimization, while Regulation 7(7) prioritizes upgrading existing systems over constructing new lines. Regulation 8 requires transparent stakeholder consultations to incorporate feedback and optimize existing infrastructure. These statutory obligations further support DVC's position against redundant infrastructure and emphasize the need to maximize the utilization of current resources.

The relevant excerpt of the 2018 Planning Regulations is reproduced below:

"2. Objectives of the Regulations. – The objectives of this Regulation are to:

lay down the broad principles, procedures and processes to be followed for planning and development of an efficient, co-ordinated, reliable and economical system of inter-State transmission system (ISTS) for smooth flow of electricity from generating stations to the load centres;

.....

3. Scope and extent of applications of Regulations. –

(1) These regulations shall be applicable to Central Transmission Utility (CTU), State Transmission Utilities (STUs), generating companies including companies having captive generating plants connected to or intending to connect with ISTS, transmission licensees, distribution licensees, Regional Power Committees (RPCs), National Load Despatch Centre (NLDC), Regional Load Despatch Centres (RLDCs) and State Load Despatch Centres (SLDCs) and any other recognized entity under the Act involved in planning and development of inter-state transmission system.

(2) These regulations shall be in addition to the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License and other related matters Regulations), 2009; Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility Regulations), 2010; and the Tariff Regulations issued by the Central Commission from time to time under section 61 of the Act.

....

6. Augmentation of the transmission system:

(1) The Central Transmission Utility shall, while planning to augment ISTS in the form of expansion or upgradation shall consider the following:

.....

(b) Cost-benefit analysis outcome;

.....

(g) Requirement of reactive power;

(h) Optimal utilization of resources to ensure an efficient and economical system with due consideration to power market, cross border interconnection or any other policy initiatives of Government of India

.....

7. Process of Transmission Planning: The Central Transmission utility shall carry out transmission planning for augmentation and strengthening as under: -

.....

(7) While planning the transmission system, options of upgrading the existing ISTS in place of building new transmission lines such as increasing line loading through use of compensation, reconductoring, etc., for optimally utilizing the existing assets, should also be considered.

.....

8. Stakeholder Consultation and Transparency

(1) CTU shall consult stakeholders such as generators, STUs, RLDCs, SLDCs and distribution licensees and maintain transparency at all stages of planning of augmentation or strengthening of ISTS.

Provided that consultations with generators/ distribution licensees shall mean consultations with the Chief Executive Officer of concerned generator/ distribution licensees or its specifically designated nominee. If a generator/ distribution licensee does not respond within 45 days, it shall be construed that consultation with that generator or distribution licensee is complete and CTU shall proceed further."

[Emphasis supplied]

Considering the above, and in particular the provisions of Section 38(2)(c) of the Act, along with compelling evidence affirming the adequacy of existing transmission infrastructure, DVC respectfully submits that imposing additional infrastructure requirements for granting connectivity to the upcoming Phase-II expansions of Raghunathpur TPS and Koderma TPS is unwarranted. Therefore, DVC seeks a Regulatory provision to permit connectivity for these Phase-II expansions utilizing the existing infrastructure in place, aligning with statutory mandates to ensure an efficient, coordinated, and economical transmission system.

C. Provision of FCFS for allocation of Terminal Bay(s) to Connectivity Grantee

When a spare terminal bay is available at an ISTS (Inter-State Transmission System) sub-station and an application for connectivity is submitted by a Connectivity Grantee, the allocation of the terminal bay should prioritize cost efficiency—including factors like the length of the Direct Transmission Line—along with the timely completion of evacuation arrangements. This strategy ensures a balance between the urgency of the request and its financial impact, fostering a fair and economically sound allocation process.



Appendix-I

Extract of Comments of Damodar Valley Corporation Limited on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-state transmission System) (Fourth Amendment) Regulations, 2025 along with Principal Regulations

Based on the careful study of the 'Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025' alongside the Principal Regulations, thoughtfully drafted by the Hon'ble CERC, DVC respectfully submits its comments and humbly requests the Hon'ble Commission to kindly take these inputs into consideration during the finalization of the regulations.

Comments of DVC:

A. Treatment of DTL Costs

Under Regulation 12.1 of the CERC (Connectivity and General Network Access to the Inter-state Transmission System) Regulations, 2022, it is outlined that if a Connectivity Grantee is a generating station and dedicated transmission lines (DTLs) are necessary to achieve connectivity to the Interstate Transmission System (ISTS), the responsibility to establish, operate, and maintain such DTLs lies solely with the Connectivity Grantee.

DVC respectfully submits that the financial implications of constructing and maintaining these DTL necessitate a reassessment of the current treatment of DTL costs. For small-capacity projects, the burden of these costs could severely impact the overall feasibility and viability of the project. Additionally, establishing clear guidelines and limitations regarding the length and associated expenses of DTLs would greatly enhance predictability and enable more effective planning for future projects.

Moreover, the onus for the construction of DTL shall be on the Transmission Utility 'who has the requisite expertise in the construction of the Transmission Lines.

DVC proposes that an 'ISTS pooling station' may be constructed near the upcoming generating station in order to remove the hindrances associated with the ROW, forest clearance which might be required for the construction of the DTL, as well as to place it in the same level playing field with other generators which are directly connected to the existing ISTS station.

DVC therefore humbly requests the Commission to reconsider the present approach towards DTL costs and their allocation. A balanced and financially sustainable framework

would undoubtedly foster the growth of the power sector and encourage the realization of a greater number of projects, contributing to the sector's long-term development.

B. Specific Provision for interconnection of ISTS connected Generator with dual connected Generator

Most humbly submitted, Section 38(2)(c) of the Act mandates the development of an efficient, coordinated, and economical system of inter-State transmission lines to ensure the smooth flow of electricity from generating stations to load centers. This statutory directive emphasizes the need to minimize redundant infrastructure and optimize the use of existing systems, particularly where current facilities can accommodate additional loads.

DVC respectfully submits that operational data demonstrates significant underutilized capacity within the existing system, making it technically viable to evacuate the additional power generated by Phase II of the Koderma TPS and the Raghunathpur TPS. Consequently, constructing new infrastructure such as DTLs, line shifting, or additional bay installations would be redundant and contrary to the statutory obligation to develop a cost-efficient inter-state transmission network. Physical separation between 'ISTS Connected Station' and 'Dual Connected Stations' through additional infrastructure creation, when the current infrastructure is sufficient, conflicts with the principles of resource optimization and cost minimization outlined in Section 38(2)(c) of the Act. Additionally, the environmental and logistical challenges posed by forested areas surrounding Phase II of the Koderma TPS and Raghunathpur TPS of DVC highlight the disproportionate financial and environmental costs of unnecessary infrastructure development, which undermines the Act's objectives for an efficient and coordinated system.

The GNA Regulations, 2022, further emphasize simplified connectivity and non-discriminatory network access. By removing previous preconditions for connectivity, the framework aims to facilitate integrated access and prevent over-investment in transmission infrastructure. The demonstrated adequacy of the existing system to handle upcoming Phase II loads aligns with these principles, rendering additional infrastructure requirements inconsistent with the regulatory framework. Such impositions contradict the objectives of streamlining connectivity and optimizing resource use, especially when sufficient capacity already exists.

Furthermore, the GNA framework introduces provisions for dual connectivity, allowing generation units to link with both inter-state and intra-state systems. As a generator fulfilling dual connectivity criteria, the Petitioner's facilities should qualify under this provision without added constraints. DVC respectfully submits that the Regulation should explicitly allow for the interconnection of 'ISTS Connected Generator' with 'Dual-Connected Generator' to align with policy provisions supporting dual connectivity and its operational feasibility.

Lastly, the 2018 Planning Regulations underscore the obligation to construct ISTS systems in a reliable and economical manner. Regulation 6(1)(h) mandates resource

optimization, while Regulation 7(7) prioritizes upgrading existing systems over constructing new lines. Regulation 8 requires transparent stakeholder consultations to incorporate feedback and optimize existing infrastructure. These statutory obligations further support DVC's position against redundant infrastructure and emphasize the need to maximize the utilization of current resources.

The relevant excerpt of the 2018 Planning Regulations is reproduced below:

"2. Objectives of the Regulations. – The objectives of this Regulation are to: lay down the broad principles, procedures and processes to be followed for planning and development of an efficient, co-ordinated, reliable and economical system of inter-State transmission system (ISTS) for smooth flow of electricity from generating stations to the load centres;

.....

3. Scope and extent of applications of Regulations. –

(1) These regulations shall be applicable to Central Transmission Utility (CTU), State Transmission Utilities (STUs), generating companies including companies having captive generating plants connected to or intending to connect with ISTS, transmission licensees, distribution licensees, Regional Power Committees (RPCs), National Load Despatch Centre (NLDC), Regional Load Despatch Centres (RLDCs) and State Load Despatch Centres (SLDCs) and any other recognized entity under the Act involved in planning and development of inter-state transmission system.

(2) These regulations shall be in addition to the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License and other related matters Regulations), 2009; Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility Regulations), 2010; and the Tariff Regulations issued by the Central Commission from time to time under section 61 of the Act.

....

6. Augmentation of the transmission system:

(1) The Central Transmission Utility shall, while planning to augment ISTS in the form of expansion or upgradation shall consider the following:

.....

(b) Cost-benefit analysis outcome;

.....

(g) Requirement of reactive power;

(h) Optimal utilization of resources to ensure an efficient and economical system with due consideration to power market, cross border interconnection or any other policy initiatives of Government of India

.....

7. Process of Transmission Planning: The Central Transmission utility shall carry out transmission planning for augmentation and strengthening as under: -

.....

(7) While planning the transmission system, options of upgrading the existing ISTS in place of building new transmission lines such as increasing line loading through use of compensation, reconductoring, etc., for optimally utilizing the existing assets, should also be considered.

.....

8. Stakeholder Consultation and Transparency

(1) CTU shall consult stakeholders such as generators, STUs, RLDCs, SLDCs and distribution licensees and maintain transparency at all stages of planning of augmentation or strengthening of ISTS.

Provided that consultations with generators/ distribution licensees shall mean consultations with the Chief Executive Officer of concerned generator/ distribution licensees or its specifically designated nominee. If a generator/ distribution licensee does not respond within 45 days, it shall be construed that consultation with that generator or distribution licensee is complete and CTU shall proceed further."

[Emphasis supplied]

Considering the above, and in particular the provisions of Section 38(2)(c) of the Act, along with compelling evidence affirming the adequacy of existing transmission infrastructure, DVC respectfully submits that imposing additional infrastructure requirements for granting connectivity to the upcoming Phase-II expansions of Raghunathpur TPS and Koderma TPS is unwarranted. Therefore, DVC seeks a Regulatory provision to permit connectivity for these Phase-II expansions utilizing the existing infrastructure in place, aligning with statutory mandates to ensure an efficient, coordinated, and economical transmission system.

C. Provision of FCFS for allocation of Terminal Bay(s) to Connectivity Grantee

When a spare terminal bay is available at an ISTS (Inter-State Transmission System) sub-station and an application for connectivity is submitted by a Connectivity Grantee, the allocation of the terminal bay should prioritize cost efficiency—including factors like the length of the Direct Transmission Line—along with the timely completion of evacuation arrangements. This strategy ensures a balance between the urgency of the request and its financial impact, fostering a fair and economically sound allocation process.