STAKEHOLDER COMMENT

Regulation No. : L-1/11/2019/CERC

Reference No. : 10/2019

Regulation Details

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Regulation Type : **New Regulation**

Regulation Title : **Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019**

Subject : **Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019**

Comment Details

Type : **Stakeholder Comment**

Stakeholder Name : **Tata Power Trading Company Limited (TPTCL)**

Order Date / Direction of Commission / Compliance Date :

Brief of Comments/Objections/Suggestions : **Comments Attached**

Attachment

Document Type	Description	File Name
Comment		Comments on Draft PoC Regulations.pdf

Back

TPTCL's Comments on Draft CERC (Sharing of ISTS Charges and losses) Regulations, 2019

Clause 2 (u): Definition of Untied LTA Capacity - means the quantum of Long-Term Access for which buyers have not been identified;

Comments: In addition to the category defined above i.e. generator having LTA and having no tie up under LTA, there should be another category defined which does not have any LTA/MTOA and this category may be termed as Merchant Capacity.

Clause 10(2): Drawal schedule of DICs shall be worked out as per provisions of Grid Code after taking into account the transmission losses of previous week as calculated in accordance with clause (1) of this Regulation.

Comments: For long term contracts, the drawl schedule of DIC shall be worked out as all the generators/sellers submit their DCs at Ex-bus and subsequently the injection schedules at Ex-bus are finalized after the buyers/State DISCOMs confirm the day ahead schedule.

However, for short term bilateral contracts, both drawl as well as injection schedules are worked out considering the drawl POC loss and injection POC loss because the application for Short term Open Access is submitted for the quantum of power at regional periphery.

It is therefore suggested that quantum of power at buyer's periphery should be considered for Open Access application.

Clause 10(3): No transmission loss for ISTS shall be applicable while preparing schedule for injection node including that for Collective Transactions over the Power Exchanges.

Comments: At present, schedules for collective transaction are prepared at Regional Periphery. The buy DICs need to add the withdrawal POC losses in buy quantum at state periphery and similarly sell DICs need to subtract the injection POC losses from the sell quantum at Generator Ex-bus.

In the proposed Regulations, as there shall not be any Injection transmission loss, it is not clear at what point the schedule and price discovery for collective transaction would be considered. In our view, all buy bids should be aggregated at Buyer's state periphery and accordingly, sell bids at Ex-bus of Generator/Seller should be brought at buyer's state periphery by subtracting the weekly All India Average Transmission losses as per clause 10(1), from aggregated sale bids i.e. quantum at Ex-bus of Generator/Seller.

Clause 13.2.c.(iii) Transmission Deviation Rate shall be calculated as follows**:**

Comments: Regarding generators having no LTA/MTOA and scheduling power under STOA, we understand that there will not be any transmission deviation charges to be levied in such cases. A clarification may kindly be provided in the case.

Clause 13(3): No transmission Charges shall be levied for Inter-State transmission system in respect of Short-Term Open Access transactions.

Comments: At present, the short-term open Access charges comprises of STU chares (of Injecting state), Injection POC charges, Drawl POC charges, STU charges (of drawee state) and Operating charges. As per the proposed Regulations, it seems that all the aforesaid charges shall not be applicable under STOA transaction. However, it requires clarity as whether only Injection and Drawl POC charges are not applicable or other charges like STU charges (if applicable) and Operating charges continue to be part of STOA charges.

Further, we would like to bring kind attention the present short-term tendering (on MSTC DEEP portal) wherein bidders submit the Initial Price Offer (IPO) at buyer's state periphery. In this regard, bidders, based on existing Injection and drawl POC charges for short term, work out the rate at buyer's state periphery and accordingly submit the IPO in the tender. Also, bidders work out the realization rate at Ex-bus of Generator/Seller considering the trend of short-term rates.

It is also important that contracts through short term tenders are generally finalized 2 months to one year in advance and rates are discovered on the basis of existing injection/drawl POC charges and losses.

Since, the proposed Regulations would not determine the injection and drawl POC charges of each state under short term, it would be difficult to work out the rate at buyer's state periphery while submitting IPO in the tender.

In view of above, it is requested that injection charges (In Rs/MWh) at Generator node and drawl charges (In Rs/MWh) at buyer node should be published in advance preferably one quarter ahead. Since bidding rate is quoted at buyer's state periphery, on the basis injection and drawl charges, without these said charges, bidder will not be able to quote the rate in short term power purchase tender.

Clause 21: Timeline for furnishing the information

Comments: As per the proposed Regulations, it is learned that RLDCs/NLDC will not be raising STOA charges for bilateral and collective transactions and bills against these charges would be raised by CTU and the same would be borne by Generators/Sellers. These charges may be attributed to the all the generators having LTA, but buyers not identified under long term and generators having no LTA/MTOA (pure merchant capacity)

As explained above that for short term bilateral market, since delivery point is at buyer's state periphery, the injection and drawl charges (in Rs/MWh) for STOA transactions are required to be published well in advance preferable one quarter ahead so that the bidders would be able to quote rate in the tender knowing the expected realization at Ex-bus of generator/seller.

Clause 5.20 of Annexure-I: For generating stations having no Long-term access or medium-term access, the transmission charges attributable to such generators shall be calculated as injection charges (as for generators with LTA to target region with untied capacity) under AC-UBC Component. The charges of other DICs on whom AC-UBC charges have been computed shall be scaled up to the extent of charges attributable to such generators.

Comments: It seems that generators having no LTA/MTOA are merchant generators and transmission charges attributable to such generators shall be calculated using usage-based methodology (AC-UBC) only and all other charges like National Component, Regional Component, Transformer component, AC-Balance Component shall not be applicable to such generators.

However, the last line of Clause 5.20 as reproduced below is not clear.

"The charges of other DICs on whom AC-UBC charges have been computed shall be scaled up to the extent of charges attributable to such generators".

Clause 5.17.4 Following illustrative example is for clarity on clause (5.17.3) (d) above (1) A Generator "A" (1000 MW) is located in Western region. "A" has taken Long term Access to target region as NR-300 MW, WR-400 MW. "A" enters into PPA with Haryana (say) for 250 MW. Now his LTA to target region for untied capacity shall be NR-50 MW, WR-400 MW.

Clause 5.17.3 (d) For Generators or sellers having part LTA to target region and part tied up capacity - MF for injection corresponding to tied up capacity to be reduced to zero and MF for injection corresponding to untied capacity is retained (Example is detailed at Clause below).

Comments: The illustrative example is not clear as how would Haryana pay the drawl charges for 321.4 MW (250*900/700) when Haryana has a long term PPA of 250 MW only.