MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.
(A. Govt. of Maharashtra Undertaking)
CIN: U40109MH2005SGC153645

Maharashtra State Electricity Distribution Co. Ltd.
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Ref. No. MSEDCL/Comments/PoC / 33255 DATE: 02.12.2019

To,
The Secretary,
Central Electricity Regulatory Commission,
3 rd & 4th Floor, Chandralok Building,
36, Janpath, New Delhi - 110 001.

Sub: Submission of comments / suggestions / objections on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

Ref: Public notice by CERC for draft regulation dated 27th October 2019

Respected Sir,

This is in reference to public notice issued by Hon'ble CERC on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019. MSEDCL welcome the initiative taken by CERC by appointing Task force for review of existing framework for Sharing of Inter-State Transmission Charges and Losses and considering peculiar deficiencies in existing regulation, changes are introduced in this draft regulation so as to address concerns raised by various State DISCOMs. However there are still some issues which need to be addressed. The MSEDCL is hereby submitting the comments on the proposed draft amendment, which is attached herewith. Some of important issues are highlighted as under.

- **No PoC charges & losses for short term Power transactions**

  The PoC charges for DIC like MSEDCL has increased tremendously in last some years & average impact of PoC on power drawn from central sector has increased above 76 Paisa even after STOA credit/offset. As compared to rise of about 19% in LTA since FY 2014-15, monthly POC charges have been increased more than 200%. Moreover it can be seen that charges for STOA transactions are much lower than what MSEDCL is paying from drawal of power from its long term contracted generator. If STOA charges are waived(as proposed in this draft regulation), then relief in PoC charges on account of STOA offset will also get removed. This will further lead to more transactions under STOA by other DISCOMs (who do not have any LTA in ISTS) as well as Open access consumers. This will burden consumers of MSEDCL. If PoC charges for short term transaction is waived, then there is possibility of DIC having LTA may relinquish its LTA & further possibility that DIC will not enter into further LTA with any generator which will ultimately lead to stoppage of development of new transmission system.

  Task force on POC charges also suggested that " *in order to build sufficient transmission system for evacuation of generators in future, STOA rates shall be kept higher than LTA.*

This will give signal to generators to see LTA & get Transmission built for future". Hon'ble CERC also in draft 5th amendment to existing PoC regulation had proposed Higher rate for STOA & MTOA

Hence it is suggested that

1. The Hon'ble Commission has published Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017 on 14th November 2017. In said regulation, it is proposed that instead of LTA/MTOA or STOA, the all user of ISTS will be required to take GNA and transmission charges will be based on GNA. It is requested to finalize said draft GNA regulation wherein it must be made mandatory for every user of ISTS (using ISTS system either through long term access or short term OA) to take GNA as per its requirement. The concern user shall be charge for its GNA for use of Transmission network as DIC with LTA are presently paying i.e on basis of Rupees/MW/month. In case said entity 's actual use exceed its GNA quantum, then RTDA charges shall be recovered. If transmission charges are recovered from all Drawaee entity (including DISCOM, OA consumers, etc) using ISTS network for schedule of power , then no separate charges or losses needs to be revised for STOA transaction. The Task force also recommended that *"if the recommendations has to be based on draft Regulations, the modified PoC or Uniform charges method as proposed may be used under GNA"*
2. Till GNA regulation is not finalized, ISTS user scheduling power under STOA (either bilateral/collective) shall be charged for both PoC loss & PoC Charges. The PoC charges for use of ISTS under STOA & collective transaction shall more than LTA as recommended by Task force on PoC, STOA charges. As proposed by Hon'ble Commission in draft 5th amendment to Connectivity regulation, the PoC charges for STOA shall be 1.35 times PoC charges for LTA

   The Poc loss & charges shall be waived for STOA & collective transaction in respect of DIC who are paying PoC charges through its LTA and quantum of such waiver shall be limited to quantum of un-used LTA due to less power from contracted generators. For example for MSEDCL, LTA is 6402 MW and if MSEDCL is getting only 5000 MW from its long term contracted generators then PoC charges for balance quantum i.e 1402MW of power scheduled under either bilateral short term transaction or under collective short term shall be waived as MSEDCL has already paid Transmission charges for drawal of power from ISTS.

- **Submission of Nodewise demand & generation within 7 days by DIC, failing which penalty will be imposed on DIC**

As per definition of basic network, data of transmission system above 132 KV incl. HVDC and for generator data upto 110KV is only covered and the demand or generation at 33 KV or at Distribution voltage is not required for preparation of basic network. These substations i.e node whose data is to be submitted for preparation basic network are either own by STU or Transmission licensee and said data is made available by them to

SLDC for state Energy account (SEA) & DSM computation and not available with DISCOM.

In Maharashtra, MSEDCDL is mainly considered as DIC but there are other DISCOMs also like Railway, BEST, TPC, AEML, MBPL etc which are scheduling power mainly under STOA except Railway. For MSEDCL as a DIC, it will be difficult to obtain data from other DISCOMs.

Further, in case of Regional Node, the said data shall be provided by respective RLDC as Energy accounting is the responsibility of RLDC for ISTS network. On similar line, responsibility for state node shall be given to SLDC. As per Electricity Act Section 32, SLDC is responsible for accounting of energy transmitted in intra state network & thereby responsible for preparation of State energy account as well as DSM. Further Meter data of all T-D interface as well as G-T interface including RE is available with SLDC. Hence it is suggested that the responsibility of data of nodewise actual generation and demand shall be given to respective SLDC.

Further instead of seven days, the timeline for submission of data shall be 10 Days as 5 days seems to be sufficient for Implementing Agency for preparation of base case. As regards to penalty, it is suggested that penalty shall not be imposed in DISCOM for delay in submission of required data and penalty if any to be imposed then it should be only in case of repeated non-compliance by all concern responsible for completing process in defined timeline.

- **Amount of letter of credit as a payment security mechanism**

  It is suggested that for state Owned DISCOM like MSEDCL, amount of LC for State Owned DISCOM shall also be equal to 1.05 times average amount of the First Bill for a year which is presently proposed only for DIC where tripartite agreement for securitization on account of arrears against the transmission charges with the Government of India exist.

- **Identification of Transformer used for drawal of power by concern state**

  Mere location of transformer i.e. ICT or power transformer shall not be criteria for bearing cost of such ICT by state in which it is located. This methodology will also create hurdle in future transmission network development /planning as state in order to reduce to such burden will oppose new transmission network, which are being developed other than meeting state demand. There are some ICT which are mainly installed for transfer of power from one state to other state or region. The burden of such ICT shall not be imposed on State in which it is located.

  Hence CTU alone should not be permitted to identify ICT/ transformer being used to feeder demand of respective state. The list of ICT planned for drawal of power by State shall be decided by CTU only in consultation with STU, SLDC & concern state DISCOM. The CTU should demonstrate same through power flow study that said ICT is planned for drawal of state.

Further MSEDCL would like to draw the kind attention of Hon'ble Commission that there are some points which were raised to Task force but said points are not addressed in Task Force report dated 9th April 2019 on PoC. The said points are mentioned as under

- **Display of reason for not considering any LTA quantum while computing total LTA of particular zone :** LTA quantum of some of the generating station is not considered like in case of Maharashtra; LTA quantum from Sardar Sarovar HEP, Pench HEP, Tarapur Stage-I Atomic Power, is not considered in LTA of Maharashtra. Hence reason for not considering any LTA quantum while computing total LTA of particular zone shall be included basic assumption data displayed on website of NLDC.
- **Sharing of charges on account of line passing through Maharshtra & meant for power flow to southern region:** In case of lines located within Maharashtra, it has to share transmission charges in range 40% to 98% cost of line. However some of major lines which are located in Maharashtra are mainly responsible for power flow toward southern region. Hence it can be seen that just because of locational disadvantage; Maharashtra has to share charges for these lines whereas due to locational advantage few states are enjoying less PoC charges in comparison to its drawal from central sector.

MSEDCL requests the Hon'ble Commission to kindly ask Task force to analyse the above two issues raised by MSEDCL and also requested to consider MSEDCL's comments / suggestions on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019.

With Regards,

Yours faithfully,

(Satish Chavan)

Director (Commercial), MSEDCL

Encl: Comments

Copy s.w.r.to:

The CMD, MSEDCL, Corporate office Mumbai.

MSEDCL's comments/Suggestion on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

Draft Provision	Comments/Suggestions
5. Components and sharing of National Component (NC) (3) National Component-HVDC shall comprise of the following: (a) 100% transmission charges for "Back to Back HVDC" Transmission System; (b) 100% transmission charges for Biswanath Chariali/Alipurdwar – Agra HVDC Transmission System; (c) Proportionate transmission charges of Mundra–Mohindergarh HVDC Transmission System corresponding to 1005 MW capacity; and (d) 30% of transmission charge for all other HVDC Transmission Systems except those covered under sub clauses (a), (b) and (c) of this Clause of these regulations.	The Hon'ble commission had formulated Task force to Review the framework of existing PoC Charges computation mechanism. The said Task force on the issue of **Sharing of HVDC charges**, following has been recommended : *"Since the HVDC lines were specifically set up for transfer of bulk power to specific Regions, the DICs of the Region shall share the cost of HVDC lines. HVDC lines also help in controlling voltages and power flow in inter-regional lines and some benefits accrue to all DICs by virtue of HVDC system. Accordingly, 10 % of the MTC of these systems be recovered through Reliability Support Charges. The balance amount shall be payable by Withdrawal DICs of the Region in proportion to their Approved Withdrawal. In case of Injection DICs having Long Term Access to target region, HVDC charge shall be payable in proportion to their Approved Injection. "* The sharing 10% cost of HVDC lines as reliability provided by them to largely integrated system, was decided by Hon'ble commission vide 3rd amendment of existing regulation on Sharing of Transmission Charges. However now commission has proposed socializing 30% cost of such HVDC line which are specifically built for bulk power transfer from one region other region. The benefit of such HVDC line for National Grid perspective cannot be quantify as 10% or 30%; atleast no such quantification at present done. Hence Hon'ble Commission is requested to review the provision for socializing of 10% or 30% cost of HVDC line which are built for region specific demand. It is proposed that only 10% cost of HVDC line shall be part of national component instead of 30% as there is no study on how much reliability benefit these lines are giving to nation as a whole.

Draft Provision	Comments/Suggestions
7. Components and sharing of Transformers Component (TC) (1) Transformers Component shall comprise of transmission charges for inter-connecting transformers planned for drawal of power by the State. The list of such transformers for each State shall be provided by the Central Transmission Utility to the Implementing Agency. (2) Transformers Component of transmission charges shall be borne by the State in which they are located. (3) Where separate transmission charges under clause (1) of this Regulation are not available, the transmission charges shall be computed based on indicative capital cost to be provided by the Central Transmission Utility	i. Mere location of transformer i.e. ICT or power transformer shall not be criteria for bearing cost of such ICT by state in which it is located ii. This methodology will also create hurdle in future transmission network development /planning as state in order to reduce to such burden will oppose new transmission network, which are being developed other than meeting state demand. iii. There are some ICT which are mainly installed for transfer of power from one state to other state or region. The burden of such ICT shall not be imposed on State in which it is located. iv. Hence CTU alone should not be permitted to identify ICT/ transformer being used to feeder demand of respective state. The list of ICT planned for drawal of power by State shall be decided by CTU only in consultation with STU, SLDC & concern state DISCOM. The CTU should demonstrate same through power flow study that said ICT is planned for drawal of state
9. Computation of share of transmission charges under AC-UBC (1) The Base Case file shall be prepared by the Implementing Agency for the Peak Block of the month comprising of the following: (a) Basic Network, which shall be the network file for the power system for the peak block of the month; and. (b) Actual generation and demand, in MW, at each node of the Basic Network for the Peak Block. (2) The Implementing Agency shall collect the data for (a) and (b) above and the Yearly Transmission Charges from DICs, transmission licensees, NLDC, RLDCs, SLDCs, RPCs and STUs as per timelines specified in Regulation 21 of these regulations.	The responsibility of data of nodewise actual generation and demand shall be given to respective SLDC. Reasons as under 1. As per electricity act section 32, SLDC is responsible for accounting of energy transmitted in intra state network. 2. SLDC responsible for preparation of State energy account as well as DSM. 3. Meter data of all T-D interface as well as G-T interface including RE is available with SLDC 4. As per definition of basic network, data of transmission system above 132 KV incl. HVDC and for generator data upto 110KV is only covered and the demand or generation at 33 KV or at Distribution voltage is not required for preparation of basic network. These substations i.e node whose data is to be submitted for preparation basic network are either own by STU or Transmission licensee and said data is made available by them to SLDC for SEA & DSM computation and not available with DISCOM. 5. In Maharashtra, MSEDCDL is mainly considered as DIC but there are other DISCOMs also like railway, BEST, TPC, AEML, MBPL etc which are scheduling power mainly under STOA except Railway. For MSEDCL as a DIC , it will be difficult to obtain data from other DISCOMs. 6. In case of Regional Node, the said data shall be provide by

Draft Provision	Comments/Suggestions
	respective RLDC as Energy accounting is responsibility of RLDC for ISTS network. On similar line, responsibility for state node be given to SLDC
9. Computation of share of transmission charges under AC-UBC (3) The Monthly Transmission Charges covered under AC-UBC shall be apportioned on transmission lines of the Basic Network whose charges have been included in Yearly Transmission Charge. Such apportionment shall be made on per circuit kilometer basis for each voltage level and conductor configuration as per methodology in Annexure-I to obtain line-wise transmission charges for each voltage level and conductor configuration respectively.	Instead of apportionment of cost of line on per circuit kilometer basis for each voltage level and conductor configuration, actual MTC shall be used. Reason 1. This method socialized cost of transmission system created for one particular region. 2. Due to aging effect, the performance of line get affect particularly lines whose useful life is either completed or near to exhausting its useful life. 3. The major part of cost of old transmission lines were paid by DISCOM through earlier mechanism which existed prior to POC mechanism. Now recovering cost of such transmission element/system again at new cost i.e average cost is double recovery of cost from DISCOM like MSEDCL 4. Hon'ble Commission fix the ARR of each transmission system and same should be submitted by concerned Transmission licensee or CTU whose cost will be recovered through this mechanism. 5. The implementing agency can make suitable changes in its software to feed the data of cost of each transmission line. In case, if separate cost of any line is not possible to be separate, then cost in such case shall be derived from method of approximation considering actual ARR of such system
9. Computation of share of transmission charges under AC-UBC (4) Implementing Agency shall run AC load flow studies on the Base Case file stated at clause (1) of this Regulation for the month and determine power flow on each transmission line. Provided that while carrying out the load flow studies, the Implementing Agency may make minor adjustment in the generation and demand data, if required, to ensure load generation balance.	The changes done by Implementing agency in generation & demand data shall be displayed on web portal made available for displaying various information as per regulation–20 of this draft Regulation

Draft Provision	Comments/Suggestions
9. Computation of share of transmission charges under AC-UBC (5) Percentage usage of each transmission line shall be computed by dividing power flow in the Base Case as obtained at clause (4) of this Regulation by Surge Impedance Loading of the line. (6) Percentage usage of each transmission line computed at clause (5) of this Regulation shall be multiplied by line-wise Yearly Transmission Charges obtained as per clause (3) of this Regulation to obtain modified line-wise transmission charges.(7) Transmission charges at each node shall be calculated as per Hybrid Methodology, using modified line-wise transmission charges obtained as per clause (6) of this Regulation.(8) The Implementing Agency shall aggregate transmission charges at drawal nodes within the geographical boundary of the State to determine the allocation of charges for the State under AC-UBC.(9) Any other injecting DIC with Long Term Access to target region with untied LTA capacity shall be apportioned charges under AC-UBC which shall be separately indicated by the Implementing Agency	i. As mention in comments of clause (3), Instead of apportionment of cost of line on per circuit kilometer basis for each voltage level and conductor configuration, actual MTC shall be used for computation process. ii. The implementing agency instead of aggregating transmission charges at drawal nodes within the geographical boundary of the State, shall aggregate based on individual DIC in state based on its drawal node. The nodes in states which are not feeding demand of DIC shall be excluded . For example in Maharashtra BEST, TPC, AEML & other Deemed Dist. Licensees have their own drawal nodes but are not DIC. The use of ISTS lines by nodes of these DISCOM shall not be included in Poc charges computation of MSEDCL. Similarly Indian railway, BARC facility, HVDC Bhardawati are separate DIC in Maharashtra having their own drawal nodes. The transmission usage by these nodes shall be imposed on these DIC only. iii. Correction required in SIL data in Annexure-II of this draft. The SIL of 614MW if for 400KV , 4x686 sqmm configuration, whereas voltage is mentioned as 765 KV
10. Sharing of transmission losses (1) All India Average Transmission losses for ISTS shall be calculated by Implementing Agency for each week, from Monday to Sunday, as follows: {(Sum of injection into the ISTS at regional nodes for the week) minus (Sum of drawal from the ISTS at regional nodes for the week)}/ Sum of injection into the ISTS at regional nodes for the week X 100 % (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.	• There is no clarity how Drawal loss of DIC will be computed from actual all India weekly average transmission loss i.e whether it will be same for all DIC. • The regional loss in some region is less & varies from season to season. The reason being more generation in region as compared to demand of region and under loaded transmission line resulting in less technical loss. Hence socializing the benefit of less regional loss to states within concern region with high regional loss is not appropriate. By virtue of more transmission network in a region, the transmission loss is reduced but transmission charges have been increased and with new concept of regional component in PoC charge sharing methodology, such burden may increase. Hence it is proposed that instead of deriving drawal loss from all India average weekly loss, same to be computed on weekly regional loss. The last twelve month region wise Actual transmission loss is attached as annexure-A

Draft Provision	Comments/Suggestions
10. Sharing of transmission losses (3) No transmission loss for ISTS shall be applicable while preparing schedule for injection node including that for Collective Transactions over the Power Exchanges.	• The Hon'ble Commission has published Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017 on 14th November 2017. In said regulation, it is proposed that instead of LTA/MTOA or STOA, the all user of ISTS will be required to take GNA and transmission charges will be based on GNA. It is is requested to finalize said draft GNA regulation wherein it must be made mandatory for every user of ISTS (using ISTS system either through long term access or short term OA) to take GNA as per its requirement. The concern user shall be charge for its GNA for use of Transmission network as DIC with LTA are presently paying i.e on basis of Rupees/MW/month. In case said entity 's actual use exceed its GNA quantum, then RTDA charges shall be recovered. If transmission charges are recovered from all Drawaee entity (including DISCOM, OA consumers, etc) using ISTS network for schedule of power , then no separate charges or losses needs to be revivsed for STOA transaction. The Task force also recommended that *"if the recommendations has to be based on draft Regulations, the modified PoC or Uniform charges method as proposed may be used under GNA"* • Till GNA regulation is not finalized, ISTS user scheduling power under STOA (either bilateral/collective) shall be charge for both POC loss & Poc Charges. The PoC charges for use of ISTS under STOA & collective transaction shall more than LTA as recommended by Task force on PoC. Further Hon'ble commission in draft 5th amendment to Connectivity regulation had proposed that the PoC charges for STOA shall be 1.35 times PoC charges for LTA

Draft Provision	Comments/Suggestions
11. Transmission charges in specific cases (2) Where Generating Stations or sellers have been granted Long term Access or Medium Term Open Access and have entered into Power Purchase Agreement for supply of power under such Long Term Access or Medium Term Open Access, the transmission charges attributable for such tied up power shall be calculated at drawal nodes for AC-UBC. Provided that prior to COD of the Generating Station, the transmission charges under AC-UBC shall be in terms of clause (4) of this Regulation.	• In line with provision in existing CERC connectivity regulation (16B-Six amendment), LTA or MTOA customer shall be allow to request concern RLDC to reallocate capacity which is going to be un-utilised for whole billing month (due to planned outage or major forced outage of generating unit like in case of KAPS, both units were not available for more than 2 years but MSEDCL had to pay Transmission charges for said LTA capacity). The concern DIC willing to do so shall inform reason & RLDC after confirmation of same from generator shall schedule such corridor for scheduling under MTOA or STOA transaction depending upon the period of such under utilization with a condition that such transaction shall be curtailed in the event original LTA or MTOA customer seeks to utilize its capacity. • Once DIC surrender such LTA for specific period, he shall not be liable to pay transmission charges for said LTA.
11. Transmission charges in specific cases (3) Where Generating Stations or sellers have been granted Long term Access or Medium Term Open Access and have entered into Power Purchase Agreement for supply of power under such Long Term Access or Medium Term Open Access, the transmission charges towards such Long Term Access or Medium Term Open Access for components identified under Regulations 5 to 8 of these regulations shall be determined at the drawal nodes and zone and billed to the buyer. Provided that sellers and buyers shall make necessary adjustment or settlement among themselves for transmission charges in terms of their respective Power Purchase Agreements	The transmission charges shall be borne by buyer or generator as per their respective power purchase agreement and Hence bill shall be issued by CTU to concern only who have liability for payment of transmission charges. This is to avoid future legal complication related to payment of transmission charges.
11. Transmission charges in specific cases (4) Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD, which is not earlier than its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to capacity of generating station or unit(s) thereof which have not achieved COD. Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations	• In case Associated transmission system has achieved COD before its scheduled COD & before generating station get commissioned , the charges of transmission line shall not be allowed to be recover under POC under Regulations 5 to 8 of these Regulations. The CTU shall give details of its scheduled COD & actual COD while submitting data for YTC. • Only after scheduled COD date, said charges shall either be recover from generator if it fails to achieve its COD till it achieve COD or from buyer if generator achieve COD as per its schedule COD

Draft Provision	Comments/Suggestions
11. Transmission charges in specific cases (5) Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access.Provided that the amount received on account of payments in the month towards such Long Term Access shall be reimbursed to the DICs in proportion to their shares under the First Bill in the following month.Provided that such Long Term Access shall be excluded for computation under Regulations 5 to 8 of these regulations.	• The amount of transmission charges shall be same (and not 10%) irrespective whether it is given on existing margin or not. • This is because, the transmission charges of ISTS network which is under-utilized due to wrong planning is borne mainly by DISCOM (as PoC mechanism is designed to fully recover the transmission charges of line & not taking into account whether any ISTS system is under utilised due to wrong planning or oversight/forecast). • Hence if any margin available in ISTS system on which any LTA has been approved and if said generating station fails to achieve COD , then such generator shall also liable to pay full transmission charges as computed for untied LTA
11. Transmission charges in specific cases (6) Where operationalization of Long Term Access granted to a generating station is contingent upon COD of Associated Transmission System consisting of several transmission elements and only some of the transmission elements have achieved COD, the generating station may seek part operationalisation of Long Term Access. The Central Transmission Utility shall part operationalize Long Term Access corresponding to the capacity sought to be operationalised by the generating station, subject to availability of transmission system. The Yearly Transmission Charges for such transmission elements shall be included in Regulations 5 to 8 of these Regulations. Provided that for cases not covered above, when only some of the elements of the Associated Transmission System have achieved COD and if such transmission system is certified by the respective Regional Power Committee(s) for improving the performance, safety and security of the grid, such transmission system shall be included under Regulations 5 to 8 of these regulations.	• If operationalization of any long term access is delay due to COD of associated transmission lines, the fix charge burden of generator unit/station (if any claimed by generator under deemed availability) shall be borne by concern ISTS transmission owner responsible for delay unless such delay is beyond control of said owner. This is because the buyer who is supposed to get power from such generating station get deprive of same and has to purchase said quantum of power from market may be at higher rate . • The before certification by RPC regarding any transmission line useful for improving the performance, safety and security of the grid, the system study report shall be shared with all DICs in a region & after detailed discussion & comments from DICs, RPC shall issue certificate if it deem fit

Draft Provision	Comments/Suggestions
11. Transmission charges in specific cases (8) Where construction of dedicated transmission line has been taken up by the Central Transmission Utility as part of coordinated transmission planning and is constructed by an inter-State transmission licensee, the Yearly Transmission Charges for suchdedicated transmission line shall be payable by the generating station in proportion to the Connectivity granted and for which Long Term Access is not operational. Such transmission charges shall be payable to the inter-state transmission licensee who has constructed such dedicated line.	Even after operationalisation of the LTA, the yearly transmission charges of such dedicated Transmission line from generating station of the generating company to the pooling station of the transmission licensee shall be bear concern generator only & shall not be included in POC pool. This is because , it is responsibility of generator to construct dedicated line as per clause 8 of regulation 8 of CERC connectivity regulation.
11. Transmission charges in specific cases (9) Generating stations drawing start-up power shall pay the transmission charges @Transmission Deviation Rate for the State in which they are physically located. Provided that the amount received on account of payments towards drawal of start-up power shall be reimbursed to the DICs under the First Bill in proportion to their shares in the First Bill in the month next to Billing month. Provided that where transmission element(s) have been declared COD before its SCOD on request of a generating station for drawal of start-up power, the generating station shall instead pay Yearly Transmission Charges for such transmission element(s) till the generating station achieves COD. Provided further that Transmission Deviation Rate shall not be applicable for generating stations covered under clause (4) of this Regulation for drawal of start-up power.	The transmission charges recover from such generator shall be paid only to DICs in the state in which it is located instead of all DICs of country. Since said DIC is paying Transmission charges for network developed
12. ACCOUNTING OF TRANSMISSION CHARGES (4) Where the transmission charges were being billed to the distribution companies or any designated agency in the State for purchasing power before coming into force of these regulations, the distribution companies or the designated agency, as the case may be, shall be treated as DIC in that State for the purpose of preparation of Regional Transmission Account by Regional Power Committees and for the purpose of billing and collection by the Central Transmission Utility. Provided that after coming into force of these regulations, the States may designate any agency as DIC for the above purpose.	As DIC are already identified under previous PoC regulation, there is no need of this provision

Draft Provision	Comments/Suggestions
12. ACCOUNTING OF TRANSMISSION CHARGES (5) Timelines for preparation of base case, notification of transmission charges, issue of Regional Transmission Accounts and raising bills shall be as under: (a) **Base case** for the Billing month shall be prepared by the Implementing Agency by **15th** day of the month following the Billing month. (b) Payable transmission charges shall be **notified** by the Implementing Agency by **25th** day of the month following the Billing month. (c) Based on the notified allocation of charges by the Implementing Agency, Regional Power Committee Secretariat shall issue Regional Transmission Accounts by the end of the month following the Billing month. (d) **Central Transmission Utility** shall raise bills on DICs based on Regional Transmission Accounts in **first week** of the second month following the Billing month.	After preparation of base case for billing month, IA shall be ask to inform the all DIC for verification , for which two days shall be given to DIC. The base case network shall be made available on IA website, where all PoC calculation related data will be stored. After incorporating required correction informed by DIC (if any) , IA will run load flow study .

Draft Provision	Comments/Suggestions
13. BILLING (2) The billing for transmission charges for DICs shall be raised by the Central Transmission Utility under the following three categories of bills: (a) The First Bill shall contain the transmission charges for the Billing month based on the Methodology detailed under Regulations 5 to 8 of these Regulations . (b) The Second Bill shall be raised to adjust variations on account of any revision in transmission charges as allowed by the Commission including incentives. Provided that amount to be recovered on account of under-recovery or to be reimbursed on account of over-recovery shall be billed by the Central Transmission Utility to each DIC in proportion to its First Bill over the relevant Billing month. Provided further that the Second Bill shall be raised on quarterly basis in April, July, October and January. (c) The Third Bill shall be raised for each month as follows: i. This shall comprise of bill for transmission deviation and shall be billed along with the First Bill by the Central Transmission Utility. ii. In case aggregate metered ex-bus MW injection or the aggregate metered MW drawal of a DIC, in any time block exceeds the sum of Long Term Access and Medium Term Open Access, the concerned DIC shall be charged for such deviations @ Transmission Deviation Rate as determined below. iii. Transmission Deviation Rate shall be calculated as follows: a. Transmission Deviation Rate for a State shall be charged at 1.20 X (transmission charges of the State for the Billing month)/ (quantum of Long Term Access plus Medium Term Open Access of the State for the Billing month) b. Transmission Deviation Rate for generating stations and bulk consumers shall be charged @Transmission Deviation Rate for the State where the generating station or bulk consumer is located. iv. For hydro-generating stations, the transmission deviation shall be calculated after considering overload capacity of 10% over quantum of Long Term Access and Medium Term Open Access. v. Transmission deviation charges shall be borne by the concerned DIC only. ;	• The transmission deviation of state shall be computed based on difference between metered drawal and sum of LTA, MTOA & STOA. • The transmission deviation charges of generators shall be boned by generators only and same shall not be recovered from its contracted buyer. This is because, if any generator is over injecting into grid above its LTA+MTOA+STOA , the said generator is earning DSM charges through its over injection and may also violating DSM regulation. Hence to deter generator from doing so, Transmission deviation charges shall be recovered from concern generator who is responsible for its deviation. • In case of Hydro generating station, no additional freedom i.e waiver of RTDA till deviation exceed above of LTA & MTOA shall be given. It is expected that Transmission charges shall be shared as per usage. By making such provision, hydro generator is allowed to schedule power over and above its LTA& MTOA & is just case of over injection into grid which is nothing but allowing generator to violate CERC DSM regulation

Draft Provision	Comments/Suggestions
13. BILLING (3) No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.(4) Central Transmission Utility shall be responsible for raising the bilateral bills for transmission systems covered under Regulation 11of these regulations.(5) The bills shall also be posted on website of Central Transmission Utility.	• The PoC charges for DIC like MSEDCL has increased tremendously in last some years & average impact of PoC on power drawn from central sector has increased above 76Paisa even after STOA credit/offset. As compared to rise of about 19% in LTA, monthly POC charges have been increased more than 200%. The table showing LTA, POC charges, per unit PoC charges , Charges for STOA is attached herewith as Annexure. • Moreover it can be seen that charges for STOA transaction are much lower than what MSEDCL is paying from drawal of power from its long term contracted generator. If STOA charges are waived, then relief in PoC charges on account of STOA offset will also remove. This will further leads to more transaction under STOA by other DISCOM (who do not have any LTA in ISTS)as well as Open access consumer. This will burden consumers of MSEDCL. If PoC charges for short term transaction is waived, then there is possibility of DIC having LTA may relinquish its LTA & further possibility that DIC will not entered into further LTA with any generator which will ultimately lead to stoppage of development of new transmission system. • Task force on POC charges also suggested that " *in order to build sufficient transmission system for evacuation of generators in future, STOA rates shall be kept higher than LTA. This will give signal to generators to see LTA & get Transmission built for future*". Hon'ble CERC also in draft 5th amendment to existing PoC regulation had proposed Higher rate for STOA & MTOA **Hence it is proposed that** • The Hon'ble Commission has published Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017 on 14th November 2017. In said regulation, it is proposed that instead of LTA/MTOA or STOA, the all user of ISTS will be required to take GNA and transmission charges will be based on GNA. It is requested to finalize said draft GNA regulation wherein it must be made mandatory for every user of ISTS (using ISTS system either through long term access or short term OA) to take GNA as per its requirement. The concern user shall be charge for its GNA for use of Transmission network as

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	DIC with LTA are presently paying i.e on basis of Rupees/MW/month. In case said entity 's actual use exceed its GNA quantum, then RTDA charges shall be recovered. If transmission charges are recovered from all Drawaee entity (including DISCOM, OA consumers, etc) using ISTS network for schedule of power , then no separate charges or losses needs to be revivsed for STOA transaction. The Task force also recommended that *"if the recommendations has to be based on draft Regulations, the modified PoC or Uniform charges method as proposed may be used under GNA"* • Till GNA regulation is not finalized, ISTS user scheduling power under STOA (either bilateral/collective) shall be charge for both POC loss & Poc Charges. The PoC charges for use of ISTS under STOA & collective transaction shall more than LTA as recommended by Task force on PoC, STOA charges. As proposed by Hon'ble Commission in draft 5th amendment to Connectivity regulation, the PoC charges for STOA shall be 1.35 times PoC charges for LTA • The Poc loss & charges shall be waived for STOA & collective transaction in respect of DIC who are paying PoC charges through its LTA and quantum of such waiver shall be limited to quantum of un-used LTA due to less power from contracted generators. For example for MSEDCL, LTA is 6402 MW and if MSEDCL is getting only 5000 MW from its long term contracted generators then PoC charges for balance quantum i.e 1402MW of power scheduled under either bilateral short term transaction or under collective short term shall be waived as MSEDCL has already paid Transmission charges for drawal of power from ISTS.

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16. Letter of Credit (2) The Letter of Credit shall have a term of 12 (twelve) months and shall be for an amount equal to 1.05 (one point zero five) times the average amount of the First Bill for a year, where tripartite agreement for securitization on account of arrears against the transmission charges with the Government of India exist. Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of First Bill for a year.	The amount of LC for State Owned DISCOM shall also be equal to 1.05 times average amount of the First Bill for a year.
17. Collection **(**3) The Central Transmission Utility shall collect transmission charges on account of the Third Bill raised in accordance with sub-clause (c) of clause (2) of Regulation 13 of these regulations and the transmission charges collected shall be reimbursed to the DICs, in the following month, in proportion to the First Bill of the respective month.	The RTDA charges shall not be reimbursed to generator from whom Transmission charges collected for usage of network for drawal of startup power or injection before COD
17. Collection (5) If payment against any bill raised by Central Transmission Utility under this Regulation is outstanding, the Central Transmission Utility may undertake Regulation of Power Supply on behalf of inter-State Transmission Licensees under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 as amended from time to time and any subsequent enactment thereof.	Since There is provision of encashment of LC as payment security mechanism , this provision of regulation of power shall be used only if LC is not fully recovering dues and DIC is not paying even after informing same by CTU

Draft Provision	Comments/Suggestions
18. Event of Default of a DIC (1) The occurrence and continuation of the following events shall constitute a DIC Event of Default: (a) A DIC fails to comply with the prevailing regulations including the provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time including any subsequent reenactment thereof or is in material breach of these Regulations and such material breach is not rectified by the said DIC within 60 (sixty) days of receipt of notice in this regard from the concerned inter-State Transmission Licensee or the Central Transmission Utility; or (b) DIC fails to make payments against bills raised by the Central Transmission Utility under these Regulations within 60 days beyond Due Date.	It is suggested that as far as non-compliance of any provision of this regulation is concerned, the implementing agency shall report to commission & The Hon'ble commission shall take action for non-compliance. In case IEGC-2010, the compliance oversight is covered under regulation 1.5. Hence it is suggested that there shall not be changes be made to this provision of IEGC. Hence suggested that only cause (b) shall be taken as event of default
20. Procedures to be framed under these Regulations (1) Implementing Agency shall notify detailed procedures and formats for collection of generation and demand data from each DIC, data pertaining to the Basic Network and for calculation of transmission charges within 90 (ninety) days of the notification of these Regulations and post it on its website.	As per previous clause, the first bill under this regulation is to be issued from 3rd month and considered time period for submission of data & preparation of bill as per regulation 12 of these regulations, time period for preparation of procedure & formats shall be at most 30 Days instead of 90 Days
20. Procedures to be framed under these Regulations (2) The software for the implementation of these regulations shall be audited or cause to be audited by the Commission before it is put to use, and thereafter from time to time as may be decided by the Commission.	It is suggested that the software used for computation of PoC shall be shared with all DIC. Either implementing agency or CTU shall be asked to purchase software for all DIC who are willing to purchase software. Further necessary training for use of software shall also be given to representative of DIC
20. Procedures to be framed under these Regulations (3) Central Transmission Utility in discharge of its functions under these Regulations may make such procedure and prescribe such forms as may be necessary for the purpose of Billing, Collection and Disbursement, which is not inconsistent with these regulations or any other regulations of the Commission.	These procedure & forms shall also be available on CERC website

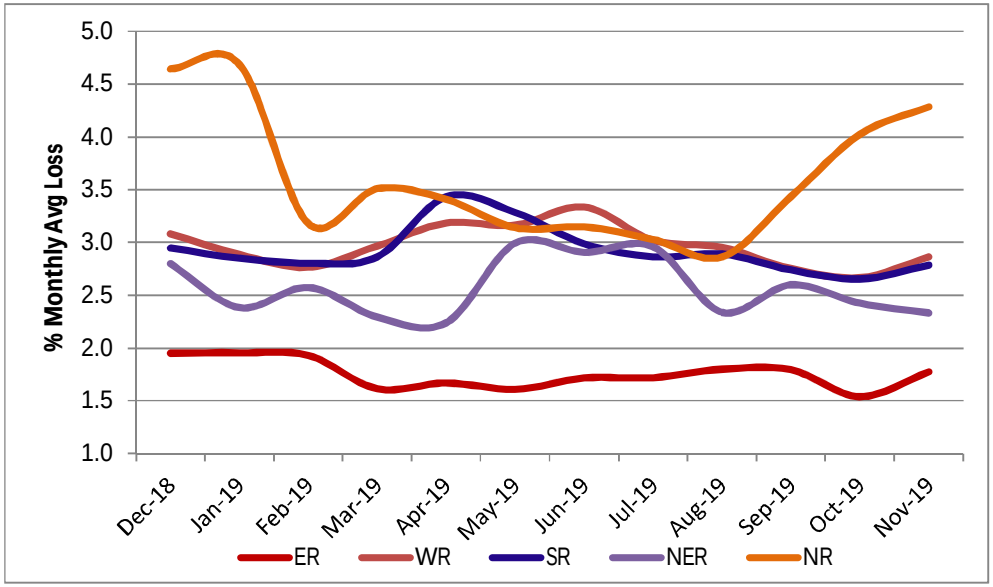
Draft Provision	Comments/Suggestions
21. Timeline for furnishing the information (4) On or before 7(seven) days after end of Billing Month, DICs shall submit following data: (a) MW and MVAR Data for injection or drawal at various nodes or a group of nodes for peak block for each Billing Month. (b) Quantum of power tied up through PPAs for interchange of power under long term access or approved medium term open access	Instead of seven days, the timeline for submission of data shall be 10 Days as 5 days seems sufficient for Implementing Agency for preparation of base case . The responsibility of data of node-wise actual generation and demand shall be given to respective SLDC. Reasons as under 1. As per electricity act section 32, SLDC is responsible for accounting of energy transmitted in intra state network. 2. SLDC responsible for preparation of State energy account as well as DSM. 3. Meter data of all T-D interface as well as G-T interface including RE is available with SLDC 4. As per definition of basic network, data of transmission system above 132 KV incl. HVDC and for generator data upto 110KV is only covered and the demand or generation at 33 KV or at Distribution voltage is not required for preparation of basic network. These substations i.e node whose data is to be submitted for preparation basic network are either own by STU or Transmission licensee and said data is made available by them to SLDC for SEA & DSM computation and not available with DISCOM. 5. In Maharashtra, MSEDCDL is mainly considered as DIC but there are other DISCOMs also like railway, BEST, TPC, AEML, MBPL etc which are scheduling power mainly under STOA except Railway. For MSEDCL as a DIC , it will be difficult to obtain data from other DISCOMs. 6. In case of Regional Node, the said data shall be provide by respective RLDC as Energy accounting is responsibility of RLDC for ISTS network. On similar line, responsibility for state node be given to SLDC.
(6) If a DIC doesnot provide the required data, including injection or drawal data for intra-State points within stipulated time period, it shall be levied an additional transmission charge @ 1% of the transmission charges under the First Bill for the month.	In case concern SLDC, fails to submit information in stipulated time frame for consecutive three billing month, SLDC shall be penalised instead of DIC, as actual data of EHV substation level is available with SLDC and not with DISCOM . Further Hon'ble commission is requested to take note that penalty is proposed to impose only on DIC and not any other agency like STU & CTU whose responsibility is to submit network data which is backbone for running correct load flow & to capture all generation as well demand node. If bill is getting delayed due to delay by any agency involved in process, the said agency also needs to be penalised.

Draft Provision	Comments/Suggestions
22. Information to be published by the Implementing Agency (1) The information to be made available, on its website, by the Implementing Agency shall include: (a) The Basic Network, generation at nodes and drawal at nodes considered for the base case and the load flow results for each Billing Month, on its website, immediately after its finalization; (b) Assumptions, if any; (c) Details of transformers, transmission system for renewables, list of elements considered under Regional Component and corresponding transmission charge considered for the Billing Month; (d) Schedule of transmission charges payable by each constituent for the Billing month with Component-wise break-up; (e) Yearly Transmission Charges as submitted by the transmission licensees covered under this Regulation and computation by Implementing Agency; (f) Zone-wise details of transmission charges with details of transmission lines being used by each DIC and consequent transmission charges being borne by each DIC under AC-UBC component; (g) Details of Long Term Access and Medium Term Open Access for the Billing Month; (h) New transmission lines or transmission systems added during the Billing Month (i) Detailed calculations of indicative cost for arriving at the average cost in respect of each transmission line;	Detail of components used for National component, Regional component, Transformer component & for usage based component along with its Transmission cost considered in billing shall be display

Annexure-A

Last twelve month region wise Actual transmission loss

	ER	WR	SR	NER	NR
Dec-18	2.0	3.1	2.9	2.8	4.6
Jan-19	2.0	2.9	2.9	2.4	4.7
Feb-19	1.9	2.8	2.8	2.6	3.2
Mar-19	1.6	3.0	2.9	2.3	3.5
Apr-19	1.7	3.2	3.4	2.2	3.4
May-19	1.6	3.2	3.3	3.0	3.1
Jun-19	1.7	3.3	3.0	2.9	3.1
Jul-19	1.7	3.0	2.9	3.0	3.0
Aug-19	1.8	3.0	2.9	2.3	2.9
Sep-19	1.8	2.8	2.7	2.6	3.4
Oct-19	1.5	2.7	2.7	2.4	4.0
Nov-19	1.8	2.9	2.8	2.3	4.3



Annexure-B

PoC charges recovered from MSEDCL from FY2014-15, per unit transmission charges for power scheduled under LTA & power scheduled under STOA

Year	Long Term Agreement (MW)	Energy catered from LTA (MUS)	MSEDCL POC charges paid (Rs. in Crs)			POC charges paid per unit from LTA (Paisa per Unit)		POC for STOA (Paisa per Unit)			
			POC Charge (A)	STOA Credit (B)	Net POC Charges (A-B)	With STOA credit	Without STOA Credit	Withdrw POC charges	Inj. POC Charge	Loss & other charges	Net Charges for STOA
FY2014-15	5388	36658	1594	175	1419	38.7	43.5	16.3	12.46 to 16.3	2.15 To 2.30	30.91 to 34.9
FY2015-16	5455	35400	2398	258	2140	60.5	67.7	24.5	8.26 to 24.5	2.31 to 2.96	35.07 to 51.96
FY2016-17	5608	39552	2634	253	2381	60.2	66.6	26.4	9.39 To 26.2	2.43 to 3.11	38.22 To 55.91
FY2017-18	6087	39275	2497	237	2260	57.5	63.6	25.16	8.76 To 25.16	2.35 to 3.11	36.28 To 53.43
FY2018-19	6108	40505	2964	321	2643	65.3	73.2	30.93	6.10 to 32.83	2.30 to 4.00	37.04 to 63.76
FY2019-20 UPTO SEP-19	6402	20412	1740	198	1542	75.5	85.2	32.88	8.13 to 32.88	2.5 to 4.00	41.03 to 65.67