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Ref.No. MSEDCL/Addl Comments/CERC/GNA/ 02015

Date : 29 JAN 2018

To,

✓ Hon'ble Secretary, CERC

3rd & 4th Floor, Chandralok Building,

36, Janpath, New Delhi – 110 001.

Sub :- Additional Submission of MSEDCL on draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017

Ref :-1) L. No. L-1/229/2017-CERC dtd 14.11.17

2) L. No. ED(Comm)/PP/GNA/Comments/30583 dtd 14.12.2017

3) L-1/229/2017-CERC dtd 29.12.2017

Respected Sir,

This is in reference to notices dtd 14.11.2017 & 29.12.2017, published by Hon'ble CERC on its website inviting Suggestion/Comments on draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017.

CERC conducted workshop on said Draft regulation on 10th January 2018 at 10.00 am at their office at CERC, New Delhi which was attended by our representative, Shri S. S. Patil. During the meeting, it was requested to extend the date of submission of our views in the subject matter. The same was also communicated to your office vide this office mail dtd 10.01.2018.

MSEDCL, vide letter dtd 14.12.2017 has already forwarded its comments in the subject matter. In this regard, the additional submissions of MSEDCL in the subject matter are submitted herewith for the consideration of the Hon'ble Commission.

Encl: as above

Yours Faithfully,

S. S. Patil

Chief Engineer (Power Purchase)

MSEDCL

Additional Submission on Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017

Sr No	Clause	Comments
1	5.3. STUs on behalf of distribution licensees and other intra-State entities seeking GNA to ISTS, shall apply for GNA every year for the 5 year period.	GNA is nothing but maximum injectable capacity for a generator and anticipated quarterly injection / drawal for a State. The ISTS drawal of state also include drawal by partial Open access consumer of concerned DISCOM. There is no clarity on who will apply for sanction of GNA for Open access consumers who are drawing power through ISTS network mainly under STOA transaction. There are many such OA consumers presently exist in most of states. The quantum of OA consumers may change from time to time due to many reasons like favouring provision for OA consumers by concerned state commission, financial feasibility in availing power through STOA etc. Hence clarity is needed on who will apply for GNA quantum on behalf of OA consumers. Further commercial mechanism need to be devised for settlement of PoC Transmission charges within state among various GNA customer, especially for Open Access consumers.
2	5.3. STUs shall indicate quantum of GNA sought at each interconnection point of STU with ISTS.	The intimation of interconnection pointwise GNA shall be made compulsory to STU & data for same to be provided by concerned SLDC to STU , as SLDC are operating the grid & have data on drawal/injection at each interconnection point. The Role of SLDC is important in GNA as based on GNA future transmission planning is to be done as per provision proposed in Draft Central Electricity Regulatory Commission (Transmission Planning and other related matters) Regulations, 2017. Further involvements of concerned state SLDC in planning process is also important as SLDC work in real time operation & suppose to know system constraint much better than anybody else. In Present GNA as well Transmission planning regulation, no much importance has been given to role of SLDC.

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S.No	Clause	Comments
3	3.3. Generating stations who are already connected to the ISTS grid for part of their installed capacity shall seek Connectivity and GNA to ISTS for balance capacity.	Responsibility shall be given to Central Repository in order to ensure that above provision is fulfilled by all existing generating station having connectivity & having only part LTA. In case any Generator fail to seek connectivity & GNA for balance capacity in stipulated time period, then its connectivity shall be cancelled & it shall be disconnected from Grid.
4	6. Timeframe for processing of application	In draft Regulation, Time limit for processing the application for connectivity & GNA start from the last day of the month in which application was received by the nodal agency & said time frame in respect of connectivity is 60 days & for approval of GNA, it is 120 to 180 days depending on requirement of augmentation of transmission system. The said time frame seems to be on much higher side. The said time limit needs to be reviewed. Further priority needs to be defined in sanctioning of Applications received during the month.
5	7.26. An "Applicant for Connectivity" may be connected to both inter-State transmission system and intra-State transmission system.	In this regard, it is submitted that whenever any applicant who may wish to be connected to both STU and CTU network, separate generating units shall be connected to STU & CTU network. i.e if there are two units, then one unit shall be purely connected to CTU & other on STU network. But in no case any generating unit shall have both connectivity and clarity on same needs to be incorporated in regulation.
6	7.34. Drawal of Start-up power by a unit of the generating station	The commercial accounting for Drawal of Start-up power by a unit of the generating station before operationalization of GNA shall also done & information about same to be maintained on website of respective Regional Power Committee. Further concerned RLDC shall keep record of permission given for injection of infirm power alongwith other details such as specific commissioning activity, testing and full load testing, its duration and intended period of interchange, etc. If it is observed that start up power was used for construction activity, then connectivity & GNA (if sanctioned) shall be cancelled with immediate effect and penal action such as forfeit of access bank guarantee shall recovered.

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Sr No	Clause	Comments
7	<p>11.3. Applications for Grant of GNA to ISTS shall only be made online as per the FORMAT-GNA-1(for Applicants other than STUs) or FORMAT-GNA-2 (for STUs).</p>	<p>In case, any GNA customer, projects its GNA on lesser side than actual drawal from ISTS and If its actual injection / drawal schedule exceeds respective GNA quantum by 120%, additional transmission charges will be levied (mentioned in explanation memorandum but not in draft regulation). This penalty recover shall be used to compensate GNA customers of State whose actual ISTS drawal is less than 20% of projected GNA for particular Quarter. Further deviation charges of Generator should not be recovered from its beneficiaries, as beneficiaries should not be penalised for violating grid discipline by generator.</p>
8	<p>Scheduling 18.2. If it is not possible to accommodate the quantum requested by a state on day ahead basis because of transmission constraint in the ISTS, the SLDC shall provide its revised schedule with equal priority to all type of transactions as per the relative economics of the transactions to the SLDC on day ahead basis.</p>	<p>Priority shall be given for Long Term PPA. For example , if within state there are two DISCOM with GNA Details as under :</p> <p>DISCOM-A GNA - 5000MW (LTA-5000MW) & DISCOM-B GNA - 2000MW (STOA-2000MW)</p> <p>Now if Due to curtailment of corridor, only 5500MW is to be scheduled instead of 7000MW, then DISCOM A shall be given preference for scheduling upto its LTA quantum i.e 5000MW with liberty to schedule 5000MW from any source under any type of Transactions (LTA/MTOA/STOA) upto its LTA quantum based on its economic of scheduling and balance 500MW corridor shall be made available to DISCOM B who has only STOA.</p> <p>Reason 1 : Transmission network developed till date is based on LTA & DISCOMs having LTA has paid POC charges based on its LTA irrespective of fact that it has never received 100% of LTA at any particular time, mainly due to outage of one of more unit of generating Unit.</p> <p>Reason 2 : In case corridor is allocated in proportionate to GNA quantum , then DISCOM-A can schedule only 5500x(5000/7000)=3928MW. In such scenario, DISCOM-A will have to pay fixed charged to tune of 1071MW to generator (Provided 100%DC) due to fact that generation schedule restricted by DISCOM on account of corridor curtailment. On the contrarily, DISCOM B will not be required to pay any charges for STOA quantum curtailed. Thus it will have financial burden on DISCOM –A . This may further lead to cancellation on PPA by DISCOM & generator will not have firm beneficiary for sale of power.</p>

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S.N	Clause	Comments
9	<p>19.1. GNA Applicants other than STUS shall be required to submit Access Bank Guarantee of Rs. 20 lakh/MW. Access Bank Guarantee for renewable energy generating station or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer shall be Rs. 10 lakh/MW.</p>	<p>There should not be any discrimination for payment of access bank guarantee based on conventional & renewable energy generating station or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer. The purpose of taking access bank guarantee is to secure investment made by CTU for creating corridor so as to evacuate power from proposed generating station to its beneficiaries. The expenditure incurred for creating transmission infrastructure is not based on type of generating station. If any RE Generation project is abandoned then access bank guarantee taken (as per proposed provision) will be very less as compared to expenditure incurred by CTU. Hence it is proposed to keep same access bank guarantee for all type of Generation project.</p>
10	<p>24.3. A generator may de-rate or up-rate its units due to technical reasons and in such case the generator shall be allowed downscaling/up-scaling as the case may be of GNA without any application charges.</p>	<p>Necessary application fee shall be taken in case of upscaling; as generator will now be able to export more power to grid & thereby more profit from same unit. The generator shall be required to apply for additional GNA in same unit</p>
11	<p>25.1. For generating stations with full capacity tied up including CGS, their GNA for Installed Capacity minus auxiliary power consumption shall be deemed to have been granted. Corresponding LTA quantum for beneficiaries shall also be deemed to have been granted as GNA.</p>	<p>In case RE generating plants, if said provision is applied then concerned DISCOM GNA will increase tremendously & in most cases, it may become more than maximum drawal of state from ISTS. Presently vide 5th Amendment on PoC Regulation, RE Generation (both Wind & Solar) are exempted from POC charges & losses and suppose one entity one tie-up with RE for say 500MW but schedule power under STOA against said approved GNA, whether that entity is required to pay PoC for its GNA against RE for power scheduled under STOA. Hence, clarity needed in draft GNA regarding consideration of GNA quantum for RE Generation as well commercial mechanism for Transmission charges for STOA done against RE GNA.</p>

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12	<p>26. Sharing of Transmission Charges in transition phase Sharing of transmission charges shall be as per the CERC (Sharing of inter-State Transmission Charges and Losses) Regulation, 2010 as amended from time to time.</p>	<p>It is learnt from discussion on GNA in meeting dated 10.01.2018 held at CERC office that commission is in process of amending present regulation on Sharing of transmission charges in view of proposed GNA regulation . Further Hon'ble Commission while finalising 5th Amendment of existing Sharing of transmission charges regulation mentioned that <i>"Keeping in view the comments received and the proposed draft (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017, CERC at present decided not to introduce RSC for Connectivity as proposed vide the draft Sharing Regulations. It may consider any further review after finalizing the draft Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017"</i> . Similar stand is taken by Hon'ble commission on proposed increase in STOA & MTOA charges. Being PoC Regulation is mechanism for recovering transmission charges for investment made in creating ISTS network, it is important that draft amendment in said PoC regulation shall be published first prior to public hearing on GNA regulation. The public hearing on both regulations shall be taken at same time, so that commercial mechanism for payment of transmission charges for GNA sought will also be known to all GNA customers</p>

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13	<p>28.2. Notwithstanding any provision with regard to indemnification in any agreement between the parties, in case of non-availability of identified downstream/upstream system, the payment liability shall fall on entity due to which the element has not been put to regular use as certified by RLDC. CTU shall coordinate with STU to ensure that ordering for State lines are done such that it is commissioned matching with ISTS lines</p>	<p>In case STU fails to create downstream/upstream system, then transmission charges shall be recovered from said STU. Similarly if CTU fails to create downstream/upstream system commensurate with network being developed by STU due to which the element has not been put to regular use, then CTU shall pay compensation to State GNA customer in proportionate to GNA quantum.</p>
14	<p>24. Relinquishment of GNA 24.1. In case GNA Customer intends to exit from GNA it shall be disconnected from the grid from the intended date of exit and the GNA Customer shall be liable to pay relinquishment charges</p>	<p>In case of Relinquishment of GNA, in addition to encashment of complete or partial Access Bank Guarantee of the GNA Customer (as the case may be), transmission charges shall be recovered based on calculation by following three method . The higher among the three shall be charged.</p> <ol style="list-style-type: none"> 1. At rate of average POC rate at which it has paid POC in last 4 quarter or 2. Actual cost of transmission network erected for that GNA customer for operationalization of GNA of said customer. 3. at rate of average all India POC rate

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15	<p>29. Curtailment The transactions shall be curtailed on the basis of duration of transaction with short term transactions shall be curtailed first, followed by curtailment of medium term transactions and thereafter curtailment of long term customers</p>	<p>The priority for curtailment of power to be scheduled under collective transaction i.e through power exchange need to be clarify in regulation</p>