

CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022

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The draft document modifies the yearly transmission charges and also rectify the formula for calculating the billing period. The transmission charges shall be shared on monthly basis and will be incorporated according to the Yearly Transmission Charges. Long Term Access, Medium Term Access and Short Term Open Access is replaced as GNA and T-GNA respectively. Transmission charges at each drawal node shall be calculated as per Hybrid Methodology, using transmission line-wise usage-based transmission charges. Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 3000 /MW/month. The amount received in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month. For generating stations reduce values of Marginal Participation Factors to zero.

The document can be accessed [here](#).

CER Opinion

- 1. Associated Transmission System:** Draft Clause No. 2 (1) (b) states “*Associated Transmission System*’ or ‘*ATS*’ shall have the same meaning as defined in *GNA Regulations*”. It is suggested that the amendment proposed be modified to suit the current circumstances.
- 2. Principles of sharing transmission charges:** In the draft Amendment Regulations, Clause 3(3) states “*Bills for transmission charges shall be raised on the buyer in terms of this clause notwithstanding any provisions in the PPA and the settlement of the transmission charges inter se between the buyer and the generating station or the seller, wherever necessary, shall be made in terms of the PPA or as per the mutual agreement.*”, and may be rephrased as “Bills for transmission charges shall be raised on the buyer in terms of this clause notwithstanding any provisions in the PPA **and**, the settlement of the transmission charges inter se between the buyer and the generating station or the seller, **wherever applicable**, shall be made in terms of the PPA or as per the mutual agreement.” The term “wherever necessary” may be replaced with “wherever applicable” to provide legal clarity.
- 3. First Bill:** Reference to the ‘first bill’ appears in clauses 11 (1), 11 (6), 12 (2) and 13 (10), for calculations of reimbursements given to DICs for the Transmission charges collected from T-GNA, Transmission Deviation Rate, reimbursements in case of collection of charges due to delayed COD and calculation of transmission charges respectively.

Since the new regulations would be applicable in the near future, the ‘first bill’, which is used to calculate some of the other charges, would not be available. In some cases, lagged applicability may resolve this. However, for the very first month, there is no advance

knowledge of the first bill, unless defined in such a manner so that it is feasible to do so beforehand. Thus, applicability of the ‘first bill’ needs to be defined/clarified for the very first month of applicability of the regulations.

4. **Reimbursement of Transmission charges for T-GNA:** Clause 11(6) of the draft amendments stating “*Transmission charges for T-GNA collected in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.*”, may be rephrased as “Transmission charges for T-GNA collected in a billing month, shall be reimbursed, in the following billing month, to the DICs in proportion to their share in the first bill.”, for having more clarity.
5. **‘Net Injection’ with respect to a Generating Station with ESS:** If generating station having Energy Storage System, draws power from the grid for charging the battery or storage using pumped storage system, but actually injects energy at the end of the block, in such case drawal charges are not being considered.

This drawal of power for charging battery/storage, will not get considered in case of net metered injection, as being the generating station, it may end up “net” injecting the power into the grid. From the point of uniformity in application of the regulation, in such scenario, the drawal of energy should not be netted and be considered separately.