



NATIONAL SOLAR ENERGY FEDERATION OF INDIA
Regd. No. 362 / IV of 8 May, 2013
भारतीय सौर ऊर्जा महासंघ
पंजीकरण नं 362 / IV - 8 मई, 2013

Ref: NSEFI/MoP/2021-22/020

Date: 20.05.2021

To,

Shri Alok Kumar, IAS

Secretary

Ministry of Power, GoI

Shram Shakti Bhawan, New Delhi - 110 001

Subject: Requesting for clarity on waiver of Inter-State Transmission charges and losses on transmission of electricity generated from solar and wind sources of energy beyond 31st December, 2022.

Dear Sir,

National Solar Federation of India (NSEFI) is a non-profit organization with the objective of solar power development. It is an umbrella organization representing solar energy companies active along the whole photovoltaic value chain: project developers, manufacturers, engineering companies, financing institutions, and other stakeholders. NSEFI is founded in 2013 by solar energy industry leaders with the vision to promote solar energy, NSEFI is a public trust based in New Delhi.

Central Electricity Regulatory Commission (CERC) had notified Sharing of Inter-State Transmission Charges and Losses Regulations, 2020 (CERC Sharing Regulations) on 4th May 2020. The Regulation 13 (c) of the said Regulations read as under:

“(c) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the following conditions:

- (i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and*
- (ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and*
- (iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.”*

Subsequently, Ministry of Power (MoP) on 15.01.2021 issued an Order No. 23/12/2016-R&R, in suppression of its earlier orders dated 13.02.2018, 06.11.2019 and 05.08.2020, states that:

“no inter-state transmission charges will be levied on transmission of the electricity generated from following power plants for a period of 25 years from the date of commissioning of the power plants which meet the following criteria:



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- a) *Power plants using solar and wind sources of energy, including solar-wind hybrid power plants with or without storage commissioned upto 30th June, 2023 for sale to distribution licensees, irrespective of whether this power is within RPO or not, provided that the power has been procured competitively under the guidelines issued by the Central Government. Power from such solar and wind plants may also be used for charging of storage including Hydro pumped storage plants:*

Provided that where any renewable power project which is eligible for waiver of inter-state transmission charges and is having its scheduled date of commissioning on or before 30th June 2023 is granted extension of time from the commissioning on account of Force Majeure or for delay on the part of the transmission provider in providing the transmission even after having taken the requisite steps in time; or on account of delays on the part of any Government Agency, and the power plant is commissioned before the extended date; it will get benefit of waiver of inter-state transmission charges on the transmission of electricity generated by the power plant as if the said plant had been commissioned on or before 30th June 2023:

Provided also that where a Renewable Energy generation capacity which is eligible for ISTS waiver in terms of the extant orders, is granted extension in COD by the competent authority, the commencement and the period of the LTA shall also get extended accordingly, and it will be deemed that the period of ISTS waiver is extended by the said period.

- b) *Solar PV power plants commissioned under "MNRE's Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) dated 5.3.2019", and*
- c) *Solar PV power plants commissioned under SECI Tender for manufacturing linked capacity scheme (RFS No SECIIC&PIRfSI2GW ManufacturingLP-3LR11062019dated 25.06.2019) for sale to entities having RPO, irrespective of whether this power is within RPO or not.*

The CERC has yet to consider the above order/directions of the Government of India and amend the CERC Sharing Regulations accordingly. We understand that there is sufficient time is available for such amendment as the current Sharing Regulations which has allowed waiver of transmission charges and losses for wind and solar projects declared under commercial operation till 31.12.2022.

Around two years left with generators/beneficiaries/bidding agencies to avail the benefits of waiver of transmission charges and losses. Considering the same, we would like to highlight following issues which need to be addressed:

- i. Many solar power projects' PSAs are yet to be signed and once signed, it required to be approved by respective SERCs. The whole process will take atleast 6 months and it would not be possible for such projects to commission by 30th June 2023 in the current pandemic situation. Therefore,



clarity is required whether waiver of transmission charges and losses would be applicable to such projects commissioned beyond 30th June 2023.

- ii. New bids under process as well as upcoming bids also require atleast 6 months to complete the process from issuance of LOA to PSA approval from respective SERCs, resulting in less than 18 months will be available to commission such projects by 30th June 2023. Therefore, **clarity is required whether waiver of transmission charges and losses would be applicable to such projects commissioned beyond June 2023.** It is to be noted that MOP's said Order allows projects awarded under manufacturing bid and to be awarded under CPSU bids for waiver of transmission charges even going to be commissioned beyond 30th June 2023.
- iii. Projects being awarded through competitive bidding under the manufacturing linked tender where the power will be procured by DISCOMs. However, MOP order is providing an additional benefit to such projects allowing waiver of transmission charges to all the parties whether the power will be procured by DISCOM or any other third-party consumer. Therefore, **waiver of transmission charges and losses should also be allowed to all open access users and not only to projects under the manufacturing bid.**
- iv. MoP's said order states that the commencement and period of LTA of RE projects shall be extended according to the extension in COD as granted by competent authority, however, this order is silent on the extension of LTA commencement date and its period in cases where RE project has achieved commissioning after SCD by paying LD charges to procurer in terms of the Power Purchase Agreement. The essence of MoP's order is to align the timelines of LTA with the timelines or extended timelines as granted by the competent authority under the terms of PPA. Since PPA allows developer to commission the project within the extended period beyond SCD by paying applicable LD charges to procurer, therefore, **LTA period and its commencement date should also be suitably extended to such period as allowed under PPA after paying LD charges.**
- v. The present MOP order states that no inter-state transmission charges will be levied on transmission of electricity generated from power plants for a period of 25 years from the date of commissioning. All the previous MOP orders include waiver of inter-state transmission charges and losses levied on transmission of electricity generated from power plants for a period of 25 years from the date of commissioning. **Request for inclusion of waiver for inter-state transmission charges and losses in the MOP order.**



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Considering above, we request MOP to clarify the above issues for better clarity to all stakeholders.

NSEFI also request CERC to incorporate the same by amending the Sharing Regulation accordingly at the earliest.

Regards,



Subrahmanyam Pulipaka
Chief Executive Officer

CC:

1. **Shri Sanoj Kumar Jha, Secretary, Central Electricity Regulatory Commission, 3rd & 4th Floors, Chanderlok Building, 36, Janpath, New Delhi - 110001**