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CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

No. L-1/41/2010-CERC

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PREAMBLE

The Central Transmission Utility has been vested with the functions under sub-clause (c) of sub-section (2) of Section 38 of the Electricity Act, 2003 (the Act) to ensure development of an efficient, co-ordinated and economical system of inter-State Transmission lines for smooth flow of electricity from the generating stations to the load centres. Para 5.3.2 of the National Electricity Policy notified by the Central Government under Section 3 of the Act vide Resolution No.23/40/2004-R and R (Vol. II) dated 12.1.2005 provides that 'network expansion should be planned and implemented keeping in view the anticipated transmission needs that would be incident on the system in the open access regime. Prior agreement with the beneficiaries would not be a pre-condition for network expansion. CTU/STU should undertake network expansion after identifying the requirements in consultation with stakeholders and taking up the execution after due regulatory approval.' The Central Commission which has

been vested with the power under clause (c) of sub-section (1) of Section 79 of the Act to regulate the inter-State transmission of electricity is making these regulations to streamline the procedure for according regulatory approval to Central Transmission Utility for network expansion in consonance with the National Electricity Plan.

NOTIFICATION

In exercise of powers conferred under clause (c) of sub-section (1) of Section 79 read with sub-section (1) and clause (ze) of sub-section (2) of Section 178 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, namely:

1. Short title and commencement

- (1) These regulations may be called the Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010.
- (2) These regulations shall come into force from the date of their publication in the Official Gazette.

2. Definitions

- 1) In these Regulations, unless the context otherwise requires:
 - (a) ‘**Act**’ means the Electricity Act, 2003 (36 of 2003), including amendments thereto;
 - (b) ‘**Beneficiary**’ in respect of the generation ISTS Scheme means a person having a share in a Central Generating Stations, generation projects under collaboration between a foreign government and Government of India whose allocation of power to beneficiaries are finalised by the Government of India, Ultra Mega Power Projects (UMPPs) or a person purchasing electricity from a generating station through long-term access, and in respect of the System Strengthening ISTS Scheme means the identified users of such scheme;

- (c) **‘CTU’** means the Central Transmission Utility as defined in sub-section (10) of Section 2 of the Act;
 - (d) **‘Generators’** for the purpose of these regulations mean and include generating stations of generating companies owned or controlled by Central Government, Independent Power Producers (IPPs) and Captive Power Plants (CPPs);
 - (e) **‘ISTS Scheme’** means any scheme for development of inter-State Transmission systems in consonance with the National Electricity Plan;
 - (f) **‘National Electricity Plan’** has the meaning as assigned to it in sub-section (44) Section 2 of the Act;
 - (g) **‘Project Inception Report’** means a preliminary report prepared by CTU on the inter-State Transmission scheme(s) covering the objective/ justification of the Scheme, with cost-benefit analysis, scope of work, details of generation projects and their target beneficiaries or region in case of generation specific projects, time frame for commissioning of the projects, broad estimated cost based upon the unit rate derived from the latest awarded prices of similar transmission system elements, consent / outcome of consultation with the Users;
 - (h) **‘User’** means a person such as a Generating Company including Captive Generating Plant or Transmission Licensee (other than the Central Transmission Utility and State Transmission Utility) or Distribution Licensee or Bulk Consumer, whose electrical plant is connected to the ISTS at a voltage level 33kV and above.
- (2) Words or expressions used herein and not defined shall have the meaning as assigned to them in the Act, Rules or other Regulations specified by the Commission under the Act.

3. Scope and applicability

- (1) These regulations shall apply to :

- (i) an ISTS Scheme proposed by Central Transmission Utility, for which generators have sought long-term access as per the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term Open Access to the Inter-State Transmission and Related Matters) Regulations, 2009, and for which consultation with Central Electricity Authority and beneficiaries if already identified has been held for setting up the ISTS Scheme, but for which Power Purchase Agreements with all the beneficiaries have not been signed on the date of application.
 - (ii) an ISTS Scheme for system strengthening / up-gradation , identified by Central Transmission Utility to enable reliable, efficient, co-ordinated and economical flow of electricity within and across the region for which consultation with Central Electricity Authority and beneficiaries if identified has been held.
 - [(iii) ISTS Scheme proposed by CTU, for which the Central Government authorised Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the solar power generators to be set up in the Solar Park.]¹
- (2) These regulations shall not apply to ISTS Scheme, for which all the beneficiaries/ respective STUs have signed Bulk Power Transmission Agreement to share the transmission charges.

4. Procedure for Filing of Application

- (1) The Central Transmission Utility may file application before the Commission for regulatory approval of identified ISTS Scheme along with Project Inception Report.
- (2) The Project Inception Report should be reconcilable with other relevant ISTS Schemes being planned or executed by the Central Transmission Utility and may

¹ Inserted vide First Amendment Regulations, 2015 w.e.f. 19.05.2015

include such other considerations as elimination of transmission constraints, margins in transmission system, anticipated transmission needs incident on the system in the open access regime, demand projections, network reliability and design criteria.

- (3) The Scheme shall be planned in co-ordination with the entities/bodies mentioned in sub-clause (b) of clause (2) of Section 38 of the Act.
- (4) The Project Inception Report shall clearly outline the scope and objectives of the proposed ISTS Scheme, its conformity with the evaluation criteria mentioned in these regulations with detailed justification supported by cost benefit analysis.
- (5) The Project Inception Report shall be accompanied by such information, particulars and documents to support the details contained in the scheme including technical reports, project justification, estimated cost, details of consultation as required under clause (3) of this regulation including available minutes of meeting of the Standing Committee of Central Electricity Authority on Transmission System Planning, as may be required to enable assessment of the ISTS Scheme.
- (6) The Project Inception Report should address the various aspects of the ISTS Scheme as set out in the format enclosed as Appendix-I to these regulations. The Commission may seek such other details about the ISTS Scheme as may be considered appropriate for evaluation of such scheme.
- (7) The Central Transmission Utility shall within seven days of making an application to the Commission post the complete application along with annexures and enclosures, if any, on its website and publish a notice of the application with brief particulars of the scheme, in two leading national newspapers inviting objections/suggestions within a period of one month from the date of publication:

Provided that the Central Transmission Utility shall submit to the Commission, copies of the relevant editions of the newspapers, in support of the publication, within a period of 7 days from the date of publication.

- 5. Evaluation Criteria:** The ISTS Schemes shall be evaluated on the basis of the following criteria:

- (i) Need for the transmission scheme
 - (a) Technical justification
 - (b) Urgency
 - (c) Prudence of the investment
- (ii) Cost Assessment and possible phasing of implementation
- (iii) Cost-benefit to the users of the proposed ISTS Scheme.

6. Regulatory Approval of Proposed ISTS Scheme

- (1) The Commission shall, on receipt of the application, complete in all respect from the Central Transmission Utility, consider the objections/ suggestions received in response to the publication of the application, the prudence of the proposed expenditure and estimated impact on tariff and thereafter, shall:
 - (a) accord regulatory approval to the ISTS Scheme with such modifications or conditions as the Commission may deem appropriate; or
 - (b) reject the application for reasons to be recorded in writing; or
 - (c) require the Central Transmission Utility to submit a fresh application with such particulars and after considering such factors as the Commission may direct;

Provided that for any change in scope of work of the approved scheme of minor nature like addition of bays, loop-in and loop-out of existing line, and such other matters depending on field requirement, proposal after due consultation in the Central Electricity Authority / State Transmission Utilities, the Central Transmission Utility shall go ahead with the implementation of such changes under intimation to the Commission and shall reflect the same in tariff petition thereof.

- (2) The Central Transmission Utility shall implement the transmission elements out of the approved ISTS Scheme in a coordinated manner considering the progress of the generation project(s) in accordance with the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium term open access to the Inter-State Transmission and Related Matters) Regulations, 2009;

Provided that elements of System Strengthening Scheme shall be implemented as per initial schedule;

Provided further that, as far as possible, elements specific to one generation project shall be matched with that project and elements common to more than one generation project shall be matched with the first one and the scheme shall be implemented accordingly.

7. Recovery of charges of approved transmission Scheme

- (1) The transmission tariff of the ISTS Scheme approved by the Commission under Regulation 8 of these regulations shall be determined in accordance with the prevailing regulations on terms and conditions of tariff specified by the Commission under Section 61 of the Act.
- (2) The tariff of the ISTS Scheme determined in accordance with clause (1) of this regulation shall be borne by the users of the Scheme.
- (3) The method of sharing of transmission charges among the users of the ISTS Scheme shall be based on the sharing methodology as may be specified by the Commission from time to time.

8. Power to Relax: The Commission may, by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected, relax any of the provisions of these regulations on its own motion or on an application made before it by any aggrieved person.

9. Power to remove difficulties: If any difficulty arises in giving effect to the provisions of these regulations, the Commission may, by order, issue such directions, not

inconsistent with the provisions of the Act and these regulations, which may appear to be necessary or expedient for the purpose of removing the difficulty.

Sd/-
(ALOK KUMAR)
Secretary

NOTE: The Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 were notified in Part III, Section 4, No. 154 of the Gazette of India (Extraordinary) dated 07.06.2010 and Amended vide First Amendment Regulations, 2015 notified in Part III, Section 4, No. 170 of the Gazette of India (Extraordinary) dated 19.05.2015.

**FORMAT FOR SUBMITTING THE APPLICATION FOR REGULATORY
APPROVAL OF THE ISTS SCHEME**

A. Particulars to be furnished

1. Title (Name of Scheme)
2. Brief Scope of Work
3. Objective / Justification
4. Estimated Cost
5. Estimated impact on tariff for next five years

B. Particulars to be furnished in the Project Inspection Report

1. Title (Name of Scheme)
2. Estimated Cost
3. Scope of Work in brief (major items)
4. Objective / justification e.g.
 - i) To meet load growth
 - ii) For catering new consumer
 - iii) Improvement in reliability
5. Cost-benefit analysis including Long term economic advantage
6. Time Frame/Phasing of the implementation of the scheme