

Pre-Consultation for inputs on proposed amendments/procedure in the Connectivity & GNA Regulations or in Detailed Procedure for reallocation of bays at ISTS Pooling Stations pursuant to surrender or relinquishment of Connectivity

A. Background

1. Hon'ble Central Electricity Regulatory Commission, in its Order dated 19.01.2024 in Petition No.268/MP/2023 & 269/MP/2023 has directed CTU to suggest proposed amendments in the Regulations/Detailed Procedure, with due stakeholder consultation.
2. Further, till appropriate provisions are incorporated in the Regulations/Detailed Procedure, CERC has issued the following practice directions in the interim:
 - (a) Connectivity grantees which have been granted Connectivity at any substation located within a State shall be eligible to place a request for reallocation to another substation within the same State
 - (b) Any Connectivity grantee (Stage-II grantee under the Connectivity Regulations, 2009 or Connectivity grantee under the GNA Regulations) shall be eligible to request the said bay based on the date and time stamp of its original Connectivity application
 - (c) The option of reallocation shall be subject to agreeing to pay commercial liabilities pertaining to existing connectivity as per the Sharing Regulations 2020.
 - (d) The start date of connectivity of the Grantee 'X'; which has been allowed to be reallocated, shall remain the same at the reallocated substation as that of the original substation and cannot be postponed pursuant to the reallocation exercise.

For the purposes of stakeholder consultation on the Hon'ble Commission's directions and the processes adopted by CTU, it may be pertinent to observe the present practices followed by CTU in its reallocation.

B. Reallocation of Bays and/or Margin

3. **Reallocation of bay and/or margin to an entity** is the process of allotment of bay or margin or both at a pooling station which was earlier closed for further grant of connectivity and wherein margins gets available subsequently on account of :

- (a) Surrender of Connectivity during Transition of Connectivity (and/or LTA) under Regulation 37 of GNA Regulations, 2022;
 - (b) Relinquishment of Connectivity under Regulation (24.1 to 24.5) of GNA Regulations, 2022;
 - (c) Revocation of Connectivity under any applicable Regulation including Regulation 24.6 of GNA Regulations, 2022 or otherwise;
 - (d) Closure of an Application agreed for in-principle grant in a consultative process;
 - (e) Transmission augmentation at/from such pooling station
 - (f) Any other similarly occurrence of revocation, surrender, closure etc of connectivity (or application) under any direction of competent authority or otherwise.
4. Reallocation process is a consultative process undertaken by CTU in terms of its statutory responsibilities under the Electricity Act, 2003 for coordinated, economical and efficient planning & development of ISTS as well as for grant of open access to eligible entities.
5. Reallocation is essentially a process that follows the routine allocation of bays under the grant of connectivity under the Regulations and therefore all criteria that are applied for the grant of connectivity are principally also applied for the reallocation of bays. These criteria include:
- (a) Relative priority of the application (granted or agreed for grant or transition case priority Connectivity+LTA over only Connectivity) as per the time & date stamp of the complete/revised application received on CTU portal;
 - (b) Consideration of margins along with allocation of bay in order to ensure not only physical interconnection but also capability for onwards transfer of power ;
 - (c) Consideration of geographical location of the project in reference to the location of the pooling-station/sub-station where the bay-vacancy has occurred; in order to ensure compliance with CEA Technical Standards as also to optimize the length of dedicated transmission lines, right-of-way etc.;
- In view of the above, Reallocation is undertaken by CTU for a given complex/cluster of pooling-station(s). Further, in cluster/complex approach, for substation with vacancy (say at A2), reallocation option is given only to entities granted/agreed connectivity at subsequent stations (e.g. applicants at A3, A4....)
- (d) Consideration of “start date” (and therefore regulatory or bilateral liabilities towards transmission charges in case of delay) based on the date confirmed in the connectivity intimation already issued to an entity or as

signified in the connectivity applicant (in case of applications agreed for grant);

- (e) Land documents submitted or land rights identified and submitted by the applicant or grantee, as the case may be.
 - (f) Any other relevant criteria or input.
6. In a typical reallocation process; the offer for availing reallocation of bays (i.e. eligibility) is made to the concerned connectivity grantees or applicants as per the above criteria.
 7. Reallocation of bays is essentially follows an “opt-in”/“opt-out” process and the reallocation is undertaken based on eligibility, priority and consent.
 8. Since reallocation is a facilitation for individual generation projects, therefore, “start date” as signified in the application or the grant is not extended so as to ensure no additional liability on the members of the transmission pool as well as no potential commercial loss to transmission licensees in recovery of their bilateral dues.
 9. The reallocation exercise is undertaken in a consultative meeting, the minutes of which are recorded and circulated.

As per the directions of Hon'ble CERC, CTU has been directed to review, revisit and propose appropriate changes in the aforesaid reallocation process in order to make it more transparent and efficient. Accordingly, your inputs, suggestions and comments are invited on the following aspects:

1. Any suggestions for improvement in the aforesaid process followed by CTU for more transparent, optimal & efficient reallocation of bays (along with transmission margins).
2. Which entities may be considered eligible for reallocation of a particular bay/margin left vacated or unutilized at a given pooling station (or sub-station) on account of surrender / relinquishment / revocation / closure/augmentation etc.?

In this regard, responses may include suggestions on the following:

- (a) Reallocation to be considered for a given complex/cluster of pooling-station(s) or for a wider ambit such as from all the pooling/sub-stations within a State ;
- (b) Reallocation to be made eligible only for current connectivity grantees (including in-principle grantees) or also for applications agreed for grant in a consultative process;
- (c) Principles for honoring priority of applicants in the reallocation

(d) Any other suggestion

3. How should the commercial aspects of reallocation be administered in order to ensure that beneficiaries/members of the transmission pool are not imposed any additional liabilities on account of reallocation?

C. Disclaimer

The present exercise is in the nature of a pre-consultation on order to obtain the views and suggestions of various stakeholders. The views expressed by CTU be without prejudice to its rights, claims, contentions etc in any legal, regulatory, administrative or commercial proceedings.

As far as practicable, the views and suggestions shall be considered and incorporated in the framing of draft inputs for amendment in the Detailed Procedure for onward submission to Hon'ble CERC.