

***Draft JSERC (Framework for
sharing of charges for Intra-State
Transmission System) Regulations,
2019***



JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

Table of Contents

| | |
|---|-----------|
| CHAPTER I: | 3 |
| GENERAL | 3 |
| A1: PREAMBLE | 3 |
| A2: SHORT TITLE AND COMMENCEMENT | 3 |
| A3: DEFINITIONS AND INTERPRETATION | 4 |
| CHAPTER-II: | 6 |
| A4: SCOPE OF THE REGULATIONS | 6 |
| A5: FRAMEWORK FOR SHARING OF TRANSMISSION CHARGES FOR INTRA STATE TRANSMISSION SYSTEM UNDER SECTION 62 OF THE ACT: | 7 |
| A6: FRAMEWORK FOR SHARING OF TRANSMISSION CHARGES FOR INTRA STATE TRANSMISSION SYSTEM UNDER SECTION 63 OF THE ACT: | 8 |
| CHAPTER - III: | 9 |
| A7: ACCOUNTING, BILLING AND COLLECTION OF CHARGES | 9 |
| CHAPTER IV: | 10 |
| MISCELLANEOUS | 10 |
| A8: DISPUTE RESOLUTION | 10 |
| A9: GENERAL POWER TO AMEND | 10 |
| A10: POWER TO RELAX | 10 |
| A11: REPEAL AND SAVINGS | 10 |

CHAPTER I:

GENERAL

A1: PREAMBLE

- 1.1 The State Electricity Regulatory Commission has been entrusted with the duties and responsibilities under Section 86 (1) and Section 181 (1) of the Electricity Act 2003.
- 1.2 For the existing State Transmission Licensee, an investment approval process has been provided for the projects to be executed under Section 61 and Section 62 of the Electricity Act, 2003 and there is also a mechanism in place for allocation of costs between beneficiaries. However, in future, the projects will also be awarded based on tariff based competitive bidding process under Section 63 of the Electricity Act, 2003. Such projects might not be executed by the existing State Transmission Licensee. The developer will be selected through tariff based competitive bidding process.
- 1.3 The successful bidder upon being granted a Transmission Licence by the State Electricity Regulatory Commission may offer the network for use by various beneficiaries and the cost of transmission will be shared between the beneficiaries. Therefore, there is a need to have in place a regulation with a framework for sharing of costs specific to cases which will be executed under Section 63 of the Act.
- 1.4 In exercise of the powers conferred under Section 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Jharkhand State Electricity Regulatory Commission (JSERC) hereby makes the following regulations sharing of charges for the intra state transmission system in the state of Jharkhand.

A2: SHORT TITLE AND COMMENCEMENT

- 2.1 These Regulations shall be called the Jharkhand State Electricity Regulatory Commission (Framework for sharing of charges for Intra-State Transmission System) Regulations, 2019;
- 2.2 These Regulations shall come into force from the date of its publication in the Official Gazette of the Government of Jharkhand;
- 2.3 These Regulations shall extend to the entire state of Jharkhand;
- 2.4 These Regulations shall be applicable for the existing transmission system and for projects to be developed under Section 62 and Section 63 of the Act.

A3: DEFINITIONS AND INTERPRETATION

3.1 In these Regulations, unless the context otherwise requires-

- a) **“Act”** means the Electricity Act, 2003;
- b) **“Agreement”** means the agreement, contract, memorandum of understanding, or any other covenant on any aspect relating to the intra-state transmission of electricity, entered into between the Licensee, the long-term customers and the State Transmission Utility or the deemed Licensee;
- c) **“Allotted Transmission Capacity”** means and includes the power transfer in MW between the specified point(s) of injection and point(s) of drawl allowed to a Long and Medium Term Transmission Customer on the intra-state transmission system under the normal circumstances and the expression “allotment of capacity” shall be construed accordingly;

Allotted Transmission Capacity to a Long and Medium Term Transmission Customer shall be sum of the generating capacities allocated to the Long and Medium Term Transmission respectively.

- d) **“Annual Transmission Charges”** means the annual transmission charges approved or adopted, as the case may be, by the Commission in case of projects under Section 62 of the Act. In case of Projects under Section 63 of the Act, Annual Transmission charges shall be based on the charges quoted by the shortlisted developer;
- e) **“Commission”** or **“State Electricity Regulatory Commission”** means the Jharkhand State Electricity Regulatory Commission referred to in Section 82 of the Act;
- f) **“Generating station”** or **“station”** means any station for generating electricity, including any building and plant with step-up transformer, switch yard, switch-gear, cables or other appurtenant equipment, if any used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;

- g) **“Grid Code”** means the JSERC (State Grid Code) Regulations, 2008 and its amendments;
- h) **“Guidelines for Competitive Bidding”** means the guidelines issued by the Central Government from time to time in terms of Section 63 of the Act for development of transmission projects;
- i) **“InSTS”** means the Intra State Transmission System;
- j) **“Long Term Transmission Customer”** means a person having a long-term lien exceeding three years over an intra-State Transmission System by virtue of paying transmission charges and a Distribution Licensee shall necessarily be a long term user for which it will be required to enter into appropriate agreement with the Transmission Licensee;
- k) **“Licence”** means a Licence granted by the Commission under Section 14 of the Act to a person to undertake intra-state transmission of electricity;
- l) **“Licensee”** means a person who has been granted a Licence, and includes a deemed Licensee. In the present regulations, Licensee refers to Transmission Licensee;
- m) **“Medium Term Transmission Customer”** means a person having a medium-term lien for means the period exceeding three months and upto three Years over an intra-State Transmission System by virtue of paying transmission charges;
- n) **“Person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- o) **“Petition”** means and includes all petitions, applications, complaints, appeals, replies, rejoinders, supplemental pleadings, other papers and documents filed in relation thereto, and the word “Petitioner” shall be construed accordingly;
- p) **“Proceedings”** means and includes proceedings of all nature that the Commission may conduct in the discharge of its function under the Act;
- q) **“Project”** means an element or elements of the intra-state transmission system;
- r) **“Secretary”** means the Secretary of the Jharkhand State Electricity Regulatory Commission;

- s) **“Short Term Transmission Customer”** in the context of usage of Transmission System means a person having short term lien for a period upto three months over an intra-State Transmission System by virtue of paying transmission charges;
- t) **“State Transmission Utility”** means the State Transmission Utility notified by the State Government under sub-section (1) of Section 39 of the Act;
- u) **“Total Transmission Capacity”** means the total Intra state transmission capacity available in the State;
- v) **“Transmission Licensee”** means a Licensee authorised to establish or operate transmission lines;
- w) **“Transmission System”** means the network of Intra-State Transmission available in the State;
- x) **“Transmission service agreement”** means the agreement, contract, memorandum of understanding, or any such covenant, entered into between the transmission licensee and the Long Term Transmission Customer(s) for the use of Transmission System;
- y) **“Transmission System Users”** means the users of the Intra state transmission system in the State;

3.2 Words or expressions used and not defined in these Regulations but defined in the Act or the State Grid Code shall have the meanings respectively assigned to them in the Act or the State Grid Code;

CHAPTER-II:

A4: SCOPE OF THE REGULATIONS

- 4.1 Annual Transmission Charges shall be shared amongst the following categories of beneficiaries who are currently using the InSTS or the InSTS to be developed through Section 62 and Section 63 of the Electricity Act, 2003.
- a) Generating Station (s) in the State;
 - b) Distribution Licensee (s) in the State;
 - c) Transmission Licensee (s) in the State;

- d) Any other customer including Captive Generating Stations and Open Access customers; and
 - e) Any designated entity representing a physically connected entity as per clauses (a), (b) and (c) above.
- 4.2 For the existing InSTS in the State, the framework for sharing of charges was given in JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015. With the notification of these Regulations, the framework given in this regulations shall be applicable for all existing and new InSTS.

A5: FRAMEWORK FOR SHARING OF TRANSMISSION CHARGES FOR INTRA STATE TRANSMISSION SYSTEM UNDER SECTION 62 OF THE ACT:

- 5.1 The Transmission Licensee (s) whose tariff is determined based on Section 62 of the Act, shall submit its Annual Revenue Requirement (ARR) Petition to the Commission in accordance with the JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015 and its amendments or as per new tariff regulations as applicable at any point in time and seek approval of the ARR thereof from the Commission. The Annual Transmission Charge (ATC) shall be derived from the ARR as approved by the Commission. Such approved charges shall be allocated based on the framework given in this Regulation.
- 5.2 The Annual Transmission Charge (ATC) shall be divided between Transmission System Users (TSUs) of the Transmission System on monthly basis based on the Allotted Transmission Capacity.
- 5.3 If a Transmission System has been created for a particular Long-Term Transmission Customer including dedicated transmission line(s) for a generating station, transmission charges for such Transmission System shall be payable by that Long- Term Transmission Customer.
- 5.4 For the Long and Medium term customers, transmission charges shall be shared in accordance to the share of capacity availed:

Monthly Transmission Charges for Intra-State system payable by a Long and Medium-term Customer of that Transmission System

$$= [\text{ATC} \times \text{Allotted Transmission capacity}] / [\text{Total Transmission Capacity} \times 12]$$

5.5 In the case of Short Term customer, Transmission charges payable shall be calculated in accordance with the following:

$$= [\text{ATC} \times \text{Period availed in Days}] / [\text{Total Transmission Capacity} \times \text{Days in the Year 't'}]$$

5.6 The State Transmission Utility shall retain 25% of the charges collected from the Short Term customer and the balance 75% shall be adjusted towards reduction in the transmission service charges payable by the Long and Medium term customers.

5.7 The charges for the first year in case of new projects shall be based on the allotted capacity and as per the charges determined by the Commission. The charges shall be adjusted in subsequent years based on the actual capacity usage and in case of any change in charges due to True-up for a particular year, same shall be adjusted accordingly.

A6: FRAMEWORK FOR SHARING OF TRANSMISSION CHARGES FOR INTRA STATE TRANSMISSION SYSTEM UNDER SECTION 63 OF THE ACT:

6.1 The Transmission Licensee(s) whose network shall be developed as per Section 63 of the Act shall also be required to allocate the charges to its beneficiaries based on the framework given in this Regulation.

6.2 The principle of sharing shall be based on the Annual Transmission Charges (ATC) quoted by the shortlisted developer. The aggregate of ATC of the Intra-State Transmission system, is to be recovered from the Transmission System Users (TSUs).

6.3 The Annual Transmission Charge (ATC) shall be divided between beneficiaries of the Transmission System on monthly basis based on the Allotted Transmission Capacity. Each Transmission Licensee shall be entitled to recover fully its approved ATC.

6.4 If a Transmission System has been created for a particular Long-Term Transmission Customer including dedicated transmission line(s) for a Generating station (s), Transmission charges for such Transmission System shall be payable by that Long-term Transmission Customer.

6.5 For the Long and Medium term customers, transmission charges shall be shared in accordance to the share of capacity availed:

Monthly Transmission Charges for Intra-State system payable by a Long and Medium-term Customer of that Transmission System

$$= [\text{ATC} \times \text{Allotted Transmission capacity}] / [\text{Total Transmission Capacity} \times 12]$$

6.6 For long term, in case any new beneficiary gets added in a year, the sharing shall be re-worked based on the share of allotted transmission capacity.

6.7 In the case of Short Term customer, Transmission charges payable shall be calculated in accordance with the following:

$$= [\text{ATC} \times \text{Period availed in Days}] / [\text{Total Transmission Capacity} \times \text{Days in the Year 't'}]$$

6.8 100% of the charges collected from the Short Term customer shall be adjusted towards reduction in the transmission service charges payable by the Long and Medium term customers.

6.9 The ATC of each Intra State Transmission network to be developed under Sector 63 shall be shared between beneficiaries individually. Each new network developed by a developer under Section 63 of the Act shall be considered on a standalone basis in order to arrive at the sharing of charges between the TSU.

6.10 In case of new Intra State Transmission project developed under Section 62 to be executed by a Subsidiary of State Transmission Licensee or a SPV, the sharing of transmission costs in such cases shall also be as per the above framework given. The ATC of such projects shall be submitted by the Subsidiary/ SPV before the Commission and same shall be shared as per the above framework.

6.11 The charges for the first year in case of new projects shall be based on the allotted capacity and the same shall be adjusted in subsequent years based on the actual capacity usage and in case of any changes in transmission charge also, same shall be adjusted accordingly.

CHAPTER - III:

A7: ACCOUNTING, BILLING AND COLLECTION OF CHARGES

7.1 The State Transmission Utility shall be the nodal agency and will be responsible for allocation of capacities and for billing, collection and disbursement of charges.

7.2 The ATC of the InSTS Licensee are to be fully and exactly recovered.

7.3 The monthly transmission accounts applicable for the various beneficiaries shall be prepared by the State Transmission Utility on the basis of yearly ATC and the quantum of share which has been allocated to the TSU.

- 7.4 Every designated TSU shall ensure that the charges payable by them are fully paid within the time-frame specified in the Transmission Service Agreement or any other Agreements. Disputes, if any shall be resolved as per the provisions these Agreements.
- 7.5 The provisions for late payment surcharge and applicability of rebate shall be as per the provisions given in the Transmission Service Agreement (TSA) in case of projects developed under Section 63 of the Act and as per the Transmission tariff Regulations for Section 62 as applicable at that time.

CHAPTER IV:

MISCELLANEOUS

A8: DISPUTE RESOLUTION

- 8.1 All disputes or differences shall as far as possible, be resolved by mutual consultation and reconciliation in accordance with the agreements.
- 8.2 In the event of failure of the parties to resolve the disputes or differences in the manner stated in clause above, these shall be referred by the Licensee to the Commission for adjudication or arbitration, within one month of recording of such failure.

A9: GENERAL POWER TO AMEND

- 9.1 The Commission may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any proceeding before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the proceedings.

A10: POWER TO RELAX

- 10.1 The Commission may, for reasons to be recorded in writing, relax any of the provisions of these regulations on its own motion or on an application made before it by any person.

A11: REPEAL AND SAVINGS

- 11.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission.

- 11.2 Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

(By order of the Commission)

(A.K. Mehta)

Secretary

Jharkhand State Electricity Regulatory Commission