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

Notification no. 71

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 a mechanism in place for allocation of transmission charges between Transmission System Users. However, in future, the projects may 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 may 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 transmission system users and the transmission charges will be shared between the Transmission System Users. Therefore, there is a need to have in place a regulation with a framework for sharing of transmission charges 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 for 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 to State Transmission Utility (STU), State Load Despatch Centre (SLDC), Distribution Licensee (s), Transmission Licensee (s), Generating Companies including Captive Generating stations and Open Access consumers, that are connected or planning to connect to the Intra-State Transmission System. The Regulations shall be applicable to existing projects including 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) “**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 Term Transmission Customer and Medium Term Transmission Customer shall be sum of the generating capacities allotted to the Long Term Transmission Customer and Medium Term Transmission Customer respectively.
- c) “**Annual Transmission Charges**” or “**ATC**” means the annual transmission charges approved 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 adopted by the Commission;

- d) **“Commission”** or **“State Electricity Regulatory Commission”** means the Jharkhand State Electricity Regulatory Commission referred to in Section 82 of the Act;
- e) **“Grid Code”** means the JSERC (State Grid Code) Regulations, 2008 and its amendments;
- f) **“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 along with the amendments approved by the Commission, if any;
- g) **“InSTS”** means the Intra State Transmission System;
- h) **“Long Term Transmission Customer”** means a person having a long-term lien exceeding twelve years over an Intra-State Transmission System by virtue of paying transmission charges;
- i) **“Medium Term Transmission Customer”** means a person having a medium-term lien for the period exceeding three months and upto three years over an Intra-State Transmission System by virtue of paying transmission charges;
- j) **“Project”** means an element or elements of the intra-state transmission system;
- k) **“Secretary”** means the Secretary of the Jharkhand State Electricity Regulatory Commission;
- l) **“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;
- m) **“Total Transmission Capacity”** means the total IntraState transmission capacity available in the State;
- n) **“Transmission Licensee”** means a Licensee authorised to establish or operate transmission lines;
- o) **“Transmission System”** means the network of Intra-State Transmission available in the State;
- p) **“Transmission service agreement”** or **“TSA”** 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;
- q) **“Transmission System Users”** or **“TSU”** means the users of the Intra state transmission system in the State and includes Long Term Transmission Customer, Medium Term Transmission Customer and Short Term Transmission Customer;

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 respectively.

CHAPTER-II:**A4: SCOPE OF THE REGULATION**

- 4.1 Annual Transmission Charges shall be shared amongst the following, who are currently using the InSTS or the InSTS to be developed through Section 62 and Section 63 of the Electricity Act, 2003.
- Generating Station (s) in the State;
 - Distribution Licensee (s) in the State;
 - Transmission Licensee (s) in the State;
 - Any other customer including Captive Generating Stations and Open Access customers; and
 - 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 regulation 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 Charges (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 Charges shall be divided between Transmission System Users 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 based on the Transmission Service Agreement.
- 5.4 For the Long-Term Transmission Customers and Medium-Term Transmission Customers, the transmission charges shall be shared in accordance to the share of capacity allotted:
Monthly Transmission Charges for Intra-State system payable by a Long Term Transmission Customer and Medium Term Transmission 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 Transmission Customer, the 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 Transmission Customer and the balance 75% shall be adjusted towards reduction in the transmission service charges payable by the Long-Term Transmission Customers and Medium-Term Transmission 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 Transmission System Users based on the framework given in this Regulation.
- 6.2 The principle of sharing shall be based on the Annual Transmission Charges adopted by the Commission. The Annual Transmission Charges of the Intra-State Transmission system is to be recovered from the Transmission System Users.
- 6.3 The Annual Transmission Charge shall be divided between Transmission System Users of the Transmission System on monthly basis as per the Transmission Service Agreement.
- 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 based on the Transmission Service Agreement.
- 6.5 For the Long Term Transmission Customer and Medium Term Transmission Customer, the transmission charges shall be shared in accordance to the share of capacity availed:
Monthly Transmission Charges for Intra-State system payable by a Long Term Transmission Customer and Medium Term Transmission Customer of that Transmission System
= [ATC x Allotted Transmission capacity] / [Total Transmission Capacity x 12]
- 6.6 For the long term, in case any new Transmission System User 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 Transmission Customer, the transmission charges payable shall be calculated in accordance with the following:
=[ATC x Period availed in Days] / [Total Transmission Capacity x Days in the Year't']
- 6.8 100% of the charges collected from the Short-Term Transmission Customer shall be adjusted towards reduction in transmission service charges payable by the Long Term Transmission Customer and Medium Term Transmission Customer. In case the scheme is being funded through Government grant, the share of charges collected from Short Term Transmission Customer shall be adjusted towards reduction in the grant.
- 6.9 The Annual Transmission Charges of each Intra State Transmission System to be developed under Sector 63 shall be shared between Transmission System Users 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 Transmission System Users.
- 6.10 In case of new Intra State Transmission System developed under Section 62 to be executed by a subsidiary of State Transmission Licensee or a SPV, the sharing of transmission charges in such cases shall also be as per the above framework given. The Annual Transmission Charges 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 Annual Transmission 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 is to be recovered as per the TSA.

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

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 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.

A10: power to REMOVE DIFFICULTIES

- 10.1 If any difficulty arises in giving effect to these Regulations, the Commission may remove, by general or special order, consistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

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 for the 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,

Rajendra Prasad Nayak,
Secretary

Jharkhand State Electricity Regulatory Commission.
