

## **Brief of issues for CMD speech**

Good Afternoon,

Hon'ble Chairperson (CERC) and Hon'ble Members (CERC) and distinguished participants

I thank the Hon'ble Commission for giving us an opportunity to put forth our views on Draft Regulation.

I compliment the Hon'ble Commission for bringing out a comprehensive Draft Regulation covering all aspects of tariff. I also congratulate the Commission for bring out the revised Grid Code and many other Regulations for the benefit of the sector & customers.

Sir, Transmission is the crucial link in the delivery chain for bringing economy in the sector.

The capital out lay of POWERGRID in X<sup>th</sup> plan was Rs. 18,000 Crore & in XI<sup>th</sup> plan was Rs. 55,000 Crore. The projected investment in XII<sup>th</sup> plan is more than 1,00,000 Crore. This speaks about unprecedented growth in the sector and bringing out efficiency in the system with marginal increase in manpower.

Asset base of POWERGRID has been doubled during last three years. Grid configuration is also changing from 400 kV to 765 kV AC and UHV HVDC.

Further, Transmission Sector has under gone a major change from Generator Linked Evacuation System to High Capacity Transmission Corridor in the country.

There are some serious issues of RoW and Land acquisition, effecting construction of the new transmission system and this exponential growth in the transmission sector has made construction, O&M activities much more challenging day by day.

It is now a synchronous Grid across the country. Hon'ble Commission is kindly aware that Unified National Grid has brought increased responsibilities and challenges on Transmission utilities and the Grid Operator which is yet to be experienced. Tightening of frequency band is welcome step and many more steps are needed to be taken for reliable & secure operation which must have been brought out by POSOCO in its presentation.

New Technologies needs to be encouraged in the Transmission Sector in construction as well as operational activities to improve the performance, reduce forced outages and increase the reliability of the grid for the benefit of the consumers. This is more so with high penetration level of renewable energy in the country.

Regulatory stability need to be ensured to have investors' confidence to encourage investment.

Hon'ble Commission is humbly requested to give adequate space for bringing creativity through freedom to the utilities for providing reliable and secured services to the ultimate consumer. The cost of O&M is very small whereas the effect of outage of any element is immense. Therefore the utilities mind must be free from any financial consideration while taking up the O&M activities.

Transmission charges are common carrier charges and priority needs to be given by beneficiaries for payment of the same. Apprehension of certain beneficiaries need to be cleared for smooth collection.

POWERGRID shall be making a detailed written submission on the issues in the draft tariff Regulation for kind consideration of the Hon'ble Commission. However, I would like to place before the Hon'ble Commission some of the critical ones for consideration.