No. 14/1/2017-Trans-Trans-Pt(1)
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi-110001

Date: 3rd July, 2019

ADDENDUM

Subject: Addendum to the Guidelines for Import / Export (Cross Border) of Electricity (IECBE) 2018- reg.

The undersigned is directed to refer to the "Guidelines for Import/ Export (Cross Border) of Electricity- 2018", issued by Ministry of Power, Govt. of India on 18th December, 2018 and to state that Hon'ble MoSP(IC) has approved modification in the clause 5.2(a) of the IECBE Guidelines 2018.

The modified Para 5.2(a) is as below:

"Generating Companies/ Distribution Companies of India may export electricity generated by coal or gas or renewable energy or hydropower, to Entities of neighbouring country(ies) directly or through trading licensee(s) of India, after taking approval of the Designated Authority.

However, in case of electricity generated from coal based generating plants, export of electricity from India by a generating company/ distribution licensee directly or through trading licensee shall be allowed only where such electricity is generated utilizing imported coal or spot e-auction coal or coal obtained from commercial mining.

Further, in case of electricity generated from gas based generating plants, export of electricity from India by a generating company/ distribution licensee directly or through trading licensee shall be allowed only where such electricity is generated utilizing imported gas."

2. Other contents of the subject Guidelines remain unchanged.

Encl: IECBE Guidelines 2018.

3/7/19

(DK Srivastava)
Director
Tele No. 011-23716674

1. Chairperson, CERC, New Delhi.
2. Chairperson, CEA, New Delhi.

Copy for information to:

1. CEO, NITI Aayog, New Delhi.
2. Foreign Secretary, Ministry of External Affairs, New Delhi.
3. Secretary, Ministry of Commerce, New Delhi.
4. Secretary, Ministry of New and Renewable Energy, New Delhi.
5. Joint Secretary (BM), Ministry of External Affairs, New Delhi.
6. Joint Secretary (North), Ministry of External Affairs, New Delhi.
7. Secretary, CERC, New Delhi.
8. CMD, POWERGRID, Gurugram.
9. CMD, NTPC, New Delhi.
10. MD, EESL, New Delhi.
11. CEO, NVVN, New Delhi.
12. CMD, POSOCO, New Delhi.
13. Energy Secretaries of all the States/UTs.
14. PS to MoSP(I/C).
15. Sr. PPS to Cabinet Secretary.
16. PPS to Secretary (P) / PPS to AS (SNS), M/o Power.

No. 14/1/2017-Trans
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi-110001
****

Dated, 18th December, 2018

OFFICE MEMORANDUM

Subject: Guidelines for Import/Export (Cross Border) of Electricity-2018-regarding

The undersigned is directed to enclose herewith a copy of the "Guidelines for Import/Export (Cross Border) of Electricity -2018" approved by the competent authority, for taking necessary action. This is in supersession of the Guidelines on Cross Border Trade of Electricity issued by the Ministry of Power on 5th December 2016. These Guidelines will be effective from the date of issue of this Office Memorandum.

Encl: As above.

(D K Srivastava)
Director
Tele No. 011-23716674

1. Chairperson, CERC, New Delhi.
2. Chairperson, CEA, New Delhi.

Copy for information to:
1. CEO, Niti Aayog, New Delhi.
2. Foreign Secretary, Ministry of External Affairs, New Delhi
3. Secretary, Ministry of Commerce, New Delhi
4. Secretary, Ministry of New and Renewable Energy, New Delhi
5. Joint Secretary (BM), Ministry of External Affairs, New Delhi.
6. Joint Secretary (North), Ministry of External Affairs, New Delhi.
7. Secretary, CERC, New Delhi.
8. CMD, POWERGRID, Gurgaon.
9. CMD, NTPC, New Delhi.
10. MD, EESL, New Delhi.
11. CEO, NVVN, New Delhi.
12. CMD, POSOCO, New Delhi.
13. Energy Secretaries of all the States/UTs.
14. PS to MoSP(I/C)
15. Sr. PPS to Cabinet Secretary
16. PPS to Secretary (P) / PPS to AS (SNS)

Guidelines

for

Import / Export (Cross Border) of Electricity- 2018

GOVERNMENT OF INDIA
MINISTRY OF POWER
December, 2018

Contents

Sl. No.	Topic	Page No.
1	INTRODUCTION	3
2	OBJECTIVE	3
3	AGREEMENTS FOR TRADE	3
4	INSTITUTIONAL FRAMEWORK	4
5	ELIGIBILITY AND OTHER TERMS & CONDITIONS FOR PARTICIPATION	5
6	FACTORS TO BE CONSIDERED BY THE DESIGNATED AUTHORITY FOR GRANTING PERMISSION	5
7	TARIFF	6
8	TRANSMISSION SYSTEM, SCHEDULING & ACCOUNTING	7
9	DISPUTE RESOLUTION	8

MINISTRY OF POWER
GUIDELINES FOR IMPORT/ EXPORT (CROSS BORDER) OF ELECTRICITY- 2018

No. 14/1/2017-Trans

1.0 INTRODUCTION

1.1 Ministry of Power in consultation with Ministry of External Affairs, hereby, issues the "Guidelines for Import/Export (Cross Border) of Electricity-2018".

1.2 Notwithstanding anything done or any action taken or purported to have been done or taken for import/ export of electricity with neighbouring country(ies) shall be deemed to have been done or taken under provisions of these guidelines (Guidelines for Import/ Export (Cross Border) of Electricity- 2018) and shall continue to be in place till the expiry of the existing contracts. The Guidelines on Cross Border Trade of Electricity issued in 2016 shall stand repealed after the issuance of "Guidelines on Import/ Export (Cross Border) of Electricity- 2018".

2.0 OBJECTIVE

2.1 The objectives of these Guidelines are to:

a. Facilitate import/ export of electricity between India and neighbouring countries;
b. Evolve a dynamic and robust electricity infrastructure for import/ export of electricity;
c. Promote transparency, consistency and predictability in regulatory mechanism pertaining to import/ export of electricity in the country;
d. Reliable grid operation and transmission of electricity for import/ export.

3.0 AGREEMENTS FOR TRADE

3.1 The import/ export of electricity between India and the neighbouring country(ies) may be allowed through mutual agreements between Indian Entity(ies) and Entity(ies) of the neighbouring country(ies) under the overall framework of agreements signed between India and the neighbouring country(ies) consistent with the provisions of the prevailing laws in the respective country(ies), including-

(a) through bilateral agreement between two countries
(b) through bidding route; or
(c) through mutual agreements between entities

Provided that in case of tripartite agreements, the cross border trade of electricity across India shall be allowed under the overall framework of bilateral agreements signed between Government of India and the Government of respective neighbouring country(ies) of the participating Entity(ies).

Explanation: "Entity" means a company/ authority/ Board/ autonomous body/ Body Corporate/ juridical person (of India or of neighbouring country) which proposes to participate in cross border trade of electricity.

4.0 INSTITUTIONAL FRAMEWORK

4.1 The import/ export of electricity by Indian entities shall be governed by the rules/ regulations and policies framed and notified by Government of India/ Central Electricity Authority (CEA)/ Central Electricity Regulatory Commission (CERC), and wherever applicable, the appropriate State Electricity Regulatory Commission(s).

4.2 Ministry of Power, Government of India shall appoint a Designated Authority for facilitating the process of approval and laying down the procedure for import/ export of electricity.

4.3 The Designated Authority shall coordinate with the respective authority of the neighbouring country for all purposes as stated in the Guidelines which, *inter alia*, include:

4.3.1 planning, monitoring and commissioning of transmission lines for import/ export of electricity

4.3.2 the grid security, safety and operation;

4.3.3 any other function as assigned by the Ministry of Power, Government of India.

4.4 Any Entity proposing to Import or Export electricity may do so only after taking approval of the Designated Authority.

4.5 Approval of the Designated Authority will, however, not be necessary where the import/ export is taking place under the Inter Government Agreement signed by India and neighbouring country for specific project(s).

4.6 Considering the fact that import/ export of electricity involves issues of international relations; the Designated Authority will grant approval or otherwise only after taking concurrence of Govt. of India.

5.0 ELIGIBILITY AND OTHER TERMS & CONDITIONS FOR PARTICIPATION

5.1 Import of Electricity

(a) Indian entities may import electricity from the generation projects located in neighbouring country(ies) directly or through Government or a Government Company or a licensed trader of that country after taking approval of the Designated Authority as laid down in para 4.4 of the Guidelines; provided that the generation project(s) has the permission to export power to India from the respective Government of the neighbouring country.

(b) In case of import through bilateral agreement between two countries, the Government of India may designate an Entity for import of power.

5.2 Export of Electricity

(a) Generating Companies/ Distribution Companies of India may export electricity generated by coal or renewable energy or hydropower, to Entities of neighbouring country(ies) directly or through trading licensee(s) of India, after taking approval of the Designated Authority.

However, in case of electricity generated from coal based generating plants, export of electricity from India by a generating company/ distribution licensee directly or through trading licensee shall be allowed only where such electricity is generated utilizing imported coal or spot e-auction coal or coal obtained from commercial mining.

(b) In case of export through bilateral agreement between two countries, the Government of India may designate an Entity for export of power.

5.3 Any Indian power trader may, after obtaining approval from the Designated Authority, trade in Indian Power Exchanges on behalf of any Entity of neighbouring country, for specified quantum as provided in the Approval and complying with CERC Regulations.

6.0 FACTORS TO BE CONSIDERED BY THE DESIGNATED AUTHORITY FOR GRANTING APPROVAL:

6.1 The Designated Authority shall grant approval for export/ import of electricity only after taking into account the generation capacity (as available) and the demand. Imports may normally be permitted only when the demand exceeds generation capacity (as available) in the country; and Exports may normally be permitted in case of capacity being in excess of the domestic demand. However, Govt. of India

reserves the right to import/ export electricity from/ to neighbouring countries for reason of larger policy interests.

6.2 The Designated Authority shall consider the application for approval of participating Entity(ies) only after the receipt of the equity pattern of ownership of the said Entity(ies) along with other details as prescribed by the Designated Authority. In case where there is a change in the equity pattern, the participating Entity shall intimate the Designated Authority within thirty days from such change in equity pattern for continuation of the approval.

7.0 TARIFF

7.1 The tariff for import of electricity excluding the quantum traded through Indian Power Exchanges shall be determined in the following manner:

7.1.1 The tariff for import of electricity by the Indian Entity(ies) as per sub-clause 5.1 shall be determined, through a process of competitive bidding as per the Tariff Policy of India or through mutual agreement.

Provided that in case of hydro projects, the tariff may be determined by CERC as per its Regulations, if approached by the generator through the Government of the neighbouring country and agreed by the Indian entities.

7.1.2 Notwithstanding anything contained in sub-clause 7.1.1 where the tariff for import of electricity is mutually agreed by the Government of India and the Government of neighbouring country, involving the participating entities of the two countries, the same shall be final.

Provided that the tariff for import of electricity already determined through Government to Government negotiations including under Inter Government Agreement (IGA) shall continue to be determined through Government to Government negotiations till the expiry of the agreement or as may be decided by the two countries including determination of tariff through competitive bidding as prescribed under clause 7.1.1.

Provided also that the determination of Tariff after the expiry of the agreement, if not extended further, may be determined under either of the provisions prescribed under clause 7.1.

7.2 The tariff for export of electricity through cross border trade shall be determined in the following manner:

7.2.1 Tariff for export of electricity as per sub-clause 5.2 through long term/ medium term/ short term agreements may be as mutually agreed or based on competitive bidding, subject to payment of the charges as applicable for transmission/ wheeling of electricity through the Indian grid.

7.2.2 Notwithstanding anything contained in sub-clause 7.2.1 where the tariff for export of electricity through cross border trade is mutually agreed by the Government of India and the Government of neighbouring country, the same shall be final.

Provided that the tariff for export of electricity to the neighbouring country already determined through Government to Government negotiations including under Inter Government Agreement shall continue to be determined through Government to Government negotiations till the expiry of the agreement or as may be decided by the two countries including determination of tariff through competitive bidding as prescribed under clause 7.2.1.

Provided also that the determination of Tariff for export of electricity after the expiry of the agreement, if not extended further, may be determined under either of the provisions prescribed under clause 7.2.

8.0 TRANSMISSION SYSTEM, SCHEDULING & ACCOUNTING

8.1 Transmission systems developed within Indian grid, for import/ export of electricity between India and the neighbouring country would normally be part of the integrated transmission system of India.

8.2 The transmission interconnection between India and its neighbouring country shall be planned jointly by transmission planning agencies of the respective Governments based on the need for electricity trade in foreseeable future and sharing of information required for analysis and studies for such planning.

8.3 The cross border transmission lines may normally be constructed between the pooling stations of one country to the pooling stations of the other country for secure, safe and controlled operation of the grid.

Explanation: "Pooling Station" is the sub-station which shall be monitored by the system operator of the respective country.

8.4 The interconnection between two pooling substations of different countries shall be monitored and controlled by the respective system operators of the two countries, with proper coordination.

8.5 Transmission Access priority for import/ export of electricity in India shall be determined as per the CERC Regulations.

8.6 Where tripartite agreement is signed for transaction across India, the participating entities shall sign transmission agreement with Central Transmission Utility of India for obtaining the transmission corridor access. Further the transmission system in India for transmission of electricity across the territory of India under cross border trade of electricity shall be built after concurrence from Government of India and necessary Regulatory approvals.

8.7 The transmission charges, scheduling, metering, accounting, deviation settlement, secure grid operations involving the Indian Grid and any other related operational mechanism shall be governed in accordance with the applicable Regulations of the Government of India.

8.8 Ministry of Power shall notify Nodal Agency for each neighbouring country which shall be responsible for settlement of grid operation related charges as per CERC regulations.

8.9 Indian Generating Stations supplying electricity exclusively to neighbouring country may be allowed to build dedicated transmission line for connecting to the transmission system of neighbouring country keeping technical and strategic considerations in view and with the approval of the Designated Authority at the cost inbuilt in the contract agreement signed between Entity(ies) of India and the neighbouring countries. Such approval will be under applicable section(s) of the Electricity Act, 2003, subject to complying the technical and safety standards notified under various sections of the said Act.

9.0 DISPUTE RESOLUTION

9.1 Disputes within Indian Territory shall be settled as per the provisions of the Electricity Act, 2003.

9.2 Disputes involving Entities of separate countries may be mutually agreed by the participating Entities or settled through the International Arbitration Centre as mutually acceptable.

*****