To

The Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001
Email: secy@cercind.gov.in

Subject: Suggestions/comments on "Draft CERC (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017."

Date: 22.01.2018

Dear Sir,

At the onset, we would like to introduce ourselves as Mytrah Energy (India) Pvt. Ltd., one of the largest Independent Power Producers ("IPP") in renewable energy in India with over 1070 MW of wind installed capacity through 18 projects spread across 8 States (presence in Andhra Pradesh, Gujarat, Karnataka, Rajasthan, Maharashtra, Madhya Pradesh, Telangana and Tamil Nadu). We aim to own and operate 3500 MW of renewable power in India. We extended business segment into solar by winning 422MW of bids in three states viz. Telangana, Punjab and Karnataka, of which we have already commissioned 50MW in Punjab and the remaining projects are under various stages of commissioning and construction.

Before traversing into the details of draft Regulations, we would like to extend our sincere gratitude to CERC for its kind support towards development of Renewable Energy.

We would like to thank CERC for providing opportunity to submit our suggestions on the “Draft (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017”.

We hereby submit our views for your kind consideration.

Yours sincerely,

For Mytrah Energy (India) Pvt. Limited
<table>
<thead>
<tr>
<th>S. No</th>
<th>Clause No.</th>
<th>Description</th>
<th>Suggestions / Comments by Mytrah Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7.14</td>
<td>Where after filing of an application or after grant of Connectivity, there has been any material change in the location of the applicant or change in the quantum of power to be interchanged with the inter-state transmission system, the applicant shall inform the same to the nodal agency. If the nodal agency after assessment comes to the conclusion that this change would require modification in planned ISTS, the nodal agency shall inform the Applicant within a period of one month to file a fresh application accompanied by Application fees and relevant documents.</td>
<td>The draft Regulation proposed a provision on the material change in the location &amp; Change in quantum. In this regards, we propose the following points; 1. Any material change in the location of applicant without change in connectivity substation should be allowed. 2. If there is any material change in location with revised connectivity substation, grant should be given for the feasible capacity for the required substation irrespective of applied capacity. 3. If there is reduction of capacity in applied grant of connectivity, revised grant should be issued without any fresh application.</td>
</tr>
<tr>
<td>2</td>
<td>7.5</td>
<td>A Renewable Energy Generating Station ..... along with its Stage-I Connectivity application: (c) Site identification wherever undertaken: Details about the land required for the project along with extent to which the same have been acquired and taken possession of or leased.</td>
<td>The draft Regulations proposed to submit details about the land required in Stage – I connectivity application, whereas a rough estimate of location can be given at this point of time as specific locations can only be given after wind data is available. It would be difficult for developer to provide exact land detail in the preliminary stage. In view of that it is requested to the Hon’ble Commission to removed or modify the clause accordingly.</td>
</tr>
</tbody>
</table>
3 7.9 Application for Stage-II Connectivity by RE generating stations

(c) (i) Financial Closure of the project developer has been completed

4 7.34 Drawal of Start-up power by a unit of the generating station shall be subject to following conditions:

Drawal of start-up power shall not be allowed prior to fifteen (15) months from expected date of first synchronization and six (06) months after the date of first synchronization.

Start-up shall be subject to payment of transmission charges and the generator shall have to open a revolving and irrevocable Letter of Credit (LC) issued by a Scheduled Bank equivalent to 2 months transmission charges prior to drawal of Start-up power.

Start-up power shall not be allowed for construction activities.

The concerned Regional Load Despatch Centre while granting such permission shall keep the grid security in view.

RLDC shall withdraw permission for drawal of the start-up Power in the following events:

In case, it is established that the Start-up power has been used by the Generating Station for construction activity.

The draft Regulations proposed to submit Financial Closure of the project in the Stage – II connectivity application, whereas Agreement with CUT, i.e. LTA is a requirement of Financial Closure, therefore it is difficult for WPD to get Financial Closure without LTA. We request to the Hon’ble Commission to remove or modify the clause accordingly in the final Regulations.

The draft Regulations has proposed the provision of Start-up Power for RE Projects in line of Conventional Power Projects, whereas the necessary power required during the construction will be taken from local ESCOM’s as per the local state ERC’s tariff.

Hence this start-up clause is not applicable for either wind or solar, as there will not be any requirement of startup power, only minimum auxiliary consumption will be used during synchronization time which will be recorded in the import of energy in the tariff meter.

Therefore, it is requested to delete the clause for start-up power for RE Projects. It is also requested that there is a need to prepare guidelines of synchronization procedure in-line with other state policies.
<table>
<thead>
<tr>
<th>5</th>
<th>Point of Commercial Metering</th>
</tr>
</thead>
</table>
| Metering shall be done at the interface point of connection of the generator with the transmission system of license as specified in the CEA Metering Regulations subject to the following:

(a) In case dedicated transmission Lines are owned/constructed by a generator, such metering point shall be at the pooling sub-station of ISTS license.

(b) In case generator is connected to more than one pooling station, metering shall be at the bus bar of the generation station. |

<table>
<thead>
<tr>
<th>6</th>
<th>Application for General Network Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Applicant seeking GNA to inter-State transmission system shall file application within two and half years from the date of intimation of grant of GNA.</td>
<td></td>
</tr>
</tbody>
</table>

**A Wind Power Developer (WPD) has to do some preparatory/pre-developmental activities thereafter it can only participate in a bid; it is difficult to complete all activities within two and half years from the date of grant of Stage-I Connectivity. There are various pre-development activities that provide a certainty to WPDs for participation in bid and takes time as mentioned below:**

- **3 Months:** Identification of Wind profile using Meso-Scale Maps, basic due diligence of land.
<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
|   | Park Developer or Wind-Solar Power Park Developer or (b) **Stage-I Connectivity for renewable energy generating station** or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer by CTU. | settlement of ROW issues, if any, and negotiating the lease/ purchase of land consume.  
- **24 Months:** The WPD needs to get a reliable wind data and it is necessarily to collect high wind season data over the course of two high wind seasons as the WPD based on certain CUF takes decision on final bid price as well in it has to operate the project for a period of 25 years.  
- **6 Months:** An analysis of the said data, micro sitting, obtaining of initial approvals, preparation of a business plan and obtaining approval from the board / investment committee for participating in a project. | In view of above it submits that WPD will be able to file application at least after 3 years of time from the Stage-I Connectivity instead of two and half years. |
<p>| 7 | 11.7 | <strong>Access Bank Guarantee</strong> | The Draft Regulation proposed Access Bank Guarantee (ABG) of Rs. 20 Lakh per MW for GNA Application for Conventional Power Plants whereas for Renewable Generators it is Rs.10 Lakh/MW. |
|   |   | The GNA Application shall be accompanied by Access Bank Guarantee (ABG) of Rs. 20 Lakh per MW for the quantum of GNA sought | The Proposed amount for RE Projects makes a huge financial implication on the developers as CUF of Wind/Solar Power developers are almost 25% of Conventional Power Plant and the applicable ABG is only 50% of Conventional Power Plant. In view of that we request to the Hon’ble Commission to reduce it upto Rs. 5 Lakh/MW instead of Rs. 10 Lakh/MW. |
| 8 | 19.1 | <strong>Access Bank Guarantee for solar or wind park developers or renewable generators</strong> shall be Rs 10 Lakh/MW |   |</p>
<table>
<thead>
<tr>
<th>9</th>
<th>19.3</th>
<th>The Access Bank Guarantee shall be kept subsisting for 5 years from the date of operationalization of GNA. After operationalization of GNA, Access BG equivalent to 1/5th of amount shall be returned back to the Applicant till 4th year. The amount equivalent to 1/5th of Access BG shall be kept subsisting till the end of 12th year as security towards relinquishment charges. The Applicant shall submit revised Access BG accordingly.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>24</td>
<td>Relinquishment of GNA  24.1 In case GNA Customer intends to exit from GNA it shall be disconnected from the grid from the intended date of exit and the GNA Customer shall be liable to pay relinquishment charges....</td>
</tr>
</tbody>
</table>
|   |   | The Draft Regulations proposed to keep ABG for 5 years from the date of operationalization of GNA. The Bank Guarantee itself hold a financial cost on the developers and once GNA operationalized there is no need to hold the entire ABG for next 5 years. The ABG need be returned as soon as the transmission charges are being billed to the generator after operationalization of GNA.  

In this regards, it is requested to the Hon’ble Commission to hold the amount equal to 1/5th ABG till end of the 12th year to act as a safeguard towards relinquishment charges and returned ABG as soon as the energy billing starts.  

The Draft Regulation proposed a provision related to Relinquishment of GNA and allow to relinquishment of full capacity, whereas there may be possibility that developer would like to surrender a part capacity. In view of that it is request to the Hon’ble Commission to provide a provision and part relinquishment should also be allowed with relinquishment charges or BG encashment should be done on pro-rata basis. |

Thanking you!

For Mytrah Energy (India) Pvt. Limited

Mytrah’s Suggestions / Comments on the Draft CERC (Grant of Connectivity and GNA to the inter-State Transmission system and other related matters) Regulations, 2017.