



सोलर एनर्जी कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उपक्रम)
Solar Energy Corporation of India Ltd.
(A Government of India Enterprise)

स्वच्छ भारत - स्वच्छ ऊर्जा



Ref: SECI/CERC/ GNA Comments/ 47607

Date: 15.02.2022

To

The Central Electricity Regulatory Commission
3 rd & 4 th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Subject: Comments/Suggestions on Draft GNA Regulations issued by Hon'ble CERC

Dear Sir/Madam,

With reference to the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 published by Hon'ble CERC on 16th Dec, 2021, please find enclosed herewith SECI's comments/suggestions for consideration and inclusion.

Thanking you,

YBK Reddy

AGM (PS)

Enclosure:

1. SECI's Comments/Suggestions on Draft GNA Regulations

**SOLAR ENERGY CORPORATION OF INDIA LIMITED
NEW DELHI**

Comments on the draft Connectivity & GNA Regulations

Sl. No.	Regulation No.	Existing provisions	Proposed Modifications	Remarks
1.	4.1.	The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:	<p><i>Additional conditions may be made applicable to the entities seeking connectivity under 4.1 (a) to (d) as a prerequisite being either (A) or (B) as given below .</i></p> <p>(A) An entity setting up REGS, having (i) been issued the Letter of Award (LOA) by, or (ii) entered into a Power Purchase Agreement (PPA) with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, consequent to competitive bidding carried out under Section 63 of the Electricity Act, on submission of such Letter of Award or PPA, as the case may be:</p> <p>Provided that:</p> <p>(a) such an entity is a grantee of in-principle grant of Connectivity or has applied for Connectivity</p> <p>(b) an entity implementing the Renewable Hybrid Generating Station(s) or such Renewable Energy Generating Station(s) which contain(s) renewable energy generation sources and Energy Storage Systems located at multiple interconnection points with the grid, shall be eligible to apply for separate Connectivity for each individual location based on the same LOA or PPA. In case of such Projects, for each individual location, Connectivity shall be applied for the installed capacity not exceeding the quantum of power for</p>	<p>The Detailed Procedure for Grant of Connectivity to RE Projects, issued on 15.05.2018 and further revised on 20.02.2021, is a result of detailed deliberations among all the stakeholders, to mitigate the probable scenarios of “squatting of connectivity”.</p> <p>While the draft GNA regulations allow application at multiple locations based on installed capacity, there are no pre-requisites provided in the application format, which may result in the same situation of squatting of connectivity, leading to shortage of options for winners of the bids conducted by REIAs.</p> <p>It is therefore, proposed to include the relevant provisions of the Detailed Procedure as amended vide notification dated 20.02.2021, requiring LoA/PPA and land + equity route being the two options specifically for REGS. Minor modifications have also been proposed in the current provisions for projects having multiple injection points.</p>

			<p>which LOA has been awarded or PPA has been signed. For this purpose, the locations and capacity at each such location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee (not necessarily to be declared as part of the LOA), as the case may be, shall be submitted along with the Connectivity applications.</p> <p>Illustration to be provided as per Detailed Procedure dated 20.02.2021.</p> <p>(B) An entity setting up an REGS, who is a grantee of in-principle Connectivity or has applied for Connectivity, and is not covered under Clause (A) above, and has achieved the following milestones:</p> <ul style="list-style-type: none"> (i) Ownership/lease rights/land use rights or possession of minimum 50% area of the land required for the installed capacity; and (ii) Financial closure of the project (with copy of sanction letter) or release of at least 10% of the project cost including the land acquisition cost through equity, duly supported by Auditor's certificate. <p>Note: (i) The entity shall submit registered documents regarding land rights in its favour. The documents, if not in English or Hindi language, shall be furnished along with its English or Hindi translation from authorized translators.</p> <p>(ii) In case of submission of land documents, the Applicant may also submit a Bank Guarantee for an amount equivalent to the estimated cost of the requisite land area, in lieu of submission of proof of</p>	<p>With respect to land + equity mode, possession of land as an alternative to ownership, has also been proposed, in view of difficulty in acquiring a large area of land at this stage.</p> <p>Further, in view of the difficulties faced by developers in acquiring/leasing the land parcels at this stage, an alternative mechanism of BG submission instead, has also been proposed.</p> <p>In line with proposed as per MoM dated 21/10/2021</p>
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2.	6.2	<p>Any augmentation required, excluding terminal bay(s), to the existing ISTS identified under Regulation 6.1 of these regulations, shall be considered as the Associated Transmission System (ATS) for the Applicant(s).</p>	<p>Addendum to the clause:</p> <p>ATS may be defined as the connecting bay at the switchyard of the ISTS pooling Substation including additional ICT (if needed to the extent of such transformer capacity being utilized by the REGS seeking connectivity) at which connectivity has been granted to the REGS.</p> <p>It may also be clarified that System Strengthening should not be treated as part of ATS. Hence, an additional transmission line or VAR compensation for facilitating evacuation of power may be treated as system strengthening.</p>	<p>Proposed as per MoM dated 21/10/2021 cl 3(iii). ATS definition needs to be revised.</p>
3.	8.2	<p>Conn-BG3 @ Rs. 2 lakh/MW, for the existing ISTS, shall be furnished by entities covered under clause (a) of this Regulation.</p>	<p>Conn-BG3 @ Rs. 2 lakh/MW, for the existing ISTS, shall be furnished by entities covered under clause (a) of this Regulation.</p> <p>However, the requirement for Conn-3BG3 shall be waived in case the Developer has a PSA.</p>	
4.	10.6	<p>In case of failure to sign the Connectivity Agreement by the entity that has been intimated final grant of Connectivity, as</p>	<p>Addendum to the clause</p> <p>The above encashment of BG will be carried out on a monthly basis, for a period of 12 months or</p>	<p>If the identified infrastructure is getting utilized after a shorter span of delay,</p>

		<p>required under Regulation 10.3, the Nodal Agency may extend the time for signing the Connectivity Agreement for a maximum period of 30 days, failing which the final grant of Connectivity shall be revoked by the Nodal Agency under intimation to the Applicant, and the Conn-BG1, Conn-BG2 and Conn-BG3 shall be encashed. Provided that where no construction of ATS or terminal bays has been awarded for implementation, Conn-BG2 shall be returned within a month of such revocation.</p>	<p>identification of a new grantee for the same connectivity, whichever is earlier. In case of grant of the same connectivity to a new grantee within the above 12-month period, the BG will be returned to the original grantee after deducting the above liquidated damages until the grant of connectivity to the new grantee.</p> <p>Process: As soon as grantee is of the view that it would be not able to utilize granted GNA/Connectivity for reasons which are beyond its control (or cannot be attributable to the grantee), it would send intimation to the CTU with a copy to the transmission licensee, expressing its unwillingness to continue with the GNA/Connectivity. Such surrendered capacity will be offered to other applicants in the immediate next cycle of allocation and any liability, till the time new entity is found to replace the existing entity, shall be to the account of the original grantee. This liability may be adjusted from the BG furnished by the original grantee.</p> <p>It may please be clarified that above mentioned process may be followed applicable in both cases i.e. prior to the signing of Agreement and also after signing of the Agreement.</p>	<p>encashment of BG for the same infrastructure may not be justified.</p>
5.	10.7	Provisions of Connectivity Agreement.	<p>Addendum to the clause: In case of extension in Scheduled Commissioning Date granted by the Renewable Energy Implementing Agencies or any other Government agency, the start time of connectivity shall stand revised to the revised Scheduled Commissioning Date of the Project.</p> <p>.</p>	<p>In line with the MNRE MOM dated 21.10.2021 and MoP MOM dated 28.10.2021. Suitable provisions may be considered in the Sharing Regulations to address any such mismatch and charges arising out of such mismatch.</p>

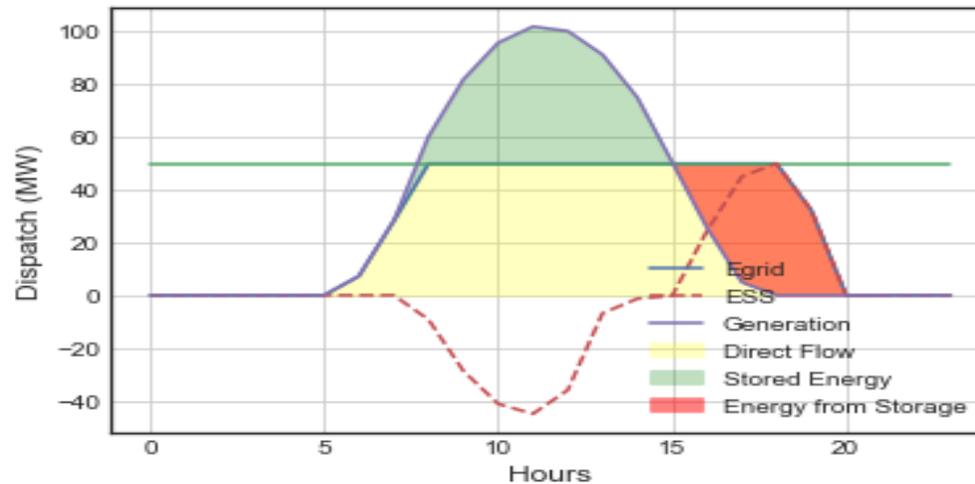
				Further, provisions like Force Majeure provisions need to be stipulated in the Connectivity Agreement in line with the provisions of the PPA.
6.	11.2	The Nodal Agency shall update the status of implementation of the ATS and terminal bays in respect of all Connectivity grantees, every quarter, on its website.	<p>Addendum to the clause</p> <p>In case the Transmission Service Provider is not able to provide the required ATS and the system strengthening components by the committed date, the Nodal Agency shall compensate the grantee, the applicable charges for extension of Conn-BGs.</p>	
7.	11.3	The Nodal Agency shall review and take corrective action based on the status of implementation of work under the scope of the Connectivity grantee as submitted under Regulation 11.1 and status of implementation of the ATS and terminal bay(s) as updated under Regulation 11.2	<p>Liquidated damages to be provided for in case of delay in completion of dedicated transmission line and generator pooling substation within the stipulated timelines, as per Clause 11.2(A) of the Detailed Procedure dated 20.02.2021.</p> <p>It is further proposed that while seeking CON-BG2, CTU/Nodal Agency shall provide a committed date of commencement of connectivity to the applicant. In case the commencement of connectivity is delayed beyond this committed date, the Nodal Agency / CTU shall compensate the grantee, the applicable charges for extension of Conn-BGs. Similarly, if the transmission system is ready and the grantee has delayed beyond the scheduled commencement date to connect to the system, the grantee shall, at its own cost, extend the validity of the BG suitably.</p>	
8.	15.1	<p>.....</p> <p>Provided that Connectivity granted to a parent company may be utilised by its subsidiary and Connectivity granted to a subsidiary may be utilised by its parent company.</p>	<p>Addendum to the clause</p> <p>Further, in case of an Applicant applying under Regulation 4.1 (f) above, the Applicant can apply for Connectivity directly to be granted in the name of its subsidiary, whose name will be specified in the application.</p>	The proposed modification will resolve a common request raise by a lot of companies (including foreign companies), who are not granted connectivity in the name of their SPV, who will be signing the PPA.

9.	15.3	Any person which acquires 51% or more shareholding of the company or its subsidiary or affiliate company owning REGS or part thereof in terms of Regulation 15.2, may after COD of such part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall...	In case of the Project being set up under a PPA, deadline for transfer of connectivity should be co-terminus with the deadline for transfer of controlling shareholding of the Project developer as per the respective PPA. In such cases of transfer of controlling shareholding in the Project Company, the fresh entity having controlling shareholding in the Company will apply to the Nodal Agency for transfer of connectivity, after expiry of the above deadline. The Nodal Agency shall....	Another long-term demand of the developers, to link the timelines of Regulations and Bidding Guidelines, with respect to transfer of controlling shareholding. Milestone of COD may be reviewed
10.	24.2	(a) In case of relinquishment of full quantum of Connectivity, (i) subsisting Conn-BG1 shall be encashed, (ii) subsisting Conn-BG2 shall be encashed if the terminal bay(s) are already developed or construction of which has already been awarded for implementation and (iii) subsisting Conn-BG3 shall be encashed.	<p>Addendum to the clause</p> <p>The above encashment of BG will be carried out on a monthly basis, for a period of 12 months or identification of a new grantee for the same connectivity, whichever is earlier. In case of grant of the same connectivity to a new grantee within the above 12-month period, the BG will be returned to the original grantee after deducting the above liquidated damages until the grant of connectivity to the new grantee.</p>	<p>If the identified infrastructure is getting utilized after a shorter span of delay, encashment of BG for the same infrastructure may not be justified.</p> <p>Following process may be made applicable in both cases and considered to be included as a part of procedure to be framed under this Regulations:</p> <p>As soon as grantee is of the view that it would be not able to utilize granted GNA/Connectivity for reasons which are beyond its control (or cannot be attributable to the grantee), it would send intimation to the CTU with a copy to the transmission licensee, expressing its unwillingness to continue with the GNA/Connectivity. Such surrendered capacity will be offered to other applicants in the immediate next cycle of allocation and any liability, till the time new entity is found to replace the existing entity, shall be to the account of the original grantee. This</p>

				liability may be adjusted from the BG furnished by the original grantee.
11.	26.1	<p>Eligibility for T-GNA</p> <p>(c) Power exchange for collective transactions or bilateral transactions on behalf of (i) buyer(s) covered under clause (a) of this Regulation, and (ii) trading licensee(s) engaged in cross border trade of electricity in terms of the Cross Border Regulations for injection into or drawal from the Indian grid.</p>	<p>(c) Power exchange and Trading licensee(s) (for transaction through ESS) for collective transactions or bilateral transactions on behalf of (i) buyer(s) covered under clause (a) of this Regulation.</p> <p>(d) Bulk consumers and Project developers setting up ESS shall also be eligible.</p>	<p>This will facilitate power traders such as SECI, effective and optimum utilization of the ESS being one of the high cost component of power in the entire power mix. Further, ESS is likely to aid / support grid operation and also provide flexibility of Gird operation.</p> <p>Moreover, ESS is also likely to seasonal contracting for a smaller duration, availability of T-GNA for ESS is likely to bring efficiency in the market.</p>
12.	Other suggestions	<p>i. Mismatch between operationalization of GNA and commissioning of Projects needs to be addressed.</p> <p>For mismatch: It shall be the responsibility of the existing entity to intimate CTU and transmission licensee in case of any delay or extension in SCD. In case such extension has been granted by the Central Implementing Agencies, the transmission licensee would initially make an endeavour to match with the timeline of the Generating asset. Further, in such case of transmission infrastructure has already been charged, same shall be offered to the market by CTU/ Transmission licensee.</p> <p>Further such mismatch may be appropriately addressed in the Sharing Regulations also.</p> <p>ii. In case of curtailment, the draft regulations stipulate that T-GNA will be curtailed first followed by others. In case of standalone ESS, the systems will be utilized by the buying entity to balance its demand, or by the grid operator to provide ancillary services. T-GNA granted to GNA, (including exigency T-GNA), should be preferred last in case of curtailment, otherwise it will significantly impact large-scale deployment</p>		

of ESS in the grid. Further, in case of grant of connectivity and T-GNA, applications from ESS projects should be given a preference over other applications.

- iii. Draft guidelines do not provide for any outer limit within which the projects are mandated to be commissioned. Accordingly, it may create a situation of squatting of connectivity as witnessed in the earlier regime. In order to mitigate this, it is proposed to set up a review mechanism wherein project construction activities should be assessed after 1 year of grant of connectivity and every 1 year thereon. Its progress should be correlated with the progress status of the corresponding substation and in case the SPD is found falling short on the desired progress status the connectivity may be revoked by the CTU.
- iv. There may be need for the identification of Substations in existing systems wherein ESS based projects/ higher CUF Projects could be connected to enable increased utilization of the transmission capacity in spite of connectivity at such substations being fully allocated. To make the RE + Storage Projects viable, part energy from such projects (say, corresponding to ~ 50% of the Project capacity) can directly flow into the grid to the extent of spare capacity/redundancy in the transmission network. For example an ISTS sub-station (100 MW) may have Solar Projects (100 MW) connected to it. This 100 MW is likely to be utilized during Solar Hours (let us say 7:00 AM to 6:00 PM) with varying generation. Now, an additional generation of say, 50 MW is to be connected at this substation. Of this 50 MW, 25 MW will flow into the grid during solar hours using the redundancy built in the system and 25 MW into the ESS. Beyond solar generation hours, 25 MW could be discharged from the ESS. The same is illustrate below:



Following enabling provision Under Chapter -3 Connectivity, Eligibility for Connectivity to ISTS , may please be included as clause 4.1 -(aa) after clause 4.1 (a) provided in the proposed draft regulation:-

" 4.1 (aa) . REGS(s) with CUF of at least 50 % or stand alone ESS seeking connectivity at existing ISTS Pooling Stations beyond the pooling station evacuation capacity limit of 100 % , with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS upto a capacity limit of 150 % of such ISTS Pooling Station evacuation capacity;"

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