

Comments / Suggestions on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023.

Sr. No.	Existing Clause	Revised Clause / New Clause	Rationale
1.	<p>4.2. New clause namely, clause (xi) shall be added after clause (x) of Regulation.</p> <p>5.8 of the Principal Regulations as under:</p> <p>“(xi) In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:</p> <p>.....</p> <p>.....</p> <p>(b) (i) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought; and</p> <p>(ii) Auditor’s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity.”</p>	<p>4.2. New clause namely, clause (xi) shall be added after clause (x) of Regulation.</p> <p>5.8 of the Principal Regulations as under:</p> <p>“(xi) In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:</p> <p>.....</p> <p>.....</p> <p>(ii) Auditor’s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity.”</p> <p>Financial closure of the project (with copy of sanction letter) or release of at least 10% of the project cost including the land</p>	<p>In the proposed amendment, the Hon’ble commission has incorporated new provision under the clause 4.2, wherein the generator can get the connectivity without any LOA/PPA. In this provision, the Hon’ble commission has considered to provide ownership of 50% of required land along with Auditor’s certificate to release 10% of project cost through equity.</p> <p>The developer secure connectivity in the preliminary stage of project planning phase. It is to be noted that the total project cost is much higher and difficult to invest 10% of project cost through equity in initial phase of project.</p> <p>As per the earlier connectivity procedure, for the seriousness of investment in the project, the developer was submitting document related to 50% of ownership in the land including submission of financial closure of the project.</p> <p>The earlier procedure was providing an option to developer with 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</p>

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		<p>acquisition cost through equity, duly supported by Auditor's certificate.</p>	<p>supported by Auditor's certificate. Following is the relevant clause of Revised Procedure for "Grant of Connectivity to projects based on Renewable Sources to inter-State transmission system".</p> <p><i>9.2.2 An entity who is a grantee of Stage-I Connectivity or has applied for Stage-I Connectivity or has applied for Stage-I Connectivity and Stage-II Connectivity simultaneously, and is not covered under Clause 9.2.1, and has achieved the following milestones:</i></p> <p><i>(i) Ownership or lease rights or land use rights for 50% of the land required for the capacity of Stage-II Connectivity; and</i></p> <p><i>(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.</i></p> <p>The objective of commission to verify seriousness of developer for development of project in future. The existing provision of Revised Procedure for "Grant of Connectivity to projects based on Renewable Sources to</p>

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			<p>inter-State transmission system” is also providing sufficient surety related to seriousness of developer.</p> <p>In view of that request to kindly consider exiting provision of earlier connectivity procedure to get connectivity under clause (xi)(b) of the Regulation 5.8 to promote RE Projects.</p>
2.	<p>4.2. New clause namely, clause (xi) shall be added after clause (x) of Regulation.</p> <p>.....</p> <p>.....</p> <p>(b) (i) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought;</p>	<p>4.2. New clause namely, clause (xi) shall be added after clause (x) of Regulation.</p> <p>.....</p> <p>.....</p> <p>(b) (i) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought OR Bank guarantee having validity of 6 months for the amount of INR 12,26,000 / MW (Indian Rupees Twelve Lakhs and Twenty-Six Thousand only) per Project;</p>	<p>In the proposed Regulations developer can secure connectivity under clause (xi)(b) of the Regulation 5.8, only after procurement of land and submission of registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought.</p> <p>It is to be noted that procurement of land is a time-consuming exercise and takes time. As we know that there are limited availability of connectivity and developer may face challenges, if other developer secure project through bid and get connectivity via LoA route.</p> <p>In such circumstances, the initial investment / planning of serious developer will fail and face a huge financial loss as invested in procurement of land for less than 50% of project capacity.</p> <p>In view of that we requested to provide an additional option to submit BG for the amount of INR 12,26,000 / MW</p>

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			<p>(Indian Rupees Twelve Lakhs and Twenty-Six Thousand only) per Project, which is equivalent to the Earnest Money Deposit (EMD) required by SECI in the latest RfS for 1200 MW ISTS-connected Wind-Solar Hybrid Power Projects (Tranche-VI).</p> <p>The provision for submission of BG may have a provision that developer has to submit requisite land document within 6 months of time and if fails the connectivity will be revoked by agency.</p> <p>In view of that request Hon'ble Commission to provide an option for submission of BG in lieu of Land documents to secure connectivity and allow to submit registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought, within 6 months of time.</p>
3.	<p>9.3</p> <p>An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity, (a) within a period of 12 months from the date of issuance of final grant of</p>	<p>9.3</p> <p>An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity , (a) within a period of 12 months from the date of issuance of final grant of</p>	<p>The Hon'ble commission has proposed a fixed timeline to achieve FC, i.e.</p> <ul style="list-style-type: none"> • 12 months for the project, where start date of connectivity is within 2 years and • 50% time period between start date of connectivity and final grant of connectivity, where start date of connectivity is more than 2 years.

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	connectivity, if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or (b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity, if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity:	connectivity, if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or (b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity, if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity: Provided that financial closer date shall be extended as extended date permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.	It is to be noted that FC is subject to various approvals and milestone to be achieved by bidding agency. In the several case, where developer has no control over the event of delay and get a reasonable extension from bidding agency for submission of FC. In the process of FC, developer has to submit certificate/necessary documents from financing agencies regarding the tie up of 100% of the funds indicated for the project, including arrangements of funds in the form of Equity. In view of that we request Hon'ble Commission to provide a relaxation for submission of FC in a time bound manner and link it with the conditions of RfS and allow extension as extended date permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.
4.	9.3. Provided further that if the Connectivity grantee fails to achieve the financial closure within the stipulated time as per this regulation or fails to submit the copy of financial closure as per first proviso to this regulation Connectivity shall be revoked and	9.3. Provided further that if the Connectivity grantee fails to achieve the financial closure within the stipulated time as per this regulation or fails to submit the copy of financial closure as per first proviso to this regulation Connectivity shall be revoked and	The draft amendment proposed to revoke the connectivity if developer fails to submit the copy of FC in a fixed time bound manner. It is to be noted that FC delay may happened due to various reasons, however the proposed clause of revocation of connectivity will make a huge impact on the ongoing project. We request to Hon'ble Commission to impose a penalty clause if developer fails to submit FC on time.

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	Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable."	<p>Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.</p> <p>Provided that developer will eligible for Extension of FC, if delay is on account of factors not owing to any action or inaction on the part of the bidder, or caused due to a Force Majeure.</p> <p>Provided that if developer fails to achieve FC on time, intimate connectivity grantee in advance for payment of penalty at the rate of Rs. 1000/MW/Day.</p> <p>Provided that If connectivity grantee fail to make payment on time, encash the Con-BGs and revoke the connectivity.</p>	<p>We would like to give reference from the latest RFS for 1200 MW ISTS-connected Wind-Solar Hybrid Power Projects (Tranche-VI), wherein the SECI is also have provision to submit FC within 12 months along with a condition to impose penalty in case there is delay from developer side instead of termination of project. The imposition of penalty would be waived off, if the delay is on account of factors not owing to any action or inaction on the part of the bidder, or caused due to a Force Majeure. Following is the relevant clause of RFS.</p> <p>22. Financial Closure or Project Financing Arrangements.</p> <p>22.1 The Projects shall <u>achieve Financial Closure within 12 (twelve) months</u> from the Effective Date of the PPA</p> <p>.....</p> <p>.....</p> <p>22.4. In case of default in achieving above condition as may be applicable within the stipulated time, SECI shall be entitled to encash PBG/POI and shall remove the Project from the list of the selected Projects, unless the delay is on account of factors not owing to any action or inaction on the part of the HPD, or caused due to a Force Majeure as per PPA. <u>An extension can however be considered, on the sole request of HPD, on advance payment of extension charges of INR 1,000/- per day per MW. This extension will not have an impact on the obligation of HPD</u></p>

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			<p><u>to achieve commissioning by the Scheduled Commissioning Date of the Project.</u> Subsequent to the completion of deadline for achieving financial closure, SECI shall issue notices to the HPDs who are not meeting the requirements of Financial Closure as per the RfS deadlines. The notice shall provide a period of 7 business days to the respective HPDs to either furnish the necessary documents or make the above-mentioned payment of Rs. 1,000/MW/day. In case of non-submission of either-the requisite documents or the necessary amount upon expiry of the above-mentioned notice period of 7 days-SECI shall encash the PBG/POI of the corresponding HPDs and terminate the PPA for the corresponding Project.</p> <p>In view of above, we also request to provide following relaxation to the connectivity grantee.</p> <ol style="list-style-type: none"> 1. Extension of FC, if delay is on account of factors not owing to any action or inaction on the part of the developer, or caused due to a Force Majeure. 2. Intimate connectivity grantee in advance for payment of penalty, if applicable, at the rate of Rs. 1000/MW/Day. 3. If connectivity grantee fail to make payment on time, encash the Con-BGs and revoke the connectivity.

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5.	<p>16.1</p> <p>"Entities covered under clause (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA"</p>	<p>16.1</p> <p>"Entities covered under clause (ii) & (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA"</p>	<p>In the proposed amendment, Hon'ble commission has defined the eligibility criteria for entities to apply for grant of GNA or for enhancement of quantum of GNA to draw power only from Renewable sources. The draft considered entities covered under clause 17.1 (iii) of the principal regulation mentioned for GNARE, i.e.</p> <p><i>17.1(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above.</i></p> <p>The draft is silent on the other consumer, which have connectivity with State Grid and ready to procure RE Power only. The draft is not providing any benefit / waiver of Transmission charges as applicable for GNARE consumers.</p> <p>In this regard, we would like to refer clause no.5(2) of MOP order (Promoting Renewable Energy Through Green Energy Open Access) Rules dated 6th June 2022.</p> <p><i>"Provided that only consumers who have contracted demand or sanctioned load of hundred kW and above shall be eligible to take power through Green Energy Open Access and there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access:"</i></p>

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			<p>From the above extract of GEOA rules, MOP has indicated to promote Green energy open access for small consumers having a contract demand of more than 100 KW and providing flexibility to small commercial & Industrial customers to buy green energy to meet their industrial load. These rules have removed all the restrictions for obtaining GEOA in order to achieve government vision of installing 450 GW by 2030.</p> <p>Also, we would like to refer clause 3.1 of MOP order dated 23rd November, 2021 which is extracted below:</p> <p><i>1.1 For the solar, wind, Hydro PSP and BESS Projects commissioned up to 30.06.2025, the waiver of inter-state transmission charges shall be applicable for the following:</i></p> <p>(i) <i>Solar or wind energy generation <u>set up by any person/entity</u>. The power generated from such sources can be self-consumed or sold to any entity either through competitive bidding, Power Exchange or through bilateral agreement.</i></p> <p>In the order superscribed above, MOP has given clarity that Waiver will be applicable for solar and wind projects set up by any person which does not differentiate between small and big projects.</p>

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			<p>On the contrary, to the provision mentioned in the GEOA rules explained in the above para, Hon'ble commission in the proposed draft GNA amendment has restricted consumers or distribution licensee with a load of 50 MW and above, which is anyway impacting the small C&I customers who want to fulfil their Renewable Purchase obligation through Green Energy open access.</p> <p>Since, the Govt. of India is promoting CTU connected RE Power Projects to utilize the available resources in high potential state, which can be absorbed in other state. It has been observed that maximum exiting C&I Consumers have connectivity with State Grid and ready to procure power only RE Power through CTU network.</p> <p>In such scenario, they will take GNA through STU and procure power through RE Source only. However, the proposed clause is not providing any support to such consumers and they have to make payment of GNA Charges, which may reduce the interest of C&I Consumer to purchase power through CTU connected project as C&I Consumers always have an objective to get a cheaper power at its periphery including losses & charges.</p> <p>In view of the above the drawee entity connected to intra-State transmission system should also be allowed to apply for GNA to draw power only from renewable sources and such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations.</p>

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			Therefore, It is our humble request to Hon'ble commission to align eligibility criteria of MOP GEOA rules and MOP order dated 23 rd November, 2021 and allow entities cover under clause (ii) & (iii) of Regulation 17.1 of these regulations to qualify the eligibility criteria for GNARE.
6.	<p>24.6.</p> <p>Revocation of Connectivity (1)</p> <p>(a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity grantee fails to achieve COD either in full or in parts on or before,</p> <p>(i) the scheduled date of commercial operation of the generation project, for cases covered under clause (xi)(a) of the Regulation 5.8, as intimated at the time of making application for grant of Connectivity or as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p> <p>(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) of the Regulation 5.8.</p>	<p>24.6.</p> <p>Revocation of Connectivity (1)</p> <p>(a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity grantee fails to achieve COD either in full or in parts on or before</p> <p>fails to justify Force Majeure events for delay of Commissioning.</p> <p>OR</p> <p>fails to make payment of applicable Transmission charges on monthly basis.</p> <p>(a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity grantee fails to achieve COD either in full or in parts on or before,</p> <p>(i) the scheduled date of commercial operation of the generation project, for cases covered under clause (xi)(a) of the</p>	<p>In the proposed amendment, Hon'ble Commission has proposed clause related to revocation of connectivity. It is to be noted that there may be various circumstances, where developer is not in a position to achieve COD of project on time, even after extended or delayed commissioning period.</p> <p>There may be a possibility that developer faces some internal challenges and unable to commission project on time, even after period of delay commissioning.</p> <p>The proposed clause is silent on the Force Majeure event and needs to incorporate provision for revision of date due to force majeure, which can be reviewed by agency before any action on revocation otherwise unnecessary the connectivity may get terminated and the capacity will stand abandoned without connectivity due to some force majeure event. Accordingly, developer should also provide an opportunity to justify that delay is due to Force Majeure (FM) events and extend the date of connectivity.</p> <p>There may be a case for delay on commissioning, where developer has no PPA & unable to justify FM event but invested in project and have certainty for development of project in few months. In such conditions, the transmission</p>

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	<p>(b) In case of Applicants which have been granted Connectivity under clause (xi)(b) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the last date for declaration of COD shall be the SCOD of the project or as extended or delayed commissioning.</p> <p>permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p>	<p>Regulation 5.8, as intimated at the time of making application for grant of Connectivity or as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p> <p>(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) of the Regulation 5.8.</p>	<p>charges should be applied on developer instead of revocation of connectivity in line of sharing Regulations.</p> <p>In view of that the before revocation of connectivity, CTU should send an intimation notice to developer to make payment of applicable transmission charges for delay on monthly basis.</p> <p>The Connectivity shall be revoked for the corresponding capacity, only if the Connectivity grantee rejects the proposal to make the payment for transmission charges.</p>
7.	<p>24.6.</p> <p>Revocation of Connectivity (1)</p> <p>(c) Connectivity granted to an REGS (other than Hydro generating station) or ESS (excluding PSP) shall be revoked, if LOA or PPA on basis of which Connectivity was granted, is terminated prior to the COD of the project.</p>	<p>24.6.</p> <p>Revocation of Connectivity (1)</p> <p>(c) Connectivity granted to an REGS (other than Hydro generating station) or ESS (excluding PSP) shall be revoked, if LOA or PPA on basis of which Connectivity was granted, is terminated prior to the COD of the project.</p> <p>fails to convert the remaining / full connectivity secured under clause (xi)(a) to (xi)(b) of the Regulation 5.8.</p>	<p>In the proposed amendment, Hon'ble Commission has proposed clause related to revocation of connectivity. It is to be noted that there may be various circumstances, where developer is not in a position to achieve COD of project on time, even after extended or delayed commissioning period.</p> <p>There may be a possibility that developer faces some internal challenges and unable to commission project on time, even after period of delay commissioning. In such circumstance, the developer has no option and REIA / bidding agency will terminate PPA after encashment of PBG. OR</p> <p>It may happen that PPA / PSA gets terminate due to tariff adoption / approval OR any other issues after a certain period of signing of PPA.</p>

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			<p>However, there is a high possibility that developer has secure land & taken various initiatives in project. It may possible that develop has secured land and ready to install remaining project in the next few months and able to sale power under open access route to C&I Consumer / Power exchanges.</p> <p>In such case, opportunity should be given for conversion of connectivity under the land-based provision so that developer may utilize the work on ground for some other projects/PPA.</p> <p>In view of that we request to modify the proposed clause and allow to convert the remaining / full capacity from LoA route to Land base route.</p>
8.	Additional Comments	Provision related to revision of final date of connectivity.	The Regulation should allow revision of final date of connectivity and consider final connectivity date as intimated at the time of final grant, not the date as intimated at the time of making application. It may possible to revise at the time of grant basis the readiness of the SS where the connectivity is sought.

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9.	Additional Comments	Provision related to timeline for conversion of connectivity.	<p>The regulation is silent on the time line for conversion of Land based connectivity (secured under clause (xi)(b)) to LoA based connectivity.</p> <p>As proposed in our suggestions, the timeline should also be provided for conversion of LoA based connectivity to Land based connectivity, i.e. convert connectivity secured under clause (xi)(a) to (xi)(b) of the Regulation 5.8.</p>
10.	Additional Clause	Conversion of category of connectivity from Developer mode to Park mode	<p>The eligible entities to get the connectivity are EGS or standalone ESS or RE Park Developer. The Regulations has provided certain criteria for each entity for apply the connectivity. It is to be noted that there are circumstances, where REGS has secured connectivity and later on same REGS has taken approval / authorized by the Central Government or a State Government as a Renewable Power Park developer. However, there is no provision in the Regulation, which allow to convert the existing connectivity of same REGS into RE Park developer category.</p> <p>The conversion of connectivity from REGS to RE Park developer will not make any impact into CTU Connectivity and its timeline but it will provide an additional support to REGS to sale of power to multiple Captive consumers under Captive Mode.</p>

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			In view of that request to kindly provide a provision for conversion of REGS connectivity into RE Park connectivity, subject to submission of authorization of Central Government or a State Government as a Renewable Power Park developer.
11.	Additional Clause	Conversion of partial connectivity from land-based connectivity into LoA based connectivity.	<p>In the present regulation, developer has no option to convert partial connectivity from land route to LoA Route. If developer secure land-based connectivity for a quantum of certain capacity (e.g. 300 MW) and at the subsequent date secured project through bidding (e.g. 250 MW), may be a lesser capacity of secured connectivity. In such circumstance, the regulation has no provision to convert the partial capacity from capacity secured under land route to LoA route. i.e. convert secured connectivity under clause (xi)(b) to (xi)(a) of the Regulation 5.8. This restriction of Regulation will hold the better / early utilization of transmission infrastructure.</p> <p>In view of that we request Hon'ble Commission to allow the conversion of partial connectivity secured under land-based route to LoA based route.</p>