

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 211/MP/2023 Along with IA. No. 48/2023 and
Petition No. 218/MP/2023**

Coram:

Shri Jishnu Barua, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 30.08.2023

Petition No. 211/MP/2023 Along with IA. No. 48/2023

In the matter of:

Petition under Section 79 of the Electricity Act, 2003 seeking setting aside of Central Transmission Utility of India Ltd.'s letter dated 17.05.2023 closing the Petitioners Application for grant of connectivity and for issuance of directions to CTUIL for grant of connectivity of 1710 MW for Hybrid Project comprising of Solar 810 MW, Wind 900 MW and Energy Storage System 600MWh to the Petitioner

And

In the matter of:

ReNew Vikram Shakti Pvt. Ltd.,
Through its Authorised Representative
138, Ansal Chambers-II, Bhikaji Cama Place,
New Delhi -110066

.....Petitioner

Versus

1. Central Transmission Utility of India Ltd.,
Through its Authorised Representative
"Saudamini", Plot No-2, Sector-29, Gurgaon,
Haryana- 122001



2. Solar Energy Corporation of India Limited,
6th Floor, Plate-B, NBCC Office Block Tower 2,
East Kidwai Nagar, Kidwai Nagar,
New Delhi, Delhi 110023
3. South Regional Load Despatch Center,
29, Race Course Cross Road,
Bangalore-560009
4. Central Electricity Authority of India,
Sewa Bhawan
R.K Puram, Sector –I
New Delhi-110066
5. SLDC Arunachal Pradesh,
Superintending Engineer (E), SO & PSC,
Department of Power,
Govt. of Arunachal Pradesh, Itanagar-791111

.....Respondents

Parties Present:

Shri Vishrov Mukerjee, Advocate, RVSPL
Shri Girik Bhallat, Advocate, RVSPL
Shri Raghav Malhotra, Advocate, RVSPL
Ms. Anamika Rana, Advocate, RVSPL
Shri Shubham Arya, Advocate, CTUIL
Ms. Reeha, Advocate, CTUIL
Ms. Anumeha Smiti Singh, CTUIL
Shri Swapnil Verma, CTUIL
Ms. Muskan Agarwal, CTUIL
Shri Alok Mishra, SRLDC

Petition No. 218/MP/2023

In the matter of:

Petition under Section 79 of the Electricity Act, 2003 seeking a direction to Central Transmission Utility of India Ltd. for grant of connectivity for Hybrid Project comprising of Solar 400 MW, Wind 400 MW and Energy Storage System 380 MWh of ACME Cleantech Solutions Pvt. Ltd.

And

In the matter of:

ACME Cleantech Solutions Pvt. Ltd.
Plot No. 152, Sector 44,
Gurgaon, Haryana – 122002

.....Petitioner



Versus

1. Central Transmission Utility of India Ltd
Through its Authorised Representative
“Saudamini”, Plot No-2, Sector-29, Gurgaon,
Haryana- 122001
2. Solar Energy Corporation of India Limited
6th Floor, Plate-B, NBCC Office Block Tower 2,
East Kidwai Nagar, Kidwai Nagar,
New Delhi, Delhi 110023

.....**Respondents**

Parties Present:

Shri Vishrov Mukerjee, Advocate, ACMECSL
Shri Girik Bhalla, Advocate, ACMECSL
Shri Raghav Malhotra, Advocate, ACMECSL
Shri Shubham Arya, Advocate, CTUIL
Ms. Reeha Singh, Advocate, CTUIL

ORDER

Both the petitions have been bunched together for convenience of discussion, as they are based on similar sets of facts and interpretations of our regulations. The ReNew Vikram Shakti Pvt. Ltd. (RVSPL) (hereinafter referred to as ‘Petitioner RVSPL’) has filed Petition No. 211/MP/2023 under Section 79 of the Electricity Act, 2003, seeking setting aside of Central Transmission Utility of India Ltd.’s letter dated 17.05.2023 closing the Petitioner’s Application for grant of connectivity and for issuance of directions to CTUIL for grant of connectivity of 1710 MW for a Hybrid Project comprising of Solar 810 MW, Wind 900 MW, and Energy Storage System 600 MWh. Similarly, ACME Cleantech Solutions Pvt. Ltd. (hereinafter referred to as ‘Petitioner Acme’) has filed Petition No. 218/MP/2023 seeking directions to the Central Transmission Utility of India Ltd. for grant of connectivity of 800 MW for its Hybrid Power Project comprising of 400 MW Solar, 400 MW Wind, and 380 MWh Energy Storage System.



2. The Petitioner has made the following prayers in the present petition:

Prayers in Petition No. 211MP/2023:

- i. Set aside CTU's letter dated 17.05.2023 rejecting the Petitioner's connectivity application dated 21.04.2023.*
- ii. Direct CTU to reinstate the Petitioner's application for connectivity dated 21.04.2023 (Application No. 2200000032)*
- iii. Direct CTU to grant connectivity to ISTS to the Petitioner to the extent of Project/ installed capacity of 1710 MW on the basis of LOA from SECI.*
- iv. Pass any such further order as this Hon'ble Commission may deem necessary in the interest of justice*

Prayers in IA. No. 48/2023:

- i. Stay operation of CTU's letter dated 17.05.2023 rejecting the Petitioner's connectivity application dated 21.04.2023, pending adjudication of the Petition.*
- ii. Reinstate the Petitioner's application for connectivity dated 21.04.2023 (Application No. 2200000032), pending adjudication of the Petition.*
- iii. Pass any such further order as this Hon'ble Commission may deem necessary in the interest of justice.*

Prayers in Petition No. 218/MP/2023:

- i. Direct CTU to grant connectivity to ISTS to Acme to the extent of Project/ installed capacity of 800 MW (400 MW solar and 400 MW Wind) as certified by SECI under the LoA on the basis of submission of LOA alone;*
- ii. Pass any such further order as this Hon'ble Commission may deem necessary in the interest of justice.*

Submissions in Petition No. 211/MP/2023:

3. Petitioner RVSP has made the following submissions:

- a) Pursuant to the competitive bidding process conducted by the Renewable Energy Implementing Agency (REIA), Solar Energy Corporation of India Ltd. (SECI), under the Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind and Solar Hybrid Projects, 2020 (Competitive Bidding Guidelines), the Petitioner was declared the successful bidder and was issued a Letter of Award (LoA) on 20.04.2023 for setting up the Project. The LoA was initially for 750 MW Solar, 960 MW Wind and 600 MWh ESS which was subsequently amended to 810 MW Solar, 900 MW Wind and 600 MWh ESS.



- b) On 21.04.2023, the Petitioner had submitted its connectivity application to CTU for grant of connectivity to the Inter-State Transmission System (“ISTS”) to the extent of 1998 MW in line with the Project capacity, i.e., 750 MW Solar, 960 MW Wind and 600 MWh ESS (which corresponds to ~ 288 MW). On 28.04.2023, CTU requested certain clarifications on the Petitioner’s Connectivity Application as to why the Petitioner had sought connectivity for 1988 MW whereas the LoA was for 600 MW wind-solar hybrid with Project capacity of 750 MW solar, 960 MW wind and 600 MWh ESS.
- c) Petitioner responded to the queries raised by CTU on 28.04.2023 clarifying that the Petitioner was setting up a hybrid RE Project with a configuration of 750MW solar, 960 MW wind and 600 MWh ESS, as specified in the LoA, and as per Regulation 5.1 of the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (“GNA Regulations 2022”), the Petitioner was to apply for connectivity for the quantum less than or equal to the installed capacity of the Project. Therefore, the connectivity application is consistent with the GNA Regulations 2022 and the LoA issued by SECI.
- d) Petitioner vide letter dated 28.04.2023, also revised the quantum of connectivity required to 1710 MW (810 MW Solar + 900 MW Wind) since the ESS for the supply of 600 MWh of energy would be charged using the 1710 RE installed capacity. However, vide letter dated 17.05.2023, CTU refused to grant connectivity and closed the Petitioner’s connectivity application, citing that the Petitioner failed to comply with Regulation 3.5 of the GNA Regulations 2022 since there was a mismatch between the quantum of connectivity sought and the LOA quantum.
- e) CTU’s refusal to grant connectivity to the Petitioner’s Wind-Solar Hybrid Project is *inter-alia* in violation of the GNA Regulations 2022. Since the installed RE capacity will be 1710 MW (810 MW + 900 MW) + 600 MWH ESS, the Petitioner correctly applied for connectivity of a quantum of 1710 MW. Even Regulation 5.8(ii) of the GNA Regulations 2022 requires the connectivity applicant to specify the maximum quantum of power to be interchanged at the ISTS.
- f) Regulation 2(n) of the CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020, Installed Capacity has been defined as summation of the nameplate capacities of all the units of the generating



station or the capacity of the generating station (reckoned at the generator terminals). In the case of Solar PV power projects and Floating solar projects, Installed Capacity shall be the sum of the name plate capacities (Nominal AC power) of the inverters of the project. This definition is also used in Regulation 2 (16A) of the Central Electricity Authority (Technical Standards for Connectivity to the Grid), 2007 (as amended in 2019).

- g) In terms of Clause 8.1 of the RfS, the Project has to be designed to meet the minimum Capacity Utilization Factor (“CUF”) of 50% and mandatorily supply energy corresponding to a maximum amount of 4000 kWh per MW of Contracted Capacity, on a daily basis, during Peak Hours. Further, the bidder was required to specify the respective capacities of solar, wind, and storage. Accordingly, SECI awarded Project capacity has been considered as 810 MW of Solar, 900 MW of Wind and 600 MWh of ESS.
- h) It has been clarified by this Commission in Clause 5.2(a)(v) of the Explanatory Memorandum to the Draft CERC (Connectivity and General Network Access to ISTS) Regulations 2021. By way of Illustration, this Commission clarified that a Renewable Hybrid Generating Station (“RHGS”) having co-located 500 MW of solar generation capacity, 500 MW of wind generation capacity, and 100 MW of ESS, shall apply for connectivity of 1100 MW (500 MW + 500 MW + 100 MW) or less.
- i) Regulation 5.8 of the GNA Regulations, 2022, categorically provides that in the case of applicants who are REGS (other than Hydro generating stations) or ESS (excluding Pumped Storage Plant), a LoA issued by the REIA consequent to tariff based competitive bidding shall be submitted. Since, the Petitioner has duly submitted the LoA dated 20.04.2023 issued/ certified by the REIA, i.e., SECI.
- j) Since CTU has rejected the Petitioner’s application and the Petitioner is out of the system. As a result, applicants who applied for connectivity after the Petitioner may obtain connectivity at the same Substation, and adequate transmission capacity / corridor may not be left for the evacuation of power from the Petitioner’s Project. This could render uncertain the Project construction and commissioning.
- k) On 18.05.2023, the Petitioner wrote to SECI informing SECI about CTUIL’s conduct in closing the Petitioner’s connectivity application, allegedly for a mismatch between



the connectivity quantum sought and the project capacity specified in the LoA. The Petitioner reiterated that the structure of the RfS (for SECI Hybrid Tranche 6) required oversizing of the RE components (wind and solar) to meet the compliance of providing power in the Peak Hours, as specified under the tender documents, and without additional connectivity, it may not be possible to supply the power in terms of the RfS. Therefore, the Petitioner requested SECI to intervene and facilitate discussions with CTUIL to get connectivity up to the installed capacity of the Project.

- l) On 25.05.2023, the Petitioner wrote to this Commission seeking its intervention for the grant of connectivity for the present Project under the GNA Regulations 2022, and on 26.05.2023, the Petitioner wrote to SECI seeking an extension of time for complying with Clause 7.13 of the RfS, which provides that the HPD shall apply for connectivity within 30 days of the issuance of the LoA.
- m) While closing the Petitioner's connectivity application vide letter dated 17.05.2023, CTU has not indicated any provision that limits the grant of connectivity to 600 MW, and refusal of connectivity for the quantum sought adversely impacts the Petitioner's obligations under the RfS, - that in terms of Clause 8.1 of the RfS, the Project has to be designed to meet the minimum Capacity Utilization Factor ("**CUF**") of 72% (declared CUF is 72%) as required under the bid and conditions for supply in peak.
- n) CTU has indicated that the Petitioner may obtain two connectivities, one for 600 MW as per the LoA and the other for 1110 MW under the merchant route. However, obtaining two connectivities would not be technically feasible since:
 - i. There is no provision for merchant/ purchase in the RfS/PPA. Therefore, to overcome this, SECI would have to accept 1100 MW as an integral part of the project to supplement the contractual obligations of the Petitioner under the LoA.
 - ii. To fulfil the PPA obligation to supply 600 MW of contracted capacity at 72% annual CUF and 4 hours of peak capacity at 100% CUF, the Petitioner has designed the Project with a capacity of 1710 MW RE + 600 MWh ESS. Since the Project is designed to meet the obligations under the RfS/PPA, if connectivity is not allowed for the entire capacity of 1710 MW, a substantial percentage of



renewable energy would be wasted whenever energy is generated over and above 600 MW with ESS fully charged.

- iii. Having two connectivity options, one for 600 MW under the LoA route and another for 1110 MW under the merchant sale / land route, may require separate bays, 400 kV dedicated lines, and meters at ISTS end both for 600 MW - PPA and 1100 MW – Merchant. Further, to meet the CUF obligations under the PPA, the project established under the LOA/PPA mode would be required to buy power from the project established under the Merchant mode.
- iv. Even if the Petitioner were to consider acquiring land for 1110 MW, that would require substantial time, i.e., more than 6 months provided under the Land BG route under the GNA Regulations 2022. If the developer waits for land readiness of 1110 MW, it puts the project at risk of losing connectivity margin at Anantpur ISTS S/s

Submissions in IA No. 48/2023

4. Petitioner has re-iterated its submissions made in the main Petition and mainly submitted as under:
 - a) The Petitioner has prayed for an interim stay on the operation of CTUIL's letter dated 17.5.2023 rejecting the Petitioner's Connectivity application dated 21.4.2023 pending adjudication of the Petition. The Petitioner is also pressing for the above interim relief, as upon rejection of its Connectivity application, it will be out of the system (queue) and will be relegated to the bottom of the queue if it has to re-apply for Connectivity afresh. Consequently, the applicants who may have applied for Connectivity after the Petitioner may obtain Connectivity at the concerned Ananthpur sub-station, and the adequate transmission capacity/corridor may not be left for the evacuation of the power from the Petitioner's Project.
 - b) Refusal by CTU to grant connectivity for the quantum of 1710 MW is in violation of Regulation 5.1 of the GNA Regulations 2022, which provides that a Renewable Energy Generating Station ("REGS") shall apply for connectivity for a quantum equal to the installed capacity of the generating station. Grave and irreparable loss



and injury would be caused to the Petitioner if the interim relief sought is not granted.

- c) Since obtaining all approvals related to connectivity are the Petitioner's obligations under Clauses 7.1 and 7.13 of the RfS and Article 4.1.1(a) of the Model/Standard PPA published along with the RfS. In the event these approvals are not obtained, it may be considered an event of default, making the Petitioner liable under Article 13.1.1(iv) of the PPA. The consequences of an event of default also included the termination of the PPA by SECI. Therefore, the Petitioner runs the risk of losing out on the Project for no default or reason whatsoever.
- d) No harm/ prejudice would be caused to CTU by granting the connectivity as sought by the Petitioner since the developer / Petitioner has submitted bank guarantees (Conn BG) as per Regulation 8 of the GNA Regulations, 2022.

Submissions in Petition No. 218/MP/2023:

5. Petitioner ACME has made the following submissions:

- e) Pursuant to the competitive bidding process conducted by the Renewable Energy Implementing Agency (REIA), Solar Energy Corporation of India Ltd. (SECI), under the Guidelines for Tariff Based Competitive Bidding Process for procurement of power from the Grid Connected Wind and Solar Hybrid Projects, 2020, Acme was declared the successful bidder and was issued a Letter of Award (LoA) on 20.04.2023, for setting up the Project. The LoA was initially for capacity comprising 380 MW of Solar, 380 MW of Wind, and 380 Mwh ESS which was subsequently amended to 400 MW of Solar, 400 MW of Wind and 380 MWh of ESS as per Clause 21.2 of the RfS, which provides that the successful bidder can modify the project breakup within 30 days of the LOA.
- f) On 19.05.2023, Acme submitted its connectivity application to CTU for grant of connectivity to ISTS to the extent of 800 MW in line with the Project capacity, i.e., 400 MW Solar, 400 MW Wind and 380 Mwh ESS. On 25.05.2023, CTU raised an objection alleging that the LoA was for 380 MW whereas the application was for 800 MW and asked Acme to submit a LoA matching the connectivity quantum sought.



- g) Acme clarified on 01.06.2023, that the connectivity application is consistent with the LoA issued by SECI. Thereafter, no action has been taken by CTU to date.
- h) CTU's objection/ failure/non-grant of connectivity to ISTS to Acme for a capacity of 800 MW (400 MW Solar and 400 MW Wind) as certified by SECI in LoA, is legally untenable and, *inter-alia*, in violation of the GNA Regulations 2022.
- i) Regulation 5.1 of the GNA Regulations 2022 provides that a Renewable Energy Generating Station (REGS) shall apply for connectivity for a quantum equal to the installed capacity of the generating station. Since the installed RE capacity will be 800 MW (400 MW + 400 MW) and 380 MWh ESS, the Petitioner has correctly applied for connectivity of a quantum of 800 MW.
- j) Acme has submitted all the necessary documentary evidence required for the grant of connectivity. Regulation 5.8 of the GNA Regulations 2022 categorically provides that in the case of applicants who are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant), a LoA issued by the REIA consequent to tariff based competitive bidding shall be submitted.
- k) There is urgency in hearing and adjudicating the present Petition since there are other applicants who have applied for connectivity and may obtain connectivity at the same substation, and adequate transmission capacity / corridor may not be left for the evacuation of power from the Petitioner's Project.
- l) In order to achieve a minimum CUF of 50% with a committed power supply of 04 hours during peak periods in a day, the installed capacity of the Petitioner's projects needs to be mandatorily higher than the Contracted Capacity so that during the off-peak hours of the day, the generation from the hybrid projects meets the CUF requirement of 50%. During peak hours, generation will be higher than the Contracted Capacity, which will be sold to other/ third parties or the power exchanges in order to utilize the excess energy. In any case, excess energy beyond Contracted Capacity cannot be left idle as it would result in waste, contrary to the interests of the consumers.
- m) Any further delay in the grant of connectivity by CTU may have an adverse impact on Acme since it is Acme's obligation to ensure that connectivity is granted in a timely manner in terms of the provisions of the RfS issued by SECI



and the PPA to be executed between Acme and SECI. Further, Acme may be liable to suffer penal consequences solely on account of CTU's refusal to grant connectivity in a timely manner.

Additional submissions of Acme:

6. The Petitioner Acme, vide affidavit dated 18.07.2023, submitted that on 12.07.2023, CTU refused to grant connectivity and rejected the Petitioner's connectivity application, citing that the Petitioner failed to comply with Regulation 3.5 of the GNA Regulations, 2022, since there was a mismatch between the quantum of connectivity sought and the LoA submitted by the Petitioner. The Petitioner requested for a stay of operation of the CTUIL letter dated 12.07.2023.

Hearing dated 19.07.2023:

7. The matter was heard and the Petition was admitted. Further the following was directed:

"3. After hearing the learned counsel for the Petitioner and the representative of the Respondent, CTUIL, the Commission ordered as under:

(a) Admit both the Petitions, namely, the present Petition and Petition (Dy. No. 267/2023) filed by ACME. Issue notice to the Respondents.

(b) The Petitioners to serve copy of the Petitions on the Respondents immediately, and the Respondents to file their replies to the Petitions, if any, within one week with a copy to the Petitioner, who may file its rejoinder, within one week thereafter.

(c) As to the interim relief(s) prayed under IA No.48/2023 in the present Petition and in Petition filed by ACME, keeping in view of the submissions made by the parties & the aspects involved in the matters, there will be a stay on the operation of CTUIL's letters dated 17.5.2023 and 12.7.2023 issued to the Petitioners, RVSPL and ACME, respectively. CTUIL is directed to keep the connectivity capacity sought by the Petitioners in both cases reserved till the next date of hearing.

(d) CTUIL is directed to clarify regarding its interpretation upon which provision of the GNA Regulations, 2022, it has rejected the connectivity applications of both the Petitioners dated 21.4.2023 and 1.6.2023.



(e) Registry is directed to register the Petition (Diary No. 267/2020).”

CTUIL Reply:

8. CTUIL, vide affidavit dated 11.08.2023 has submitted as follows:

- a) On 21.04.2023, the Petitioner applied for connectivity in terms of the GNA Regulations, 2022, for a total capacity of 1998 MW. On 28.04.2023, CTU reverted the said application of ReNew, highlighting certain defects qua the mismatch between the application seeking connectivity for 1998 MW and the LoA granted for only 600 MW. Accordingly, ReNew was required to resubmit the application without defects as highlighted by CTU within seven days. Subsequently, on 17.05.2023, SECI issued an Addendum to the ReNew’s LoA dated 20.04.2023, holding the project capacity revised as Solar – 810 MW; Wind – 900 MW; ESS – 600 MWh, totaling to 1710 MW.
- b) On 28.04.2023, ReNew submitted the revised application on the NSWS Portal, along with a letter for pointwise clarification wherein, it emphasized on the LoA dated 20.04.2023 and the provisions of the GNA Regulations, 2022, to substantiate as to why it has applied for a higher quantum, i.e., proportionate to the project capacity as against the LoA capacity awarded by SECI. Further, ReNew sought a reduction of the connectivity quantum to 1710 MW (750 MW solar and 960 MW wind) from 1998 MW (750 MW solar, 960 MW wind, and 228 MW BESS).
- c) On 17.05.2023, CTU intimated ReNew regarding the closure of its Connectivity application, observing that ReNew had *‘failed to comply with the provisions of Regulation 3.5 of GNA regulation and therefore the Connectivity Application (2200000032) has been closed’*. The application of ReNew was considered by CTU in terms of Clause (xi) of Regulation 5.8 of the GNA Regulations, 2022, as amended on 01.04.2023. A perusal of the Regulation shows that the applicant, which is a Renewable Energy Generating Station (**‘REGS’**), can apply through three possible alternate routes, wherein the applicant has to furnish the following:

- i. LoA or Power Purchase Agreement (PPA);

OR



- ii. Registered title deed as proof of ownership or lease right for 50% of the land required;
- OR**
- iii. Bank Guarantee of Rs. 10 Lakh per MW in lieu of ownership or lease rights.
- d) In the present case, as ReNew had applied under the LoA route, CTU proceeded to examine the application on the basis of the LoA granted by SECI. The LoA has been granted only for a project capacity of 600 MW, while the connectivity sought by ReNew was to the extent of 1998/1710 MW. The regulatory prescription for eligibility under the LoA route does not provide that the quantum over and above the specified LoA quantum ought to also be considered under the LoA route.
- e) In view of the above, the application of ReNew was not considered for further processing and grant of Connectivity as ReNew failed to rectify the connectivity quantum sought in the application as equivalent to the contracted capacity granted under the LoA and was accordingly closed vide communication dated 17.05.2023.
- f) Any connectivity over and above the contracted capacity under the LoA can be granted to the applicant subject to satisfying any of the other eligibility criteria specified under Clause (xi) of Regulation 5.8 of the GNA Regulations, 2022. In regard to the balance quantum, if the REGS so desires, the quantum can be sought under one of the two other alternatives provided in Clause (xi) of Regulation 5.8 of the GNA Regulations, 2022.
- g) The Explanatory Memorandum (originally issued for the Draft GNA Regulations, 2021) cannot override the categorical regulatory specification under Regulation 5.1. As such, there is no regulatory prescription for a hybrid generation project to mandatorily apply for, and for CTU to mandatorily grant, Connectivity equal to the installed/project capacity as contended by ReNew;
- h) That additional “eligibility” criteria has been stipulated for REGS vide Regulation 5.8(ix). That “quantum” and “eligibility” are two separate and independent aspects of any RE connectivity application, and the extracted portion of the Explanatory Memorandum relied upon by ReNew only deals with the issue regarding the “quantum” for which Connectivity can be applied, without, in any manner, addressing or relaxing the eligibility requirements.



- i) The above issue was also discussed in the Meeting held on 24.05.2023 chaired by the Secretary, Ministry of Power, on various issues, *inter-alia*, relating to Connectivity Applications.
- j) If such an increased quantum is to be granted under the LoA route, CTU is seeking further guidance from this Commission as to what proportion should be considered between the LoA capacity and the project/installed capacity, as there is no benchmark specified for the same. For instance, in the present case, the application for connectivity is for 1710 MW and the LoA is granted for 600 MW (i.e., 35.08% of the quantum for which the connectivity has been sought).
- k) It may be desirable that Respondent No. 2 and any concerned Renewable Energy Implementing Agencies clearly specify the capacity for which ISTS connectivity may be applied under a given LoA in terms of the provisions of the GNA Regulations, 2022. In this regard, prior consultation of REIA with CTU may also be done in terms of Clause 19 of the RfS.
- l) It is relevant to note that the three separate “eligibility criteria” or eligibility routes were specifically reviewed and inserted by way of an amendment to the GNA Regulations, 2022, after the recommendation of the Ministry of Power. Therefore, the rationale for specifying “LoA” as a distinct criterion and the introduction of “Bank Guarantee” as a separate residuary criterion needs to be considered in the adjudication of the present petition.
- m) The evacuation capacity of a sub-station is limited, e.g. in the present case, the evacuation capacity of Anantpuram S/s is presently 3500 MW with 7 ICTs of 500 MVA (which can be augmented to a maximum of 5000 MW with 3 additional ICTs of 500 MVA each);
- n) Applications for RTC projects are generally considered to be injection sources (in MW) for a lesser quantum than the summation of the individual renewable generation capacity (solar, wind, ESS, etc.) as in the present case. In such a case, the connectivity quantum of RTC projects may be moderated in order to ensure optimal utilization of the sub-station’s evacuation capacity by other prospective generators seeking connectivity to the sub-station.



- o) The “Connectivity quantum” approved for grant for any applicant shall serve as the input for CTU in reserving not only the evacuation capacity at a given sub-station but also ensuring the onward power transfer through ISTS. In such a scenario, if the net injection from an RTC project is not likely to utilize to the extent of the summation of RE sources constituting such a project, then not only the sub-station capacity but also the ISTS margins may be susceptible to under- or sub-optimal utilization.
- p) The subject matter was even taken up by the Ministry of Power in a meeting held on 24.05.2023 with the participation of CTU as well as Respondent No. 2 – SECI along with other stakeholders. It had been resolved that in the case of ReNew and other similar cases, connectivity for non-LoA quantum could be permitted under any of the non-LoA routes.

Hearing on 11.08.2023

- 9. During the hearing dated 11.08.2023, CTUIL adopted the submissions made in Petition No. 211/MP/2023 for Petition No. 218/MP/2023. The Commission reserved both Petitions for order.

Analysis and Decision

- 10. We have considered the submissions of Petitioner and Respondent.
- 11. The prayers of the petitioners hinge around the only issue to be answered by us “What is the quantum of Connectivity which can be sought by a Renewable Hybrid Generating station **based on LOA?**”
- 12. Petitioners RVSPL and ACME were declared successful bidders for 600 MW and 300 MW, respectively, consequent to Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind and Solar Hybrid Projects, 2020, conducted by SECI.
- 13. SECI issued a Letter of Award to RVSPL and ACME based on which RVSPL and ACME applied Connectivity under GNA Regulations 2022 for 1710 MW and 800 MW, respectively. CTU rejected the applications of both Petitioners seeking LOA for applied Connectivity quantum.
- 14. Let us peruse the LOA dated 17.05.2023, issued to RVSPL, quoted as follows:



“

1.0 With reference to the LoA (reference C), the break-up of the Project Capacity in the LoA dated 20.04.2023 stand modified to the details as per the table below:

Allotted Project ID	Project Capacity (MW)	Project Location(s)	Interconnection Point(s) Details	Applicable Tariff (INR/kWh) in figures	Applicable Tariff (INR/kWh) in words
HPD-ISTS-T6-RVSPL_P1-600MW	600 (Solar-810 MW; Wind-900 MW; ESS-600 MWh)	Ananthpur, Andhra Pradesh	400/220 kV S/s in Ananthur, Andhra Pradesh	Rs. 4.69/-	Rupees Four and Sixty-nine paise only

It is to be noted that as per the provisions of the RfS, the HPD is allowed to change the project location and interconnection point for the awarded project subsequent to issuance of LoA.

.....”

Further, the relevant extract of LOA dated 17.05.2023 issued to ACME is as below:

“

1.0 With reference to the LoA (Reference C), the break-up of the Project Capacity in the LoA dated 20.04.2023 stand modified to the details as per the table below:

Allotted Project ID	Project Capacity (MW)	Project Location(s)	Interconnection Point Details	Applicable Tariff (INR/kWh) in figures	Applicable Tariff (INR/kWh) in words
HPD-ISTS-T6-ACSPL-P1-380MW	380 (Solar-400 MW; Wind-400 MW; ESS-380 MWh)	Solar Component: Mandal: Guntakal, Dist: Anantapur Wind Component:	400/230 kV S/S in Ananthpur, Andhra Pradesh	Rs. 4.73/-	Rupees Four and Seventy- three paise only



		Mandal: Kalyandrug, Kambaduru, Dist: Anantapur			
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It is to be noted that the HPD is allowed to change the project location and interconnection point for the awarded project subsequent to issuance of LoA, as per the provisions of RfS..

.....”

As per above, it is noted that RVSPL is required to install 810 MW of Solar capacity, 900 MW of Wind capacity and 600 MWh of ESS capacity. Further, ACME is required to install 400 MW Solar, 400 MW Wind and 380 Mwh ESS capacity as per the LOA.

15. CTUIL while rejecting the Connectivity application of RVSPL vide letter dated 17.05.2023 stated as below:

“.....

M/s RVSPL has submitted revised application on 30.04.2023 and it is observed that LOA equivalent to connectivity quantum sought has not yet been furnished with application. In view of the above M/s Renew Vikram Shakti Private Limited has failed to comply with the provisions of the Regulation 3.5 of GNA regulation and therefore the Connectivity application (220000032) has been closed. Further, 80% of application fees shall be refunded..”

16. In this regard the relevant provisions of the GNA Regulations 2022 are as under:

“3. Application for Grant of Connectivity and GNA

3.1. *Applications for grant of Connectivity or grant of GNA, as the case may be, shall be made online to the Nodal Agency and shall be digitally signed by the Applicant.*

3.2. *Each application for grant of Connectivity shall be accompanied by an application fee of Rs.5 lakh along with applicable taxes.*

3.3. *Each application for grant of GNA shall be accompanied by an application fee of Rs.5 lakh along with applicable taxes.*

Provided that no application fee shall be payable by the State Transmission Utilities while applying for GNA

3.4. *An auto-generated acknowledgement for receipt of application bearing date and time of application shall be issued to the Applicant and a copy thereof shall be displayed on the website of the Nodal Agency.*



3.5. After scrutiny, the Nodal Agency shall intimate the deficiencies, if any, in the application for grant of Connectivity or grant of GNA, to the Applicant within one week of the receipt of application, in order of date and time of receipt of application. The Applicant shall rectify the deficiency within one week thereafter, failing which the application shall be closed and 20% of the application fee shall be forfeited. Balance 80% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of closure of the application.

.....

5. Application for Grant of Connectivity

5.1. An Applicant, which is a generating station including REGS, shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the installed capacity of the generating station:

Provided that if such an Applicant already has Connectivity to intra-State transmission system for part of its installed capacity, it may apply for Connectivity to the ISTS for a quantum not exceeding the balance of the installed capacity;

Provided further that if such an Applicant is a Renewable Hybrid Generating Station or REGS with storage, it may apply for grant of Connectivity for a quantum less than or equal to the installed capacity.

.....

5.8. The application for grant of Connectivity shall contain, inter alia, the following details, as applicable, duly supported with relevant affidavit, as stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1:

- (i) Geographical location and installed capacity under Regulation 4.1 of these regulations;
- (ii) Maximum quantum of power to be interchanged with ISTS and preferred point of connection to ISTS;
- (iii) Date from which Connectivity is being sought;
- (iv) Bank generated proof of digital payment for application fee;
- (v) In case of a Company, Board Resolution authorizing a designated person for filing of application for grant of Connectivity;
- (vi) Registration Number along with certificate issued by the CEA Registry;

.....
(viii) 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:

(a) Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding, as the case may be:

Provided that in case of Applicants being multi-located REGS, the details of locations and capacity at each location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be, shall be submitted.

Or



(b) 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

(c) Bank Guarantee of Rs. 10 lakh/ MW in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations.

.....”

As per above, a Renewable Hybrid Generating Station may apply for a grant of Connectivity for a quantum less than or equal to the installed capacity with documents of (a) specified LOA/PPA, or 50% Land, or (c) BG for Rs 10 Lakh/MW, subject to other provisions of the Regulations.

17. We observe that the requirement of submission of LOA/PPA, Land, or BG in lieu of land was introduced by way of the first amendment to GNA Regulations 2022 to address the issue of squatting and to include conditions to assess the seriousness of applications for Connectivity in the case of REGS, ESS, and Renewable Power park developers.
18. Let us discuss whether, with a LOA quantum of 600 MW (in the RVSPL case), it can apply for Connectivity of 1710 MW or not.
19. We have already observed that the LOA clearly mentions the capacity to be installed by the Petitioner, RVSPL, which is 810 MW of Solar capacity, 900 MW of Wind capacity, and 600 MWh of ESS capacity. We have perused the RFS issued by SECI (including amendments) with regard to said competitive bidding, which provides as follows:

“21 Power Purchase Agreement (PPA)

...

21.2 Note: PPA will be executed between SECI and the HPD as per the breakup of the cumulative Project capacity awarded to the Bidder. The HPD shall provide the project breakup for the cumulative capacity quoted in the Covering Letter (Format 7.1), which may be changed by the HPD subsequent to issuance of LoA up to the date as on 30 days from issuance of LoA. Further, for each Project, the bidder shall provide tentative hourly generation profile for a representative day for a single year, indicating tentative energy (MWh) and power (MW) to be supplied under the PPA. For an individual Project, any modification in the rated capacities of wind and solar components in the Project, shall be



intimated to SECI within 30 days of issuance of LoA. Both the above parameters will remain unchanged, thereafter. The PPA(s) will be signed after signing of PSA(s) for the respective Project(s).

.... “

The above provides that HPD needs to provide project breakup and that the rated capacities of wind and solar components, once intimated, cannot be changed after 30 days of the issuance of the LoA. The RFS also provides as follows:

23 Land Arrangements for the Project

23.1 The HPD shall be entirely responsible for acquiring the land required for setting up the project and SECI shall not in any manner be responsible for the same.

23.2 The HPD shall demonstrate clear possession and right to use 100% of the land identified for the Project, on or before the SCD of the Project. In this regard, the HPD shall be required to furnish documents/lease agreements to establish possession and right to use 100% of the required land in the name of the HPD for a period not less than the complete term of the PPA, on or before the Scheduled Commissioning Date (SCD).

23.3 In case of leasing of Government land, appropriate state regulations regarding tenure of lease agreement shall be applicable. In both cases where the lease agreements are for a period shorter than the PPA Term, solely on account of applicable State Governmental regulations, the HPD shall be required to submit an undertaking that the lease agreements shall be appropriately extended in line with the Term of the PPA, when required. Wherever leasing of private land is involved, the lease should allow transfer of land to the lenders or SECI, in case of default of the HPD. Further, in case of sub-leasing of land from an entity other than the Government, the lessor and lessee shall submit letters in their respective letterheads addressed to each another, confirming handing over and taking over the said land parcel(s), respectively.

23.4 The HPD shall submit a sworn affidavit from the authorized signatory of the HPD listing the details of the land and certifying that total land required for the Project is under clear possession of the HPD, on or before the SCD.

23.5 It is further to be noted that part/full commissioning of the Project will not be allowed until demonstration of land possession for the corresponding capacity being commissioned.

23.6 It is to be noted that delay in commissioning of the Project due to changes in Project location(s) and/or connectivity/LTA/GNA, if any, will be on account of the HPD, and will be dealt as per the provisions of the RfS/PPA.

23.7 With respect to demonstration of land possession by the HPD, commissioning of the Project will not be allowed until the demonstration of land possession by the HPD in terms of this Clause and Clause 9.2.e. of the RfS. However, in case of delays in demonstrating land possession by the HPD on account of Government delay (including but not limited to delay in land use pattern change, and/or relaxation under respective State land ceiling Act, and/or land lease permission from State Government/Authorities) or delay caused due to a Force Majeure as per PPA, SCD shall be suitably extended”

As per above, the HPD needs to demonstrate possession of 100% land as per the RFS requirements for the full capacity of the project, i.e. 810 MW Solar capacity, 900 MW Wind capacity and 600 MWh ESS capacity. Further, the RFS provides as follows regarding the sale of excess generation:



“8.4 Excess generation

The HPD may repower the Project at a later stage, if required. The obligation of SECI/Buying Entity for offtake of power scheduled under the PPA/PSA shall be limited to the Contracted Capacity. Any excess power being generated beyond the Contracted Capacity may be sold to a third party, without seeking any NOC from SECI/Buying Entity. Also, after repowering, the minimum ratio of both the resources (wind & solar) shall be kept as per clause 6.3 of the RfS. The HPD will not be allowed to sell excess energy more than the limit corresponding to the maximum annual CUF, to any entity other than SECI, unless refused by SECI. In case SECI purchases the excess generation, the same shall be done at 75% (seventy-five per cent) of the PPA tariff. In case at any point of time, the peak of capacity reached is higher than the allotted capacity and causes disturbance in the system at the point where power is injected, the HPD will have to forego the excess generation and reduce the output to the allotted capacity to ensure compliance with grid requirement.”

As per the above, HPD is allowed to sell any power beyond the contracted capacity to a third party. Hence, the injection is not restricted to the LOA quantum under the said RFS.

20. CTU has submitted that any connectivity over and above the contracted capacity under the LoA, can be sought under one of the two other alternatives provided in Clause (xi) of Regulation 5.8 of the GNA Regulations 2022.
21. We observe that above-mentioned submission of the CTU is not as per the GNA Regulations 2022. We observe that, as per the second proviso of regulation 5.1 of GNA Regulations 2022, a RHGS may obtain connectivity for quantum equal to or less than installed capacity along with documents prescribed in regulation 5.8 of GNA Regulations 2022. In the instant case, the LOA itself contains the installed capacity of the project. The developer is required to upfront declare such installed capacity, which cannot be changed after 30 days of the issuance of the LOA. Further, the RFS requires the developer to acquire land for 100% of the installed capacity of the project as per the timelines indicated in the RFS. Hence, the LOA, which is one of the eligible routes to apply for Connectivity, includes the installed capacity of the project, which is being monitored by SECI for successful commissioning of the project. Any installed capacity not covered in the LOA, can be considered separately through any of the routes prescribed in Regulation 5.8 of GNA Regulations 2022.



22. In the present case, the installed capacity of the RVSPL is 810 MW Solar capacity, 900 MW Wind capacity and 600 MWh ESS capacity as per the LOA, and the Petitioner RVSPL has applied for 1710 MW of connectivity which is equal to the sum of the solar and wind capacities mentioned in the LOA. Further, ACME has installed capacity of 400 MW Solar, 400 MW Wind and 380 Mwh ESS capacity as per the LOA and has applied for 800 MW connectivity which is equal to the sum of the solar and wind capacities mentioned in the LOA.
23. In light of the discussions above, the Petitioners are eligible to obtain connectivity up to the Installed capacity as provided for in the LOA. Accordingly, the rejection letters of CTU dated 17.5.2023 (for RVSPL) and letter dated 12.7.2023 (for ACME) are set aside. CTU is directed to process the applications for the petitioners, keeping the same priority as if the applications had not been rejected by CTUIL, as per the directions in this Order, within a period of one week from the date of issue of this Order.
24. CTU has also sought certain clarifications with respect to RHGS, as follows:
- a) What proportion should be considered between the LoA capacity and the project/installed capacity, as there is no benchmark specified for the same. In the present case, the application for connectivity is for 1710 MW, and the LoA is granted for 600 MW (i.e. 35.08% of the quantum for which the connectivity has been sought).
 - b) As per practice followed by CTUIL, the “Connectivity quantum” approved for grant for any applicant serves as the input for CTU in reserving not only the evacuation capacity at a given sub-station but also ensuring the onward power transfer through ISTS. In such a scenario, if the net injection from an RTC project is not likely to utilize to the extent of the summation of RE sources constituting such a project, then not only the sub-station capacity but also the ISTS margins may be susceptible to under- or sub-optimal



utilization. It may be desirable that Respondent No. 2 and any concerned Renewable Energy Implementing Agencies clearly specify the capacity for which ISTS connectivity may be applied under a given LoA in terms of the provisions of the GNA Regulations, 2022. In this regard, prior consultation of REIA with CTU may also be done in terms of Clause 19 of the RfS.

25. We observe that in the case of an RHGS applying through any route, be it land, LOA or BG, the issue of timely planning for ISTS and utilization of Connectivity needs to be considered. Since generation is a delicensed activity, and the Act requires CTU to ensure the development of an efficient, coordinated, and economical system of inter-state transmission lines for the smooth flow of electricity from generating stations to load centres, we observe that it is the generating station which should decide the amount of injection it seeks through ISTS depending upon its generation profile and CUF unless bound by restrictive conditions of any agreement entered into by it or grid security. . In case a generating station has been set up under specific bidding conditions that restrict injection up to a certain quantum, it is expected that the same shall be provided for in the LOA or PPA. We agree with the submissions of CTU that to take care of such projects where RFS or PPAs restrict injection, REIA, a distribution licensee, or an authorized agency on behalf of a distribution licensee may specify the maximum Connectivity quantum that can be obtained based on such LOA or PPA, as the case may be. However, the instant petitions do not fall under such a category, as there is no restriction on the injection of excess generation unless it causes disturbance in the system as specified in clause 8.4 of the RFS.

26. Further, SECI shall ensure that the Petitioners install the capacities as specified in the LOAs in line with the conditions specified in the RFS/ PPA. Post-COD, Grid-India shall monitor the maximum injection from these two projects on a daily basis and submit a report to this Commission one year after the COD.



27. The Petition Nos.211/MP/2023 IA.No.48/2023 and Petition No. 218/MP/2023 are disposed of in terms of the above.

sd/-	sd/-	sd/-	sd/-
(P. K. Singh) Member	(Arun Goyal) Member	(I. S. Jha) Member	(Jishnu Barua) Chairperson

