



Date: 7th March 2024

Ref No: ABREL/General/GOI/2024030701

To

Sh. Harpreet Singh Pruthi

Secretary, CERC

6th, 7th and 8th Floor,

World Trade Centre, Nauroji Nagar,

Safdarjung Enclave, New Delhi 110029

Sub: Comments towards Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024.

Dear Sir,

This is with reference to comments/ suggestions/ objections solicited from the stakeholders on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2023.

We thank you for providing this opportunity and are pleased to furnish comments and suggestions on the draft amendment as enclosed herewith. We hope that you would find them useful and would consider appropriately while finalising.

Thanking you,

Yours faithfully,

For **Aditya Birla Renewables Limited**

A handwritten signature in blue ink, appearing to read 'Vaibhav Kapoor', is written over a light blue circular stamp.

Vaibhav Kapoor

AVP – Strategy

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Enclosure: a/a

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Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
1	<p>Amendment proposed in Clause 3.5 <i>The words “one week” before the words “of the receipt of application” shall be substituted with the words “Eighteen (18) days” in Regulation 3.5 of the Principal Regulations.</i></p>	<p>Request to retain original duration of one week instead of Eighteen Days</p>	<p>Rollback is requested as:</p> <p>(a) Applications made in last week of a month were anyways susceptible to cross the month of application as date is reset to date of revert by applicant when shortcomings in application are fulfilled. Now with this proposed amendment, an application made beyond first 12 days of a month is susceptible to cross the month and thereby create a gap of almost 3 months from date of application to it being taken up in CMETS.</p> <p>(b) Alternatively, application date may not be reset to revert-date of applicant if there is a superficial or small typographical error so that this delay and resulting loss in priority can be averted. For insufficiency wherein required documents have not been provided, application date may be reset.</p> <p>(c) May note that elongating the number of days reduces transparency of the system as an earlier application could be reverted at a later date (within the window of 18 days) thereby pushing its priority down from a later application which has been reverted earlier (within its window of 18 days).</p> <p>(d) The application processing days could be kept at one week if more resources for application scrutiny can be augmented at CTU to process the applications faster.</p>
2	<p>Amendment proposed in Clause 5.8 (vii) (c) and Clause 5.8 (xi) (c)</p> <p><i>“(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW, in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which</i></p>	<p>Request to consider revised limits, as indicated in bold below:</p> <p><i>“(c) For a capacity up to 300 MW - Bank Guarantee of Rs. 5 lakh/ MW and for a capacity more than 300 MW - Bank Guarantee of Rs. 15 Crore plus Rs. 2 lakh/ MW for capacity over and above 300 MW, in lieu of ownership or lease rights or land use rights of land for 50%</i></p>	<p>Request to reduce the Land BG amounts and revisit the sub-limit of 1000 MW to 300 MW</p> <p>(a) A very high Land BG unnecessarily blocks the capital that can otherwise be deployed to develop RE projects faster.</p> <p>(b) Developers would be putting equally serious efforts to protect their investment, whether it is 10 Lacs/MW or 5 Lacs/MW.</p> <p>(c) 1000 MW is an impractical size of application and favours only extremely large applicants who anyways have significantly higher BG limits with the banks.</p>

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	Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; or..	of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; or..	(d) As per data available on CTU website, only 3.4% (13 out of 382) applications made in GNA regime (05-Apr-2023) to (15-Feb-2024) were above 1000 MW, mostly by very large players or Govt entities.
3	<p>Amendment proposed in sub-clause (1) of Clause 11A</p> <p><i>“(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under sub-clause (c) of Clause (vii) Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as proof of Ownership or lease rights or land use rights.”</i></p>	<p>Request to include following phrase, as appended in bold below:</p> <p><i>“(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under sub-clause (c) of Clause (vii) Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as proof of Ownership or lease rights or land use rights specified in Regulation 5.8 (b) or 5.8 (d), as the case may be.”</i></p>	Request to append so that ambiguity, if any over the Ownership or lease right or land use rights can be removed and tied to existing clause(s) of the regulation.

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4	<p>Amendment proposed in sub-clause (2) of Clause 11A <i>“(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall submit an Auditor’s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity latest by 12 months prior to the scheduled date of commercial operation of such applicant:”</i></p>	<p>(i) Request to clarify if Auditor is any chartered accountant.</p> <p>(ii) Request to include following phrase, as appended in bold below:</p> <p><i>“(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall submit an Auditor’s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity latest by 12 months prior to the scheduled date of commercial operation of such applicant or 12 months prior to its GNA effectiveness date, whichever is later”</i></p>	<p>(i) Seek clarification since Auditor has been capitalised but not defined in the amendment, principle regulation or in Electricity Act 2003.</p> <p>(ii) Comments for suggesting appendment in clause:</p> <p>(a) In cases where REIAs are not involved ie where connectivity has been obtained through Regulation 5.8 (b), (c) or (d), developers invariably align their schedule of commissioning with effectiveness of GNA, especially if GNA effectiveness date provided by CTU is substantially higher than SCOD submitted by applicant at the time of application.</p> <p>(b) To provide with an example, assuming that applicant has sought connectivity indicating SCOD of 30-Jun-2025 in application but he is provided with GNA effectiveness date of 31-Mar-2026, then for all practical purposes, the development of plant is aligned with evacuation readiness schedule of 31-Mar-26. In this case, it would be prudent to make financial commitments targeting 31-Mar-26 instead of 31-Jun-2025.</p> <p>(c) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD.</p> <p>(d) Thus, the period of 12 months shall be considered from either of SCOD or GNA effectiveness date, whichever is later.</p>
5	<p>Amendment proposed in sub-clause (3) of Clause 11A <i>“(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall</i></p>	<p>Request to include following phrase, as appended in bold below:</p> <p><i>“(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power</i></p>	<p>In line with rationale provided above,</p> <p>(a) In cases where REIAs are not involved ie where connectivity has been obtained through Regulation 5.8 (b), (c) or (d), developers invariably align their schedule of commissioning with effectiveness of GNA, especially if GNA effectiveness date</p>

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	<p><i>have to achieve the financial closure for the capacity of such Connectivity, latest by 12 months prior to the scheduled date of commercial operation of such applicant.”</i></p>	<p><i>park developer to which a final grant of connectivity has been issued shall have to achieve the financial closure for the capacity of such Connectivity, latest by 12 months prior to the scheduled date of commercial operation of such applicant</i> or 12 months prior to its GNA effectiveness date, whichever is later”</p>	<p>provided by CTU is substantially higher than SCOD submitted by applicant at the time of application.</p> <p>(b) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD.</p> <p>(c) Thus, the period of 12 months shall be considered from either of SCOD or GNA effectiveness date, whichever is later.</p>
6	<p>Amendment proposed through addition of sub-clause (5) of Clause 11A: <i>“(5) In case of Applicants which have been granted Connectivity under subclause (a) of Clause (xi) of Regulation 5.8 of these regulations, and whose LoA or PPA gets terminated prior to the COD of the project, for the reasons not attributable to such Applicant and in cases where LoA or PPA has been terminated by the entity and the same has also been agreed by the REIA or Distribution Licensee, such Applicant may convert the Connectivity, in full or part, granted under sub-clause (a) of Clause (xi) of Regulation 5.8 of these regulations to Connectivity under sub-clause (b) of Clause (xi) of Regulation 5.8 of these Regulations with no change in the start date of Connectivity consequent to such conversion and compliance to requirements of Clause (2) and Clause (3) of this Regulation as applicable to entities covered under subclause (b) of Clause (xi) of Regulation 5.8 of these regulations:”</i></p>	<p>Request to include following phrase, as appended in bold below:</p> <p><i>“(5) In case of Applicants which have been granted Connectivity under subclause (a) of Clause (xi) of Regulation 5.8 of these regulations, and whose LoA or PPA gets terminated prior to the COD of the project, for the reasons not attributable to such Applicant and in cases where LoA or PPA has been terminated by the entity and the same has also been agreed by the REIA or Distribution Licensee, such Applicant may convert the Connectivity, in full or part, granted under sub-clause (a) of Clause (xi) of Regulation 5.8 of these regulations to Connectivity under sub-clause (b) of Clause (xi) of Regulation 5.8 of these Regulations with no change in the start date of Connectivity consequent to such conversion and compliance to requirements of Clause (2) and Clause (3)</i></p>	<p>Justification for inclusion is as follows:</p> <p>(a) In order to ensure that this new route is not exploited, transfer from LOI/PPA based connectivity into Land based connectivity shall take place within 12 months from final grant of connectivity/ 18 months from in-principle grant, whichever is earlier</p> <p>(b) This will ensure that the developer, in all earnestness, has aggregated 50% land in the same period as given to those who have obtained connectivity through Provision 5.8 (c) ie Land BG route.</p> <p>(c) Keeping such provision with no time limit shall provide undue advantage to applicants from LOI/PPA route as it is easy to avoid convergence to PPA for a longer period and utilise this extended period to aggregate land. The termination action could be initiated by such opportunists only once they have 50% land ready.</p> <p>(d) Further, since principally it is an agreed position now that 50% land aggregation shall happen in 12 months, providing further time is detrimental to rapid growth of RE in the country and unfair towards evacuation infrastructure being built.</p> <p>(e) This would additionally guarantee that developers with opportunistic tendencies refrain from manipulating projects</p>

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		<p><i>of this Regulation as applicable to entities covered under subclause (b) of Clause (xi) of Regulation 5.8 of these regulations provided such termination occurs 12 months from issuance of final grant of connectivity or 18 months from issuance of In-Principle grant of connectivity, whichever is earlier</i></p>	<p>secured through excessively low tariff bids made 3-4 years prior, aiming to transform them into significantly higher tariffs due to the earlier bids becoming less profitable for them and thus taking this termination route. Instead, such connectivity should be revoked and offered to waiting developers/ offered afresh.</p> <p>(f) Hence it is prudent to cap such period to 12 months from issuance of final grant of connectivity or 18 months from issuance of In-Principle grant of connectivity, whichever is earlier.</p>
7	<p>Existing Clause 15.3</p> <p><i>“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 split part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations”</i></p>	<p>Request to include following bolded letters to improve legibility and facilitate easier interpretation of the Clause:</p> <p><i>“Any person, (a) which acquires 51% or more shareholding of the company or (b) its subsidiary or (c) affiliate of company owning REGS or part thereof, in terms of Regulation 15.2, may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations”</i></p>	<p>The addition of marking words is suggested to improve the legibility and facilitate ease of interpretation of the clause.</p>

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8	<p>Existing Clause 24.6 (1) (a) (ii)</p> <p><i>“(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) or (xi)(c) of the Regulation 5.8.”</i></p> <p>and Existing Clause 24.6 (1)(d)(ii)</p> <p><i>“(ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA.”</i></p>	<p>Request to include following phrase in bold below for clause 24.6 (1)(a)(ii):</p> <p><i>“(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity or six months after the GNA has been made effective, whichever is later, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8.”</i></p> <p>Request to include following phrase in bold below for clause 24.6 (1)(d)(ii):</p> <p><i>“(ii) six months after the scheduled date of commercial operation or six months after effectiveness of GNA, whichever is later, for generating station(s) being set up without LOA or PPA.”</i></p>	<p>Justification for inclusion is as follows:</p> <p>(a) The existing clause has potential to be misinterpreted, especially in cases where GNA effectiveness date is later than scheduled date of commercial operation intimated at time of making application of Connectivity.</p> <p>(b) For instance, assuming that applicant has sought connectivity indicating SCOD of 30-Jun-2025 in application but he is provided with GNA effectiveness date of 31-Mar-2026, then going strictly as per the existing clause, once the GNA is made effective on 31-Mar-2026 and six months have passed from SCOD intimated by the applicant, the connectivity would be revoked very next day!.</p> <p>(c) In this particular case, the connectivity stands revoked by 01-Apr-2026 as 9 months have passed from SCOD intimated by applicant (30-Jun-2025) ie merely 1 day delay from GNA effectiveness.</p> <p>(d) To avoid this misinterpretation, six months shall be counted from SCOD intimated by applicant or GNA effectiveness date, whichever is later.</p>
9	<p>Existing Clause 24.6 (1)(a)(ii)</p> <p><i>“(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) or (xi)(c) of the Regulation 5.8.”</i></p>	<p>Request to append the clause (after revising as suggested in S.No 8 above)</p> <p><i>“(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity or six months after the GNA has been made effective, whichever is later, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8. An extension of further six months to be provided if project has acquired more</i></p>	<p>Rationale for appending the clause:</p> <p>(a) Given the extreme uncontrollable challenges such as land acquisition, RoWs, geopolitical factors, combined with shorter development cycles of renewable energy projects, revoking connectivity with a grace of only six months’ is an extreme punitive action that can result in significant loss of capital invested in the project.</p> <p>(b) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD, making them vulnerable to delay.</p>

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		<i>than 80% land and released more than 50% of project cost through equity, duly certified by an Auditor”</i>	<p>(c) Therefore, we request to establish additional safeguards that offer motivation for timely project completion while avoiding overly restrictive measures that could jeopardize the entire investment and undermine investor confidence.</p> <p>(d) A further leeway of 6 months can be provided if project has acquired say 80% land and released more than 50% equity.</p> <p>Alternatively, delay charges which are specified as Rs 3000/MW/month in “CERC Sharing of inter-State Transmission Charges and Losses Regulations, 2020” can be enhanced for period crossing six months so that developers face the heat of delay but at the same time do not lose the connectivity.</p>
10	New Clause 24.6 (3)	<p>Propose inclusion of new Clause 24.6 (3)</p> <p><i>“(3) Upto the revocation, the applicant has to furnish the delay charges as stipulated in Sharing Regulations and amended from time to time.”</i></p>	<p>For sake of ample clarity, a reference to delay penalty as stipulated in “CERC Sharing of inter-State Transmission Charges and Losses Regulations, 2020” must be made so that applicant is aware of consequences of delay in toto rather than referring separate regulations issued by hon’ble Commission.</p>