

Date: 1 April 2025

To

Shri. Harpreet Singh Pruthi

Secretary, Central Electricity Regulatory Commission (CERC)

8th Floor, Tower B, World Trade Centre, Nauroji Nagar,
New Delhi, 110029

Subject: Comments on the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025

Reference: No. L-1/261/2021/CERC dated 3 March 2025 (hereinafter referred to as **Draft Regulations**).

Respected Sir,

1. Greetings from Copenhagen Infrastructure Partners (**CIP**).
2. We are one of the world's largest dedicated fund managers within greenfield renewable energy investments. We manage 13 funds and have to date raised approximately EUR 32 billion for investments in energy and associated infrastructure. We have been active in the Indian market since 2021 and over the past 4 years, established joint ventures with two partners and committed nearly USD 0.5 bn with them. Under these partnerships, CIP has commissioned 843 MWp of renewable energy capacity, with more than 2 GW currently under development/construction. India remains an important market for us to invest in and develop renewable energy projects.
3. We now write to you in reference to the public notice issued by the Central Electricity Regulatory Commission (**Commission**) on its website inviting comments/suggestions on the Draft Regulations. Our submission is related to the proposed Clause (6) in Regulation 11A pertaining to the change of ownership / shareholding up to commercial operations date of an entity that is a connectivity grantee.
4. We acknowledge and are completely aligned with the Commission's intent to implement changes that prevent non-serious entities from seeking connectivity without the genuine intention of constructing the project and subsequently selling such entity with connectivity rights to third parties. However, due to the reasons set out in Paragraphs 5, 6 and 7 below and further elaborated on in Annexure A (*column titled "Rationale"*), we believe that the language in the Draft Regulations could inadvertently constrain or even prevent fund managers such as ourselves from developing new power projects in India.
5. Fund managers raise capital from investors and pool them in investment funds. The investment fund manager is mandated to invest the capital provided within the investment period, which is commonly 3 years. Towards the end of the investment period, the fund manager raises new funds through which it continues its investment activity.

6. Therefore, and because it takes 3 to 6 years to develop renewable energy projects, projects are often initiated in one investment fund, and later transferred to the subsequent fund to complete development and construction. However, each fund is managed by the same fund manager (i.e., such as CIP) ensuring continuity.
7. The proposed Clause (6) in Regulation 11A restricts fund managers from sale/ transfer of ownership of the entity (which is a connectivity grantee) to another successor investment fund despite the common fund management. If such clause is implemented in its current form, fund managers such as CIP will be highly constrained to invest in renewable energy projects in India.
8. CIP intends to invest multiple billion dollars over the years for the development of renewable energy power plants in India. The proposed regulation would de-facto make it impossible for CIP to pursue early-stage project developments. Hence, we seek support from CERC to suitably amend the proposed clause in a way that retains the spirit of the amendment is retained while addressing the challenges faced by fund managers like CIP.

In light of the above, please find our representations in response to the Draft Regulations, annexed herewith and marked as **Annexure A**, for your kind perusal.

We request the Hon'ble Commission to kindly consider our comments/suggestions while finalizing the Draft Regulations.

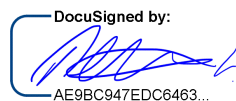
We would kindly like to request meeting with your good self to explain our predicament. If our proposal / suggestion causes any other unintended concerns to the CERC, we are eager to explore solutions which helps us address our challenges without diluting CERC's intent behind the bringing the proposed changes. We would be happy to work together with the CERC to formulate alternative language should the current proposed language not be suitable for CERC.

We would be happy to provide any additional information in this regard, as required.

Thanking You,

Yours faithfully,

For Copenhagen Infrastructure Partners

DocuSigned by:

AE9BC947EDC6463...

(Authorized Signatory)

Peter Jannik Sjøntoft

DocuSigned by:

1F43AD49EF384DF...

(Authorized Signatory)

Boris Korejtko

Annexure A

Sr. No.	Draft regulation	Suggested language	Rationale
1	<p>Amendment to Regulation 11A</p> <p>A new Clause (6) shall be added after Clause (5) of Regulation 11A of the Principal Regulations, as under:</p> <p>(6) Any changes in shareholding pattern of the Connectivity grantee up to CoD of the project shall be subject to the following: (a) The promoters of the Connectivity grantee shall not cede control (where control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Company.</p>	<p>It is submitted that the Hon'ble Commission may add an exception to sub clause 6 (a) of clause 11A.</p> <p>Accordingly, the following modification in red is suggested:</p> <p>(a) The promoters of the Connectivity grantee shall not cede control (where control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Company.</p> <p>Provided that, clause 6(a) of Regulation 11A shall not apply to a promoter ceding control of the Connectivity grantee to an Affiliate.</p> <p>Where Affiliate, means an entity that, directly or indirectly (i) controls or is controlled by or is under common control with the promoter; or (ii) is managed by same fund manager as the promoter or a successor fund manager.</p>	<p>As the commissioning of power projects tends to take many years, the development and construction period of a project will not necessarily align with the active investment period of the specific investment fund and may exceed its investment period. This means that a fund manager requires flexibility to transfer control of entities to other investment funds it manages, in order to ensure that capital can be invested for a project by the specific investment fund with an investment period that is aligned with the capital needs of the project. (i.e. Fund A may commence the early phase development of the project but then transfer its interest to Fund B managed by the same fund manager for the later phase development/construction of a project).</p> <p>It is important to note that, in case of transfer of control/ ownership of entities, the fund manager responsible for developing and constructing the project until the commissioning remain unchanged. However, the proposed definition of 'control' in the Draft Regulations will restrict fund managers to transfer its entities to a different fund managed by the same fund manager when required.</p> <p>The current language will hinder the ability of funds to invest in Indian projects and may negatively impact</p>

			foreign investments in renewable energy initiatives in India.
--	--	--	---------------------------------------------------------------