

Solarpack India LLP

Ref. No: Zelestra/2024-25/04

Date: November 05, 2024

To:
The Secretary,
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi-110029

Sub: Additional submission on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

Ref: CERC Draft Notification No.: L-1/261/2021/CERC dated 31.07.2024

Dear Sir,

Solarpack India LLP, part of Zelestra Corporación S.A.U. a multinational company specialized in the development, financing, construction, operation and management of utility scale power plants with presence in fast-growing markets in Europe, North America, Latin America and Asia. Zelestra currently has a portfolio of 19 GW of projects in 10+ countries and currently operates 51 renewable projects totalling 1.7GW+ through its own projects and through asset management service agreements across, Europe, Latin America, and Asia and is completely integrated RE company (including full in-house EPC/O&M) and is highly competitive in auction and bilateral PPA processes (with a historic track record of market competitiveness).

Zelestra is present in India since 2015 and currently has more than 140 MW operating solar projects and around 2000 MW under construction and advanced stage of development. We have committed to install 5000 MW by 2026.

Kindly note that pursuant to the notification dated 31.07.2024 [Ref:1] issued by CERC inviting comments/ suggestions on draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024, Zelestra had submitted its comments on 13.09.2024 including on draft Regulation 5.8 (xi) (a) which currently reads as follows:

5.8 (xi)

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“(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, LOA issued by a Central Government approved third party which is acting as an authorized representative of a generating station other than REGS replacing its scheduled generation by power supplied from REGS, consequent to tariff based competitive bidding, as the case may be:

Provided that:

- (i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause.*
- (ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible to seek the Connectivity up to the Installed capacity at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at each location shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause.”*

In relation to Regulation 5.8 (xi) (a) (i), we further humbly submit that as per FDRE tender documents in case of single location FDRE project, it is required to maintain annual CUF between 40% and 80% and availability between 80% and 95% during peak hours of contracted capacity. In order to maintain the required availability, the installed capacity must be substantially higher than the LoA capacity and any remaining power according to the extant FDRE tender documents must be traded in exchanges. According to Draft Regulation 5.8 (xi) (a) (i), only LoA capacity is allowed to be utilised on LoA routes; the remaining capacity must be used on Land/Land BG routes. Here, we want to emphasise that splitting such a project into two routes will lead to compliance issues and therefore create an additional project (the land/land BG route) that would not have existed otherwise. Additionally, the project (Solar+Wind + BESS) is optimally designed to fulfil the tender prerequisites, where excess power over and above the LOA/PPA capacity is traded in the open market, making it nearly unattainable to split the capacity into two routes. Please refer to the example provided below:

Example: A recent SJVN FDRE tender stipulates the following requirements:

- (i) The RPD shall supply the contracted capacity of Firm and Dispatchable Power from ISTS- Connected Renewable Energy (RE) Power Projects based on generating system(s) including solar, wind or any other renewable resource as defined by MNRE for supply of RE Power combined with / without Energy Storage System keeping the availability of minimum 90 % during peak hours of contracted capacity in MW
- (ii) The declared annual CUF shall in no case be less than 40%.

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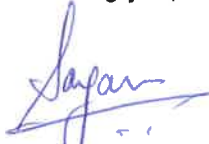
Developer 'A' has already applied connectivity under land BG route for 450 MW. He had participated in the FDRE tender with requirements mentioned above and won bid of 210 MW.

This translates to a ratio of 2-2.5 times of PPA capacity vs installed capacities for FDRE projects

Load generation profile for 25 years is enclosed at Annexure A. From data provided it can be observed that after fulfilling PPA requirement and BESS charging, only 17.52% of the remaining energy can be traded on the market in the first year following compliance with the PPA requirement and BESS charge, this percentage drops annually as a result of the plant's deteriorating condition.

We request the Hon'ble CERC to kindly permit connectivity under LoA route up to the installed capacity mentioned in the LOA instead of the PPA capacity keeping into consideration the optimal oversizing as required for projects having such complex technologies and to be in compliance with the tender documents.

Thanking you,



(Authorized Signatory)

Copy to:

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2. Joint Chief (Transmission), Central Electricity Regulatory Commission, 6th, 7th & 8th Floors, Tower B, World Trade Centre, Nauroji Nagar, New Delhi-110029