
From: Sonika Hayaran
Sent: 30 April 2026 12:59
To: To: Harpreet Singh Pruthi <secy@cercind.gov.in>
Cc: Sunei <sunei@resolven.com>
Subject: Resolven comments on CERC Order in 5_SM_2026

Respected Sir,

Greetings from Resolven!

Resolven (Formerly Zelestra) is a next-generation vertically integrated, multi-technology Indian renewable energy platform with a ~5.5 GW pipeline and a strategic ambition to deliver 10 GW of high-quality renewable assets by 2030. With a sharpened strategic focus on disciplined growth, operational excellence, digitalisation, and capital efficiency, the company is committed to accelerating India's clean energy transition while delivering long-term value to stakeholders. The company is led by an experienced and committed leadership team, built on the foundation established and strengthened under Zelestra. Resolven is powered by EQT, one of the world's largest private markets firms with EUR 270 billion in total assets under management.

CERC has issued Draft Order in Petition No. 5/SM/2026 on 'Procedure for levying compensation charges for permitting additional time to achieve milestones under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022' wherein Comments/suggestions of the stakeholders are invited by 30.04.2026. I am writing to formally submit our comments and suggestions for the same. Please find the detailed comments and observations attached for your kind consideration.

Yours sincerely,
Sonika Hayaran
Senior Manager Regulatory

Resolven Comments on CERC order in 5/SM/2026 ‘Procedure for levying compensation charges for permitting additional time to achieve milestones under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022’.

S.No	Existing Provision in Order in 5/SM/2026	Remarks	Request from Hon’ble Commission
1.	The Order proposes extension in FC/Land compliance after paying MEC.	<p>CERC’s GNA regulations 11.A.(2) mandates that Connectivity Grantee must achieve Financial Closure latest by 6 months prior to firm start date of Connectivity. As per Regulation 11 (A) (1), land compliance to be done within 18 months of issuance of an in-principal grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier.</p> <p>Transmission delays are beyond the control of the RE project developers. As the transmission system required for effectiveness of the connectivity gets delayed, RE projects also gets delayed</p> <p>Developer is forced to bear additional interest charges for achieving final closure earlier just to demonstrate FC to CTUIL, which leads to longer construction period as per lenders' terms, therefore IDC is increased for achieving final closure</p>	<p>Financial Closure (FC) compliance should be linked to the effectiveness of connectivity, rather than to the firm start date of connectivity.</p> <p>Further, land-related compliance requirements should be applicable from 12 months prior to the effectiveness of connectivity, as communicated during the Joint Coordination Committee (JCC) meeting.</p> <p>Milestone Extension Charges (MEC) should not be levied on developers in cases where effectiveness of connectivity is delayed.</p> <p>MEC shall be applicable only in cases where the connectivity grantee fails to achieve the prescribed milestones in accordance with the above framework.</p>

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		earlier. Project contracts and construction are postponed to match with the delayed commissioning	
2	<p>10. The compensation charges have been proposed based on the following rationale:</p> <p>(1) Compensation charges towards allowing additional time for submission of Land Documents</p> <p>....</p> <p>MEC for MW/day = (5% of Rs. 10 Cr) / (100 x 30) = Rs. 1668/- ~ Rs 1500 per day.</p>	<p>It is humbly MEC is intended to compensate the system for 'locked' capacity, and any charge exceeding the actual cost of that transmission capacity becomes punitive rather than compensatory.</p>	<p>The genesis for introducing MEC is to balance developers' interest and ensure optimum utilization of connectivity. It is humbly submitted that MEC to be linked with daily transmission charges corresponding to RE rather than BGs</p> <p>Equivalent transmission charges for RE may for the billing month May 2026 may be calculated as below:</p> <p>NC-RE for the billing month of June 2026 is provided as under</p> <p>₹ 5,19,62,49,967 / 1,23,650</p> <p>= ₹ 42023.8574 (per MW /Month)</p> <p>=1355.608303</p> <p>=50% X 1355.608303</p> <p>= 677.8042/- ~ Rs 700 per day</p>

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2	<p>(2) Compensation charges towards allowing additional time for achieving Financial Closure (FC)</p> <p>MEC for MW/day = (50% of Rs. 5.5 crore) / (100 x 180) = Rs. 1528/- = ~Rs 1500/MW/day</p>	<p>The MEC proposed will have a huge financial burden on the project. Suggested charges are reasonable and high enough to act as deterrent to the developers.</p> <p>MEC may be linked with transmission infrastructure cost with respect to RE</p>	<p>Equivalent transmission charges for RE may for the billing month May 2026 may be calculated as under:</p> <p>NC-RE for the billing month of June 2026 is provided as under</p> <p>₹ 5,19,62,49,967 / 1,23,650</p> <p>= ₹ 42023.8574 (per MW /Month)</p> <p>=1355.608303</p> <p>=50% X 1355.608303</p> <p>= 677.8042/- = ~ Rs 700 per MW per day</p>

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	<p>(3) Compensation charges towards allowing additional time for achieving CoD of the project</p> <p>....</p> <p>c) Illustration</p> <p>Suppose an entity is granted connectivity for 100 MW for a Solar project. Such an entity submitted Conn-BG1 for Rs. 0.5 crore, Conn-BG2 for Rs. 3 crore and Conn-BG3 for Rs. 2 crore. Thus, the total Conn-BGs is Rs. 5.5 crore.</p> <p>MEC Rs. MW/day shall be:</p> <p>MEC for MW/day = (50% of Rs. 5.5Cr) / (100 x 90) = Rs. 3055/- = ~Rs 3000/MW/day</p>	<p>As per current rates, 6 months extension costs Rs. 16.2 Cr, such high charges will make the project unviable for any genuine developer, who has already achieved financial closure and demonstrated EPC contract award. It may also be noted that as per loan sanction documents, lenders already levy a hefty penalty if project does not achieve COD on time"</p>	<p>Equivalent transmission charges for RE may for the billing month May 2026 may be calculated as under</p> <p>NC-RE for the billing month of June 2026 is provided as under</p> <p>₹ 5,19,62,49,967 / 1,23,650</p> <p>= ₹ 42023.8574 (per MW /Month)</p> <p>=1355.608303</p> <p>= - = ~ Rs 1400 per day</p> <p>Further MEC for CoD extension should not be clubbed with MEC for land and FC as it would lead into doubling the penalty.</p>
	<p>13. We note that the developers need a certain time for completing the trial runs and pre-commissioning tests, integration activities, which are a prerequisite for declaring the CoD of the Project. The above activities can be performed only after</p>	<p>The submission and approval of Forms A, B, and C during the Firm Transmission Connectivity (FTC) process typically requires approximately 3–4 weeks for each stage for the first tranche of commissioned capacity, followed by around 2 weeks from</p>	<p>entities shall be given at least 6 months to achieve the COD from the GNA/connectivity effective date under the milestone extension without any milestone</p>

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	<p>charging the bay and the corresponding substation. We are of the view that a period of two months post-GNA effective date shall be an appropriate time to complete the trial operation and pre-commissioning tests for declaration of CoD of the project. Accordingly, such entity shall be given at least 2 months to achieve the COD from the GNA effective date under the milestone extension without any milestone extension charges, post which MEC shall apply</p>	<p>issuance of the trial run notice to submission of the corroborated data sheets and successful completion. Accordingly, the overall process for the first lot of capacity generally spans 2.5 to 3 months.</p> <p>Further, for the initial capacity tranche, general teething issues—such as establishment of communication links with SCADA and telemetry systems, and stabilization of operational healthiness of the three gateways with the RLDC control centres—may require up to 2 additional weeks for successful synchronization, particularly for projects located in Rajasthan. In addition, approximately 2 weeks are typically required for initial PMU and PPC integration.</p>	<p>extension charges, post which MEC shall apply.</p>
	<p>Additional comments</p>		<p>MEC may be waived if the delay is strictly attributable to "Force majeure" or "Change in Law" events, supported by documentary evidence.</p>
	<p>Annexure – I,</p>	<p>The draft procedure stipulates 100% land availability as a pre-condition for seeking extension of time to achieve COD.</p>	<p>As relaxation in timelines is contingent upon payment of milestone extension charges, the imposition of additional</p>

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	<p>A. Eligibility to avail relaxation in various timelines</p> <p>....</p> <p>I Eligibility for consideration of additional time to meet the compliance of Regulation 11A(1), to submit the land documents:</p> <p>ii. Eligibility for consideration of additional time to meet the compliance of Regulation 11A(2), to achieve and furnish the Financial Closure (FC):</p> <p>iii. Eligibility for consideration of additional time to meet the compliance of Regulation 24.6, to achieve the CoD of the project:</p>	<p>However, in practice, land acquisition is often one of the key factors contributing to project delays, including challenges arising from Right of Way (RoW) constraints, and frequently forms the basis for seeking such extensions.</p> <p>In this context, requiring 100% land availability may limit the ability of otherwise genuine cases to avail such relief, particularly where delays are attributable to factors beyond the control of the developer. This may, to some extent, dilute the intended objective of providing flexibility under such provisions.</p>	<p>eligibility criteria is unwarranted and should be removed.</p>
	<p>Annexure – I</p> <p>B. Milestone Extension Charges (MEC) towards allowing relaxation in the various timelines</p>	<p>land acquisition is a foundational activity and often the primary dependency influencing both Financial Closure and COD.</p> <p>In this context, a relatively shorter window for land may lead to misalignment with</p>	<p>It is respectfully submitted that the extension period for land compliance may be rationalized and aligned with other milestone timelines and be permitted up to 12 months. This would help ensure consistency across milestones, better</p>

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	<p>....</p> <p>a) MEC @ Rs. 1500/- per MW per day for additional time for submission of land documents for the first month.</p> <p>b) Increase of MEC specified for the first month by 10%, for the second month and 20% for the third month, i.e., MEC for the second month shall be @ Rs 1650 per MW per day and for the third month shall be @ Rs 1800 per MW per day.</p> <p>c) Maximum allowable additional time to furnish the land documents corresponding to 50% of the Connectivity quantum shall be 3 months. If an entity fails to comply with the land requirement within these 3 months,</p> <p>Connectivity shall be revoked, Land BGs shall be encashed</p>	<p>downstream milestones, as delays in land acquisition can have a cascading impact on subsequent project activities. Under the current framework, the 50% land milestone is typically triggered around 18 months from the in-principle grant, which is significantly earlier than the Financial Closure milestone and the connectivity start date, thereby making it particularly sensitive to delays.</p> <p>Accordingly, restricting the extension period for land compliance to 3 months may not adequately address practical implementation challenges and could potentially result in cascading non-compliance across subsequent milestones.</p>	<p>reflect practical project development considerations and reduce the likelihood of avoidable defaults.</p> <p>Further, the base rate for MEC for Land shall be constant for an initial 3-month period, with any escalation factors applicable thereafter, In order to maintain consistency and proportionality across milestones.</p>
	<p>Insertion of new clause:</p> <p>Provided that, if the Applicant achieves COD on or before the firm start date of connectivity, any charges paid towards</p>		<p>The levy of charges for extension of interim milestones is intended to provide limited regulatory flexibility to developers facing genuine implementation challenges, without affecting the committed Commercial Operation Date (COD). Where</p>

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	extension of land or financial closure milestones shall be refunded.		<p>such flexibility enables commissioning within the firm start date of connectivity, the objectives of timely commissioning and system planning remain fully intact, and the delay does not constitute a material deviation from the approved schedule.</p> <p>Accordingly, charges levied for extension of interim milestones should be refunded where the project is commissioned within the stipulated timeline. This approach aligns with established practices followed by Renewable Energy Implementing Agencies (REIAs), where extension charges are refunded upon timely commissioning and retained only in cases of commissioning delays, thereby ensuring regulatory consistency, fairness, and incentives for timely project completion.</p>