

# ORANGE RENEWABLE POWER PRIVATE LIMITED

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Letter Ref.: ORPPL/17-18/50

Date: 14-12-2017

To

The Secretary,  
Central Electricity Regulatory Commission (CERC),  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building, 36, Janpath,  
New Delhi-110 001

**Subject: Suggestions on Draft CERC (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations, 2017.**


**Reference: No. L-1/229/2017-CERC, dated: 14<sup>th</sup> November, 2017**

Dear Sir,

Headquartered in New Delhi, a 100% subsidiary of AT Holdings Pte Ltd, Singapore, Orange Renewable is a leading Independent Power Producer in the Indian renewable energy sector with an operational fleet of 758 MW of wind and solar power projects and over 2 GW of renewable energy projects under various phases of development. One of its subsidiaries, Orange Sironj Wind Power Private Limited, has recently secured a wind project of 200 MW capacity under a competitive bid conducted by Solar Energy Corporation of India, to be established in the State Tamil Nadu.

With reference to the Draft CERC Regulations, 2017, we are submitting our comments in Annexure A, for your kind consideration.

For Orange Renewable Power Pvt. Ltd.



Authorised Signatory

**Annexure A**

Clause number	As per Connectivity and GNA Regulations (Proposed)	Our Proposal	Rationale
7.9 (c&e)	<p><b>(c). Eligibility for Stage-II Connectivity application by RE Generating Stations:</b></p> <p>(i) Financial closure of the project developer has been completed.                      (ii) Award of project through bidding by any entity authorised by the Central Government or State Government for 50 MW and above; or Execution of Long Term PPA under the provisions of Act for at least 50 MW. In case the PPA has been executed through a trader, then it must also be supported with a back-to-back PSA.</p> <p><b>(e). Application BG @ INR 5 lac/MW for the purpose of bay implementation in accordance with the Bay Implementation Agreement with CTU, till application of GNA .</b></p>	<p><b>Eligibility for for Stage-II Connectivity application by RE Generating Stations:</b></p> <p><del>(i) Financial closure of the project developer has been completed.</del>                      (ii) Award of project through bidding by any entity authorised by the Central Government or State Government for 50 MW and above; or Execution of Long Term PPA under the provisions of Act for at least 50 MW. In case the PPA has been executed through a trader, then it must also be supported with a back-to-back PSA.</p> <p><del>Application BG @ INR 5 lac/MW for the purpose of bay implementation in accordance with the Bay Implementation Agreement with CTU, till application of GNA</del></p>	<p>Given that LOA is a pre-condition for Connectivity-II and FC is allowed to be achieved within 9 months from date of letter of award (LOA) for execution of project, FC requirement for Connectivity-II is not required. Further, Connectivity-II will be required by Lenders for FC since firm connectivity is a pre-condition for FC. Further, LOA and/or PPA provides enough commitments towards implementation of project given that PBG of Rs. 20 lac/MW (in cases of wind bidding tenders) would be encashed if project is delayed beyond SCOD (18 months from LOA) along with blacklisting if project is not implemented.</p> <p>Pre-condition of FC for application of stage II connectivity, apart from delaying FC, will also delay application for stage II connectivity and subsequent actions such as, signing of bay agreement, connection agreement and GNA application, which will ultimately delay construction and commissioning of project.</p> <p>Application BG for bay implementation is not required given that almost all the generators construct the bay themselves</p>
7.14	<p><b>Modification in application:</b> After filing of an application or after grant of Connectivity, there has been any material change in the location of the applicant or change in the quantum of power to be interchanged with the ISTS, the applicant shall inform the same to the nodal agency. If the nodal agency after assessment comes to the conclusion that this change would require modification in planned ISTS, the nodal agency shall inform the Applicant within a period of one month to file a fresh application accompanied by Application fees and relevant documents. The fresh application shall be considered by the nodal agency in accordance with the Regulations and the earlier application shall be closed. If no modification in the planned ISTS is required, the nodal agency shall issue revised grant incorporating the change in Connectivity.</p>	<p>After filing of an application or after grant of Connectivity, there has been any material change in the location of the applicant or <u>change in the quantum of power</u> to be interchanged with the ISTS, the applicant shall inform the same to the nodal agency.</p>	<p>It is requested that <u>quantum</u> of power to be changed should be defined.</p>
7.21	<p>While granting connectivity, the nodal agency shall indicate the broad design features of the dedicated transmission line and the timeframe for completion of the dedicated transmission line.</p>	<p>CTU shall share broad design features of the dedicated transmission line within 15 days of grant of connectivity. This clause shall be applicable for the fresh applications for (connectivity stage I and stage II) received subsequent to the notification of these regulations.</p>	<p>Some projects have already started construction of dedicated transmission line as per existing procedure to date wherein PGCIL had not provided any specification for the dedicated line. PGCIL may not take handover of such lines due to this clause.</p>
7.22	<p>CTU shall indicate the firm location while granting Stage-II Connectivity. Applicant shall enter into bay implementation agreement within 30 days of grant of Stage-II Connectivity.</p>	<p>CTU shall indicate the firm location while granting Stage-II Connectivity. Applicant shall enter into bay implementation agreement within 30 days of grant of Stage-II Connectivity. In case developer constructs the bay at PGCIL substation then PGCIL shall share details of technical specifications and/or tender documents for construction of bay within 30 days of bay agreement signing.</p>	<p>It is experienced that PGCIL takes 2-3 months for sharing of technical specifications and/or tender documents from date of bay agreement signing. Given that strict timelines are provided under bid documents, it is requested to provide technical specifications and/or tender documents within 30 days of bay agreement signing in order to avoid delay in construction of bay.</p>
7.25	<p>On completion of the dedicated transmission line the generator(s) shall be required to hand over the dedicated transmission line to CTU for the purpose of operation and maintenance. CTU shall be entitled to normative operation and maintenance expenses as per CERC Tariff Regulations. The line shall be under the operational control of CTU for all the purposes.</p>	<p><del>On completion of the dedicated transmission line the generator(s) shall be required to hand over the dedicated transmission line to CTU for the purpose of operation and maintenance. CTU shall be entitled to normative operation and maintenance expenses as per CERC Tariff Regulations. The line shall be under the operational control of CTU for all the purposes.</del></p>	<p>Handing over dedicated transmission line will create a lot of operational hassles for the generator as well as CTU. Given that the generator has built dedicated line and will lose revenue if the dedicated line goes down, the generator's interests are aligned if the generator carries out the O&amp;M itself. This will also save cost to CTU, which will indirectly benefit consumers.</p>
11.12	<p>Where after filing of an application or after grant of GNA, there has been any material change in the location of the applicant or change in the quantum of power to be interchanged with the inter-state</p>	<p>Where after filing of an application or after grant of GNA, there has been any material change in the location of the applicant or <b>change in the quantum of power</b> to be interchanged with the</p>	<p>It is requested that quantum of power to be changed should be defined.</p>

	transmission system, the applicant shall inform the same to the nodal agency.	inter-state transmission system, the applicant shall inform the same to the nodal agency.	
11.5	If any application for Connectivity or Long term Access or Medium term open access made in accordance with Connectivity Regulations is pending with CTU as on the date of coming into effect of these Regulations, the same shall be processed in accordance with these Regulations.	This clause shall not be applicable for the project which has been secured under bidding from Central/State Govt. and has LOA/PPA.	Since, some of the projects have already started construction of project as per existing regulations and procedure. If such projects are subject to new provisions, this may be detrimental to the execution of project consequently delaying the commissioning.
12.1	<b>Relative Priority of GNA applications:</b> (a) Applications received during the month shall be construed to have been received concurrently. (b) Applications received during a month shall have priority over applications received during subsequent month. (c) Applications for existing projects and projects under construction shall have priority over applications for new projects. (d) While processing applications for GNA due regard shall be given to date of start of GNA sought.	It is requested to modify additional criteria at point number (c) for relative priority- (a) Applications received during the month shall be construed to have been received concurrently. (b) Applications received during a month shall have priority over applications received during subsequent month. (c) Applications for existing projects and <b>projects secured under Central/State Govt. bidding</b> which are under construction shall have priority over applications for new projects. (d) While processing applications for GNA due regard shall be given to date of start of GNA sought.	Govt. of India has set target of total 175 GW of Renewable Energy by 2022 and in order to achieve this target, bids conducted by Central/ State Govt. bidding agencies should be given priority.
16.1	<b>GNA by Generators:</b> RE generators shall apply for GNA two (2) years prior to the expected date of commissioning of their generation project considering their low gestation period.	RE generators shall apply for GNA <b>6 months</b> prior to the expected date of commissioning of their generation project considering their low gestation period.	In case of Central Govt. wind tenders, project is scheduled to be commissioned within 18 months from LOA. Stage II connectivity shall be granted within 60 days of stage II application/LOA and subsequently GNA can be applied within 6 months from grant of Stage II connectivity. However, as per this clause, GNA shall be applied 2 years prior to commissioning of project. In case if the generator applies for GNA after grant of stage II connectivity then the generator may only have 10 months to commission the Project under the LOA.
19.1	Access Bank Guarantee for Solar or Wind park developers or Renewable generators shall be Rs. 10 lakh/MW.	There shall be no Access Bank Guarantee for Solar or Wind park developers or Renewable generators.	Given that connectivity/GNA is being provided only to generators who have won bids and thus will have a long term 25 year PPA, there is no requirement of Access Bank Guarantee. This will unnecessarily increase charges on the generator which will ultimately raise the tariffs being bid.
25.6	RE Generating Station or Solar Power Park Developer who have been granted Connectivity to ISTS and have not been physically connected to ISTS as on date of notification of these Regulations shall be deemed to have been granted Stage-I Connectivity and they shall apply for Stage-II Connectivity Application as per these regulations.	RE Generating Station or Solar Power Park Developer who have been granted Connectivity to ISTS and have not been physically connected to ISTS as on date of notification of these Regulations shall be deemed to have been granted Stage-I Connectivity <b>except the projects which have been secured under bid conducted by Central Govt Bidding agency (SECI)</b> and they shall apply for Stage-II Connectivity Application as per these regulations.	None of the RE projects has been physically connected to ISTS till date. However, some projects (winners of SECI 1 and SECI 2 bid) have already started physical execution of dedicated line and/or bay work at GSS, in line with the prevailing regulations. As per this proposed clause, such under construction projects will also be processed in line with the new procedure, which is yet to be notified. Such under construction projects shall apply for stage II connectivity and broad features of dedicated line shall be provided with the grant of stage II connectivity. Bay & Connection Agreement shall be signed subsequent to the grant of stage II connectivity. Further, these projects also need to apply for GNA and shall be processed as per new procedure.