

To  
The Secretary,  
Central Electricity Regulatory Commission (CERC),  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chanderlok Building  
36 Janpath, New Delhi 110001

Date: 14 December 2017

**Subject: Comments / suggestions on Draft Notification (No. L-1/229/2017 - CERC) dated 14 Nov 2017, CERC (Grant of Connectivity and General Network Access to the inter-State Transmission system and other related matters) Regulations, 2017**

Dear Sir,

We wish to introduce ReNew Power Ventures Pvt. Ltd. which is among top and fastest growing renewable independent power producers in the country and is in the business of setting up wind, solar and roof-top power plants. ReNew has more than 2 GW of wind and solar projects operational in Madhya Pradesh, Maharashtra, Karnataka, Gujarat, Telangana and Rajasthan; and another 1 GW+ each of wind and solar projects in the pipeline. ReNew is also setting up various solar roof-top projects across the country and is fast growing in this sphere as well. ReNew also has 865 Million USD investment by marquee equity investors - Goldman Sachs, Abu Dhabi Investment Authority, JERA, Asian Development Bank and Global Environment Facility that makes us the best capitalized renewable IPP in India.

We are hereby submitting our comments/suggestions on the **Draft Notification (No. L-1/229/2017 - CERC) dated 14 Nov 2017, CERC (Grant of Connectivity and General Network Access to the inter-State Transmission system and other related matters) Regulations, 2017**. Our detailed submission is as per **Annexure I**. We sincerely request the Hon'ble Commission to consider these suggestions while finalizing the regulation.

Yours sincerely,

**For ReNew Power Ventures Pvt. Ltd.**

A handwritten signature in blue ink, appearing to read 'Parag M'.

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**ReNew Power Ventures Private Limited**

(Formerly known as ReNew Wind Power Private Limited)  
CIN - U40300MH2011PTC212505

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**Annexure-I: Comments on the Draft Notification (No. L-1/229/2017 - CERC) dated 14 Nov 2017, called the CERC (Grant of Connectivity and General Network Access to the inter-State Transmission system and other related matters) Regulations, 2017.**

Sr. No.	Clause Number	Clause definition	Recommendation/Concern	Amended Clause
1.	2.1 (c) (iii)	Any renewable energy generating station of 5 MW capacity and above but less than 50 MW capacity developed by a generating company in its existing generating station of the description referred to in sub-clauses (i),(ii) above and seeking connectivity to the inter-State transmission system through the electrical system of the existing generating station	<p>There is no reason why there should be an upper cap on the capacity of the project being installed with an existing generation station.</p> <p>The transmission connectivity is also required for the generating plants under construction also. Therefore, we request Hon'ble commission to include the projects under construction also for the transmission connectivity as:</p>	Any renewable energy generating station of 5 MW capacity and above <del>but less than 50 MW capacity</del> developed by a generating company in its existing/under construction generating station of the description referred to in sub-clauses (i),(ii) above and seeking connectivity to the inter-State transmission system through the electrical system of the existing generating station
2.	2.1 (y)	"Medium-Term contract" means the Power Purchase Agreement or sale purchase agreement between buyer and seller for sale or purchase of electricity for a period equal to or exceeding 1 year but not exceeding 5 years	As per this draft regulation, Long term contract is for 7 years or more and medium term is up to 5 years. The gap of 2 years still persists and to provide more clarity in agreements, we would request the time year frame for Medium term contract should be between 1 to 7 years. Therefore, the same term should be :	"Medium-Term contract" means the Power Purchase Agreement or sale purchase agreement between buyer and seller for sale or purchase of electricity for a period equal to or exceeding 1 year but not exceeding <del>5</del> 7 years
3.	5.2	The application shall be accompanied by a non-refundable application fee specified hereunder for the quantum applied , and shall be payable by Applicant along with the application for Connectivity and GNA:-	Project SPV may be formed on letter dates, in such cases Connectivity and GNA application and respective fee should be accepted from the 100% parent Company or Lead Consortium Partner	The application shall be accompanied by a non-refundable application fee specified hereunder for the quantum applied , and shall be payable by Applicant / <b>Parent Company / Lead Consortium Partner</b> along with the application for Connectivity and GNA:-

4.	7.5	<p>A Renewable Energy Generating Station or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer shall submit, along with its Stage-I Connectivity application:</p> <p>.....</p> <p>(c) Site identification wherever undertaken: Details about the land required for the project along with extent to which the same have been acquired and taken possession of or leased.</p> <p>(d) Environmental clearance: Status on submission of requisite proposal, for the environmental clearance, to the concerned administrative authority (first level submission), as applicable.</p> <p>(e) Forest Clearance for the land: Status of proposal for the forest clearance to the concerned administrative authority (first level submission), as applicable.</p>	<p>The land requirement should not be made mandatory as the site location of the project various other factors and thus can vary. We would therefore request the Hon'ble commission to start the processing of Stage-I connectivity with the tentative land details.</p>	<p>A Renewable Energy Generating Station or Solar Power Park Developer or Wind Power Park Developer or Wind-Solar Power Park Developer shall submit, along with its Stage-I Connectivity application:</p> <p>.....</p> <p>(c) Site identification wherever undertaken: Details about the land required (<b>tentative</b>) for the project along with extent to which the same have been acquired and <b>is expected to be</b> taken in possession of or leased.</p> <p>.....</p> <p>.</p>
5.	7.9 (C)	<p>An Applicant other than a merchant power plant shall be eligible to apply for Stage-II Connectivity on achieving following milestones:</p> <p>(i) Financial closure of the project developer has been completed.</p> <p>(ii) Award of project through bidding by any entity authorised by the Central Government or State Government for 50 MW and above;</p> <p>or</p>	<p>PPA constitutes an important part of the documents required to achieve Financial closure for any of the generating projects and process of achieving FC requires around 7 months post execution of PPA the same is recognised under the MoP Wind and Solar Standard Bidding Guidelines</p> <p>Ministry of Power Guidelines for Tariff Based Competitive Bidding Process for</p>	<p><del>Financial closure of the project developer has been completed.</del></p>

		<p>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>Procurement of Power from Grid Connected Solar PV Power Projects dated August 03, 2017</p> <p><i>12. FINANCIAL CLOSURE</i>  <i>The Solar Power Generator shall attain the financial closure in terms of the PPA, within 7 (seven) months from the date of execution of the Power Purchase Agreement.</i></p> <p>Ministry of Power Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects dated December 08, 2017</p> <p><i>14. FINANCIAL CLOSURE</i>  <i>The Wind Power Generator shall attain the financial closure in terms of the PPA, within 7 (seven) months from the date of execution of the Power Purchase Agreement.</i></p> <p>We would therefore request you to remove the above mentioned first clause from the regulation as PPA/LoA and BG submitted at the time of Stage II connectivity showcase the seriousness of Wind/ Solar generator for executing the project</p>	
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			In addition, we would request the Hon'ble commission to provide clarity for the below mentioned scenario: How to address the grid squatting if a SPV with 500 MW Stage-I connectivity and with a 50 MW PPA, applies for Stage-II connectivity? Whether Stage-II will be granted only for 50 MW or 500 MW?	
6.	7.9 (e)	(e) The Application for Stage-II shall be accompanied by a Bank Guarantee or Letter of Guarantee (BG or LG) @ Rs. 5 Lakh/MW for the purpose of bay implementation in accordance with the Bay Implementation Agreement with CTU. Bank Guarantee or Letter of Guarantee shall be kept valid till application for GNA is made alongwith applicable Access Bank Guarantee. The Application for GNA shall be made within 6 months of grant of Stage-II Connectivity failing which Application for Stage-II Connectivity shall be revoked and BG or LG for bay implementation as provided above shall be encashed.	Letter of Credit (LC) is a usual banking term.	e) The Application for Stage-II shall be accompanied by a bank Guarantee or Letter of Guarantee (BG or LG) @ Rs. 5 Lakh/MW for the purpose of bay implementation in accordance with the Bay Implementation Agreement with CTU. Bank Guarantee or Letter of <b>Credit Guarantee</b> shall be kept valid till application for GNA is made along with applicable Access Bank Guarantee. The Application for GNA shall be made within 6 months of grant of Stage-II Connectivity failing which Application for Stage-II Connectivity shall be revoked and BG or <b>LC</b> for bay implementation as provided above shall be encashed
7.	7.14	Where 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 inter-state transmission system, 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	The Honorable Commission may please clarify if an applicant has made an application under Stage I connectivity for 500 MW and the same has been granted to it. Subsequently if it wins 250 MW capacity under competitive bidding and applies for 250 MW under Stage II connectivity then whether its application shall be considered as fresh application under Stage I and the earlier	Where after filing of an application or after grant of Stage II Connectivity, there has been <del>any material change in the location of the applicant or</del> <b>upward</b> change in the quantum of power to be interchanged with the inter-state transmission system, 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

		<p>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>500 MW granted Stage I connectivity shall be closed.</p> <p>We request since the actual bay implementation work for the CTU starts after the applicant has submitted Stage II connectivity application along with BG of Rs. 5 lakhs/MW thus if there is upward revision Stage II connectivity in terms of quantum of power to be interchanged then the same can be treated as fresh application if any modification requirement in planned ISTS is felt by CTU, since for any downward revision the subsequently available surplus capacity can be allocated to some other applicant.</p> <p>As far material change in location is concerned the issue needs deliberation based on following scenario:</p> <ol style="list-style-type: none"> <li>a. There is change in location of the project but the connectivity of the project will be the earlier proposed CTU for which Bay Implementation Work is being executed or proposed to be executed.</li> </ol>	<p>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>
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			<p>b. There is change in location leading to change in CTU substation.</p> <p>Based on the above we consider that change in location under clause a. shall not be considered as material change as there is no change in the ultimate CTU substation where the project is supposed to connected, however change in location under clause b. can be treated as material change.</p> <p>We thus request the Honorable Commission to provide clarity in this regard</p>	
8.	Clause 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>As per the section 10 of Electricity Act 2003, the duty to operate the dedicated line is lies with the generators. Relevant extract of the Act is reproduced as below;</p> <p><b>“Section 10. (Duties of generating companies):</b> --- (1) Subject to the provisions of this Act, <u>the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provisions of this</u></p>	<p>On completion of the dedicated transmission line the generator(s) <del>shall be required to</del> <b>might</b> 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. <b>Subject to the following conditions;</b></p> <p>(ii) <b>Metering of injected energy shall be on the HT side of Wind farm / Pooling substation.</b></p> <p>(iii) <b>CTU shall ensure a minimum uptime of 99% for the same, failing which the generator shall be eligible for commensurate</b></p>



			<p>Act or the rules or regulations made thereunder.”</p> <p>Therefore, the same cannot be taken out by compulsion.</p> <p>The Commission should define “for all the purposes”.</p> <p>Since line shall be under the operational control of CTU for all purposes, a minimum uptime needs to be guaranteed by the CTU so that the generator can have visibility on the probable revenue loss on account of non-availability of the line.</p>	<p><b>compensation that shall be adjusted in the expenses payable to CTU.</b></p> <p>The line shall be under the operational control of CTU for all the purposes.</p>
9.	7.38	<p>The start-up power or infirm power so interchanged as provided in Regulation 7.34 and 7.35 of these Regulations by the unit(s) of the generating plant shall be treated as deviation and shall be regulated in terms of Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014, as amended from time to time or subsequent re-enactment thereof.</p>	<p>Start-up power is mainly utilized for the purpose of auxiliary consumption, testing and commissioning activities. It is thus requested that any start up power drawn from the grid shall be net off from the power injected.</p>	<p>The <del>start-up power</del> or infirm power so injected to grid as provided in Regulation 7.35 of these Regulations by the unit(s) of the generating plant shall be treated as deviation and shall be regulated in terms of Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014, as amended from time to time or subsequent re-enactment thereof.</p>
10	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 transmission system, the applicant shall inform the same to the nodal agency. If the</p>	<p>GNA is required after processing of Stage-I and Stage-II grant. If there is any upward revision in GNA in terms of quantum of power to be interchanged then the same can be treated as fresh application if any modification requirement in planned ISTS is felt by</p>	<p>Where after filing of an application or after grant of GNA, there has been or <b>upward</b> change in the quantum of power to be interchanged with the inter-state transmission system, the applicant shall inform the same to the nodal agency. If the nodal agency after assessment comes to the conclusion that this change would</p>

		<p>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.</p>	<p>CTU, since for any downward revision the subsequently available surplus capacity can be allocated to some other applicant.</p> <p>As far material change in location is concerned the issue needs deliberation based on following scenario:</p> <ol style="list-style-type: none"> <li>a. There is change in location of the project but the connectivity of the project will be the earlier proposed CTU for which Bay Implementation Work is being executed or proposed to be executed.</li> <li>b. There is change in location leading to change in CTU substation.</li> </ol> <p>Based on the above we consider that change in location under clause a. shall not be considered as material change as there is no change in the ultimate CTU substation where the project is supposed to connected, however change in location under clause b. can be treated as material change.</p>	<p>require modification in planned ISTS, the nodal agency shall inform the Applicant within a period of one month to file a fresh application <b><i>for the extra quantum of power to be injected</i></b> accompanied by Application fees and relevant documents.</p>
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			We thus request the Honorable Commission to provide clarity in this regard.	
11	16.1	Renewable energy generators including Solar Power Park Developer, Wind Power Park Developer, Wind-Solar Power Park Developer shall apply for GNA two (2) years prior to the expected date of commissioning of their generation project considering their low gestation period.	<p>The development of RE project takes 12-18 months whereas Grant of connectivity is needs to be filled two years in advance.</p> <p>It is Impossible to meet two years' criteria as applicant can only file for Stage II connectivity after it executes LoA/PPA for the project and the timelines for solar project execution are restricted 12 months from PPA execution and for wind project execution 18 months from PPA signing.</p> <p>Thus the clause can be amended that Renewable Energy generator shall apply for GNA 1 year prior to the date of expected commissioning applicant can only apply for GNA</p>	Renewable energy generators including Solar Power Park Developer, Wind Power Park Developer, Wind-Solar Power Park Developer shall apply for GNA <b>1 (one) year</b> prior to the expected date of commissioning of their generation project considering their low gestation period.
12	Clause 19.3.	The Access Bank Guarantee shall be kept subsisting for 5 years from the date of operationalisation of GNA. After operationalisation of GNA, Access BG equivalent to 1/5th of amount shall be returned back to the Applicant till 4th year. The amount equivalent to 1/5th of Access BG shall be kept subsisting till the end of 12th year as security towards	Blocking significant fund for such longer period will severely affect the viability of generating plant.	<del>The Access Bank Guarantee shall be kept subsisting for 5 years from the date of operationalisation of GNA. After operationalisation of GNA, Access BG equivalent to 1/5th of amount shall be returned back to the Applicant till 4th year. After one month from the date of operationalization, Access BG of amount equivalent to 4/5<sup>th</sup> shall be returned to the generator. However, t</del> <b>he amount equivalent to 1/5th of Access BG shall</b>

		relinquishment charges. The Applicant shall submit revised Access BG accordingly.		be kept subsisting till the end of 12th year as security towards relinquishment charges. The Applicant shall submit revised Access BG accordingly
13	24	Relinquishment of GNA	<p>i. If the entire/part of PPA capacity is cancelled without any reason attributable to the applicant. Then the charges for relinquishment should be limited to 12 months transmission charges for the capacity for which PPA has been cancelled and BG shall be returned without any encashment the above will ensure collection of transmission charges for a period of 1 year during which the relinquished capacity can be allocated to some other applicant.</p>	
14	25.4	In case of generating stations who have applied for LTA for full capacity but their LTA is yet to be operational, CTU shall consider same as GNA application for the full injectable capacity and operationalise GNA as per availability of transmission system.	The applicants who have been already granted LTA by CTU and for which LTA commencement date is yet to trigger shall not be bought under the purview of draft GNA regulation which is still under discussion and they shall continue to be guided by the prevailing CERC (Grant of Connectivity, Long term access) Regulations.	
15	Clause 33	<b>Charges for deviation</b> Deviation charges shall be as per CERC (Deviation Settlement Regulations) 2010	Different treatment for deviation and settlements for wind and solar generators.	<b>Charges for deviation</b> Deviation charges shall be as per CERC (Deviation Settlement Regulations <b>and related</b>

		Unless specified otherwise by the State Commission concerned, the Deviation rate for intra-State entity shall be 105% (for over-drawals or under generation) and 95% (for under-drawals or over generation) of the Deviation rate at the periphery of regional entity.		<p><b>matters) 2014</b> Unless specified otherwise by the State Commission concerned, the Deviation rate for intra-State entity shall be 105% (for over-drawals or under generation) and 95% (for under-drawals or over generation) of the Deviation rate at the periphery of regional entity.</p> <p><b>Deviation charges for wind and solar project shall be in accordance with the applicable amendments on time to time basis.</b></p>
16	Additional	Inter State Transmission Charges and Losses for wind and solar generators are currently waived for the period of 25 years from the date of commissioning.	<p>Request the Hon'ble CERC to clarify the following based on the referred waiver;</p> <p>(i) The Hon'ble Commission may clarify that, charges like HVDC charges and reliability charges or any other such charges applicable on time to time will not be applicable on the eligible wind and solar projects under the waiver scheme.</p> <p>Calculation of relinquishment charges for wind and solar generators shall be as per the applicable or waived charges based on the eligibility of generator under the waiver scheme.</p>	
17	Additional	Transmission Project builds based on the advance planning under the monitoring of MNRE to tap wind and solar potential of the country.	Transmission Project builds under the advance planning to tap wind and solar potential shall be treated as	To ensure the benefit of such scheme should available to the intended beneficiaries.

			existing systems for the Connectivity or GNA application received from such renewable sources.	
18	Addi onal	Direction issued by Hon'ble CERC in para 118 of the order issued dated 29 <sup>th</sup> September 2017 under the petition No. 145/MP/2017.	CTU should provide the capacity available in existing / upcoming substation and placed it on their website for enabling prospective bidder / generators to take informed decisions.	To bring more transparency and better planning.
19	Addi onal	Multiple user of a common dedicated transmission line limited to the permitted capacity of DTL shall be allowed.	Multiple user of a common dedicated TL shall be allowed <i>to 100% wholly owned subsidiaries of the original grantee or group companies having common parent company.</i>	If multiple users are allowed to share the evacuation and original grantee is allowed to Issue connectivity of the balance capacity to the company of its choice, it will lead to <u>TRADING OF CONNECTIVITY</u> in the market.