



18 Aug 2020

To,

The Secretary  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building  
36, Janpath, New Delhi -110 001

**Sub: Submission of comments/suggestions on Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System**

Dear Sir,

We would like to thank Hon’ble Central Electricity Regulatory Commission (“CERC”) for bringing the much needed Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System and providing us the opportunity to give our comments/suggestions on the same.

We take this opportunity to apprise you that “ACME” is one of the largest renewable energy developer in the Country with an operational portfolio of more than 2700 MW<sub>p</sub> of Solar Power Projects and additionally ~2600 MW<sub>p</sub> of Solar Power Projects are under various stages of construction across India. Our vision is to supply clean energy at affordable price for every section of the Indian society. ACME has been instrumental in bringing down the tariff of Solar PV projects to Rs. 2.44 per unit which is the lowest tariff in India till date.

The Commission has taken into consideration the practical challenges that were being faced by stakeholders while implementing the project which is the need of hour. We feel that the proposed Regulations with few additional changes can prove to be a major boost to the growth of RE industry.

We, therefore, would like to submit our comments/suggestions on the draft regulations which may be considered by this Hon’ble Commission.

**Thanking you,  
Authorised Signatory**

**M/s ACME Solar Holdings Limited**

**ACME Solar Holdings Limited  
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**ACME Comments on Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System**

<b>S. No.</b>	<b>Proposed Amendments</b>	<b>Suggestions</b>	<b>Rationale</b>
1	<b>2. Applicability</b>	This procedure/regulation shall be applicable to all entities who have already been granted Stage-I and Stage-II connectivity by CTU and new applicants seeking connectivity at ISTS substation	The draft amendment is silent on applicability of these regulations on entities who are already granted connectivity and are facing challenges while project execution.
2	<p><b>5.2 Utilisation of Connectivity granted to the Parent Company by its Subsidiary company (ies) and Transfer of Connectivity</b></p> <p>The utilisation and transfer of Connectivity shall be governed in accordance with Clause 8A of the Connectivity Regulations.</p>	<p>Provided that affiliates and/or subsidiaries having common control, in which parent company holds atleast 51% equity shareholding, shall be allowed to transfer their connectivity and LTA to the parent company and vice versa one year after achieving commercial operation of Renewable Energy generating station(s)</p> <p>Provided also that till such Connectivity and LTA are transferred, the said affiliate(s) with at least 51% equity shareholding by parent company shall be allowed to utilize the Connectivity and LTA granted to the parent company and vice versa.”</p>	As per the provisions of bidding documents i.e. RFS and PPAs of competitive bids being conducted by Government designated Renewable Energy Implementing Agencies (i.e. SECI/NTPC) of the Central or State Governments (DISCOMs), a successful bidder can transfer 49% of equity shareholding in favour of a third entity, without any lock-in period and any change of more than 49 % in the equity shareholding after the expiry of 1 year from COD require prior intimation to the procurer. Raising equity finance from external investors becomes a necessity in current times and while it is being allowed in Rfs and PPA, the CERC Regulations are a restriction in such transfer. Therefore, CERC regulations and

			provisions of bidding documents must be aligned with each other.																																
3	<p><b>10. Processing of Applications and Grant of Stage-II Connectivity</b></p> <p>10.10 Conn-BG1 and Conn-BG2 shall be furnished by the applicants as detailed below:</p> <table border="1"> <thead> <tr> <th>Bay Allocated</th> <th>Conn BG-1</th> <th>Conn BG-2</th> <th>Additional Bay</th> </tr> </thead> <tbody> <tr> <td>132 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 3 Crs</td> <td>Rs. 3 Crs</td> </tr> <tr> <td>220/230 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 3 Crs</td> <td>Rs. 3 Crs</td> </tr> <tr> <td>400 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 6 Crs</td> <td>Rs. 6 Crs</td> </tr> </tbody> </table>	Bay Allocated	Conn BG-1	Conn BG-2	Additional Bay	132 KV	Rs. 50 Lakh	Rs. 3 Crs	Rs. 3 Crs	220/230 KV	Rs. 50 Lakh	Rs. 3 Crs	Rs. 3 Crs	400 KV	Rs. 50 Lakh	Rs. 6 Crs	Rs. 6 Crs	<p><b>10. Processing of Applications and Grant of Stage-II Connectivity</b></p> <p>Conn-BG1 and Conn-BG2 shall not be required for applicants who are seeking connectivity pursuant to tariff based competitive bidding and has entered into a Power Purchase Agreement (PPA) with, a Renewable Energy Implementing Agency or a distribution licensee, on submission of such Letter of Award or PPA</p> <p>Conn-BG1 and Conn-BG2 shall only be furnished by applicants who are seeking connectivity under 9.3.2 as follows:</p> <table border="1"> <thead> <tr> <th>Bay Allocated</th> <th>Conn BG-1</th> <th>Conn BG-2</th> <th>Additional Bay</th> </tr> </thead> <tbody> <tr> <td>132 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 3 Crs</td> <td>Rs. 3 Crs</td> </tr> <tr> <td>220/230 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 3 Crs</td> <td>Rs. 3 Crs</td> </tr> <tr> <td>400 KV</td> <td>Rs. 50 Lakh</td> <td>Rs. 6 Crs</td> <td>Rs. 6 Crs</td> </tr> </tbody> </table>	Bay Allocated	Conn BG-1	Conn BG-2	Additional Bay	132 KV	Rs. 50 Lakh	Rs. 3 Crs	Rs. 3 Crs	220/230 KV	Rs. 50 Lakh	Rs. 3 Crs	Rs. 3 Crs	400 KV	Rs. 50 Lakh	Rs. 6 Crs	Rs. 6 Crs	<p>RE developers who are winning bids through tariff based competitive bidding by SECI/NTPC/DISCOM etc are already furnishing huge Bank Guarantees to Procurer under the PPA. Therefore, there should not be any further requirement of Bank Guarantee to other stakeholders</p>
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4	<p><b>11.2</b></p> <p>(A)The Stage-II Connectivity grantees</p>	<p><b>11.2</b></p> <p>(A)The Stage-II Connectivity grantees shall be</p>	<p>As per the provisions of bidding documents i.e. RFS and PPAs of</p>																																



	shall be required to complete the dedicated transmission line(s) and pooling sub-station(s) on or before (a) the scheduled date of commercial operation of the generation project, for cases covered under Clause 9.2.1, as intimated at the time of making application for grant of Stage-II Connectivity or as extended by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be.	required to complete the dedicated transmission line(s) and pooling sub-station(s) on or before (a) six months from the scheduled date of commercial operation of the generation project, for cases covered under Clause 9.2.1, as intimated at the time of making application for grant of Stage-II Connectivity or as extended by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be.	competitive bids being conducted by Government designated Renewable Energy Implementing Agencies (i.e. SECI/NTPC) of the Central or State Governments (DISCOMs), developers are allowed to pay liquidated damages for a delay upto six months. Therefore, CERC connectivity regulations should be aligned with PPA/bidding document provisions. It is also reasonable and justified to provide a window of additional six months for any unforeseen issue.
5	<b>Additional Comments</b>	The Long Term Access granted to the applicant shall be operationalised as per original SCOD timelines mentioned during application by applicant or as extended by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be	It has been observed that due to occurrence of various Force majeure events or other reasons beyond the control of either party under the PPA, SCOD timelines get extended. Therefore, it is essential for timelines under connected agreements i.e. TSA and LTAA to get extended equally.

Yours Sincerely  
FOR ACME SOLAR HOLDINGS LIMITED

Authorised Signatory

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