

Ref. No.: C/CTU/04/Conn

17th August, 2020

Shri. Sanoj Kumar Jha
Secretary
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36-Janpath, New Delhi – 110001

Sub: Comments of CTU on Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System”

Dear Sir,

This is with reference to Public Notice dated 24.07.2020 issued by this Hon'ble Commission inviting comments/suggestions from the stakeholders and interested persons on the provisions proposed to be amended in the Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018.

In this regard, our observations are enclosed at Annexure 'A' for your kind consideration.

Thanking you,

Yours faithfully,



(Subir Sen)
COO (CTU-Planning)

Encl: As above

**Comments of CTU/POWERGRID
on**

Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System”

1. CERC is undertaking amendments to the abovementioned Detailed Procedure in view of 7th Amendment to the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 notified on 28.01.2019 and based upon feedback from CTU and subsequent developments in the Sector. (The Public Notice dated 24.07.2020 may be accessed at http://cercind.gov.in/2020/draft_reg/Notice-24-07.pdf).
2. The Draft Amendments (available at http://cercind.gov.in/2020/draft_reg/Draft%20RE%20Connectivity%20Procedure.pdf) have been discussed and vetted by the officers in CTU-Plg department and the comments/suggestions are presented below in a clause/subject wise manner.

S.No.	Clause	Remarks	Rationale
1.	5.1	Table under Clause 5.1 may be deleted.	The table provided a one-time solution for the applications pending with CTU at the time of notification of Detailed Procedure in May 2018. As such, the table may not be required anymore.
2.	Proviso to Clause 5.3.1	The words “and agreement with the transmission licensee owning the ISTS sub-station” to be deleted.	The provision for an agreement (whether formal or otherwise) with the ISTS Licensee may not be required.
3.	7.3A (new insertion)	<u>RE projects of REIA applicants may also be granted connectivity at existing ISGS switchyards (already connected with ISTS) in the interest of evolving a techno-economic connectivity system.</u>	CTU had taken up this matter with CERC vide letter dated 25.02.2020 The issue of interconnection of RE projects of REIA applicants to the existing ISGS switchyards (already connected with ISTS) was raised by NTPC during the public

		<p>If the above insertion is approved, then corresponding amendment may also be required in 10.8(i) to provide for ISGS switchyards besides ISTS sub-station.</p> <p>Submission of the consent alongwith the application of the entity owning the ISGS sub-station shall be a pre-requisite.</p>	<p>hearing of the Draft Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Seventh Amendment) Regulations, 2018. Although the submission was found to be outside the present scope of the amendment, the point of NTPC was noted by the Hon'ble Commission.</p>
4.	9.2	<p>In the amended provision, LoAs issued only by REIA and distribution licensees have been considered. This may be extended to all bidding entities which are designated/authorized by Central or State government. Further, State power procurement centres (e.g. HPPC) may also be considered.</p>	<p>CTU has been receiving applications with LoAs issued by various entities who may or may not be officially designated as 'bidding agency' or 'REIA' by Central/State government. Accordingly, the categorization may be expanded or clarity for non-consideration of LoAs issued by other entities may be provided.</p>
5.	Proviso(b) under Clause 9.2.1	<p>The amended provision may be reconsidered as "<u>all Round-the-Clock Hybrid Projects including Renewable Hybrid Generation Station(s)</u>" which shall limit the facilitation to only RTC projects.</p> <p>LoAs issued by all bidding entities which are designated/authorized by Central or State government. State power procurement centres may also be considered.</p>	<p>The present provision in draft amendments may inadvertently extend the facilitation meant for RTC to all Renewable Hybrid Generation Station(s) which may not be the administrative/policy intent.</p>
6.	Illustration (b) under Clause 9.2.1	<p>The provision regarding 'sale of surplus power' may be deleted. It needs to be clarified that the eligibility for Stage-II Connectivity shall be considered to be met</p>	<p>The illustration appears to be functioning as an operative clause of the Detailed Procedure which may lead to difficulties in application or interpretation. If required, it may be clearly spelt out that for RTC projects, eligibility under</p>

		<p>only upto the LoA quantum. For any additional quantum, Stage-II Connectivity may be separately required for which a separate provision/sub-clause may be inserted Clause 9.2.2.</p> <p>Further, if such a provision is inserted, it shall also be necessary to spell out the rules governing LTA based on such surplus connectivity. For example, it may be spelt out that separate applications shall be filed for LTA/MTOA even while using the same PPA under RTC mechanism.</p>	<p>Para 9.2.1 shall be considered to be met only upto the LoA Separate provision may be provided for any additional Stage-II Connectivity under 9.2.2.</p> <p>Further, if the provision for 'sale of surplus power' is inserted in the Detailed Procedure regarding RE Connectivity, then corresponding rules governing the LTAs obtained based on such surplus connectivity may require to be spelt out in applicable CERC Regulations/Detailed Procedure.</p>
7.	Note under Clause 9.2.2	It is requested that the Note may be amended to require only a title report from a registered advocate with respect to land use rights of the applicant.	It may not be possible for CTU to verify the authenticity of documents. Further, there may not be any method to verify the authenticity of translations with CTU. Also, the processing of applications may be slowed down because of requirement of external legal vetting of voluminous land records. Instead, a certification by a registered advocate may be sufficient in this regard.
8.	9.2.2(ii)	A separate proviso may be inserted providing that in case of Renewable Power Project Developers, the project cost shall be considered in terms of the scope of work under such RPPDs.	This shall be in line with the SoRs issued with Seventh Amendment to the CERC Connectivity Regulations, 2009.

9.	9.3.4	The draft insertion may be amended to provide that “CTU shall monitor the status of projects on monthly basis covered under Clause 9.3.2. For projects under Clause 9.3.1, CTU shall act upon the official information of non-achievement of milestones as per LoA/PPA as communicated by the concerned entity issuing the LoA under Clause 9.2.1.	<p>For Stage-II grantees governed under Para 9.3.1, the provision for taking action for failure of an applicant is based on the non-conformity with the milestones provided in the respective LoA/PPA, which can be monitored and communicated only by the concerned entity which issued the LoA.</p> <p>Otherwise, the revocation of Stage-II Connectivity or encashment of Conn-BG shall appear to be disproportional in case of mere delay in submission of proof to CTU relating to achievement of milestones under the LoA/PPA.</p> <p>CTU is already undertaking the monitoring of Stage-II Connectivity grantees under Para 9.3.2 on a quarterly basis in Joint Coordination Committee (JCC) Meetings. If required, it can monitor these grantees on a monthly basis and take action for revocation of connectivity and encashment of Conn-BG.</p>
10.	10.7	The timelines for processing of Stage-II Connectivity applications under this clause may be regularized in terms of the provisions under CERC Connectivity Regulations, 2009.	The timelines prescribed are not in conformity with Regulation 7 of the CERC Connectivity Regulations, 2009. Further, as per the experiencing of administering under the Detailed Procedure, the present timelines are too stringent and difficulty to comply.
11.	10.10(b)	Words “ <u>or on account of withdrawal of Stage-II Connectivity after bay allocation</u> ” may be added after the words “revoked in accordance with Clause 9.3.3 or Clause 11.2 of this Procedure” in the proposed amendment.	Withdrawal of Stage-II Connectivity after bay allocation has led to litigation in a number of cases for release of Conn-BG despite the fact that the Stage-II Connectivity alongwith allocated bay remained reserved for the concerned grantee. Accordingly, this situation should be contemplated in the Detailed Procedure.

12.	10.11	<p>The words “if not encashed in terms of Clauses 9.3.3 or Clause 10.10(b)” may be omitted.</p> <p>Words “declaration of commercial operation of the generation project” may be substituted with “<u>submission of commercial operation (COD) certificate for at least 50 MW quantum</u>”.</p>	<p>The suggested insertion is in order to bring greater certainty with respect to commissioning of the generation project prior to release of Conn-BGs. Further, it has been experienced that the extant provisions did not clarify the quantum of generation required to be commissioned (whether 1MW or full Stage-II Connectivity quantum), therefore, leading to disputes. Thus, appropriate insertions in this regard may be advisable. Further, it is suggested that instead of the term ‘declaration’, the term ‘COD certificate’ shall bring greater clarity.</p>
13.	13	<p>Words “<u>as well as the margin available at the ISTS interconnection</u>” may be added after the words “CTU shall consider the capacity of dedicated transmission line and associated bay while granting the enhancement of Stage-II Connectivity”.</p>	<p>The suggested insertion is required to ensure that at the time of granting enhancement in Stage-II Connectivity, the overall evacuation margins at the sub-station may also be considered, thus preventing any potential redundancy.</p>
14.	14.4A, 14.4B	<p>Same insertion as suggested for Clause 13 may be carried out in these provisions as well.</p>	<p>Same rationale as provided above for insertion in Clause 13.</p>
15.	Requirement of Company Stamp in Application Formats	<p>The requirement of company stamp in FORMAT RCON-A, RCON-I, RCON-II & RCON-E may be dispensed with.</p>	<p>The requirement of company stamp in application formats may be dispensed with in light of the mandatory requirement of Class 3 Digital Signature which is mapped with the concerned Company.</p>
16.	Information regarding use of LoAs by St-II	<p>In application formats FORMAT RCON-II, Entry 6A may be inserted:</p>	<p>Presently, documents for eligibility (LoA in case of bidding route) are required as per Para 13(v) of FORMAT-RCON-II.</p>

	Conn. Applicants	<p><u>6A. LoA Details (if applicable)</u></p> <p>(i) <u>Name of entity issuing the LoA:</u></p> <p>(ii) <u>Date of issuance of LoA:</u></p> <p>(iii) <u>Whether abovestated LoA utilized (partly/fully) before: YES/NO</u></p> <p>(iv) <u>If YES, Stage-II Application Nos. – (a)</u> (b)..... <u>(c).....</u></p>	<p>Such LoAs are submitted as an attachment, although their particulars are not captured in the application.</p> <p>In case an applicant intentionally or otherwise seeks to use same LoA under different applications (especially in different Regions), the same becomes difficult to trace.</p> <p>Accordingly, the details of LoA utilized in a Stage-II Connectivity application may be specifically required as a separate entry in the FORMAT-RCON-II.</p>
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