

16.08.2020

To ,

CENTRAL ELECTRICITY REGULATORY COMMISSION

3 rd& 4th Floor, Chandralok Building,

36, Janpath,

New Delhi -110 001

SUBJECT : Draft Amendment to Detailed Procedure for "Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System"

Sir.

1.Please refer to public notice No. L-1/(3)/2009-CERC Dated: 24.07.

2. Commission vide this notice intimated that the Detailed Procedure for "Grant of Connectivity to projects based on renewable sources to inter-State transmission system" made under Regulation 27 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 which was issued on 15.5.2018 is proposed to be amended in view of 7th Amendment to the Central Electricity Regulatory Commission (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 the Central Transmission Utility and subsequent developments in the Sector.

The Detailed Procedure for "Grant of Connectivity to projects based on renewable sources to inter-State transmission system" containing the proposed amendments in track change mode was also available on the website of the Commission (www.cercind.gov.in).

3. Commission vide above Notice invited comments/ suggestions/ objections from the stakeholders and interested persons on the provisions proposed to be amended.

4 . The comments/ suggestions/ objections from SOLAR ENERGY COROPORATION OF INDIA LIMITED are attached here with for consideration by commission .

Thanking you .

Yours Faithfully


R.K.AGARWAL 16/08/2020

CONSULTANT

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SECI suggestion for inclusion in the detailed procedure for "Grant of Connectivity to projects based on renewable sources to inter-state transmission system"

SL.NO.	Reference of CERC draft regulation	Changes Suggested	Reason/Rational
1.	<p>Page-4 & 5 ,Clause-5.2</p> <p>Utilisation of Connectivity granted to the Parent Company by its Subsidiary company (ies) and Transfer of Connectivity</p> <p>5.2.1 The utilisation and transfer of Connectivity shall be governed in accordance with Clause 8A of the Connectivity Regulations.</p> <p>5.2.2 In the cases covered under clause 4th(fourth) provision of Regulation 8A of the Connectivity Regulations, where the subsidiary companies have been allowed to utilize the Connectivity granted to the parent company and vice versa, the Connectivity grantee shall be responsible for all operational and commercial obligations of the concerned renewable energy generating station(s) including compliance with the provisions of the Grid Code and other regulations of the Commission, related to grid security, scheduling and dispatch, collection and payment/adjustment of Transmission charges, deviation charges, congestion and other charges etc.</p> <p>"8A. Transfer of Connectivity and LTA A person shall not transfer, assign or pledge its connectivity or LTA either in full or parts and the associated rights and obligations to any other person: Provided that the above provision shall not be applicable to applicants defined under Regulation 2(f)(b)(i)(g): Provided further that 100% subsidiary companies 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): Provided further that transfer of Connectivity</p>	<p>The clause 5.2.1, 5.2.2 & 8A may be amended to read as below :</p> <p>5.2.1 The utilisation and transfer of Connectivity shall be governed as per prevailing law for the transfer or as per provisions provided in the bid documents for transfer of plant / project. Connectivity and LTA will get transferred automatically to new ownership of projects/plants with same rights and obligations.</p> <p>5.2.2 In the cases covered under clause 4th(fourth) provision of Regulation 8A of the Connectivity Regulations, where the subsidiary companies have been allowed to utilize the Connectivity granted to the parent company and vice versa, The Connectivity grantee shall be responsible for all operational and commercial obligations of the concerned renewable energy generating station(s) including compliance with the provisions of the Grid Code and other regulations of the Commission, related to grid security, scheduling and dispatch, collection and payment/adjustment of Transmission charges, deviation charges, congestion and other charges etc.</p> <p>Connectivity Regulations "8A. Transfer of Connectivity and LTA A person shall not transfer, assign or pledge its connectivity or LTA either in full or parts and the associated rights and obligations to any other person:</p>	<p>The transfer of ownership of any project /plant which have been granted connectivity /LTA can take place only after following the compliance of prevailing laws or as per provisions included in the bidding documents by authority awarding the contracts for development of RE Projects/Plants.</p> <p>Once transfer of ownership has taken place then the associated connectivity /LTA as granted to the company will also get transferred with same rights and obligations automatically to new ownership company without any other limitation. Therefore the provisions under 8A should not include any other terms and conditions which may limit or restrict such transfers.</p> <p>Reference to Regulation 8 (A) is not required in 5.2.2. Further, in view of the Regulation 8(A) being included in this regulation, necessary amendments to Regulation 8(A) have also been suggested.</p> <p>(Subsidiary can not always be 100% in each tender. SECI, for eg, defines subsidiary as an entity with min. 76% shareholding)</p>

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	<p>and LTA from the parent company to more than one 100% subsidiary shall be permitted one year after the commercial operation of the generating station of the last subsidiary and subject to minimum capacity as per Regulation 2(1)(b): Provided also that till such Connectivity and LTA are transferred, the concerned subsidiary company (ies) shall be allowed to utilize the Connectivity and LTA granted to the parent company and vice versa."</p>	<p>Provided that the above provision shall not be applicable to applicants defined under Regulation 2(1) (b) (i) (g).</p> <p>Provided further that in cases where transfer of plant /project has taken place as per prevailing law or as per provisions provided in the bid documents , in such cases transfer of connectivity and LTA from the parent company to new ownership company will take place automatically with change of ownership of project/plant.</p>	
<p>2.</p>	<p>Page- 9 ,Clause- 9.2 Eligibility for Stage-II Connectivity</p> <p>(b) An entity implementing the Renewable Hybrid Generating Station(s)including Round the Clock Hybrid Project, shall be eligible to apply for separate Stage-II Connectivity for each location based on the same LOA or PPA, for the capacity of the project not exceeding the quantum of power for which LOA has been awarded or PPA has been signed. For this purpose, the locations and capacity at each such location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be, shall be submitted along with the Connectivity applications.</p> <p>Illustration:-</p> <p>a) Suppose a bidder is awarded LOA for 500 MW to supply round the clock and it has Renewable hybrid generation project with installed capacity of 500 MW Wind, 500 MW Solar and 200 MW storage at single location (for injection at same interconnection point). Such project shall be eligible for Stage-II Connectivity under Clause 9.2.1, for the capacity of the project not exceeding the quantum of LOA (500 MW in the instant case). If the said project intends to sell surplus power over and above LOA, it shall be required to apply for additional Connectivity under Clause 9.2.2.</p> <p>b) Suppose a bidder is awarded LOA for 500 MW under Round the Clock Hybrid Scheme with projects at multiple locations - 500 MW (Solar) in State „A“ and 700 MW (Wind) in State „B“. Such project shall be eligible for Stage-II Connectivity</p>	<p>The Clause 9.2.1 (b) may be amended to read as below :</p> <p>In case of RE generating stations being planned at multiple locations as per provisions of contract documents under a single LOA or PPA, such entity shall also be eligible to apply for separate Stage-II Connectivity for each location based on the same LOA or PPA, to meet out the requirement of the project.</p> <p>For each location, the quantum of power for which connectivity is sought, may be greater than the capacity (MW) awarded under the LOA or the Contracted Capacity as per the PPA.. For this purpose, the locations and capacity at each such location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, or as detailed out in the LoA, as the case may be, shall be submitted along with the Connectivity applications. However quantum of LTA for the corresponding generation station at each such location will not exceed the quantum of power for which LOA has been awarded or PPA has been signed.</p> <p>Illustration:-</p> <p>a)..... Suppose a bidder is awarded LOA for 500 MW to supply round the clock and it has Renewable hybrid generation project with installed capacity of 500 MW Wind, 500 MW Solar and 200 MW storage at single location (for injection at same interconnection point). Such project shall be eligible for Stage-II Connectivity under Clause 9.2.1, for a capacity of the project for the quantum of 1200 MW in the instant</p>	<p>This provision for applying connectivity at multiple locations, should flow from the LoA or the certificate issued by the RE Implementing agency or Distribution licensee, and should be irrespective of the technology being utilized (hybrid or RTC in this case), i.e. a stand-alone Solar PV Project for example, may also be allowed to apply for connectivity at multiple locations under a single LOA, if permitted in the tender documents.</p> <p>It is suggested to take care that RE developer may optimise and limit / restrict themselves in selecting multiple locations to meet out capacity of the project . Further to meet the awarded capacity, RE developer is required to set up higher capacity and part /full capacity from such additional capacity will be used to meet the requirement of awarded capacity during part of the time period.</p> <p>This facilitation will enable developer to put up higher capacities at minimum number of wind and solar sites and therefore can economise cost and ultimately result into lower tariff.</p>

Approved

	<p>under Clause 9.2.1, for the capacity of the project not exceeding the quantum of LOA (500 MW in the instant case) at each location on the basis of same LOA. If the said project intends to sell surplus power over and above the quantum for which Stage-II Connectivity has been granted under Clause 9.2.1, it shall be required to apply for additional Connectivity under Clause 9.2.2.</p>	<p>case, however LTA will be granted only for 500 MW and if the said project developer intends to sell surplus power over and above the LOA quantum of 500 MW, it shall be required to seek additional LTA..</p> <p>a) b) Suppose a bidder is awarded LOA for 500 MW under Round the Clock Hybrid Scheme with projects at multiple locations - 600 MW (Solar) in State "A" and 200 MW (Wind) in State "B" and 600 MW Wind in State "C". Such project shall be eligible for Stage-II Connectivity under Clause 9.2.1, for - 600 MW (Solar) in State "A" and 200 MW (Wind) in State, "B" and 600MW Wind in State -C..</p> <p>However LTA will be granted only for 500 MW at State -A, 200 MW at State-B and 500 MW at State -C. Further if the said project intends to sell surplus power over and above the quantum for which LOA is issued irrespective of quantum of Stage-II Connectivity has been granted under Clause 9.2.1, it shall be required to seek additional LTA over and above LOA quantum at each location.</p>	<p>While the current procedure does allow transfer of an already granted connectivity to the subsidiary, the CTU does not process applications for grant of Stage-II made by the subsidiaries who wish to utilize the LoAs awarded to their parents. As a result, SECI is required to issue necessary clarifications each time, resulting in needless delays.</p> <p>Further, minimum ownership of subsidiary should be governed by the provisions of the respective tender/LoA/PPA.</p> <p>RE developers are entering into an agreement with transmission licensee which also include the provision of force majeure. However the concerns of RE developers are not looked into.</p> <p>Once the Renewable Energy Implementing Agency or the distribution licensee grant the extension on account of force majeure</p>
<p>3.</p>	<p>Page- 9 , Clause- 9.2 Eligibility for Stage-II Connectivity</p>	<p>(New Clause proposed)</p> <p>9.2.3 The LoA issued to a company can be automatically utilized by its subsidiary (as defined in the respective tender document/LoA issued by the RE Implementing agency or Distribution licensee/PPA) for application of Stage-II connectivity, without any requirement of supporting clarifications to be sought in this regard. In this case, the application will be duly processed in line with the procedure followed for applications made by the entities as per 9.2.1 above.</p>	<p>Formatted: Underline</p>
<p>4.</p>	<p>Page- 15, Clause - 11.2 A (a)</p> <p>11.2 (A) The Stage-II Connectivity grantees shall be required to complete the dedicated transmission line(s) and pooling sub-station(s) on or before:</p>	<p>At the end of referred clause following may also be included :</p> <p>(a)</p> <p>Further the date of operationalisation for LTA of such generation projects shall be deemed extended until to the new the SCOD.</p>	<p>RE developers are entering into an agreement with transmission licensee which also include the provision of force majeure. However the concerns of RE developers are not looked into.</p> <p>Once the Renewable Energy Implementing Agency or the distribution licensee grant the extension on account of force majeure</p>

	<p>(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.</p>		<p>to RE Developers for his RE Project to complete the dedicated transmission line(s) and commercial operation of the generation project then transmission licensee has to plan the commissioning of Associated Transmission System (ATS) in matching time schedule</p>
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