

To,

Shri Harpreet Singh Pruthi,
Secretary,
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi-110029

Subject: Comments on the Draft Notification of CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025.

Respected Sir,

We take this opportunity to introduce Azure Power India Private Limited ("**Azure Power**"), a leading and rapidly growing renewable Independent Power Producer (IPP) dedicated to sustainable development in India. Since 2009, Azure Power has been actively engaged in developing renewable energy projects, with a robust portfolio of over 3 GW of operational and under-construction projects across multiple states.

At the outset, we commend the Hon'ble Commission for its continued commitment to strengthening the regulatory framework, facilitating easier access to transmission networks while upholding grid security and efficiency. We appreciate the opportunity to provide our comments on the Draft Notification of CERC (Connectivity and General Network Access to the Inter-State Transmission System) (Fourth Amendment) Regulations, 2025.

We would like to highlight the following key concerns that, if addressed, can significantly enhance the effectiveness and practicality of the GNA framework:

1. **Stringent Timelines:** Our operational portfolio includes approximately 3 GW, with around 50% of it connected to the ISTS and spread across different geographical locations i.e. 07 projects in 03 states. The proposed timeline of **three months for application** and **18 months for implementation** poses a significant challenge. Evaluating multiple projects for combination of Wind+BESS technology and time required to dealt with state entities (including SNAs) for required approvals for new RE project within this timeframe is highly demanding.

Moreover, each project would also undergo clearance/approvals from internal management and lenders for investment decisions before providing commitments for utilization of connectivity. Missing these timelines would entail opportunity cost for developers who made significant investment in development of evacuation infrastructure.

Azure Power India Private Limited

CIN: U40106DL2008PTC174774

Corporate Office: 8th Floor, Tower A, DLF Infinity, Cyber City, Phase II, Gurugram-122002, Haryana

Regd. Office: DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi - 110017



Corp. Off.: 0124-4155755



Regd. Off.: 011-49409800



pr@azurepower.com



www.azurepower.com

Additionally, the **market for non-solar hour projects is still nascent**, with only a single tender issued so far. The energy sector is still assessing its adoption, and a strong business case for its utilization is yet to be fully established. We, therefore, urge the Hon'ble Commission to consider extending the application and implementation timelines to ensure a practical transition.

2. **Transition Challenges:** While we acknowledge and support the objective of improving grid efficiency through a structured transition, we strongly **recommend a phased implementation approach** that takes into account the renewable energy mix in the system. Specifically, we propose:

- Conducting a **Pilot project study** at single location to identify potential complexities and develop mitigation strategies.
- **Prioritizing plain vanilla solar projects** for connectivity in the initial phase.
- Extending the transition to more complex hybrid technologies in the next phase.

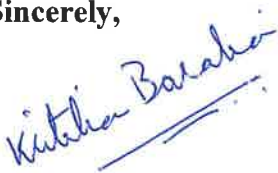
Hybrid connectivity's are being used for complex PPA structures prevalent in the market like FDRE, RTC, Peak power and Load following tenders etc. for which the **developer requires flexibility options for repowering** in the base case for PPA compliances and accordingly add Solar+BESS. Furthermore, hybrid project configurations evolve with technological advancements. The current regulations already allow flexibility in modifying configurations, and the split of solar and non-solar connectivity is **highly dependent on final project design**, which is determined at later stages of development. Implementing a rigid timeline and connectivity split at an early stage could hinder project feasibility and development.

Enclosed, please find our detailed comments and suggestions in **Annexure-1** for your kind consideration. We believe that the proposed modifications will lead to a more effective and equitable implementation of the GNA framework, promoting investment in renewable energy and ensuring seamless integration into the grid.

We respectfully request the Hon'ble Commission to consider our suggestions and make the necessary amendments to the draft regulations. We believe these changes will **enhance grid utilization, simplify compliance, and align with industry best practices**, ultimately benefiting all stakeholders involved.

Thank you for considering our comments. We look forward to the finalization of the regulations and remain available for any further discussions or clarifications.

Sincerely,



For Azure Power India Private Limited

Kritika Baralia (Vice President – BD & Commercial)

Azure Power India Private Limited

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Annexure-1

AZURE Power comments on Draft CERC (Connectivity and General Network Access to the Inter-State Transmission System) (Fourth Amendment) Regulations, 2025

Draft Clause as per 4 th Amendment	Proposed clause (Suggestion in RED)	Rationale/ Justifications
Clause 5.2(a) - The additional generation capacity under Regulation 5.2 of these regulations shall be subject to the following conditions: (a) Connectivity Bank Guarantee Conn-BG1 and Conn-BG3 under Regulation 8 of these regulations shall be furnished by the existing grantee for such additional generation capacity;	Clause 5.2(a) - The additional generation capacity under Regulation 5.2 of these regulations shall be subject to the following conditions: (a) Connectivity Bank Guarantee Conn-BG1 and Conn-BG3 under Regulation 8 of these regulations shall be furnished by the existing grantee for such additional generation capacity;	Regulations 5.2 provides provision for additional generation capacity within the connectivity quantum granted to the generating station. It is humbly request to the hon'ble commission that the requirement for additional Conn-BG1 and Conn-BG3 should be removed because no new transmission infrastructure is necessary for the additional generation capacity within the existing connectivity. Requiring these bank guarantees again would place an undue financial burden on developers and could discourage further development. Additionally, there wasn't any bifurcation (solar/non-solar hrs.) in the initially granted connectivity, which had been issued with the same transmission system. Thus, we request to consider the above.
Clause 5.2(a) - (c) In case additional capacity for which approval is sought under Regulation 5.2 of these regulations is REGS (with or without ESS) or ESS (except PSP), the scheduled date of commercial operation of commercial operation for such additional capacity shall not be later than 18 months from date of approval by the Nodal Agency;	Clause 5.2(a) - (c) In case additional capacity for which approval is sought under Regulation 5.2 of these regulations is REGS (with or without ESS) or ESS (except PSP), the scheduled date of commercial operation for such additional capacity shall not be later than 18 months from date of approval by the Nodal Agency; be similar to the entities covered under Clause (xi) of the Regulation 5.8.	It is humbly request to the hon'ble commission that the SCOD for additional capacity under Regulation 5.2 should be aligned with entities under Regulation 5.8.(xi), including provisions for extensions due to transmission delays or force majeure events. The current 18-month timeline does not consider the time needed to secure a Power Purchase Agreement (PPA) or Letter of Award (LOA) and complete necessary compliances, which are essential for financial closure and project execution. Further, SCOD of the additional generation capacity shall not be linked with the date of approval by the Nodal Agency, pls refer below examples; Example 1 - A REGS is granted final connectivity with start date of connectivity as Sep-27. Application under Regulation 5.2 is submitted in Apr-25 which is expected to be approved by Nodal Agency in Jul-25. 18 months from date of Approval is Jan-27, which is much before the connectivity start date of Sep-27 shared by the CTUIL. Example 2 - REGS is granted final connectivity start date of Mar-30 linked to HVDC system. The applicant cannot apply under Regulation 5.2 until the 18 months prior to the start date of connectivity.

Draft Clause as per 4 th Amendment	Proposed clause (Suggestion in RED)	Rationale/ Justifications
Clause 5.2(a) - <i>(e) The entity which has already made an application or has been granted approval by the Nodal Agency under Regulation 5.2 of these Regulations prior to the date of effectiveness of these amendments, shall furnish the scheduled date of commercial operation for such additional capacity, within a period of two weeks from effectiveness of these regulations:</i> <i>Provided that, in case such additional generation capacity is REGS (with or without ESS) or ESS (other than PSP), the scheduled date of commercial operation for such additional capacity shall not be later than 18 months from the date of effectiveness of these amendments or date of approval by the Nodal Agency, whichever is later.</i> <i>Provided also that such additional generation capacity shall also comply with Clauses (a) to (d) of this Regulation, within a period of one month from the date of effectiveness of this Regulation, failing which approval for such additional generation capacity shall be revoked.</i>	Clause 5.2(a) - <i>(e) The entity which has already made an application or has been granted approval by the Nodal Agency under Regulation 5.2 of these Regulations prior to the date of effectiveness of these amendments, shall furnish the scheduled date of commercial operation for such additional capacity, within a period of two weeks from effectiveness of these regulations:</i> <i>Provided that, in case such additional generation capacity is REGS (with or without ESS) or ESS (other than PSP), the scheduled date of commercial operation for such additional capacity shall not be later than 18 months from the date of effectiveness of these amendments or date of approval by the Nodal Agency, whichever is later, be applicable similar to the entities covered under Clause (xi) of the Regulation 5.8.</i> <i>Provided also that such additional generation capacity shall also comply with Clauses (a) to (d) of this Regulation, within a period of one Six month from the date of effectiveness of this Regulation, failing which approval for such additional generation capacity shall be revoked.</i>	It is humbly request to the honorable commission that the SCOD for additional capacity under Regulation 5.2 should be aligned with entities under Regulation 5.8.(xi), including provisions for extensions due to transmission delays or force majeure events. The current 18-month timeline does not consider the time needed to secure a Power Purchase Agreement (PPA) or Letter of Award (LOA) and complete necessary compliances, which are essential for financial closure and project execution. Additionally, compliance with clauses (a) to (d) within one month is impractical, as it requires submission of either LOA, 50% land, or BG. Therefore, a six-month period for compliance from the date of effectiveness of this regulation is requested.

Draft Clause as per 4 th Amendment	Proposed clause (Suggestion in RED)	Rationale/ Justifications
Clause 5.2(a) – Additional Clause	Clause 5.2(a) - <i>(f) An application under Regulation 5.2(a) by an existing grantee may be submitted either by the connectivity holder or by any other entity that is under common control w.r.t the connectivity holder.</i>	The Right of First Refusal (ROFR) for additional generation capacity applications is currently held by the existing connectivity holder, which can be the parent company or its subsidiary (e.g., SPV-1). We understand that SPV-2, also under the common control of the Holdco, would be eligible for connectivity during non-solar hours. The proposed amendment aims to enhance grid utilization, simplify compliance, and align with industry best practices. Many renewable developers operate multiple entities under common control, and allowing these entities to apply will ensure efficient use of connectivity without unnecessary procedural hurdles.
Clause 5.11 - Entities with Restricted Access (b) The In principle or final grant of Connectivity intimated to an REGS (with or without ESS) based on solar source or an RHGS with a combination of solar source with another source including ESS (including cases where GNA is effective) shall be converted as an entity with restricted access (corresponding to non-solar capacity during non-solar hours) within a period of one week after the expiry of three months from date of effectiveness of this Regulation: <i>Provided that while converting to restricted access, the Nodal Agency shall consider the additional capacity under this Regulation 5.2 or Regulation 5.11(a) of these regulations, within a period of three months from effectiveness of this Regulation:</i>	Clause 5.11 - Entities with Restricted Access (b) The In principle or final grant of Connectivity intimated to an REGS (with or without ESS) based on solar source or an RHGS with a combination of solar source with another source including ESS (including cases where GNA is effective) shall be converted as an entity with restricted access (corresponding to non-solar capacity during non-solar hours) within a period of one week after the expiry of three six months from date of effectiveness of this Regulation effective date: <i>Provided that for the purpose of this regulation the "effective date" for REGS (with or without ESS) based on solar source shall be date of effectiveness of this Regulation and for RHGS with a combination of solar source with another source including ESS shall be (i) date of Financial closure for entities covered under Clause xi(a) of Regulation 5.8, (ii) six months before SCOD for entities covered under Clause xi(b) & (c) of Regulation 5.8.</i> <i>Provided further that while converting to restricted access, the Nodal Agency shall consider the application which such an entity may make for</i>	Extending the timeline from 3 months to 6 months is crucial to allow entities sufficient time for strategic decision-making and planning for connectivity utilization during night hours. A constrained 3-month window may result in hasty, suboptimal decisions, leading to inefficient connectivity use or financial strain. Therefore, we respectfully request the Hon'ble Commission to extend the timeline to 6 months, providing developers ample time to conduct detailed assessments of techno-commercial feasibility, regulatory compliance, market conditions, and financial viability before finalizing their operational strategy. Further, Considering the complexities involved in the initial capacity sizing of RE Hybrid projects, all REIAs, in their tenders, offer flexibility in capacity allocation by allowing configuration changes until the financial closure date. However, the existing regulatory provisions contradict this flexibility granted to RE Hybrid projects. Aligning the regulations with industry practices will ensure smoother implementation of hybrid projects and encourage greater participation. Therefore, we respectfully request the Hon'ble Commission to consider the proposed changes. Alternatively It is also recommended to Hon'ble commission to kindly implement the provisions of these amendment of GNA regulation in a phased manner considering priority over existing plain vanilla solar project. Post rectification of any un-foreseen issues and successful implementation of first stage the same can be prioritised over other technologies.

Draft Clause as per 4 th Amendment	Proposed clause (Suggestion in RED)	Rationale/ Justifications
Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (1) Grant of Connectivity with restricted access to an entity covered under Regulation 5.11 (a) of these regulations: (d) The scheduled date of commercial operation shall not be more than 18 months from the date of intimation of the in-principle grant of connectivity.	additional capacity under this Regulation 5.2 or Regulation 5.11 (a) of these regulations, within a period of three-six months from effectiveness of this Regulation effective date: Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (1) Grant of Connectivity with restricted access to an entity covered under Regulation 5.11 (a) of these regulations: (d) The scheduled date of commercial operation shall not be more than 18 months from the date of intimation of the in-principle grant of connectivity be applicable similar to the entities covered under Clause (xi) of the Regulation 5.8.	It is humbly request to the hon'ble commission that the SCOD for additional capacity under Regulation 5.2 should be aligned with entities under Regulation 5.8.(xi), including provisions for extensions due to transmission delays or force majeure events. The current 18-month timeline does not consider the time needed to secure a Power Purchase Agreement (PPA) or Letter of Award (LOA) and complete necessary compliances, which are essential for financial closure and project execution.
Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (4) As on effectiveness of this Regulation, the Applicant(s) for whom an application for grant of Connectivity is under process and in principle grant of Connectivity is yet to be intimated, shall also be given three six months from the date of effectiveness of this Regulation to make an application under Regulation 5.11 (b) of these regulations for non-solar hours.	Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (4) As on effectiveness of this Regulation, the Applicant(s) for whom an application for grant of Connectivity is under process and in principle grant of Connectivity is yet to be intimated, shall also be given three six months from the date of effectiveness of this Regulation to make an application under Regulation 5.11 (b) of these regulations for non-solar hours.	Extending the timeline from 3 months to 6 months is essential to provide entities with sufficient time for strategic decision-making and planning for connectivity utilization during night hours. A constrained 3-month window may lead to hasty, suboptimal decisions, resulting in inefficient connectivity use or financial strain. Therefore, we respectfully request the Hon'ble Commission to extend the timeline to 6 months, allowing developers ample time to conduct detailed assessments of techno-commercial feasibility, regulatory compliance, market conditions, and financial viability before finalizing their operational strategy.

Draft Clause as per 4 th Amendment	Proposed clause (Suggestion in RED)	Rationale/ Justifications
Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (6) NLDC shall notify the Solar hours and Non-solar hours beginning from date of notification of these amendments on a weekly basis for each State. NLDC may revise such hours during the week in case of unforeseen contingency including weather changes.	Annexure -IV - Modalities of Restricted Access for Solar Hours and Non-Solar Hours of the day (6) NLDC shall notify the Solar hours and Non-solar hours beginning from date of notification of these amendments on a weekly basis for each State. NLDC may revise such hours during the week in case of unforeseen contingency including weather changes. <i>Provided that NLDC shall develop and publish a detailed procedure outlining the criteria and methodology for determining the Solar and Non-Solar Hours. This procedure shall be open for consultation and comments by stakeholders prior to its finalization.</i>	We request that NLDC establish a transparent procedure for determining Solar and Non-Solar Hours. By opening this procedure to consultation and comments from stakeholders, the methodology will be robust, fair, and reflective of input from all affected parties. This approach will foster collaboration and reduce potential conflicts in the future.