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Ref: SKI-LP-CERC-25-0001 **Date: 02nd April 2025**

To,
The Secretary,
Central Electricity Regulatory Commission (CERC),
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Sub: Submission of Comments on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025.

Ref: Public notice dated 03rd March 2025, seeking public comments on the Draft CERC (Connectivity and GNA to the ISTS) (Fourth Amendment) Regulations, 2025

Dear Sir,

We hope this letter finds you well.

We are writing in reference to the public notice dated 03rd March 2025 issued on the Central Electricity Regulatory Commission (CERC) website, wherein the stakeholders have been asked to submit the comments and suggestions on the Draft CERC (Connectivity and General Network Access to the Inter-State Transmission System) (Fourth Amendment) Regulations, 2025

Please find enclosed our comments on the proposed amendment, attached as **Annexure-A**. We trust that these inputs will contribute to a more comprehensive and effective regulatory framework

We respectfully request that our comments and suggestions be considered by the Hon'ble Commission.

Thank you for your kind consideration. We look forward to continued collaboration.

Yours sincerely,
For, Statkraft India Pvt Ltd.

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Andrew Rochmankowski
Director

Encl: Annexure-A

Annexure-A

Statkraft Comments / Suggestions on "Draft CERC (Connectivity and GNA to the ISTS) (Fourth Amendment) Regulations, 2025"

Clause / Provision	Draft Fourth Amendment	Comments/ Suggestions	Rationale / Remark
5	**New Regulation 5.11** 5.1. A new Regulation 5.11 shall be added after Regulation 5.10 of the Principal Regulations, as under: "5.11 Entities with Restricted Access a. An REGS (with or without ESS) based on Wind source or ESS may seek Connectivity with restricted access (non-solar hours) at a terminal bay of an ISTS substation: i. Through a separate dedicated transmission system, or **ii.** Which is already allocated to another REGS or Renewable Power Park, with restricted access (solar hours), 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	The newly introduced clause on "Entities with Restricted Access" imposes restrictions that are not in alignment with the Principal Regulations and could significantly impact projects planned to sell power under merchant mode. The key concerns are as below: 1. The Principal Regulations do not impose such restrictions on projects seeking connectivity, and the proposed amendment introduces an additional constraint that was not considered at the time of project planning. 2. Developers have structured their projects based on the assumption of full-time access, and applying restricted access retrospectively alters the viability of ongoing and planned projects 3. **Many projects developed under merchant sale mode have been strategically planned with future hybridization including ESS integration to be implemented**	The proposed restricted access clause is not in alignment with the Principal Regulations and could significantly impact projects, particularly those with option/flexibility for Energy Storage System (ESS) integration and future hybridization. Many such projects have been structured with the assumption of full-time grid access, and applying this restriction retrospectively disrupts optimum configuration, financial planning and investment confidence. Since India's ancillary services market is still in its early stage, limiting access further reduces the feasibility of merchant solar and hybrid projects. To ensure regulatory stability and support investment, we request that merchant projects be exempted from this restriction and that any new conditions be applied only

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Clause / Provision	Draft Fourth Amendment	Comments/ Suggestions	Rationale / Remark
	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: Provided that while converting to restricted access, the Nodal Agency shall consider the application which such an entity may make for 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: Provided further that if the quantum of Connectivity that can be made available for non-solar hours is less than 50 MW, such RES or RHGS shall not be considered for conversion as an entity with restricted access.	**at an appropriate time, post project commissioning to enhance generation profile, grid reliability and energy supply during peak demand hours**. 4. Imposing restricted access undermines the financial and operational model of such projects, as they were designed to optimize energy dispatch flexibility without the constraint of designated time slots. 5. Since the **ancillary services market** in India is still in a nascent stage, restricting access to these projects significantly impacts their feasibility. **Request for consideration:** 1. Exempt projects that are developed under merchant sale mode from the restricted access requirement. 2. Ensure that any such restrictions are applied only prospectively to new projects that have not yet planned their connectivity and financial structuring.	prospectively to avoid disrupting ongoing and planned projects.

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Clause / Provision	Draft Fourth Amendment	Comments/ Suggestions	Rationale / Remark
6	**Amendment to Regulation 11A:** A new Clause (6) shall be added after Clause (5) of Regulation 11A of the Principal Regulations, as under: "(6) Any changes in shareholding pattern of the Connectivity grantee upto CoD of the project shall be subject to the following: (a) The promoters of the Connectivity grantee shall not cede control (where control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Company. (b) In case the Connectivity grantee has multiple promoters (but none of the shareholders have more than 50% of voting rights and paid-up share capital), the shareholding pattern shall be maintained and cannot be changed upto COD of the project. (c) Any change in shareholding pattern other than covered in sub-clauses (a) and (b) shall require prior approval of the nodal agency and shall be filed for information of commission within 45 days of such approval. Nodal Agency may allow such application considering	**1. Exemption for Projects with Granted Connectivity** a. The proposed clause should not be applicable to projects that have already been granted connectivity before the enforcement of this amendment. b. Any retrospective application of this provision may create uncertainty for ongoing projects that have made significant progress based on prior regulations. **2. Requirement for CTU intimation in place of an approval** a. In case this amendment is to be applied to ongoing projects, we request that changes in the shareholding pattern should require intimation to the CTU rather than prior approval. b. As intimation mechanism would ensure transparency while maintaining regulatory oversight without hampering project execution.	We respectfully submit that the proposed fourth amendment regarding shareholding transfer should not be made applicable to projects that have already been granted connectivity, as this tantamount to retrospective change in regulations. At the time of application, the GNA regulations did not specify any such approval and introducing such approval now will create regulatory uncertainty and impact ongoing project development and investments. Retrospective application of such a provision could impact project financing and execution, given that developers structure their investments based on the prevailing regulations at the time of grant. Furthermore, we request that for ongoing projects, any changes in shareholding be subject to intimation to the CTU rather than prior approval. This will ensure regulatory transparency while avoiding unnecessary administrative delays that could impact timely project implementation.

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Clause / Provision	Draft Fourth Amendment	Comments/ Suggestions	Rationale / Remark
	the practical requirement for change in shareholding. (d) In case any change in control or shareholding pattern of the Connectivity grantee is carried out in contravention to sub-clauses (a) to (c) of this Clause, the Connectivity shall be revoked, Bank Guarantee submitted under subclause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be encashed, and Conn-BG1, Conn-BG2 and Conn- BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.”	If the Hon’ble Commission decides to implement restrictions on shareholding changes, we request that they be limited to applications where connectivity has been sought under the Bank Guarantee (BG) route as the developer sought connectivity through land route or PPA route would have already made/committed significant investment in the project.	

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