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19th August 2020

To
The Secretary
Central Electricity Regulatory Commission (CERC)
3rd & 4th Floor, Chanderlok Building, 36, Janpath
New Delhi – 110001, India

Phone: +91 – 11 – 23753915

Email: secy@cercind.gov.in

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

Reference: Your circular vide No. L-1/ (3)/2009-CERC dated 24.07.2020

Dear Sir

We thank you for giving us an opportunity to submit our observations/recommendations on the proposed Amendment to Detailed Procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System”. Our suggestions/comments are enclosed herewith and placed at “**Annexure**” for your kind consideration.

We humbly request you to consider our submission favourably and please do let us know should you require any further clarification.

Yours Sincerely
For Enel Green Power India Limited

(Sandy Khera)
Chief Executive Officer
sandy.khera@enel.com

Enclosure: Annexure - A

ANNEXURE: OBSERVATIONS/RECOMMENDATIONS ON PROPOSED DRAFT PROCEDURE FOR “GRANT OF CONNECTIVITY TO PROJECTS BASED ON RENEWABLE SOURCES TO INTER-STATE TRANSMISSION SYSTEM”

S No.	Section No.	Existing Provision/Proposed Amendment	Recommended / New Provision	Justification & Suggestion
1	Para 5.3.1	<p>5.3.1 For the connectivity system, the dedicated transmission line including line bay(s) at generation pooling station shall be under the scope of the applicant and the terminal associated bay(s) at the ISTS sub-station shall be under the scope of transmission licensee owning the ISTS sub-station subject to compliance of relevant provision of tariff policy.</p> <p>Provided that the applicant may itself construct the associated bay(s), subject to approval of the CTU and agreement with the transmission licensee owning the ISTS sub-station.</p>	<p>5.3.1 For the connectivity system, the dedicated transmission line including line bay(s) at generation pooling station shall be under the scope of the applicant and the terminal associated bay(s) at the ISTS sub-station shall be under the scope of transmission licensee owning the ISTS sub-station subject to compliance of relevant provision of tariff policy. The Transmission Licensee shall complete the construction of the such associated bay(s) within eighteen (18) months from the date of application.</p> <p>Provided that the applicant may itself construct the associated bay(s), subject to mutual agreement by the developer, approval of the CTU and agreement with the transmission licensee owning the ISTS sub-station.</p>	<p>We humbly submit that there are developers who have attained expertise in developing, operating and maintaining a Renewable Energy (“RE”) power plant. An additional responsibility on RE developers to construct the terminal associated bay(s) would be something which would not a be a core activity expected out of a RE developer. Hence, we humbly submit that the responsibility to develop the terminal associated bay(s) may primarily be with the transmission licensee. The final agreement in the matter that whether the terminal associated bay(s) are to be developed by a RE developer or the Transmission licensee shall be mutually agreed among CTU and the RE developer during Connectivity Discussions.</p> <p>We further submit that the procedure shall also emphasize on the strict compliance of construction timelines by the ISTS licensee/Transmission utility to construct the bay within the timelines of 18 months from the date of application. Without this committed timeline from the ISTS licensee will lead to ambiguity for the applicant.</p>
2	Para 9.2.1 Proviso	<p>Provided that, (a) Such entity is a grantee of Stage-I connectivity or has applied for Stage-I Connectivity or has applied for Stage-I</p>	<p>Provided that, (a) Such entity is a grantee of Stage-I connectivity or has applied for Stage-I Connectivity or has applied for Stage-I</p>	<p>We understand that this aspect would play a major role in deciding the levels of competitiveness and resource optimization associated with Hybrid projects.</p>

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		<p>Connectivity and Stage-II Connectivity simultaneously.</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>Connectivity and Stage-II Connectivity simultaneously.</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>Provided that the entity implementing the Renewable Hybrid Generating Station(s) including Round the Clock Hybrid Project, shall be compliant and meet the requirements stipulated in the guidelines for availing such benefit of multi-location connectivity.</p>	<p>Thus, we humbly submit that it would be more appropriate to discuss this factor in light of detailed guidelines so as to ensure more clarity in the matter and to ensure that the need of developing the transmission network is optimized.</p>
3	Para 9.3.4	<p>CTU shall monitor the status of projects on monthly basis covered under Clause 9.3.1 and 9.3.2 and take appropriate action timely.</p>	<p>CTU shall monitor the status of projects as well as the progress of construction of associated transmission network on monthly basis covered under Clause 9.3.1 and 9.3.2 and take appropriate action timely.</p>	<p>There have been instances where the commissioning of the generation projects gets affected due to delay in commissioning of Transmission projects. In such cases, the penalty imposed on the Transmission Licensee for such delay is not at all enough to compensate the losses incurred by the generator in such situations. Hence, considering such a situation, we humbly submit that while, the clause mentions about CTU monitoring</p>

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				the status of the generation projects, it shall also monitor the development of under construction transmission projects so that the actual COD of the generators and the transmission projects may be aligned to the extent possible.
4	Para 11.2	<p>11.2 (A) The Stage-II Connectivity grantees shall be required to complete the dedicated transmission line(s) and pooling sub-station(s) within 24 months from the date of intimation of bay allocation at existing or new / under-construction ISTS sub-station. If the grantee fails to complete the dedicated transmission line within the stipulated period, the Conn BG of the grantee shall be encashed and Stage-II connectivity shall be revoked. The payment received in terms of these provisions shall be adjusted in the POC pool on or before:</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>(b) six months after the scheduled date of commercial operation as intimated at time of making application for grant of</p>		<p>We appreciate this step of Hon'ble Commission to align the date of completion of dedicated transmission line(s) with revised scheduled date of commercial operation of the generation projects. However, we humbly submit that, we would further request that there are situations where, the commercial operation date of the generation project gets delayed for reasons beyond the control of the developer. Such situations are acknowledged and handled by counter parties of PPAs I.e the Bid Agencies by allowing an appropriate extension to Scheduled commissioning date of the generation project.</p> <p>In such situations of delay which is not at all in control of the project developer, the developer not only gets adversely impacted due to high project cost, but also is subjected to Transmission charges until it achieves COD of the project. In view of the above, we humbly request that while this procedure is mainly pertaining to procedure of grant of connectivity, similar treatment for alignment in LTA operationalisation date (for a generation project) with revised scheduled date of commercial operation of the generation project may also be considered, so that the obligation to pay Transmission charges may be adjusted for the delay caused by reasons beyond the control of the</p>

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		Stage-II Connectivity, for cases covered under Clause 9.2.2.		developer. We understand that the way CTU monitors the development of generation projects and the same is expected for a reference for commencement of actual connectivity, similarly CTU is also in an appropriate position to monitor the development of projects for the purpose of guiding the Transmission licensee to align their project COD with generation project COD.
5	Para 11.4	11.4 On a specific request of Connectivity grantee(s) and for the purpose of optimal utilisation of transmission infrastructure, CTU may, after consultation with the Connectivity grantee(s) concerned, carry out rearrangement or shifting of the Connectivity across different bay(s) of the same substation.	11.4 On a specific request of Connectivity grantee(s) and for the purpose of optimal utilisation of transmission infrastructure, CTU may, after consultation with the Connectivity grantee(s) concerned, carry out rearrangement or shifting of the Connectivity across different bay(s) of the same substation or any other sub-station proposed/being developed after the date of application of Connectivity grantee(s).	While, we appreciate this proposal of allowing the Connectivity grantees to shift across bays of same substation, We would also like to submit that there have been instances, whereby, a developer seeking connection to a specific substation, gets a better alternative of connecting to different substation subsequently before commissioning of the project. This alternative option could arise due to reasons like proposal of a new substation by CTU at a later stage and may help the developer to reduce the length of the dedicated transmission line which in turn may reduce the Right of Way ("RoW") issues, would ensure optimum usage of RoW (being a limited resource for the country), reduce transmission losses and may place the developer better in achieving the commissioning of the project within stipulated timelines. Hence, we humbly request to this Hon'ble Commission to kindly also consider the proposal of allowing the developer to shift to a different substation without causing any loss to Transmission Licensee developing / having developed the substation to which the grantee was initially allotted connectivity.

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6	Para 14.4A	<p>An applicant who is a Stage-I Connectivity grantee or is applying for Stage-I Connectivity and Stage-II Connectivity simultaneously, may apply for Stage-II Connectivity at the bay already allocated to another Stage-II Connectivity grantee along with an agreement duly signed between the applicant and the Stage-II Connectivity grantee for sharing the dedicated transmission line. The Stage-II Connectivity shall be granted to such applicant subject to availability of capacity in the dedicated transmission line.</p>	<p>An applicant who is a Stage-I Connectivity grantee or is applying for Stage-I Connectivity and Stage-II Connectivity simultaneously, may apply for Stage-II Connectivity at the bay already allocated to another Stage-II Connectivity grantee along with an agreement duly signed between the applicant and the Stage-II Connectivity grantee for sharing the dedicated transmission line. Such Bay sharing agreement to be signed between the applicant and the Stage -II connectivity shall be as per the standard format provided by CTU on its website. The Stage-II Connectivity shall be granted to such applicant subject to availability of capacity in the dedicated transmission line.</p>	<p>We submit that in order to make this process of Bay sharing possible and to smooth, it would be necessary that the developers may be made aware of their duties and obligations which would arise under such Bay sharing mechanism. Hence, we propose that a standard Bay sharing agreement may be provided by CTU so as to avoid any disputes among the parties at a later stage, which further may cause delay to the projects.</p> <p>Also, it is requested that for ensuring a transparent process, the details of such spare bay capacity may be published on CTU website from time to time.</p>