

# **GREENKO ENERGIES PRIVATE LIMITED**

(CIN: U40109TG2000FTC034990)

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Ref: GEPL/2019-20/CERC/RE-Conn\_Proc/01

Date: 17.08.2020

**To,**

**The Secretary,**

Central Electricity Regulatory Commission,  
3rd & 4th Floor, Chanderlok Building,  
36, Janpath, New Delhi - 110 001.

**Subject:** Submission of Comments/Suggestions on Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects based on Renewable Sources to Inter-State Transmission System

**Ref:** CERC Public Notice No. L-1/(3)/2009-CERC “Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects based on Renewable Sources to Inter-State Transmission System” dated 24<sup>th</sup> July 2020.

**Dear Sir,**

At the outset, we extend our gratitude to Hon’ble Commission for inviting comments/suggestions on the Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects based on Renewable Sources to Inter-State Transmission System. We wish to submit our observations/comments and objections/suggestions as attached herein **Annexure -I**.

We humbly request the hon’ble Commission to favourably consider our comments/suggestion in larger interest of Stakeholders.

Thanking You,  
For M/s Greenko Energies Private Limited



Authorised Signatory

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## Annexure- I: Comments/Suggestions sought by CERC on Draft Amendment to Detailed Procedure for “Grant of Connectivity to Projects based on Renewable Sources to Inter-State Transmission System

S. No.	Clause no.	Existing Clause	Proposed Amendment	Rationale/suggestions
1.	<b>9.2.1</b>	An entity implementing the Renewable Hybrid Generating Station(s) <u>including Round the Clock Hybrid Project</u> , shall be eligible to apply for separate Stage-II Connectivity <u>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</u> . 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>An entity implementing the <u>co-located</u> Renewable Hybrid Generating Station(s) shall be eligible to apply for Stage-II Connectivity equivalent to installed capacity of wind and/or solar project capacities, <u>which could be exceeding the quantum of power for which LOA has been awarded or PPA has been signed</u>.</p> <p>Provided that the entity implementing a Standalone Energy Storage Project, a Energy Storage Service Agreement, should be recognised as a relevant document for applying Stage -II Connectivity.</p>	<p>We submit that the definition of “Renewable Hybrid Generating Station” covers the “Round the Clock Hybrid Project”. Therefore, there is no need to put emphasize on the same.</p> <p>Moreover, “Round the Clock” is a power supply parameter decided by the Procurer in any bid and It should not be considered as type of project. Mentioning “Round the Clock Hybrid Project” does not give any additional meaning to the clause. <b>Hence, we propose delete the same.</b></p> <p>We also suggest that while finalising the draft Detailed Procedure, <b>to align the same with the Renewable Hybrid Policy as notified by MNRE which calls for optimum utilization of Transmission infrastructure and also address the grid stability issue while allowing co-located, instead of multi located, wind-solar projects with or without storage project.</b></p> <p>Notwithstanding the above suggestions, for Renewable Hybrid Generating Station(s) located at different locations, the draft Detailed Procedure enabling for such project applying for connectivity for more than the LOA capacity. However, in case of co-located Renewable</p>

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				<p>Hybrid Generating Station, there is no provision kept for applying for Stage II connectivity more than the LOA capacity. In this regard, it may be mentioned that even in the <b>Co-located Renewable Hybrid Generating Station</b>, with or without Energy Storage System, the installed capacity of wind and/or solar capacity, could be more than the LOA capacity, such projects should be allowed to apply for Stage-II connectivity, equivalent to installed capacity of wind and/or solar project capacities. We suggest to incorporate the same in the proposed Clause 9.2.1 (b).</p> <p>Notwithstanding to our earlier suggestions, we suggest that Applicant while applying Stage-II connectivity at different locations should give proper justification for the capacity and location required for fulfilling the commitment under the requisite LOA/PPA. This will make the applicant to apply connectivity for a required quantum and location needed for a PPA and thus avoid any blocking of connectivity.</p> <p>Notwithstanding to our earlier suggestions, the "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The Clock Power from Grid Connected Renewable Energy Power Projects, complemented with Power from Coal Based Thermal Power Projects."</p>

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				<p>notified recently, allow that <b>the projects can be located in different states but within the Control Area of the same RLDC, for better Grid balancing</b>. Accordingly, we suggest to clarify that same under Clause 9.2.1 as well as in illustration 9.2.1 (b)</p> <p>We suggest that the draft Detailed Procedure should recognise the Regulation 2(1)(b)(i)(h) of the CERC Connectivity Regulations, which qualifies the project based on standalone storage source(s) of installed capacity 50 MW or above, as an Applicant.</p> <p>We also suggest that for such standalone Energy Storage Project, instead of PPA, an “Energy Storage Service Agreement” should be recognised as a relevant document for applying Stage -II Connectivity.</p>
2.	<u>9.2.1.b</u>	<b>Illustration:</b> - 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 <b>at single location</b> (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	<b>Illustration:</b> - 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 <b>at single location</b> (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 <del>not</del> exceeding the quantum of LOA (500 MW in the instant case), equivalent to maximum possible	As suggested above.

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		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.	injection into the grid <del>surplus power over and above LOA, it shall be required to apply for additional Connectivity under Clause 9.2.2.</del>	
3.	<u>9.2.2</u>	<p>(i) Ownership or lease rights or land use rights for 50% of the land required for the capacity of Stage-II connectivity; and</p> <p>(ii) Financial closure, of the project (with copy of sanction letter)</p> <p>Or</p> <p>Release of at least 10% funds towards generation project execution of the project cost including the land acquisition cost through equity, duly supported by Auditor's certificate.</p>	<p>A. (i) Ownership or lease rights or land use rights for 50% of the land required for the capacity of Stage-II connectivity; and</p> <p>(ii) Financial closure, of the project (with copy of sanction letter)</p> <p>Or</p> <p>Release of at least 10% funds towards generation project execution of the project cost including the land acquisition cost through equity, duly supported by Auditor's certificate.</p> <p><b>Provided that for Renewable Power Park Developers, the 10% towards the project cost corresponds to the Park Infrastructure cost .</b></p> <p><b>Provided further that in case of Standalone Pump Storage projects, a "Government Order" approving the project along with the project location and tentative scheduled commissioning date or "Memorandum of Understanding" signed with the State Government, shall be considered as valid</b></p>	<p>In case of a Renewable Energy Park Developer, who is responsible only for acquisition of land, pooling sub-station clearances/approvals and other infrastructure of the renewable park like roads, fencing, water etc. Therefore, their project cost should not include generation project cost to be setup by the successful bidders in the Park.</p> <p>Moreover, Standalone Pump Storage projects need more lead time due to design, engineering, forest land acquisition, CEA/CWC &amp; Ministry of Environment and Forests (MoEF) approval, therefore, the Clause 9.2.2 of the draft Procedure should also include "Government Order" or "MoU with the State Government" approving the project along with the project location and tentative scheduled commissioning date, as an alternative valid documentary evidence for applying Stage II connectivity under 9.2.2. Such project developer anyway have to meet various deadlines related to land ownership, financial closure &amp; commissioning schedule, as mentioned in State Government Approval Order.</p>

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			documents for applying Stage II connectivity.	
4.	<u>10.10</u>		Additional clauses to be added: The L/C for transmission charges shall be adjusted against CONN BG-1 & Conn-BG2	In accordance with the LTA Agreement, developer is required to open Letter of Credit towards Transmission charges, however, developer has already submitted the CONN BG-1 & CONN BG-2 to CTU at the time of grant of connectivity. So, we request Hon'CTU to adjust the CONN BG 2 for transmission charges instead of opening of Letter of Credit. Since the Transmission charges are waived for projects using wind and solar resources, the opening of L/C should not be insisted and in case of delay in commissioning of project and its LTA operationalized, the Transmission Charges liability can be received by enchasing CONN BG-1 and CONN BG-2
5.	<u>14.1</u>	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		This provision of sharing of connectivity between the two developers will help in optimal utilization of the dedicated Transmission Assets of the Applicant as well as ISTS infrastructure. However, the process of sharing the spare capacity of one developer with other

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		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.		developer(s) should be through a coordinated planning process of CTU so that in case spare capacity available with a particular developer, if not utilised within a reasonable time, may be allocated to another developer(s), who seek connectivity at the same locations for sharing the cost of dedicated transmission Assets. We suggest that the Hon'ble Commission may evolve norms which would be known to every developers upfront before sharing.
6.	<b><u>16.5</u></b>	CTU shall share the available capacity of the ISTS sub-station (including bay wise availability) with the designated agencies as notified by the Government who may take the same into consideration while inviting the bids.	CTU shall share updated information from time to time regarding Maximum RE power integration possible at ISTS substation at each voltage class (including bay availability) and published the same <b>on its website</b> .	Updated information on available spare capacities of the ISTS sub-station (including bay wise availability) should be made public to enable RE project developers to plan future projects at such locations.
7.	<b><u>Mis.</u></b>			<p><b>We suggest that the relevance of Stage I application and grant of the same needs to be relooked</b> considering the following proposal made in the draft Detailed Procedure:</p> <ul style="list-style-type: none"> <li>a. Alternate location of connectivity will not be mentioned while granting Stage-I connectivity.</li> <li>b. Grant of Stage-I Connectivity is not creating any rights in favour of the grantee.</li> </ul>

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				<p>c. if capacity at the location where Stage-I Connectivity is granted becomes unavailable at a later stage, an alternate location will be allocated at the time of grant of Stage-II Connectivity.</p> <p>In view of above, it is suggested that the two stage process of granting Connectivity to be removed.</p>
8.	<u>5.2</u>	5.2 Utilisation of Connectivity granted to the Parent Company by its Subsidiary company (ies) and Transfer of Connectivity	<p><b>Following to be added:</b></p> <p>In case the LoA or PPA against a project is cancelled and/or terminated, for any reason not attributed to the Renewable Energy Developer, in such cases the Renewable Energy Developer will be allowed to use/transfer the such connectivity and LTA, for any other project(s), to be developed by the same Renewable Energy Developer or its subsidiary/affiliate companies within a period of two-three years and accordingly timelines under the existing TSA and LTAA should be suitably extended without any penalty, In this subsidiary/ affiliate company, the parent company shall have atleast 51 % stake.</p> <p>Or, the developer will be allowed to exit from TSA and LTAA and return back the BGs and no relinquishment charges for the LTA granted</p>	<p>It is requested to allow the Transfer/Utilize of connectivity and LTA to the Affiliate of the original grantee, in case the LoA or PPA gets cancelled due to the reason not attributed to the Developer like: PPA termination due to any Force Majure event, Central/State bidding Agency not able to execute the PSA with the Distribution Licensee or get approval of PSA from Appropriate Commission etc.</p> <p>since the cancellation of Connectivity &amp; LTA with imposition of relinquishment charges would be an additional burden on the developers, we request to allow transfer/utilize the Grid Connectivity and LTA granted to an affiliate/parent, "sister concern" of original Grantee without any relinquishment charges or allowed them to exit without any relinquishment charges.</p>

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