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Sent: Tuesday, February 15, 2022 3:18:19 PM

Subject: Comments/suggestions on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

Dear Sir/Madam,

Please find attached comments/suggestions on draft GNA regulations of Central Electricity Regulatory Commission. We request you to please consider our comments/suggestions during finalisation of regulations.

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Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State transmission System) Regulations, 2021

S. No.	Clause No.	Existing Clause	Suggestions
1	3.2	Each application for grant of Connectivity shall be accompanied by a non-refundable application fee of Rs.5 lakh along with applicable taxes.	Please reduce application fees to Rs. 3 lakhs plus applicable GST. Applications pertaining to smaller and medium capacity are burdened with high cost of application fees. Similar to clause 6 of CERC 2009 regulations.
2	3.3	Each application for grant of GNA shall be accompanied by a non-refundable application fee of Rs.5 lakh along with applicable taxes.	Please reduce application fees to Rs. 3 lakhs plus applicable GST. Applications pertaining to smaller and medium capacity are burdened with high cost of application fees. Similar to clause 6 of CERC 2009 regulations.
2	3.7	If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, 50% of the application fee shall be forfeited. Balance 50% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:	We would like to highlight that while making the application if margins are available in SS A and after application and during Grant of Connectivity margins are exhausted. In such scenario, 100% application fees shall be reimbursed to applicant company.
3	3.7	If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, 50% of the application fee shall be forfeited. Balance 50% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:	Subsequently if application is withdrawn for reasons attributable to applicant than 20% fees shall be forfeited as 50% amount is on higher side. It should be aligned with clause 3.5 of these regulations.
4	4.2	Notwithstanding anything contained in Regulation 4.1, the entities having Connectivity shall be eligible, on payment of application fees, to apply for enhancement of Connectivity of less than 50 MW subject to available capacity in transmission system.	Enhancement shall be applicable to optimally use the full capacity of bay. It should not be restricted to less than 50 MW.
5	5.2	Notwithstanding anything contained in Regulation 5.1, a generating station, with prior approval of CTU, shall be eligible to add, within the quantum of Connectivity granted to it, additional generation capacity, including ESS, and for this purpose, the generating station shall apply to CTU, along with non-refundable application fee of Rs 3 lakh along with applicable taxes;	If additional capacity is available in existing system, than it can be granted to Applicant company by submitting an application to CTU. Application fees requirement shall be waived off as fees is already paid off during initial application.
6	5.7	Two or more Applicants may apply for grant of Connectivity at a common terminal bay with an agreement duly signed by such Applicants for sharing the dedicated transmission lines and the terminal bay(s). The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by each such Applicant.	Please clarify in case of sharing the bay, BGs by each applicant shall be submitted on pro-rata amount or full amount. Practically we would suggest to submit BG on pro-rata basis. Since amount shall be utilised according to utilisation of resources.
7	5.8 (vi)	Registration Number along with certificate issued by the CEA Registry;	Please remove the requirement of CEA registry. We suggest to register the project with CEA after Grant of Connectivity, PPA signing and clarity on project execution.
8	5.8	Addition of extra point / Clarification required.	The Existing eligibility of Stage-II connectivity requires either LOA or PPA as per Clause 9.2.1 or 50% land with Financial Closure/10% cost used in/of project project as per Clause 9.2.2 of 20.02.2021 amendment in Connectivity Procedure. By abolishing these requirement, anyone can apply for connectivity by merely submitting the requisite Bank Guarantees required for application. The requirement mentioned in Clause no. 9.2.1 and 9.2.2 indicate the serious intent of developers to execute the project and removal of these conditions would enable SQUATTING of Connectivity. The SQUATTING of Connectivity will have a negative impact to developers and to RE industry. Therefore, please reinstate the earlier conditions as prescribed in Clause 9.2.2 of 20.02.2021 amendment in Connectivity Procedure.
9	8.2.b)	(b) Conn-BG3 @ Rs. 2 lakh/MW, for the existing ISTS, shall be furnished by entities covered under clause (a) of this Regulation.	Please remove submission of CONN-BG3 as it is additional burden to developers. As Conn BG-1 & Conn BG-2 are sufficient to be maintained as security in relation to connectivity granted.

10	8.3.b)	The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated under Regulation 7.2 of these regulations,	The requirement of augmentation and Associated Transmission System (ATS) will primary be done to strengthen the system and it is a national resource. The charges of ATS shall not be in account of developers. Also since the required ATS is not exclusively for perpetual and captive usage single applicant. Hence, this cost should not be burdened on single applicant and should be socialised amongst the Nationalised Nodal Agency scope of work. ATS shall be developed as a National Grid development under mission of ONE NATION ONE GRID .
11	9.2	Where an Applicant has applied for Connectivity at the terminal bay already allocated to another Connectivity grantee or where two or more Applicants have applied for Connectivity at a common terminal bay, final grant of Connectivity as intimated under Regulation 9.1 of these regulations shall be subject to availability of capacity in the dedicated transmission lines.	If space in existing bay is available than Original Grantee Consent shall be required before Grant of Connectivity as per clause 5.7 of these regulations.
12	10.10	Addition of extra point / Clarification required. <i>The Applicants who have been granted Connectivity to ISTS for the generation projects based on particular renewable energy source(s) may, for the same generation capacity, change to another renewable energy source(s) in part or full, under intimation to CTU. In such cases, CTU shall incorporate the necessary change in connection agreement.</i>	Please add a extra clause explicitly to allow developers to change source by incorporating necessary change in Connection Agreement as per Clause no. 4.4 of Amended Connectivity Procedure dated 20.02.2021.
13	10.8	Connectivity grantee shall submit a copy of the signed Connectivity Agreement to the RLDC, in whose control area it is located.	CTU shall submit the copy of agreement. As CTU is Nodal Agency for implementation.
14	15.1	Provided that Connectivity granted to a parent company may be utilised by its subsidiary and Connectivity granted to a subsidiary may be utilised by its parent company.	Please clarify that any subsidiary is allowed to use connectivity of Parent Company and it should not necessary be 100% Wholly owned subsidiary.
15	37.5	Long Term Access granted under the Connectivity Regulations, which has not become effective, to a trading licensee other than that covered under Regulation 17.1 of these regulations shall be treated as withdrawn and bank guarantee furnished, if any, shall be returned.	Please explain how currently LTA Grantee will be treated. Since, LTA is Granted, LTA agreement is also signed but LTA is not effective. Than what mechanism will be followed.
16	34.1.	Transmission charge rate for T-GNA, in Rs./MW/time block, for a State shall be published for each month by the Implementing Agency in terms of the Sharing Regulations.	The defined charges should be on per unit basis i.e. Rs. /KWh of energy scheduled. a) As per current system a time block represents a single 15 minutes time slot, here clarity is needed wether the published charges defined would be adjusted by a factor of 1/4 or not. b) For a REGS there would be intermittent generation of energy in every timeblock, mechanism of paying transmission charges as MW per time block would escalate per unit cost on behalf of transmission charges exponentially because of intermittency in comparison to conventional thermal stations.
17	40.1	The transmission charges and losses for use of the inter-State transmission system shall be shared among buying entities of ISTS in accordance with the Sharing Regulations.	The transmission charges and losses for use of the inter-State transmission system shall be shared among consuming entities of ISTS in accordance with the Sharing Regulations. It is to be noted that in case of Standalone storage projects draw power and supply the same in different hours to ultimate buying entity. Transmission charges for the same must be borne by ultimate buying entity. during charging should not be counted as consuming entity.
18	12	Dedicated Transmission Line & Bay	For the development of RE generation or ESS projects including PSP projects, it is very important that dedicated transmission length should be small to take care the capital cost as well to avoid the complexities of implementation of long dedicated lines. It is desirable that as done earlier, CTU/CEA plan and develop Green Energy corridors from RE rich areas along with pooling stations. This will help different RE player simply get connected with small line length of dedicated lines.

19	16	Treatment of Connectivity BG	CON BG 2 and CONBG 3 returning in 5 years will have huge financial implications for Developer to maintain BG for such long period. We suggest that both the BGs can be return back after one year successful operation of the plant.
20	15.1	<p>Transfer of Connectivity: A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person. Provided that Connectivity granted to a parent company may be utilised by its subsidiary and Connectivity granted to a subsidiary may be utilised by its parent company.</p>	We welcome the provision, it will help to utilise Connectivity within Company and it's Subsidiary.
21	15.3	<p>Transfer of Connectivity: Any person which acquires 51% or more shareholding of the company or its subsidiary or affiliate company owning REGS or part thereof in terms of Regulation 15.2, may after COD of such part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU.</p>	Any person which acquires 51% or more shareholding of the company or its subsidiary or affiliate company owning REGS or part thereof should be allow to transfer of Connectivity before COD of such part. It will help to boost more Captive ISTS RE Plant in the country.