

Ref.: APMuL/CERC/25022022
Date: 25.02.2022

To

The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36 Janpath, New Delhi – 110001

Sub.: Comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 sought vide Notification No. L-1/261/2021/CERC dated 16.12.2021

Dear Sir,

With reference to the comments invited by the Hon'ble Commission on the above mentioned Notification, we hereby submit our comments on the same with a request to kindly take the same on record.

Thanking You,

Yours Sincerely,

For **Adani Power (Mundra) Limited**



Authorized Signatory

Encl: As mentioned above

Adani Power (Mundra) Limited.
Adani House
Shantigram, S G Highway
Ahmedabad 382 421
Gujarat India
CIN : U40300GJ2015PLC082295

Tel +91 79 2656 7555
Fax +91 79 2555 7177
info@adani.com
www.adanipower.com

Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi circle, S.G Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.

APMuL comments on Draft CERC Connectivity and General Network Access Regulations, 2021

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
1.	3.2 & 3.3	<p>Application for Grant of Connectivity and GNA</p> <p>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.</p> <p>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.</p> <p>Provided that no application fee shall be payable by the State Transmission Utilities while applying for GNA.</p>		<ul style="list-style-type: none"> • In the proposed Regulations, STUs are exempted from paying application fee for GNA whereas other applicants are required to pay application fee. Such discriminatory provisions are against natural justice and hence the same may be modified to make it consistent for all applicants STU and others. • There is no reasoning for keeping application fees at 5 lakh at all levels. The application fees for connectivity should remain same and for GNA, the application fees should be as mentioned for LTA as per CERC (Grant of Connectivity, long term access & medium term open access in the Interstate Transmission and related matters) Regulations 2009 i.e. Upto 100mw:2 lakh, 100mw>=500mw:3 lakh,500mw>=1000mw:6 lakh.
2.	3.5	The Nodal Agency shall intimate the deficiencies, if any, in the application for grant of Connectivity or grant of GNA, to the Applicant within one week of the		<ul style="list-style-type: none"> • The time period of 7 days for correcting any deficiency in the application for GNA is too short and the same may be increased to one

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		receipt of application, in order of date and time of receipt of application. The Applicant shall rectify the deficiency within one week thereafter, failing which the application shall be closed and 20% of the application fee shall be forfeited. Balance 80% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of closure of the application.		month considering the nuances which applicants may need to understand the very first time. The same may be modified at a later date once the process is stabilized.
3.	4	<p>4. Eligibility for Connectivity to ISTS</p> <p>4.1 The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:</p>		<ul style="list-style-type: none"> It is submitted that the Regulations should clearly mention that generators who are already granted Connectivity to ISTS shall be deemed to be Connectivity Grantee under these Regulations and shall not be required to apply again for Connectivity.
4.	5.1	<p>5. Application for Grant of Connectivity</p> <p>5.1. An Applicant, which is a generating station including REGS, shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the installed capacity of the generating station:</p>	<p>5. Application for Grant of Connectivity</p> <p>5.1. An Applicant, which is a generating station including REGS, shall apply for grant of Connectivity to the Nodal Agency for the quantum equal to the difference of installed capacity of the generating station and the normative Auxiliary Consumption:</p>	<ul style="list-style-type: none"> It is observed that this is a new requirement introduced for generators to apply for Connectivity. However, the same should be for the difference of the Installed Capacity and normative Aux. as that is the capacity corresponding to which power will flow through the ISTS.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
5.	5.2	<p>Application for Grant of Connectivity: 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;</p>	<p>Application for Grant of Connectivity: 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, without any application fee;</p>	<ul style="list-style-type: none"> • Clause 5.1 mentions that Connectivity can be taken only upto the Installed Capacity however, as per Clause 5.2, it appears that a generating station can apply for Connectivity over and above its Installed Capacity. It is requested to provide clarity on the same. • The Electricity Act, 2003 has de-licensed generation activity and does not require any prior permission to be taken by the generator. Therefore, the provision to take prior permission being in violation of Section 7 of the Act and also to the eligibility conditions may be deleted.
6.	5.6	<p>5. Application for Grant of Connectivity 5.6 An Applicant may apply for grant of Connectivity at (i) a terminal bay of an ISTS sub-station already allocated to another Connectivity grantee or (ii) switchyard of a generating station having Connectivity to ISTS, with an agreement duly signed between the Applicant and the said Connectivity grantee or the generating station having Connectivity to ISTS, as the case</p>		<ul style="list-style-type: none"> • Sharing of a dedicated transmission line will violate the definition of a dedicated transmission line. Further, it will also amount to carrying out transmission business without having a valid transmission license. Accordingly, clarity may be provided for the same.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>may be, for sharing the terminal bay or the switchyard and the dedicated transmission lines, if any. The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by such Applicant.</p> <p>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.</p>		
7.	6.1	<p>6. Interconnection Study by the Nodal Agency and ATS</p> <p>6.1. On receipt of applications for grant of Connectivity, the Nodal Agency shall carry out interconnection study as specified in the CEA Technical Standards for Connectivity along with requirement of augmentation to the existing ISTS, if any, for enabling transfer of power over ISTS under General Network Access:</p>		<ul style="list-style-type: none"> It is submitted that the report of the interconnection study carried out by the Nodal Agency shall be shared with the Connectivity Applicant to ensure selection of the optimum option for interconnection.
8.	8	<p>8. Connectivity Bank Guarantee</p>		<ul style="list-style-type: none"> It is submitted that the amounts of Conn-BG -1 , Conn-BG -2 and Conn-

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		Connectivity BG 1 – Rs. 50 Lakhs Connectivity BG 2 – towards terminal bay(s) – Rs. 2 Crore to 12 Crore per bay (as per voltage level) Connectivity BG – 3 – Rs. 2 lakh/MW		BG-3 are very high and need to be rationalized. <ul style="list-style-type: none"> • Further, an estimated/ provisional BG amount towards Conn-BG 2 and Conn-BG 3 towards ATS should be clearly specified in the Regulations to avoid ambiguity. • Further, clarity may be provided as to what is the remedy if connectivity / GNA is not granted within the stipulated time.
9.	8.3	For cases covered under Regulations 7.2 (cases where ATS is required) of these regulations BG2 shall be equal to estimated cost of ATS and terminal bay(s), however there is no mention of BG 3 amount.		<ul style="list-style-type: none"> • Our understanding is that BG3 is not required in this case. Further clarity is required whether the amount of BG3 will be same as given in 8.2 (b) states that “Conn-BG3 @ Rs. 2 lakh/MW, for the existing ISTS” or different.
10.	8.3 (b)/(c)	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, (ii) the timeline for completion of ATS and		<ul style="list-style-type: none"> • In case of delay by Nodal Agency beyond 6 months an appropriate penalty mechanism should be built-in to compensate for increase in IDC and any LD imposed by procurer for delayed COD due to non-availability of transmission system. Moreover, since the Application is withdrawn, the corresponding Application fee of Rs. 5 lakh shall also be refunded.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>terminal bay(s), and (iii) firm date of start of Connectivity: Provided that in the event of non-intimation by Nodal Agency within six months, the entity shall have the option of withdrawing the application for Connectivity and in such a case, the Conn-BG1 shall be returned within one month of exercising option of withdrawal by the entity and application shall be closed.</p>		
11.	10.5	<p>Connectivity Agreement: Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency, shall confirm the final coordinates within 2 months of signing of the Connectivity Agreement and such coordinates shall not be outside the radius of 5 km of the tentative coordinates already intimated.</p>		<ul style="list-style-type: none"> It is submitted that in case the variation in radius due to the final co-ordinates for connectivity is more than 2 kms then it may substantially impact the cost towards right of way, erection etc. and lead to time overrun as well as cost overrun. Such cost escalation shall be considered under the connectivity agreement. Accordingly, the Regulations need to specify the compensation mechanism for recovery of such cost escalation in terms of this Clause in order to avoid unnecessary litigation in future.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
12.	10.6 & 24.2 & 24.3	<p>10. Connectivity Agreement 10.6. In case of failure to sign the Connectivity Agreement by the entity that has been intimated final grant of Connectivity, as required under Regulation 10.3, the Nodal Agency may extend the time for signing the Connectivity Agreement for a maximum period of 30 days, failing which the final grant of Connectivity shall be revoked by the Nodal Agency under intimation to the Applicant, and the Conn-BG1, Conn-BG2 and Conn-BG3 shall be encashed.</p> <p>Provided that where no construction of ATS or terminal bays has been awarded for implementation, Conn-BG2 shall be returned within a month of such revocation.</p> <p>24. Relinquishment of Connectivity 24.2 & 24.3 Encashment of BGs on relinquishment of part or full Connectivity</p>		<ul style="list-style-type: none"> • It is submitted that even when construction of ATS or terminal bays has been awarded for implementation, since no construction work would have happened, both the BG-2 and BG-3 shall be returned after deducting some notional penalty. • In case of relinquishment of Connectivity in part or in full, the BGs should be not be encashed if such terminal bay / ATS is to be / being utilized by some other entity as they will also be paying the cost of terminal bay / ATS or it is being recovered through pool mechanism under sharing regulation. Therefore, even in such cases, the BGs shall be returned after deducting a notional penalty.
13.	10.7 © & 16.3	10.7 (iii) (c) Provision that in case of non-payment of transmission charges under Regulation 13 of the Sharing		<ul style="list-style-type: none"> • It is submitted that as per the proposed Regulations, the generating companies / injecting

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>Regulations for more than 3 months from the due date, the same may be recovered by encashing Conn-BG1, Conn-BG2 and Conn-BG3, as required as per provision of Regulation 16.3 of these regulations.</p> <p>16.3. In case of non-payment of transmission charges under Regulation 13 of the Sharing Regulations for more than 3 months from the due date, such transmission charges shall be recovered by encashing Conn-BG1 (if subsisting), Conn-BG2 and Conn-BG3, as required. Connectivity shall be revoked from the date when Conn-BG2 is not sufficient to cover transmission charges under Regulation 13 of the Sharing Regulations.</p>		<p>entities are not required to pay any transmission charges / GNA charges. Therefore, the connectivity BG which is given for construction of ATS and/or terminal bay by a generator should not be encashed in case a Discom/ buying entity makes default in payment of transmission charges.</p>
14.	12.4	<p>The terminal bay(s) at the ISTS sub-station shall be under the scope of the transmission licensee owning the ISTS sub-station:</p> <p>Provided that the Connectivity grantee may, if it so chooses, construct and maintain the terminal bay(s) at its own cost by entering into an agreement with</p>		<ul style="list-style-type: none"> It is submitted that in case the Connectivity grantee constructs the terminal bays at its own cost then the Connectivity grantee should be also allowed to carry out the O&M of the bay.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>the transmission licensee owning the ISTS sub-station, subject to prior approval of the Nodal Agency:</p> <p>Provided further that in case the Connectivity grantee chooses to construct the terminal bay(s) at its own cost, no cost towards terminal bay(s) shall be claimed by the Connectivity grantee in the event of revocation of its Connectivity:</p> <p>Provided also that in such case of revocation of Connectivity, the Connectivity grantee shall dismantle the terminal bay within 3 months failing which the CTU may utilize the bay for some other Connectivity applicant.</p>		
15.	15.1	<p>15. Transfer of Connectivity</p> <p>15.1 Provided that Connectivity granted to a parent company may be utilized by its subsidiary and Connectivity granted to a subsidiary may be utilized by its parent company.</p>	<p>15.1 Provided that Connectivity granted to a parent company may be transferred to its subsidiary or affiliate either in part or full and Connectivity granted to a subsidiary or affiliate may be transferred either in part or full to its parent company.</p>	<ul style="list-style-type: none"> Transfer of connectivity should be allowed within subsidiary, affiliate and parent company.
16.	16.2	<p>Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five</p>		<ul style="list-style-type: none"> BG2 is linked with to ATS and Terminal Bay developed by Nodal

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.		<p>Agency however, the same should be linked to Generation Capacity.</p> <ul style="list-style-type: none"> Also, the BG is to be given at one go by the Applicant therefore, the same should also be returned in one go to the Applicant to avoid any financial implication on the Applicant.
17.	17.1 (iii)	<p>Eligibility of GNA: iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above</p>		<p>This clause needs to be revisited for the following reasons:</p> <ul style="list-style-type: none"> The existing State Grid Codes provides connectivity at 132 kV/ 220 kV level to an OA consumer having demand less than 50 MW as generally 132 kV/ 220 kV can be inter-state level also. The proposed clause would be at variance with the above. The proposed Clause would at variance with the objectives of the Electricity Act, 2003 as it does not provide for non-discriminatory OA to consumer having demand above 1 MW lead to discrimination in eligibility criteria for GNA. Moreover, the proposed clause also does not provide any option for such consumers having load less

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
				than 50 MW and are ready to install dedicated line for connectivity at direct Inter-State Transmission System.
18.	17.1 (iv)	Eligibility for GNA: (iv) Trading licensees engaged in cross border trade of electricity in terms of the Cross Border Regulations;	-	In cross border transactions, in case a generator desires to supply power directly to a buyer in another country or a buyer wants to avail power supply from a generator located in another country directly, then clarity needs to be provided as to which agency needs to be approached for the same and what shall be the timelines for the necessary approvals.
19.	17.1 (v)	Eligibility for GNA: (v) Transmission licensee connected to ISTS for drawal of auxiliary power.	-	This provision may be clarified as to why a transmission licensee connected to ISTS system would require to draw power for auxiliary power.
20.	18.1 (f)	18. Deemed Grant of GNA 18.1 (f) Entity(ies) covered under Regulation 4.1 of these regulations where Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations.		The Regulations need to clarify the mechanism as to how a new generator shall be granted GNA.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
21.	22.2 (d)	<p>22.2. Grant of GNA to entities other than STU</p> <p>(d) Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. One lakh per MW for the quantum of GNA one month prior to the start date of GNA. In case, such charges are not furnished by the entity within the specified timeline, the same shall be recovered by encashment of Conn- BG1, Conn-BG2 and Conn-BG3 as required.</p>		Clarity is required as to whether the one-time GNA charge of Rs. 1 lakh/MW shall be applicable to existing generators who are already operational as there is no rationale for levying such charge on them merely because of change in regulations.
22.	23	<p>23. Use of GNA by other GNA grantee(s)</p> <p>23.1. An entity covered under Regulation 17.1 which is a GNA grantee, may authorise other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 1 (one) year at a time on mutually agreed terms and conditions:</p> <p>Provided that payment liability for transmission charges shall continue to</p>	<p>23. Use of GNA by other GNA grantee(s)</p> <p>23.1. An entity covered under Regulation 17.1 or 4.1 which is a GNA grantee, may authorise other entities covered under Regulation 17.1 or 4.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 1 (one) year at a time on mutually agreed terms and conditions:</p>	It is submitted that where payment of transmission charges is the responsibility of the generator in the current dispensation, such generators should also be allowed to transfer their GNA to the buyer.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>be with the original GNA grantee that authorised its GNA to be used by other GNA grantee(s):</p> <p>Provided further that for the purpose of calculating the transmission deviation charges under the Sharing Regulations, GNA authorised to be used by other GNA grantee(s) shall be reduced from original GNA grantee that authorised its GNA to be used by other GNA grantee(s) and shall be added to GNA of other GNA grantee(s) which is using it.</p>	<p>Provided that payment liability for transmission charges shall continue to be with the original GNA grantee that authorised its GNA to be used by other GNA grantee(s):</p> <p>Provided further that for the purpose of calculating the transmission deviation charges under the Sharing Regulations, GNA authorised to be used by other GNA grantee(s) shall be reduced from original GNA grantee that authorised its GNA to be used by other GNA grantee(s) and shall be added to GNA of other GNA grantee(s) which is using it.</p>	
23.	25.1 (a)	<p>Relinquishment of GNA</p> <p>For an entity covered under clause (i) of Regulation 17.1 of these regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 60 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum.</p>		<ul style="list-style-type: none"> In case an entity has completed 5 years from the date of grant of LTA, no relinquishment charges should be levied. In case less than 5 years are completed from the grant of LTA then relinquishment charges for the balance period upto 5 years may be levied.
24.	36.1	<p>36. Allocation of Transmission Corridor</p>		<ul style="list-style-type: none"> The concept of GNA means complete flexibility to a buyer to

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
		<p>36.1. GNA grantee shall be eligible to schedule power within the GNA granted to it under any contract subject to conditions specified in the Grid Code:</p> <p>Provided that in case of constraint in transmission system, the available transmission corridor shall be allocated to the GNA grantees in proportion to their GNA within the region or from outside region and the GNA grantee shall be eligible to schedule power under any contract within such allocated transmission corridor.</p>		<p>buy power from any generator and a generator to supply power to any buyer from its generating station. In other words, the premise of GNA is transfer of power without any transmission constraints. At present the draft does not provide clarity in terms of which agency would be responsible to eliminate transmissions constraints and in what timelines. Accordingly, the Commission should provide ample clarity on this issue.</p> <ul style="list-style-type: none"> • It is submitted that the SLDC / RLDC shall declare in advance the details of booked as well as surplus transmission capacity / corridor availability.
25.	36.6	<p>36.6. After the allocation of transmission corridors under Regulations 36.1 to 36.4, the balance transmission corridor may be utilised by GNA grantee by way of revision of schedule, as stipulated in the Grid Code, under any contract within its GNA or under Exigency application category or Real time market based on time stamp for such request.</p>		<ul style="list-style-type: none"> • Clarity is required in case a buying entity (GNA holder) needs to revise its schedule (for increased drawal requirement) and if transmission corridor is unavailable, then what would be the treatment.

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
26.	37.3 (2) (b)	(b) Option under clause (a) of this Regulation shall be exercised by the entity within one month of coming into effect of these Regulations, failing which such Long term Access granted under the Connectivity Regulations shall be considered as surrendered.		<ul style="list-style-type: none"> CTU should give a two month termination notice after completion of one month from notification of regulations instead of automatic surrender of LTA.
27.	37.6	37.6. If Connectivity granted in accordance with the Connectivity Regulations is effective and Long term Access has either not been granted for any capacity or has been granted for full/part capacity which has become effective as on the date of coming into effect of these Regulations, the following shall apply:		<ul style="list-style-type: none"> There should be no BG requirement for plants having connectivity and operational for 5 years.
28.	40.1	<p>40. Payment of transmission charges</p> <p>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.</p>	<p>40. Payment of transmission charges</p> <p>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.</p> <p>Provided, in case power is proposed to be supplied by an injecting entity / generator from an alternate source, the same shall be allowed without</p>	<ul style="list-style-type: none"> It is submitted that injecting entities shall also be eligible to transfer GNA to other buying or injecting entities in order to be able to supply power from an alternate source without paying additional transmission / GNA charges. Further, the waiver in payment of transmission charges and losses granted to RE generators and buyers by the MoP shall be

Sr. No.	Regulation No.	Draft CERC Regulations, 2021	Modifications proposed	Justification / comments
			payment of any additional GNA/transmission charges in terms of the Sharing Regulations.	appropriately extended in the proposed GNA regulations also.
29.	40.3	40.3. The fees and charges for National Load Despatch Centre, Regional Load Despatch Centres (including the charges for Unified Load Despatch Scheme) and State Load Despatch Centres shall be payable by the GNA grantees as per the applicable Regulations.		<ul style="list-style-type: none"> It may be clarified whether generators as GNA grantees are also required to bear NLDC, RLDC, SLDC fees and charges etc.
30.	-	Additional comment		<ul style="list-style-type: none"> In instances where a generator is ready but the transmission system is not ready and vice versa, the proposed draft does not provide clarity as to how the affected party shall be compensated. Abundant clarity needs to be provided by the Commission in order to avoid future litigation.
31.	-	Additional comment		<ul style="list-style-type: none"> The proposed GNA Regulations have interlinkages to the CERC Sharing Regulations as well as the IEGC (Grid Code). Therefore, all the regulations that are impacted by GNA regulations shall also be suitably amended simultaneously to avoid any confusion.