



AVAADA ENERGY PRIVATE LIMITED

(Formerly known as 'Girraj Renewables Private Limited')

Demerged Undertaking of Welspun Energy Private Limited

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Ref: AEPL/CERC/RE/2021-22/01

Date: 15th – Feb – 2022

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

Subject: Comments and Suggestions on CERC (Connectivity and General Network Access to the Interstate Transmission System) Regulations, 2021

Reference: CERC Public Notice No L-1/261/2021/CERC dated 14th January' 2022

Dear Sir,

Greetings from AVAADA Group of Companies!!

AVAADA ENERGY PRIVATE LIMITED is one of the leading Developer of Renewable Energy projects in India. To date, AVAADA and its associated companies have successfully implemented more than 3.5 GW of renewable energy projects in India.

We are the first independent power producer (IPP) in India to achieve a milestone in the development of a 1 GW renewable energy project nationwide. In the process, we got Asian Development Bank (ADB), DEG-Germany, FMO - France, PROPARCO - Netherlands, PTT-Thailand and other investors to join our renewable energy portfolio to prove the quality of our projects. As one of the fastest-growing companies in India's new & renewable energy industry, we have developed more than 2300 MW projects in the past 4 years, and the upcoming 6000 MW projects are in different stages of implementation. AVAADA's goal is to achieve 5 GW of renewable energy installed capacity by 2022 and 11 GW capacity by 2025.

While the Government of India is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily, it is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the renewable energy cost. At the recently concluded meetings of COP26, where the Indian Govt expressed its net zero climate targets (Panchamrit-The Five Targets) under the UN Framework Convention; Announcement of Green Hydrogen Policy etc. we are heading towards our targets.





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Therefore, it can be clearly seen, the capacity addition in future is majorly going to be Renewable Energy only. As per the Central Electricity Authority (CEA) estimates, by 2029-30, renewable energy will account for 55% of the total installed power capacity with the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.

We, AVAADA ENERGY, therefore, would like to request the Hon'ble Commission to frame and finalize the proposed GNA Regulations 2021 considering the issues and difficulties faced by RE Power Projects and how to overcome such difficulties and ensure ease of doing business in terms of attracting more and more investment in the sector through the proposed GNA Regulations.

Along with this letter, we are submitting herewith, our Comments and Suggestions on CERC (Connectivity and General Network Access to the Interstate Transmission System) Regulations, 2021 and we sincerely hope that Hon'ble Commission shall consider the same favourably.

Thanking you,



(Angshuman Rudra)

Dy. General Manager – Business Development

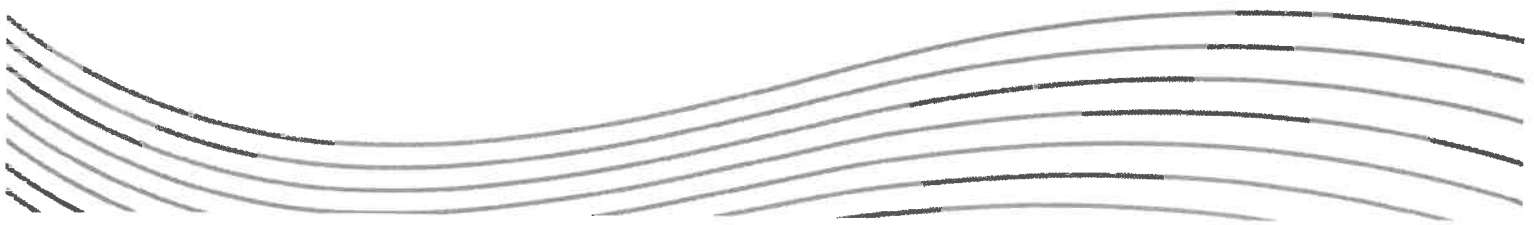
Authorised Signatory

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Enclosed: as above



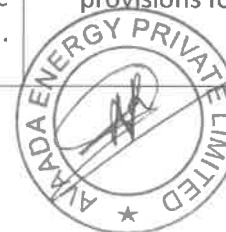
Comments and Suggestions on CERC (Connectivity and General Network Access to the Interstate Transmission System) Regulations, 2021

[Reference: CERC Public Notice No L-1/261/2021/CERC dated 14th January' 2022]

Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Chapter 2 General Provisions</p> <p>3. Application for Grant of Connectivity and GNA</p> <p>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:</p> <p>Provided that if any application is withdrawn after the in-principle grant of Connectivity or grant of GNA, such application shall be closed by the Nodal Agency within a period of 15 days from the date of withdrawal and 100% of the application fee shall be forfeited.</p> <p>Read with</p> <p>Chapter 3 Connectivity</p> <p>7. In-principle Grant of Connectivity by the Nodal Agency</p> <p>7.2 In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that ATS is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received:</p> <p>Provided that intimation for in-principle grant of Connectivity shall include the ATS and terminal bay(s), estimated cost of such ATS and terminal bay(s), minimum design features for dedicated transmission lines to be constructed by the Applicant and the likely date of start of Connectivity:</p> <p>Provided further that the firm date of start of Connectivity shall be confirmed at the time of final grant of Connectivity.</p> <p>Read with</p> <p>Clause 5.7 of Explanatory Memorandum: Steps involved in grant of Connectivity</p>	<ul style="list-style-type: none"> • Kindly allow the application to be withdrawn before issuance of in-principle connectivity by CTU. Discussions/Deliberations made during the monthly meeting shall not be construed as grant of in-principle connectivity till the letter of in-principle connectivity is issued. • Further Applicants can be allowed to transfer their application for alternate substation in case their application has to undergo detailed study of ATS and the Applicant feels that connectivity at alternate substation can be possible without ATS. • India has huge RE capacity addition targets. It is expected that CTU will receive no. of connectivity applications every month. Therefore, in order to give all the RE Developers a level playing field, it is proposed to give the in-principle connectivity within 30 days and if ATS can be delinked at the stage of in-principle connectivity. • As per the Guidelines for Competitive Bidding for RE projects, the timeline for commissioning of RE projects are 18 months form the date of signing of PPA. The timelines proposed in the steps involved in grant of Connectivity are required to be reviewed in order to provide connectivity to RE Projects within 12-15 months of application.



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
	<ul style="list-style-type: none"> Once Connectivity is granted, the term / validity of the connectivity i.e. the timeline within which the project is required to get connected with ISTS network is required to be aligned with the timeline provided in the PPA. <p>In case any extension in the PPA timelines for commissioning of the project is granted, the timeline for connectivity is also to be extended in similar manner without any financial implication to the REGS for operationalization of the Connectivity and GNA.</p>
<p>Chapter 3 Connectivity 4. Eligibility for Connectivity to ISTS 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.</p> <p>Read with Clause 5.5 (c) of Explanatory Memorandum: Connectivity through electrical system of a generating station</p>	<ul style="list-style-type: none"> We understand this clause is applicable for 3rd party projects (projects being developed other than the connectivity grantee). <p>However, there shall be no ceiling on the capacity for seeking enhancement of the connectivity subject to availability of transmission and evacuation infrastructure.</p> <p>The ceiling of 50 MW may kindly be removed.</p>
<p>Chapter 3 Connectivity 5. Application for Grant of Connectivity 4.2. 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;</p> <p>Provided that for such additional generation capacity, the said generating station shall be responsible for compliance with the Grid Code and other regulations of the Central Commission.</p>	<ul style="list-style-type: none"> We understand this clause is applicable for seeking enhancement in connectivity quantum by the connectivity grantee himself. <p>In case the same is for adding addl. capacity within the quantum of connectivity already granted, then we would propose to remove the provisions for addl. application fees.</p>



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA										
<p>Read with Clause 5.6 of Explanatory Memorandum: Connectivity for additional generation capacity within the quantum of Connectivity granted</p>	<p>Instead allow the connectivity grantee to enhance the quantum of connectivity using the same terminal ISTS bay with application fees of Rs. 3 Lakhs + Applicable Taxes.</p>										
<p>Chapter 3 Connectivity 5. Application for Grant of Connectivity 5.8. The application for grant of Connectivity shall contain, inter alia, the following details, as applicable, duly supported with relevant affidavit, as stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1: (vi) Registration Number along with certificate issued by the CEA Registry;</p>	<ul style="list-style-type: none"> We would request to kindly remove this requirement at the time of connectivity application. <p>While the CEA registration is done for the RE Generating Entity (Project SPV Company), RE Developer at the time of connectivity application may not always be able to provide details of project SPV company at such initial stage.</p>										
<p>Chapter 3 Connectivity 8. Connectivity Bank Guarantee 8.1. Connectivity Bank Guarantee shall be submitted by an Applicant in three parts, Conn-BG1 amounting to Rs. 50 lakhs, and Conn-BG2 and Conn-BG3, as provided in Regulations 8.2 and 8.3 of these regulations. 8.2. For cases covered under Regulation 7.1 of these regulations, Conn-BG2 and Conn-BG3, shall be furnished as under: (a) Conn-BG2 towards terminal bay(s) shall be furnished on the basis of number of terminal bay(s) allocated as under:</p> <table border="1" data-bbox="344 1118 1218 1310"> <thead> <tr> <th>Voltage level of allocated terminal bay</th> <th>Conn-BG2 (per terminal bay)</th> </tr> </thead> <tbody> <tr> <td>132 kV</td> <td>Rs. 2 Crore</td> </tr> <tr> <td>220/230 kV</td> <td>Rs. 3 Crore</td> </tr> <tr> <td>400 kV</td> <td>Rs. 6 Crore</td> </tr> <tr> <td>765 kV</td> <td>Rs. 12 Crore</td> </tr> </tbody> </table>	Voltage level of allocated terminal bay	Conn-BG2 (per terminal bay)	132 kV	Rs. 2 Crore	220/230 kV	Rs. 3 Crore	400 kV	Rs. 6 Crore	765 kV	Rs. 12 Crore	<ul style="list-style-type: none"> At the outset, we would request the Hon'ble Commission to kindly re-visit the methodology of allocation of ISTS bay / connectivity based on Bank Guarantee. <p>This may result in blocking of ISTS connectivity by cash rich / large Developers and small RE Developers may find difficult to obtain connectivity within the timelines of their PPA.</p> <p>We propose One Group Company shall not be allotted more than one bay (either at 132 kV or 220 kV or 400 kV or 765 kV) in one ISTS substation on the basis of Bank Guarantee.</p> <p>RE Developers having LOA / PPA from Central / State Govt. designated Agencies (i.e. SECI/NTPC/NHPC etc. or Distribution Licensees etc.) and LOA / PPA other than Central / State</p>
Voltage level of allocated terminal bay	Conn-BG2 (per terminal bay)										
132 kV	Rs. 2 Crore										
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Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Provided that if the entity that has been intimated in-principle grant of Connectivity, (i) proposes to construct the terminal bay(s) on its own under Regulation 12.4 of these regulations, or (ii) seeks Connectivity at a terminal bay constructed or being constructed by another Connectivity grantee, or (iii) seeks Connectivity through electrical system or switchyard of a generating station, no Conn-BG2 is required to be furnished.</p> <p>(b) Conn-BG3 @ Rs. 2 lakh/MW, for the existing ISTS, shall be furnished by entities covered under clause (a) of this Regulation.</p> <p>(c) Conn-BG1, Conn-BG2 and Conn-BG3, as applicable, shall be furnished within 1 (one) month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.</p>	<p>Govt. designated Agencies can avail connectivity without the basis of Bank Guarantee.</p> <ul style="list-style-type: none"> We propose to remove the requirement of Conn-BG 2 where the PPA signing entity is Central Govt. Entity / Central Govt. REIA (SECI/NTPC/NHPC) or a State Govt. Entity / State DISCOM/ Distribution Licensee. <p>As the RE developer has already given financial commitments in terms of PBG etc. to such entities against PPA, therefore, addl. BG such as Conn-BG 2 towards ISTS bay will only escalate financial hardship for RE Developers.</p> <ul style="list-style-type: none"> Under the existing RE connectivity procedure, wherever the PPA/PSA were signed with REIA and / or Distribution Licensee, the BG against ATS (known as Construction BG) were exempted. Re-introduction of the same will be against the ease of doing business. <p>Requirement of Conn-BG 2 (against ATS) and Conn-BG 3 (if applicable) where PPA/PSA signing entity is either Central or State Govt. designated Agency such as SECI/NTPC/NHPC etc. or DISCOMs, the same can be removed.</p>
<p>Chapter 3 Connectivity</p> <p>8. Connectivity Bank Guarantee</p> <p>8.3. (c) In the event the Nodal Agency, does not intimate the details as per clause (b) of this Regulation within 6 (six) months, the Nodal Agency shall furnish the reasons for such non-intimation to the entity with a copy to the Central Commission within one month of expiry of</p>	<ul style="list-style-type: none"> In case CTU within 6 months of the date of Application is unable to provide the techno-commercial details of ATS and viz-a-viz amount of Conn-BG 2, the Applicant may be allowed to apply for an alternate connectivity without any



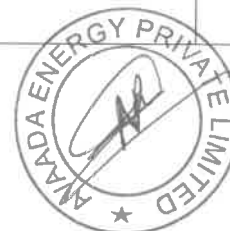
Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>such period of six months with a probable date by which the details of ConnBG2 and such timeline shall be furnished:</p> <p>Provided that in the event of non-intimation by Nodal Agency within 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>	<p>financial implications or may seek refund of Conn-BG 1 along with Application Fees.</p>
<p>Chapter 3 Connectivity 8. Connectivity Bank Guarantee 8.3. (d) The amount for which Conn-BG2 is to be furnished as per clause (b) of this Regulation, shall be equal to estimated cost of ATS and terminal bay(s) and the timeline for completion of ATS and terminal bay(s) shall be based on the scheduled date of commercial operation for such ATS and terminal bay(s).</p>	<ul style="list-style-type: none"> The amount of Conn-BG 2 (against ATS including cost of bay) to be furnished can not be left open without prescribing any ceiling limit. <p>We propose in case of REGS (in case the Entity do not have PPA/PSA with Central / State REIA) the ceiling limit of Conn-BG 2 (against ATS including cost of bay) shall be kept at @ Rs. 1 Lakh per MW.</p> <p>Requirement of Conn-BG 2 (against ATS including cost of bay) and Conn-BG 3 (if applicable) where PPA/PSA signing entity is either Central or State Govt. designated Agency such as SECI/NTPC/NHPC etc. or DISCOMs, the same can be removed.</p>
<p>Chapter 3 Connectivity 8. Connectivity Bank Guarantee 8.4. (d) Conn-BG1, Conn-BG2 and Conn-BG3 shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1.</p>	<ul style="list-style-type: none"> We propose the Draft Format of the BGs are to be vetted by the Banks first for incorporation of inputs from their end. <p>Format of such BGs are to be aligned with the standard Banking norms.</p>



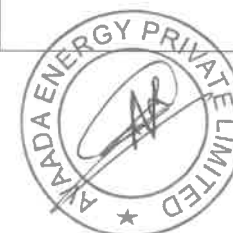
Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Chapter 3 Connectivity 12. Dedicated Transmission Lines and Bay(s) 12.4. The terminal bay(s) at the ISTS sub-station shall be under the scope of the transmission licensee owning the ISTS sub-station:</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 the transmission licensee owning the ISTS sub-station, subject to prior approval of the Nodal Agency: Provided further that in case the Connectivity grantee chooses to construct the terminal bay(s) at its own cost, no cost towards such 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 utilise the bay for some other Connectivity applicant.</p>	<ul style="list-style-type: none"> • In case the Connectivity Grantee has opted to construct the terminal bay at ISTS and in future the connectivity is revoked, the grantee shall be paid at SOR (schedule of rates) by the licensee before allocating the bay to some other applicants.
<p>Chapter 3 Connectivity 12. Dedicated Transmission Lines and Bay(s) 12.5. In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained by a licensee at the cost of such entity;</p> <p>Read with Clause 5.11 of Explanatory Memorandum: Connectivity for entities other than generating station or Renewable power park</p> <p>Read with Clause 5.12 of Explanatory Memorandum: Dedicated transmission line</p>	<ul style="list-style-type: none"> • Similar to a Group of Generators, a Group of Consumers with a Lead Consumer seeking connectivity of minimum 50 MW can be granted connectivity directly at ISTS and can be given GNA for the quantum of connectivity sought by the Group. <p>Since the transmission line other than the dedicated transmission line of a generating station is still a licensed activity under the Electricity Act; the Group of Consumers can seek connectivity through its STU (Transmission Licensee)</p>



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Chapter 3 Connectivity 15. Transfer of Connectivity 15.1. 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 except as provided under Regulations 15.2 and 15.3 of these regulations.</p> <p>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>	<ul style="list-style-type: none"> • We propose the utilization of the connectivity by REGS to be allowed within the Affiliate Companies / Group Companies.
<p>Chapter 3 Connectivity 15. Transfer of Connectivity 15.2. Where the Connectivity grantee is an REGS, it may split its Connectivity in parts, after COD of such part, subject to the minimum capacity in accordance with Regulation 4.1 of these regulations and submit the installed capacity of each part to the Nodal Agency. In such an event, the Connectivity shall be deemed to have been split in proportion to installed capacity of each such part:</p> <p>Provided that all liabilities and obligations in accordance with these regulations shall continue to remain with the Connectivity grantee for each part.</p> <p>15.3. 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. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations.</p> <p>Provided that all liabilities and obligations in accordance with these regulations, for the Connectivity not transferred, shall continue to remain with the original Connectivity grantee.</p>	<ul style="list-style-type: none"> • We would request REGS may kindly be allowed to split / transfer the connectivity to its subsidiary companies even before COD. <p>Transfer of Connectivity by an REGS to any other entity other than its subsidiary shall not be permitted. Timelines for any such transfer of connectivity by an REGS to any other entity other than its subsidiary should be aligned as per the provisions and timelines provided in the PPA in terms of restrictions / lock-in period in transfer of controlling shareholding.</p>



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Chapter 3 Connectivity 16. Treatment of Connectivity Bank Guarantee</p> <p>16.1. Conn-BG1 shall be returned within 30 days of declaration of commercial operation of full capacity by the Connectivity grantee.</p> <p>16.2. Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.</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>	<ul style="list-style-type: none"> • We propose to return the Conn-BG 2 and Conn-BG 3 (if applicable) on successful commissioning / commercial operation of the capacity. The BGs can also be discharged upto the capacity commissioned on pro-rata basis. • The Conn-BG 1 can be returned with achievement of commissioning of the 1st part capacity of the project by the REGS / Connectivity Grantee • Provisions are required to be made in the Regulations for discharge of BG, in stead of encashment of BG in lieu of receipt of payment of the demanded amount through NEFT/RTGS in the designated Bank Account. <p>Encashment of BGs are not at all desirable as this has great impact on the credit rating of the Bank Guarantee Applicant.</p>
<p>Chapter 4 General Network Access (GNA) 17. Eligibility for GNA</p> <p>17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:</p> <p>..... </p> <p>v) Transmission licensee connected to ISTS for drawal of auxiliary power</p> <p>Read with Clause 5.2 (b) of Explanatory Memorandum: Quantum of Connectivity Connectivity to be applied and granted has been proposed to be equal to the installed capacity (with some exceptions) taking into consideration the auxiliary power consumption as well as</p>	<ul style="list-style-type: none"> • REGS can also be allowed to avail GNA for its auxiliary consumption from the grid when the installations are not generating. • Further REGS due to inherent intermittent nature of solar/wind availability are usually built on higher DC to AC ratio. Hence all REGS at their peak generation time produce 110 – 115% of their MCR.



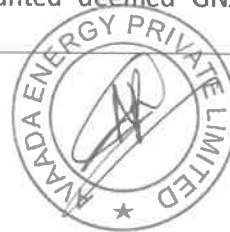
Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>provisions of the Grid Code that require all generating stations to provide primary response by instantaneously picking up to 105-110% of their MCR (maximum continuous rating).</p> <p>Read with Clause 7 (f) of Explanatory Memorandum: Application for GNA</p>	<ul style="list-style-type: none"> • Therefore, REGS at their peak generation time may kindly be allowed 110% of their connectivity / GNA.
<p>Chapter 4 General Network Access (GNA) 17. Eligibility for GNA 17.2. Entities not covered under Regulation 17.1, which as on the date of coming into force of these regulations, are connected to the ISTS or for whom Connectivity granted under Connectivity regulations has become effective, shall be eligible for applying for grant of GNA to the ISTS for the quantum equal to the quantum of Connectivity, which shall be processed as per Regulation 37.6 of these regulations.</p> <p>Read with Clause 8.5 (b) of Explanatory Memorandum: GNA of Injecting Entity Under the 2009 Connectivity Regulations, if a buying entity has obtained LTA from injection point to drawl point, in such case also, the injecting entity shall have GNA equal to LTA obtained by its identified buyer.</p>	<ul style="list-style-type: none"> • We understand that the GNA shall be taken by both the Injection Entity and the Drawal Entity. <p>The Injection Entity (Generator) shall apply for injection GNA and the Drawal Entity (Buyer) shall deemed to have Drawal GNA through its STU.</p> <p>Calcifications may kindly be issued if there is a chance of double accounting of GNA.</p>
<p>Chapter 4 General Network Access (GNA) 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.</p> <p>Read with Clause 2. (A) (c) of Explanatory Memorandum: Connectivity The Connectivity grantees shall be deemed to have been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity.</p> <p>Read with</p>	<ul style="list-style-type: none"> • The timeline for operationalization of GNA is required to be in alignment with the SCOD timelines provided in the PPA. <p>In case any extension in the SCOD timelines are granted in the PPA by the buying entity, the GNA operationalization timeline is also required to be extended in the similar manner.</p> <ul style="list-style-type: none"> • The beauty of RE projects lies in its nature that it can be operationalized in part-by-part basis i.e. in phases / in a modular manner.



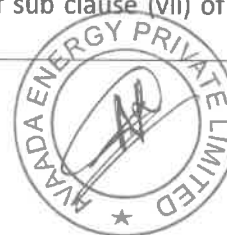
Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Clause 8.6 Illustration of Explanatory Memorandum: Connectivity From injection side, LTA of 500 MW taken by 'ABC' shall be converted as deemed GNA for 'G'. Out of 500 MW of LTA, 400 MW is with identified buyer and hence no additional Bank Guarantee is payable under proposed Regulations. For 100 MW, where there is no identified buyer and only 'G' is the concerned grid connected entity with LTA to target region, 'G' shall be granted GNA under Regulation 37.6 of the 2021 draft GNA Regulations on submission of requisite bank guarantees.</p>	<p>Therefore, the flexibility of operationalization of GNA in a phased manner in line with part commissioning of project is required to be incorporated in the proposed Regulations.</p> <ul style="list-style-type: none"> The Ministry of Power, Govt. of India in its Order dated 23rd Nov' 2021 and further amended on 30th Nov' 2021 has given exemption to RE Projects on ISTS Transmission Charges. <p>The proposed GNA regulations under the cognizance of the same can exempt the requirement of this addl. BG (Conn-BG 3) for the part / full GNA where there is no identified buyer and the concerned grid connected entity is with LTA to target region.</p>
<p>Chapter 4 General Network Access (GNA) 22.2. Grant of GNA to entities other than STU 22.2. (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 ConnBG1, Conn-BG2 and Conn-BG3 as required. The proceeds of such one-time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations.</p>	<ul style="list-style-type: none"> This is a new charge introduced by the Commission and the proposed quantum of this one-time charge is huge. <p>Such high charges will only escalate the financial hardship for the RE Developers. We, therefore, earnestly request the Hon'ble Commission to kindly exempt this one-time GNA charges for RE Projects.</p>
<p>Clause 6.4 (b) of Explanatory Memorandum: Scheduling Flexibility under GNA Since buying entities shall be paying the transmission charges for GNA, it has been proposed to allow the scheduling request of the buying entity, within its GNA, from any selling entity</p> <p>Read with</p>	<ul style="list-style-type: none"> The Ministry of Power, Govt. of India vide Gazette Notification dated 22nd Oct' 2021 has issued the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 for REGS.



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Clause 6.5 (b) of Explanatory Memorandum: Concept of “within the region” and ‘outside the region’</p> <p>Under the proposed GNA framework, a GNA grantee has the flexibility, within its GNA, to request schedule from any entity which will be scheduled subject to availability of transmission system.</p>	<p>We, therefore, propose the GNA regulations must capture the Must Run Rules applicable REGS so that the Drawing Entity (Buyer) is not able to limit the scheduling for RE power under the backdrop of limiting its GNA or limited availability of GNA.</p>
<p>Chapter 5 Relinquishment of Connectivity and GNA</p> <p>25. Relinquishment of GNA</p> <p>Read with</p> <p>Clause 6.5 (b) of Explanatory Memorandum: Concept of “within the region” and ‘outside the region’</p> <p>(e) it has been proposed that there shall be indicative bifurcation of GNA as ‘within the region’ and ‘outside the region’. Though a GNA grantee shall be eligible to schedule power from any region within its GNA, such indicative GNA shall be applied where demand for a corridor is higher than availability. Additional GNA sought by the entities, if any, shall also have indicative bifurcation of ‘within the region’ and ‘outside the region’.</p>	<ul style="list-style-type: none"> • While there is no provision on relinquishment of GNA proposed for REGS, in case the injection entity is required to provide details of its drawal entity <u>‘within the region’</u> or <u>‘outside the region’</u> or change its beneficiaries (drawal entities), there should not be any financial implications on the injecting entity.
<p>Chapter 6 Temporary General Network Access</p> <p>26. Eligibility for Temporary GNA</p> <p>26.1. The following entities shall be eligible as Applicants to apply for T-GNA to ISTS:</p> <p>.....</p> <p>.....</p> <p>(iv) Generating station including Renewable Energy Generating Station for meeting its auxiliary consumption or start-up power or for meeting its supply obligations in terms of clause (3) of Regulation 6 of the Power Market Regulations;</p> <p>Read with</p> <p>Clause 14.9 of Explanatory Memorandum: T-GNA and National Open Access Registry (NOAR)</p> <p>It is proposed that only buyer(s) or entity on behalf of buyer(s) will be eligible as Applicant to apply for T-GNA. Selling entities (except in case of cross border transactions) are not required to apply for T-GNA, since Connectivity grantees are proposed to be granted deemed GNA corresponding to the Connectivity quantum.</p>	<ul style="list-style-type: none"> • We propose REGS to be covered under the GNA in stead of TGNA for meeting its auxiliary consumption or arrangement of alternate supply under clause (3) of Regulation 6 of Power Market Regulations 2021. • While under the prevailing Regulations, REGS once connected with ISTS network and where the ATS are not completely available or not completed by the ISTS Transmission Licensee, had an option for scheduling of power / injection of firm power through STOA. <p>Whereas, under the proposed GNA Regulations, LTA and MTOA are being subsumed, we propose</p>



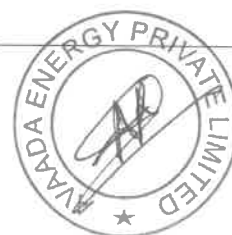
Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>Chapter 6 Temporary General Network Access 28. Application for grant of T-GNA</p> <p>28.1. T-GNA may be applied for any period from 1 (one) time block and up to 11 (eleven) months.</p> <p>28.4. Application for grant of T-GNA may be made under any of the following categories: A. For bilateral transactions</p> <p>(a) Advance application for grant of T-GNA: Application made on the (D) day for grant of T-GNA starting on or after the (D+3) day, which may fall either in the same month as the (D) day or in the subsequent month.</p> <p>(b) Exigency application for grant of T-GNA: Application made on (D) day for grant of T-GNA with scheduling for (S) day, which may be (D) day or (D+1) day or (D+2) day, with a minimum start time of 7 (seven) time blocks unless specified otherwise in the Grid Code:</p> <p>Provided that the Exigency application for grant of T-GNA shall be made for any time block(s) between 0000 hrs to 2400 hrs of the (S) day.</p>	<p>REGS to be allowed to take TGNA on behalf of the Buying Entity to schedule power under short term.</p> <ul style="list-style-type: none"> As RE Projects can be made ready for commissioning within a very short span of time and procurement of plant and machinery for RE plants is very dynamic and price sensitive in nature, therefore, we appreciate the view of Hon'ble Commission to allow TGNA Applications maximum a month prior. <p>This will ensure no un-necessary blockage of available margin in the existing transmission infrastructure.</p>
<p>Chapter 6 Temporary General Network Access 33. Scheduling request for power under T-GNA</p> <p>33.1. Advance application category: (a) Scheduling request by T-GNA grantees under Advance application category shall be made on day ahead basis before the opening of bidding window for collective transactions under day ahead market, as per provisions of the Grid Code.</p> <p>(a) In case the seller is an intra-State entity having point of injection under state control area, the scheduling request shall be accompanied by Standing Clearance in terms of sub clause (vii) of Clause (a) of Regulation 28.5 of these regulations.</p>	<ul style="list-style-type: none"> The existing STOA mechanism do not have the flexibility for intra-day revisions of day ahead schedules even for bilateral transactions. This has made RE projects prone to large DSM penalties under STOA mechanism. <p>We propose TGNA mechanism to allow REGS to revise intra-day schedules given on day ahead similar to the flexibility available for scheduling of power on long-term/medium-term basis.</p>



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>(b) In case the seller is an regional entity having point of injection under regional control area, the point of injection shall be furnished in terms of sub-clause (viii) of clause (a) of Regulation 28.5 of these regulations.</p> <p>(d) The scheduling request shall be accompanied by a declaration that there is a valid contract, in terms of Proviso to clause (d) of Regulation 28.6 of these regulations.</p> <p>33.2. T-GNA granted under Exigency application category shall be considered as schedule, which cannot be revised.</p>	
<p>Chapter 8 Miscellaneous 37. Arrangement for Transition 37.3. (3) Where Long term Access has been granted with system augmentation, the treatment of such Long term Access and corresponding quantum of Connectivity shall be as under:</p> <p>(a) The entity shall have the option of, either (i) to convert the Long term Access granted under the Connectivity Regulations as GNA under these Regulations, or (ii) to surrender such Long term Access.</p> <p>(b) Option under clause (a) of this Regulation shall be exercised by the applicant within one month of coming into effect of these Regulations, failing which the Long term Access granted under the Connectivity Regulations shall be considered as surrendered.</p> <p>(c) In case the Long term Access is surrendered in terms of option(ii) of clause (a) or clause (b) of this Regulation, the Construction Bank Guarantee furnished under Connectivity Regulations shall be encashed to the extent of estimated cost of ATS has been awarded for implementation, subject to capping of the bank guarantee already furnished and balance, if any, shall be returned. The quantum of Connectivity granted under the Connectivity Regulations for such quantum of Long term Access which has been surrendered shall be treated as per clause (1) of this regulation.</p> <p>(d) In case, the entity exercises the option (i) of clause (a) of this Regulation to convert the Long term Access granted under the Connectivity Regulations as GNA deemed to have been granted</p>	<ul style="list-style-type: none"> • We wish to highlight before the Hon'ble Commission that for the REGS which are under construction and whose LTA has been already granted, surrendering the LTA is absolutely not feasible, as this entirely jeopardise the project. <p>Under the existing Regulations, CTU was taking following BGs from REGS for grant of Connectivity and LTA</p> <ul style="list-style-type: none"> ○ Conn-BG 1 [Rs. 50 Lakhs as commitment BG] ○ Conn-BG 2 [against ISTS bay] ○ Construction BG [against ATS] exempted where PPA/PSA were signed <p>We propose in case of REGS (in case the Entity do not have PPA/PSA with Central / State REIA) the ceiling limit of Conn-BG 2 (against ATS including cost of bay) shall be kept at @ Rs. 1 Lakh per MW.</p>



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>under these regulations, the Construction Bank Guarantee already furnished shall be treated as Conn-BG1 for Rs 50 lakhs and balance as Conn-BG2 under these regulations. In case no construction bank guarantee has been furnished pursuant to signing of PPA and PSA, it shall furnish Conn-BG1 for Rs. 50 lakhs and Conn-BG3 @ Rs. 2 lakh/MW corresponding to such Long term access quantum within two (2) months of exercising the option (i) under clause (a) of this Regulation. In case any Conn-BG2 has been furnished under Connectivity Regulations, the same shall be treated as Conn-BG2 under these regulations. The Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulations 16.1 to 16.4 of these regulations.</p> <p>(e) On conversion of Construction bank guarantee as Conn-BG1 and Conn-BG2 or furnishing of Conn-BG1 and Conn-BG3 in terms of clause (d) of this Regulation, as applicable, the Long term Access granted under the Connectivity Regulations shall be treated as GNA deemed to have been granted under these regulations. The existing agreements between the entity and the Nodal Agency shall be aligned in line with provisions of these regulations.</p> <p>(f) In case the entity fails to furnish Conn-BG1 and Conn-BG3 in terms of clause (d) of this Regulation, the Long term access granted to the entity under the Connectivity Regulations shall be considered as surrendered in terms of clause (b) of this Regulation.</p> <p>(g) The quantum of Connectivity for the quantum of Long term access which has been converted into GNA under clause (e) of this Regulation, shall be treated as Connectivity granted under these regulations.</p> <p>Read with Clause 16.3 Sl. No. (5) of Explanatory Memorandum: Arrangement for Transition</p>	<p>Requirement of Conn-BG 2 (against ATS including cost of bay) and Conn-BG 3 (if applicable) where PPA/PSA signing entity is either Central or State Govt. designated Agency such as SECI/NTPC/NHPC etc. or DISCOMs, the same can be removed.</p>
<p>Chapter 8 Miscellaneous 37. Arrangement for Transition 37.8. (3) Where Medium term open access granted, in accordance with the Connectivity Regulations, has become effective as on the date of coming into effect of these Regulations, such open access shall be treated as under:</p>	<ul style="list-style-type: none"> • REGS whose MTOA has become effective as on the date of coming into effect of these Regulations can be treated as GNA deemed to have been granted under these regulations.



Existing Provisions in the Draft Connectivity and GNA Regulations, 2021	Comments and Suggestions from AVAADA
<p>(a) For entities covered under Regulation 4.1 of these regulations, GNA corresponding to such Medium term open access shall be deemed to have been granted to such entity, till the expiry of the such Medium Term Open Access.</p> <p>Provided that such entity may apply for GNA under Regulation 17.2 of these regulations.</p>	<ul style="list-style-type: none"> • The timeline for operationalization of GNA is required to be in alignment with the SCOD timelines provided in the PPA. <p>In case any extension in the SCOD timelines are granted in the PPA by the buying entity, the GNA operationalization timeline is also required to be extended in the similar manner.</p> <ul style="list-style-type: none"> • The one-time GNA charges under such transition to deemed GNA to be exempted for RE Projects.

