

Date: February 15, 2022

**The Hon'ble Secretary**

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

Subject: *Comments on draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.*

Reference: *CERC notice No. No. L-1/261/2021/CERC dated 16.12.2021*

Dear Sir,

We would like to introduce ourselves as Apraava Renewable Energy Pvt Ltd. (formerly known as CLP Wind Farms (India) Pvt Ltd), a wholly owned subsidiary of Apraava Energy Pvt Ltd (formerly CLP India Pvt Ltd). Apraava Energy is owned by CLP Group, one of the largest investor-owned power businesses in Asia, and Caisse de dépôt et placement du Québec (CDPQ), one of Canada's leading institutional fund managers. Apraava Energy is one of the largest foreign investor in the Indian power sector and a leading renewable energy generation company. Apraava Energy owns and operates about 2000 MW of Thermal/Gas based power project and has about 1350 MW of wind and solar power projects under operation/construction phase, across various states in India.

This has reference to the above referred Notification by the Hon'ble Commission dated December 16, 2021, soliciting stakeholders' comments on the "*draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021*". Our comments/suggestions on the draft Regulations are appended as Annexure-I.

We would be obliged if you could take cognisance of our submissions while finalising the document.

Yours Sincerely,

For Apraava Renewable Energy Private Limited (formerly CLP Wind Farms (India) Pvt Ltd)



Mahesh Makhija  
Director (Renewables)

Annexure-1: *AREPL comments on draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021*

**Apraava Renewable Energy Private Limited (An Apraava Energy Company)**  
(formerly known as, CLP Wind Farms (India) Private Limited)

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**Annexure I: Apraava Renewable Energy Pvt Ltd comments on Draft CERC (Connectivity and General network Access) Regulations 2021**

Reg.	Proposed Regulation	Comments/suggestion	Reasoning
	<p><i>General Comments</i></p>	<p>We request the Hon’ble Commission for early Resolution of issue related penalties applicable on RE generators (LTA grantees) in case of <b>delay in SCOD of generator while LTA gets operationalized</b></p>	<p>The Central ministry of Power in its OM dated January 15, 2021- “Direction to CERC under section 107 of Electricity Act 2003- regarding sharing of transmission charges under force majeure condition.” has issued direction to Hon’ble CERC on the subject matter of difficulties being faced by RE generators on account of levy of transmission charges/penalties for delay in commissioning of the RE project beyond SCOD, while LTA is being operationalised without giving consideration to such extended SCOD approved by the Government authorities under force majeure conditions or by the implementing agencies.</p> <p>We humbly submit before the Hon’ble Commission that pending adoption of these direction by Hon’ble Commission, several RE projects, awarded under various Central auctions, are being levied such penalties by the CTU. There is no clarity as to when the Hon’ble Commission would make appropriate amendment to effect these changes and whether they would be applicable retrospectively to provide relief to the developers who have already deposited these penalties. Without such clarity several projects runs the risk of becoming unviable, thereby severely jeopardizing the Hon’ble Government of India’s initiative of promoting investment in renewable energy sector. We request the Hon’ble Commission to kindly incorporate necessary amendments in this regard either in the current proposed draft GNA Regulations or in the CERC sharing of transmission charges (POC) Regulations.</p>

Reg.	Proposed Regulation	Comments/suggestion	Reasoning
3.2 & 3.3	<p>3.2. Each application for grant of Connectivity shall be accompanied by a <b><u>non-refundable</u></b> 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 <b><u>nonrefundable</u></b> application fee of Rs.5 lakh along with applicable taxes.</p>	We suggest deletion of term “non-refundable” before application fee	Clause 3.5 of these regulations provides that in case of application is closed the Nodal Agency shall refund 80% of application fee, after deduction of 20% fee. Hence, we suggest aligning these clauses for application fee as being refundable in nature.
5.8	<p>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:</p> <p>.....</p> <p><b><u>(vi) Registration Number along with certificate issued by the CEA Registry:</u></b></p>	We suggest removal of requirement of “certificate by CEA registry” at the time of making of application	Many bidders intending to participate under bidding process, may only have preliminary details of their planned generating station and may not have registered with CEA at such an early stage. So we suggest that this requirement may be put up at a later stage, preferably before physical connectivity.
7.2 & 9.2 (d)	<p>7.2. In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that</p> <p>ATS is required,.....</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>	In cases where ATS is required, we request that the information regarding tentative location of substation should be provided at the stage of in principal grant of connectivity itself (under Reg 7.2), rather than along the final intimation stage as proposed under reg 9.2 (d)	In cases where ATS is required, the tentative location of substation where connectivity is being granted should be intimated to applicant along with the final intimation of grant of connectivity by Nodal Agency. In cases where ATS is required, such intimation may take up to 10 months (as per the timelines proposed in the draft Regulations), which could significantly delay the project development and implementation activity at the generator end especially for developers implementing projects under the short bidding timeline. This is precarious situation because while generators would not like to apply for connectivity in anticipation of an award of a bid as significant commitment are required at the connectivity stage itself. On the other hand, when such generators

Reg.	Proposed Regulation	Comments/suggestion	Reasoning
	<p>.....</p> <p><b><u>9.1(d) In case of a proposed ISTS sub-station the tentative coordinates and the scheduled date of commercial operation of such ISTS substation.</u></b></p> <p>.....</p>		<p>apply for connectivity after the award of bid, they would not be able to finalise project specifics such as location, layout etc, without assurance of connectivity to a particular location preferred by developers.</p>
<p>8.3 (b) &amp; (d)</p>	<p>8.3 .....</p> <p>(b): <i>The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, <b><u>(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.</u></b> (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity:</i></p> <p>.....</p> <p>(d): <i>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)</i></p>	<ol style="list-style-type: none"> <li>1. We request that a cap on Conn-BG2 amount may be specified for its benchmarking, as is the case with current regulations for construction phase BG.</li> <li>2. We request that the amount of BG shall be proportional to the connectivity applied by the applicant irrespective of number application received by CTU for connectivity at that particular substation</li> </ol>	<p>As developers participating in auctions are required to build in all relevant costs in their financial models to offer a viable and competitive tariff. Therefore, a certainty is essential in terms of maximum BG amount that may have to be provided by the developer at the later stage. Currently, it is linked to the Cost of ATS which in itself is quite open ended, and without any upper cap, can make the developers participating in the bid vulnerable to unforeseeable project viability risks.</p> <p>Further, it has been observed that it is the first movers who usually get burdened by the cost of entire ATS even though they have only applied for a part of it. We would be like to draw a live example of Jam Khambhaliya Pooling Station which has not been fully occupied due to whatever reason, in such cases, the current Connectivity grantees are expected to provide the Conn-BG2 of entire capacity of the Jam Khambhaliya Pooling Station as there is some strengthening planned by CTUIL due to their constraints.</p> <p>Furthermore, the Connectivity Grantee does not have any control on the transmission system components proposed by CTUIL or changed by CTUIL during the course of execution. For the examples cited above, it would not be prudent for the Hon'ble Commission to ask the Conn-BG2 for the value of entire ATS and Terminal Bay(s) as</p>

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			<p>the same would much adverse implication on the economics of the Project.</p> <p>In view of the above, we request you to kindly align the said Conn-BG2 along with the Conn-BG2 required for scenario specified in Regulations 7.1 (existing system)</p>
16.2 & 16.3	<p><b><u>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.</u></b></p> <p><b><u>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.</u></b></p>	<p>We request the Hon'ble Commission to allow for Con-BG2 and Conn-BG3 to be returned within one month, corresponding to generation capacity which has been declared under commercial operation</p>	<p>In this regard, we would like to humbly submit to the Hon'ble Commission that the purpose of Conn-BG2 and the Conn-BG3, as per Regulations 8.2 (a) and 8.2 (b), respectively, is to provide security to the Transmission Licensee of the concerned infrastructure towards Terminal Bay(s) allotted to the Connectivity grantee and connecting to the existing ISTS infrastructure, respectively. Accordingly, once the Connectivity Grantee has connected the Project to the terminal bay and commissioned the Project, the purpose under the final Connectivity consent and GNA is achieved and holding the said Bank Guarantees for 5 years (in staggered manner) does not serve any purpose.</p> <p>Furthermore, if the aforesaid Conn-BG2 and Conn-BG3 are being looked as security towards obligation of the Connectivity grantee to pay the transmission charges as envisaged in Regulations 16.3, then we would like to clarify on two aspects (a) the obligation of payment of transmission charges and losses for use of the ISTS network is with the buying entities and not the Connectivity grantee (as per Regulation 40.1) and (b) with waiver of transmission charges extended by Hon'ble Ministry of Power till June, 2025, the buying entities are further not requirement to make the payment of the transmission charges.</p>

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			<p>In view of the above, there is no requirement of the Conn-BG2 and Conn-BG3 beyond the connection of the Project with the Terminal Bay and Commissioning of the Project. Accordingly, we humbly submit to the Hon'ble Commission to kindly consider changing the validity of the Conn-BG2 and Conn-BG3 up to 30 days of declaration of the commercial operation.</p> <p>In case the Hon'ble Commission still decides to prescribe the validity of the Conn-BG2 and Conn-BG3 as provided in draft Regulation 16.2, we would humbly request the Hon'ble Commission to kindly allow the same as pass through under the respective PPA, even in cases wherein the change in regulatory procedures has been excluded from recourse available under Change in Law, as one time charges and allow the same to be recovered from procurers under the respective PPAs.</p>
22(d)	<p>22.2 (d): <i>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.</i></p>		<p>We humbly request the Hon'ble Commission to kindly confirm whether the one-time GNA Charges are also to be borne by the existing Connectivity and LTA Grantees with effective Connectivity and LTA approvals who are covered as deemed Connectivity and GNA grantees under this draft Regulation. If yes, then, we would humbly request the Hon'ble Commission to kindly allow the same as pass through under the respective PPA, even in cases wherein the change in regulatory procedures has been excluded from recourse available under Change in Law, and accordingly, pass the suo-moto order or cover in the current regulation itself</p>

Reg.	Proposed Regulation	Comments/suggestion	Reasoning
36.6	36.6: <i>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 <b>revision of schedule, as stipulated in the Grid Code</b>, under any contract within its GNA or under Exigency application category or Real time market based on time stamp for such request.</i>		We would like to inform the Hon’ble Commission that the REGS projects are of variable / infirm nature and accordingly, appropriate chances of advance revision in the day ahead schedule is provided in the DSM Regulation. The said opportunities / chances to revise the day ahead schedule should be considered as part of the normal cases under draft Regulation 36.1 and not after draft Regulation 36.2 to 36.4 / part of draft Regulation 36.6. Accordingly, we request you to kindly shift the highlighted portion to draft Regulation 36.1.
37.3 (2)(d)	37.3 (2) (d): <i>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 deemed GNA under these Regulations, <b>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 such option. In case any Conn- BG2 has been furnished under the Connectivity Regulations, the same shall be treated as Conn-BG2 under these regulations. Subsequent treatment of Conn-BG1, Conn-BG2 and Conn-BG3 shall be in terms of Regulations 16.1 to 16.4 of these regulations. Bank Guarantee, if any, furnished by such entity under the Connectivity Regulations shall be adjusted.</b></i>	We request the Hon’ble Commission to not prescribe any BGs for applicant/generators covered under transition cases, in addition to what has already been submitted as applicable under the current Connectivity/LTA Regulations. Alternatively, we request that the Hon’ble Commission may allow such additional cost as one time pass through under the respective PPAs entered into by such generators under the existing Regulations.	RE developers which has been awarded projects under competitive bidding route have considered BG/charges under the prevailing regime while submitting their bids in the auctions. Any additional financial implication being proposed under these Regulations should not be made applicable to these developers who have already been granted Connectivity/LTA on payment of requisite bank guarantees under prevailing regulations.  In case the Hon’ble Commission insist on applying these provisions to existing grantees than the additional cost/charges should be allowed as one time pass through under the respective PPAs to be recovered from procurers.
37.3 (3) (d):	37.3 If Connectivity and Long Term Access have been granted in accordance with the Connectivity Regulations.....	We request the Hon’ble Commission to remove the requirement of submission of additional Conn-BG2 and/or Conn-BG3 for projects to which Connectivity/LTA has already been	Same as above.

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	<p>(3).....</p> <p>(d): <i>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 under these regulations, <b><u>the Construction Bank Guarantee already furnished shall be treated as Conn-BG1 for Rs 50 lakhs and balance as Conn-BG2 under these regulations.</u></b> 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.</i></p>	<p>granted under the provision of prevailing Regulations. Alternatively, we request that the Hon'ble Commission may allow such additional cost as one time pass through under the respective PPAs entered into by such generators under the existing Regulations</p>	
37	<p><u>Draft Regulation 37.2 (b):</u></p> <p><i>Such option under clause (a) of this Regulation shall be exercised by the applicant <b><u>within one month of coming into effect of these Regulations,</u></b> failing which the Connectivity granted under the Connectivity Regulations shall be considered as surrendered.</i></p> <p><u>Draft Regulation 37.3 (2) (b):</u></p>	<p>We request Hon'ble Commission to increase the time period for exercising the rights under the referred Regulations from 1 month to 3 months after the notification of the connectivity procedures under these regulations by Hon'ble Commission.</p>	<p>We would like to inform that most of the project with Connectivity and LTA under the prevailing Connectivity Procedure would be under execution phase and accordingly, keeping such provision of deemed surrender of connectivity / LTA in case of failure to exercise their right is very harsh decision.</p> <p>Further we understand the Nodal Agency shall also issue the detailed procedure for connectivity under regulations 39.1 of this draft Regulations. Any timeline for decision regarding conversion/surrender of connectivity/LTA by</p>



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	<p><i>Option under clause (a) of this Regulation shall be exercised by the entity <b><u>within one month of coming into effect of these Regulations</u></b>, failing which such Long term Access granted under the Connectivity Regulations shall be considered as surrendered.</i></p> <p><u>Draft Regulation 37.3 (3) (b):</u></p> <p><i>Option under clause (a) of this Regulation shall be exercised by the applicant <b><u>within one month of coming into effect of these Regulations</u></b>, failing which the Long term Access granted under the Connectivity Regulations shall be considered as surrendered.</i></p>		<p>existing grantees should only start after the notification of these procedures by Hon’ble Commission after duly approving it.</p>
40.1	<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>We request clarification regarding applicability of transmission charges for Renewable Energy purchased by DISCOMs through competitive bidding</p>	<p>Under the existing CERC sharing of transmission charges (POC) regulations, the ISTS charges waiver is available to both buyer DISCOM and seller of RE, subject to same being procured through competitive bidding towards fulfilment of RPO of the DISCOM. While under the proposed Regulations, the Hon’ble Commission has not proposed any transmission charges/losses for injecting entities, however the same is not in the nature of waiver of transmission charges as the buyer DISCOM would still have to pay the Transmission charges towards procurement of such RE, which shouldn’t be the case. We humbly submit that without such clarification a large part of the RE already contracted by DISCOMs runs the risk of being subjected to litigation in case the DISCOMs may resist bearing these transmission charges. We therefore request Hon’ble Commission to retain the waiver of ISTS charges applicable to DISCOMs for RE procurement as already provided under POC Regulations.</p>

Reg.	Proposed Regulation	Comments/suggestion	Reasoning
40.1	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.	We request clarification regarding applicability of transmission charges for Drawl of Energy by Energy Storage Service (ESS)	ESS providers has been categorised as eligible entities for Connectivity under Reg 4.1 of the draft regulations. As an injecting entity, we understand the transmission charges shall not be payable by ESS for energy injected into the grid. However, the ESS shall also be drawing Energy from the grid for the purpose of charging (BESS) / pumping (PSP) and the transmission charges may become applicable on it as a buying entity. This aspect has not been clarified under the draft regulations and we request the Hon’ble Commission to kindly clarify its position on the same.
40.2	40.2. One time GNA charges shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.	We request the Hon’ble Commission to kindly clarify that this clause shall not be applicable for transition cases where connectivity and LTA has been granted to existing applicants.	From our discussion during the workshop carried out by CERC officials, we understand that this charge shall not be applicable for cases where connectivity/LTA has already been granted. However the same has not been clarified in the regulations or under the explanatory memorandum issued in this regards. We request the Hon’ble Commission to kindly clarify this and incorporate this in the written text.