

Ref:HFE/CERC/GNA/COMM/FY21-22/008

15 Feb 2022

To

Sh. Sanoj Kumar Jha
Secretary, Central Electricity Regulatory Commission,
3 rd & 4 th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001
Tel: 011-23353503

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

Dear Sir,

At the outset, we extend our gratitude to the Hon'ble Central Electricity Regulatory Commission for issuing the draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 and seeking stakeholder's comments on the same.

We would like to introduce 'Hero Future Energies Private Limited' (HFEPL), the renewable energy arm of Hero group and an Independent Power Producer (IPP) primarily focusing on investment in developing the generating capacities based on solar and wind resources across the country. The HFEPL portfolio is having 1.53 GW commissioned capacity and 325 MW under development stage for commissioning.

Hero Future Energies Private Limited hereby submits its suggestions/comments on 'CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021' and same are attached as **Annexure-I** to this letter. We humbly request CERC to consider our suggestions while finalising the rule on 'CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021'.

This letter is signed digitally, we request you to consider this communication as formally signed and submitted.

Thanking you.

For Hero Future Energies Pvt. Ltd.



Authorized Signatory

Enclosure : As above.

HERO FUTURE ENERGIES PVT. LTD.

CIN: U40101DL2012PTC243852

Registered & Corporate Office: 202, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE, PH-III, NEW DELHI-110020, INDIA P: +91 11 49598000 | F: +91 11 49598022 | E: info@herofutureenergies.com | W: www.herofutureenergies.com

Annexure I

Suggestions/comments on Draft n (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

Sr. No.	Regulation	Comments/suggestions
1.	<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 nonrefundable 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>	<p>In reference to Regulation 3.2 and 3.3, application fees of Rs. 5 lakh is mentioned as non-refundable fee. However, as per the Regulation 3.5 up to 80% of fee is refundable. To avoid any other interpretation, it is suggested that the term “non-refundable” mentioned in Regulation 3.2 and 3.3 may be reworded.</p>
2.	<p>3.5. After scrutiny, 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 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.</p>	<p>As per Regulations 3.5 the applicant has to rectify the deficiencies within one week from intimation. The proposed time frame of only one week may not be sufficient for all kinds of deficiencies and few deficiencies may require more time for its rectification. It is suggested to provide at least 15 days to rectify the deficiencies.</p>
3.	<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> <p>...</p> <p>(e) REGS or standalone ESS with an installed capacity of 5 MW and above applying for grant of Connectivity to ISTS through the electrical system of a generating station already having Connectivity to ISTS:</p>	<p>It may not be justified to have minimum quantum of 5MW in case ISTS connectivity is being sought through a generating station which already has the Connectivity. As REGS and ESS can be installed with much smaller capacity such minimum requirement of 5MW would not allow many generators use their marginal resources where they themselves or some other entity can install small quantum of REGS / ESS. It is</p>

Sr. No.	Regulation	Comments/suggestions
	<p>Provided that such an entity applying for grant of Connectivity to ISTS has an agreement with the said generating station to share its electrical system and dedicated transmission lines, if any.</p> <p>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>suggested to either remove such minimum requirement of 5MW or reduce the same to 1MW.</p> <p>Above is also supported by Regulation 4.2, which allows the entities already having connectivity to enhancement their connectivity with no such requirement of minimum quantum.</p>
4.	<p>5.2. Notwithstanding anything contained in Regulation 5.1, a generating station, with prior approval of CTU, shall be eligible to add, within the quantum of Connectivity granted to it, additional generation capacity, including ESS, and for this purpose, the generating station shall apply to CTU, along with non-refundable application fee of Rs 3 lakh along with applicable taxes;</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>	<p>Clause 5.2 is applicable for additional generation capacity or ESS only within the quantum of already granted connectivity. As there would not be any requirement for system study/augmentation, it is suggested that such applications should be replaced with intimation only and no such fee shall be imposed for intimation to CTU as applicable fee have already been paid to CTU against connectivity for the approved capacity</p>
5.	<p>8. Connectivity Bank Guarantee</p> <p>8.3. For cases covered under Regulation 7.2 of these regulations, the following procedure shall be followed:</p> <p>(a) The entity that has been intimated in-principle grant of Connectivity, shall submit its consent for execution of ATS and terminal bay(s), as intimated under Regulation 7.2 of these regulations, along with Conn-BG1, within 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>(b) The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated</p>	<p>As per Regulation 8.3(c) a timeline of 6 months for conveying the details mentioned in proviso 8.3 (b) is too long for a project. A nodal agency shall be prepared to convey these details to the applicant within 15 days from the date of application as transmission planning is done well in advance further any delay beyond this will create problem for the project developer such as Capex, delay in COD, cost overrun etc.</p> <p>In case this intimation is not conveyed to the applicant within 15 days timeline then appropriate</p>

Sr. No.	Regulation	Comments/suggestions
	<p>under Regulation 7.2 of these regulations, (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity: Provided that if such ATS and terminal bay(s) are planned for more than one entity, Conn-BG2 shall be furnished in proportion to the quantum of Connectivity applied for by such entities: (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 such period of six months with a probable date by which the details of Conn-BG2 and such timeline shall be furnished: 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. (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). (e) The entity that has been intimated in-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of intimation by the Nodal Agency under sub-clause (b) of this Regulation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be forfeited. ...</p>	<p>compensation mechanism shall also be provided in the proposed regulation.</p> <p>If nodal agency is not able to convey the possibility of system augmentation within 15 days time then the applicant should be at liberty to withdraw their application and in that case 100% application fee along with BG1 shall be returned to applicant.</p> <p>Regulation should provide a mechanism for timeline for system augmentation. If system augmentation is not done by nodal agency within the prescribed mechanism, then a penal mechanism should also be provided in the regulation.</p>
6.	<p>13. Injection of Infirm Power and drawal of Start-up Power Connectivity grantee shall be eligible to inject infirm power and draw start-up power in accordance with the provisions of the Grid Code.</p>	<p>In reference to Regulation 13, it may be clarified that, will there be requirement of -GNA or TGNA to be taken by Generator to inject infirm power or drawl of start-up power.</p>
7.	<p>18. Deemed Grant of GNA 18.1. On the date, these regulations come into force,</p>	

Sr. No.	Regulation	Comments/suggestions
	<p>(a) GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of “A” for the financial years 2018- 19, 2019-20 and 2020-21: where, ‘A’ = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}</p> <p>(b) GNA computed as per clause (a) of this Regulation is given at Annexure-I to these regulations.</p> <p>(c) GNA for a State including intra-State entity(ies) as per clause (b) of this Regulation shall be deemed to have been granted to STU of that State on behalf of such intra-State entities and shall remain valid until relinquished in accordance with these regulations.</p> <p>(d) GNA deemed to have been granted to STU as per clause (c) of this Regulation, shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations.</p> <p>(e) GNA deemed to have been granted to STU under clause(d) of this Regulation, shall be segregated for each intra-State entity, including distribution licensee, by the respective SLDC, and intimated to STU, Nodal Agency and NLDC within 1 month of publication of details by the Nodal Agency under clause (d) of this Regulation. Provided that in case an SLDC fails to provide such segregation, the pro rata GNA shall be allocated to each intra-State entity in the ratio of their Long Term Access and Medium Term Open Access, as included in the first bill raised in the previous month under the Sharing Regulations.</p> <p>(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>(g) The Central generating stations which are connected to the grid and have not been granted Long term Access under the Connectivity Regulations but whose power is</p>	<p>As per Regulation 18.1(f), generators who already have LTA would be considered to have deemed GNA equal to quantum of LTA. Whereas as per Regulation 22.2(a) it is specified that generators having connectivity shall have deemed GNA equal to the quantum of</p>

Sr. No.	Regulation	Comments/suggestions
	<p>allocated by the Ministry of Power, shall be deemed to have been granted GNA equal to the installed capacity of such generating station(s).</p> <p>(h) Long Term Access granted to a Trading licensee, other than for cross border trade of electricity in terms of the Cross Border Regulations, shall be part of the GNA deemed to have been granted to the concerned grid connected entity(ies) under clauses (a) to (f) of this Regulation: Provided that settlement of transmission charges inter-se between such trading licensee and the concerned grid connected entity(ies) shall be made in terms of the existing agreement between them or as may be mutually agreed.</p> <p>(i) Long term Access granted to a Trading licensee engaged in cross border trade of electricity in terms of the Cross Border Regulations shall be the GNA deemed to have been granted to such trading license under these regulations for the period of such Long term Access.</p>	<p>Connectivity. Both of above Regulations are giving different interpretation. It is suggested to align Regulation 18.1(f) with Regulation 22.2(a) and reword it accordingly.</p>
8.	<p>22. Grant of GNA</p> <p>22.1. Grant of additional GNA to STU</p> <p>(a) The Nodal Agency shall process all applications received under Regulation 19.1 of these regulations together, within two months from last day of receipt of applications and grant additional GNA to STU based on available transmission capacity, or on pro-rata basis, if necessary. GNA once granted shall remain valid until relinquished.</p> <p>(b) The Nodal Agency shall grant additional GNA to STU based on applications received under Regulation 19.2 of these regulations by 31st March of the same financial year, keeping in view the available transmission capacity or timeline of augmentation, indicating the date from which such additional GNA shall be effective. GNA once granted shall remain valid until relinquished.</p> <p>(c) The total GNA of STU shall be the sum of GNA deemed to have been granted under Regulation 18.1 and additional GNA granted under this Regulation.</p> <p>(d) Intra-State entity-wise GNA deemed to have been granted to STU under Regulation 19.1 and additional GNA granted under this Regulation shall form the basis for raising the bills under the Sharing Regulations to such intra-State entities.</p>	

Sr. No.	Regulation	Comments/suggestions
	<p>22.2. Grant of GNA to entities other than STU</p> <p>(a) Connectivity grantees covered under Regulation 4.1 of these regulations shall be deemed to have been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity. In the event of split or transfer of Connectivity in terms of Regulation 15 of these regulations, the corresponding GNA shall be deemed to have been split or transferred, as the case may be.</p> <p>(b) The Nodal Agency shall grant GNA to entities covered under clauses (ii) to (iv) of Regulation 17.1 specifying start date of GNA, as per the following timeline:</p> <p>(i) where GNA is granted on the existing system: by the end of the month subsequent to the month in which application complete in all respects has been received;</p> <p>(ii) where augmentation of transmission system is required: within 180 days from the end of the month in which application complete in all respects has been received: Provided that the Nodal Agency shall grant GNA with start date of GNA keeping in view the timeline of augmentation of the transmission system.</p> <p>(c) Entities covered under clause (iv) of Regulation 17.1 and (i) applying GNA for injection into the Indian Grid shall comply with all requirements as applicable to entities under Regulation 4.1: Provided that Conn-BG1, Conn-BG2 and Conn-BG3 shall be returned in accordance with Regulation 16 of these regulations or on expiry of period of GNA, whichever is earlier;</p> <p>(ii) applying GNA for drawal from the Indian Grid shall comply with all requirements as applicable to entities under Regulation 17.1(iii).</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. The proceeds of such one- time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations.</p>	<p>As explained above it is suggested to modify Regulation 18.1(f) in order to align it with Regulation 22.2(a) which says connectivity grantees shall be deemed to have been granted GNA, equal to the quantum of Connectivity and not to quantum of LTA.</p> <p>As per Regulation 17.1 the entity has to pay Rs. One lakh per MW for the quantum of GNA as GNA charge whereas it is understood that as per Regulation 22.2(d), the cost of ISTS is ultimately to be borne by end user i.e. Discom or the buying entities. Regulation 40.1 is also in line with above fact and therefore GNA</p>

Sr. No.	Regulation	Comments/suggestions
	<p>22.3. Details of entities which have been granted GNA along with quantum, period and start date of GNA shall be published by the Nodal Agency, on its website, within one (01) month of grant of GNA.</p>	<p>charges are proposed to be divided only among the buying entities. As per Regulation 22.2(d), the need for generators to pay one-time GNA charge of Rs. 1 lakh per MW is not clear. Further it is specified that proceeds of such one-time GNA charge will be adjusted in Monthly Transmission charges. This will result in savings for buying entities at cost of generators. It is suggested that as these one-time charges will be used to adjust the monthly transmission charge, which is to borne by buying entities, these one-time charges should not be taken from generators.</p> <p>Considering the total installed capacity of ~400 GW total amount to be collected through such provision works out be significantly high i.e. Rs. 4,000 Crore.</p>
9.	<p>29. Processing of applications for grant of T-GNA by Nodal Agency</p> <p>29.1. T-GNA shall be granted within the available transfer capability (ATC) on the ISTS after accounting for GNA of the GNA grantees.</p> <p>29.2. The GNA grantees shall have priority over the T-GNA grantees for use of the ISTS.</p> <p>29.3. Advance applications for T-GNA shall be considered on first-come-first served basis and shall be processed latest by 23.59 hrs of the (D+1) day, "D" being the date of making the application.</p> <p>29.4. Exigency applications for T-GNA with the schedule for (S) day shall be processed as under:</p> <p>(a) Applications received till 1300 hrs of (S-1) day shall be processed after 1300 hrs on (S-1) day on first-come-first-served basis, and shall be finalised by 1400 hrs of (S-1) day.</p> <p>(b) Applications received after 1300 hrs of (S-1) day or in the (S) day shall be processed within 4 time blocks, on first-come-first-served basis.</p>	

Sr. No.	Regulation	Comments/suggestions
	<p>29.5. T-GNA for collective transactions under day ahead market shall be processed by 1300 hrs of (S-1) day.</p> <p>29.6. T-GNA for collective transactions under real time market shall be processed within a time block.</p> <p>29.7. The Nodal Agency shall verify the following:</p> <p>(A) In case of intra-State entity:</p> <p>(i) In case buyer is an intra-State entity, Standing Clearance from SLDC under whose jurisdiction the point of drawal is located, confirming (a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code, (b) appropriate communication system in accordance with the provisions of the Communication Regulations and (c) availability of transmission capacity in the intra-State network;</p> <p>(ii) In case the seller is an intra-State entity and the point of injection is available, Standing Clearance from SLDC under whose jurisdiction the point of injection is located, confirming (a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code, (b) appropriate communication system in accordance with the provisions of the Communication Regulations and (c) Availability of transmission capacity in the intra-State network;</p> <p>(iii) Available of transfer capability (ATC) on the ISTS;</p> <p>(iv) Declarations as provided in Regulation 28.6, as applicable, have been furnished.</p> <p>(B) In case of Regional entity:</p> <p>(i) In case the buyer (point of drawal) is a regional entity, confirmation through the RLDC under whose jurisdiction such point of drawal is located:</p> <p>(a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code and;</p> <p>(b) appropriate communication system in accordance with the provisions of the Communication Regulations.</p>	<p>In reference to regulation 29.6 the processing of collective transactions within a single time block is not understandable as at present 7 time blocks are required for collective transactions.</p> <p>It is requested to provide a detailed mechanism in the Regulation for modalities for transaction within one time block.</p>

Sr. No.	Regulation	Comments/suggestions
	<p>(ii) In case the seller is a regional entity having point of injection under regional control area, confirmation through the RLDC under whose jurisdiction such point of injection is located:</p> <p>(a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code; and</p> <p>(b) appropriate communication system in accordance with the provisions of the Communication Regulations in force.</p> <p>(iii) Available transfer capability (ATC) on ISTS.</p> <p>(iv) Declarations as provided in Regulation 28.6, as applicable, have been furnished.</p>	
10.	<p>32. Revision of T-GNA</p> <p>32.1. T-GNA granted under Exigency application category or under Advance application category for a period not exceeding one month cannot be revised.</p> <p>32.2. T-GNA granted under Advance application category for a period of more than one month may be reduced for the balance period with a prior notice of one (1) month by the T-GNA grantee:</p> <p>Provided that applicable T-GNA charges for the quantum of T-GNA granted shall be payable for the notice period of one (1) month.</p>	<p>As per Regulation 32, it will not be possible to revise the Advance applications (under T-GNA) for period under one month. The objective of the mentioned Regulations seems to enable only the serious players to book ISTS network and would not unnecessarily revise it at later date. However, there could be genuine need for making such revisions in T-GNA quantum especially in the events of forced-shut down.</p> <p>Revision in T-GNA if not allowed would also result in rejection of Advance T-GNA applications of other applicants in case there is only marginal capacity available in the system.</p> <p>In view of above, it is suggested to allow revision in cases of forced shutdowns. And for other cases where an entity is required to revise its T-GNA quantum same can be revised with payment of appropriate compensation amount.</p>