

# ABC RENEWABLE ENERGY PRIVATE LIMITED

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To,

Dated: 27th February 2023

The Secretary  
Central Electricity Regulatory Commission (CERC)  
New Delhi

**Subject: Suggestions/Comments on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023**

Dear Sir,

We sincerely appreciate Govt. of India's and CERC's effort in providing conducive regulations and policies in promoting Renewable sources of energy. We are grateful for your continued guidance, and assurance you have offered, by enabling a robust and healthy policy environment to thrive in the country.

We would like to thank you for the opportunity to raise our key concerns & suggestions on the aforementioned subject. We have enclosed our comments and suggestions on the matters pertaining to, in the attached document.

We are sure that our suggestions on the issues described in the attached document, will restore sound, strategic market balancing decisions.

We express our sincere gratitude that most of the industry grievances in the past have been addressed time to time, which has helped the industry to make significant progress in deployment and scaling up of renewable projects across the country. We hope this policy conducive environment continues in order to add more energy from renewable sources.

Thanking you for your understanding, support, and consideration.

With Sincere Regards,



**(Prashant Kanaujia)**



Head- Regulatory

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CIN: U40108TG2019PTC137103

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## Feedback/Suggestions on Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022

The Hon'ble Commission has considered the views of Ministry of Power on concerns of squatting on connectivity and has made certain changes. We would wish to bring to kind notice the following additional aspects of the same:

### Issue of squatting:

MOP while deliberating on the issue of squatting had made requirement of 50% land as the conditions subsequent. However, in the draft amendment, a more stringent criteria of 50% land and 10% project cost as equity has been proposed as condition precedent to grant of connectivity. Making this a condition precedent to grant of connectivity throws in additional challenges as enumerated below

- 1. Preferential treatment to LOA/LOI based connectivity:** It is envisaged that ~70 GW capacity shall be added which shall not be supplying to state DISCOMs and would cater to Commercial & Industrial consumers. These projects shall be at a disadvantage to LOA based projects as they have to first secure 50% land and commit 10% project cost from equity. It takes ~6 months' time for land acquisition in RE projects. While a developer is acquiring land, another developer with just a LOA can block the connectivity and the first developer shall be left with stranded land. This is exactly what happened with one of our projects. We were aggregating the land near Fatehgarh-II substation, however, we could not secure connectivity before the LOA based applications and are now left with land with no use.
- 2. Adverse impact on project economics:** The requirement of 10% project cost as equity for just securing the connectivity would be detrimental to project economics and result in low returns/higher tariffs. Given that the gestation period of transmission project is 24 to 30 months, this equity remains blocked for such a period earning no returns.
- 3. Delayed capacity addition due to gestation period mismatch:** CTUIL on its website has issued the following advisory regarding timeline of connectivity application:

“CTUIL also takes advance actions for planning of new ISTS for identified potential RE zones and getting the same approved from concerned authorities. However, considering the timelines for bidding & implementation of new ISTS, it is desirable that applicants may apply for Connectivity/GNA **preferably 30 months in advance from the Start Date of Connectivity/GNA** in new ISTS to avoid any mismatch between commissioning of RE project and associated ISTS required for evacuation/drawl of power.”

We all know that the **gestation period of RE project is 18 to 24 months**. Given the inherent mismatch between the gestation periods of transmission projects and RE it is prudent that transmission project development is given a head start. However, the present amendment envisages that RE project completes a milestone (50% land) and then apply for connectivity.

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This shall further increase the gap, skew the development and lead to delays in addition of transmission capacity.

Examples from our projects:

Project 1:	Date of LTA application	16.02.2021
	Expected date of LTA operationalization	31.12.2024
Project 2:	Date of LTA application	19.07.2021
	Expected date of LTA operationalization	31.12.2023

4. **Proposed Solution:** We fully understand and agree to the issue of squatting of connectivity. We would request reverting to MOPs suggestion of making these conditions as conditions subsequent and not a pre-requisite. Otherwise, it would stifle the development of transmission projects and RE projects shall have to wait longer for transmission availability.

Or else there could be another option of opening up of new BG route for developers who do not wish to go through the land route. They can furnish additional BG (of say 5 lakhs/MW) which shall be returnable on submission of 50% land documents. This additional BG shall ensure seriousness of the connectivity applicant. In any case even the LOA based connectivity is also secured only through a BG submitted to REIAs. This opening up of connectivity shall provide fair chance to each developer to secure connectivity of its choice and shall also result in rapid development of the transmission system (which is a need for the hour if we are to integrate 500 GW of RE)

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