

Date: 27.02.2023

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

Sub: Submission of comments and suggestions on the proposed Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023.

Ref: Draft Notification No. L-1/261/2021/CERC Dated: 27.01.2023

Dear Sir,

This has reference to the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023 published for stakeholder consultation vide notification No. L-1/261/2021/CERC Dated: 27.01.2023.

Comments and suggestions on behalf of Adani Green Energy Ltd, on the proposed Draft is submitted herewith as **Annexure-I**.

looking forward to your favorable consideration in the matter.

Thanking you,

Yours faithfully,

For & Behalf of Adani Green Energy Limited



Ravi Sinha
Manager- Regulatory Affairs

Encl: As above.

ANNEXURE-I

Comments and suggestion on Draft CERC Connectivity and GNA to ISTS (First Amendment) Regulations, 2023

Clause	Proposed under draft amendment	Proposed suggestion	AGEL Comments
New Regulation 5.8 (Xi)(a)	Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding, as the case may be:	Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding, or Bilateral PPA or Captive PPA as the case may be:	In order to encourage and promote the bilateral or captive power sale transaction under open access, respective PPA should also be allowed under the cases covered under 5.8 (Xi)(a) whose timelines are to be followed in terms of their respective PPA.
New Regulation 5.8 (Xi)(b)	<p>(i) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought; and</p> <p>(ii) Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity."</p>	<p>(i) Registered Title Deed as a proof of Ownership or lease rights or land use rights or the Land allotment letter issued by Govt. for 50% of the land required for the capacity for which Connectivity is sought; and</p> <p>(ii) except for RE Park, auditor's certificate, certifying the release of at least 10% of the land cost through equity."</p>	<p>Land allotment letter issued by govt. agencies must be accepted as proof of the land procurement where registry/lease takes little, longer time than usual.</p> <p>Major cost element for an RE park is the cost of land procurement where 10 % equity release requirement would automatically be fulfilled once 50% of park land has been procured.</p> <p>It is, therefore, requirement of equity infusion of at least 10% requested to be excluded for RE park.</p>
New Regulation 9.3- Financial Closure	An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity,	An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity, within a period as stipulated	As you are aware, REGS including Renewable power parks are generally being awarded through competitive bidding invited by agencies of Government (SECI/ NTPC/ NHPC) which already



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	<p>(a) within a period of 12 months from the date of issuance of final grant of connectivity if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or (b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity:</p> <p>Provided that such an applicant shall submit proof of Financial Closure of the project (with copy of loan sanction letter or proof of first disbursement of loan amount) to CTU within 15 days of achieving the financial closure.</p> <p>.....</p>	<p>under respective Power Purchase Agreement (PPA) signed for the setting up of REGS for which connectivity granted as the case may be.</p> <p>Provided in case of Renewable Energy Park or merchant power project without having any long term PPA or the cases covered under clause (xi) (b) of the Regulation 5.8, shall have to achieve the financial closure for the capacity of such Connectivity,</p> <p>(a) within a period of 12 months from the date of issuance of final grant of connectivity if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or</p> <p>(b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity:</p> <p>Provided that such an applicant shall submit proof of Financial Closure of the project (with copy of loan sanction letter or proof of first disbursement of loan amount or by way of commitment of funds by the company from its internal resources vis.</p>	<p>stipulate and verify achievement of financial closure</p> <p>With the above background, we would like to submit that it would lead to duplication of the stipulation and verification by two separate entities.</p> <p>In view of the above, we request you to remove any such requirement of achieving of financial closure for the REGS having valid PPAs with govt. agencies.</p> <p>Alternatively, we suggest requirement of achieving of financial closure should be linked with the compliance demonstrated under respective PPAs.</p> <p>We would like to highlight that based on the various events which are not attributable to project developer, period for achievement of financial closure may also get the extension time to time from respective implementing agencies of Government. Further, in many cases there could be delay in verification of documents submitted by project developers followed by compliance confirmation at the level of</p>



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		<p>Parent company/group company/ affiliates) to CTU within 15 days of achieving the financial closure.</p> <p>.....</p>	<p>implementing agencies w.r.t. achievement of financial closure.</p> <p>In view of the above, timelines for achieving financial closure should be link with the timelines stipulated under respective PPAs.</p> <p>Further Financial closure for other case to be allowed to be completed through internal accruals arranged by parent/group/affiliate companies as being accepted by the RE implementing agencies.</p>
<p>Amendment to Regulation 16.2</p>	<p>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>"Provided that in case of declaration of commercial operation of part capacity by the Connectivity grantee in a financial year, total quantum of such capacity declared under commercial operation within a financial year shall be considered while returning the Conn-BG2 and Conn-BG3 at the end of the financial year."</p>	<p>Conn-BG2 and Conn-BG3 shall be returned within 30 days corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee which are exempted from paying transmission charges upon its COD under the sharing regulation. Same shall apply to RE park also.</p> <p>Provided for the entities for which transmission charges in not exempted, 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>.....</p> <p>.....</p>	<p>All the REGS/RHGS including, PSP, ESS, manufacturing linked RE and New Hydro projects are exempted from paying transmission charges upon its COD under sharing regulation subject to meeting certain criteria as specified therein.</p> <p>Thus, there is no purpose to hold the Conn-BG2 and Conn-BG3 for such projects for such long period of 5 years. These projects are having very low financial margin as being bided at very low/competitive tariff and holding BG for such long period will impact its finance cost. Accordingly, it is proposed to release the BGs for such project within 30 days of declaration of its COD on proportionate basis.</p>



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<p>New Regulation 24.6- Revocation of Connectivity</p>	<p>(1) (a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity grantee fails to achieve COD either in full or in parts on or before, (i) the scheduled date of commercial operation of the generation project, for cases covered under clause (xi)(a) of the Regulation 5.8, as intimated at the time of making application for grant of Connectivity or as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be. (ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) of the Regulation 5.8 (b) In case of Applicants which have been granted Connectivity under clause (xi)(b) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the last date for declaration of COD shall be the SCOD of the project or as extended or delayed commissioning permitted by the Renewable Energy</p>	<p>Clause may be read as below: (1) Connectivity for cases covered under clause (xi) (a) of the Regulation 5.8, shall be allowed to convert into land base connectivity covered under clause (xi)(b) of the Regulation 5.8, if (i) the Connectivity grantee fails to achieve COD either in full or in parts on or before, the scheduled date of commercial operation of the generation project or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be. (ii) LOA or PPA on basis of which Connectivity was granted, is terminated prior to the COD of the project. (iii) if the generating station(s) within the RE Power Park fails to achieve COD on or before, the scheduled date of commercial operation of the generation project or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p>	<p>We would like to submit that due to various reason which are beyond the control of project developers, LoA/ PPA may get terminated/ surrendered, in such cases connectivity granted under cases covered under clause (xi) (a) may be allowed to be converted to land base connectivity under clause (xi) (b) of Regulation 5.8 as such connectivity can still be utilized as merchant power or in case of RE park same can be utilized by replacing the existing generator (whose PPA/ LOA got cancelled) with other buying entity/ off taker having valid offtake arrangements.</p> <p>Further, there can be some cases where project would be impacted by FM event and respective SCOD extension could not be granted under normal course and same may be extended later upon court adjudication or by intervention of MNRE guideline/direction. In such case opportunity to take up the project upon such extension given as a special dispensation would be lost if respective is revoked upon expiry of project timeline, Thus, it would be appropriate to convert same as the case under the case under clause (xi)(b) of the</p>



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	<p>Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p> <p>(c) Connectivity granted to an REGS (other than Hydro generating station) or ESS (excluding PSP) shall be revoked, if LOA or PPA on basis of which Connectivity was granted, is terminated prior to the COD of the project.</p> <p>(d) Connectivity granted to a Renewable Power Park developer shall be revoked for the corresponding capacity, if the generating station(s) within the Power Park fails to achieve COD on or before,</p> <p>(i) scheduled date of commercial operation of the generation project as per LOA or PPA as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.</p> <p>(ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA.</p> <p>....</p> <p>....</p>	<p>Provided for the cases covered under clause (xi)(b) of the Regulation 5.8 connectivity w.r.t the capacity which is delayed beyond twelve months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA shall be revoked and reduced to the capacity what have been commissioned by that time.</p>	<p>Regulation 5.8 as being setup without LOA/PPA.</p>



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Additional Comments proposed on the GNA Regulations for consideration by Hon'ble Commission

Clause	AGEL Comments
37 Arrangement for Transition- Direction for return of old BG in lieu of new BG furnished under GNA.	<p>For the transition case from LTA to GNA regime, CTU has collected the revised BG as required under the GNA regulation however, the old BG furnished under the LTA regime are not being returned/released by CTU and have been put on hold. None of the BGs are being released by CTU despite having multiple request/reminders from the connectivity grantee.</p> <p>In this regard, Hon'ble commission is requested to direct CTUIL to return and discharge the old BGs furnished under old regime and to keep the BGs only as collected in terms of new GNA regulation.</p>

