

### Draft CERC Connectivity and GNA to ISTS (First Amendment) Regulations, 2023

Clause	Existing	Proposed	APL Comments
5.8 (vii) Documentation for application of connectivity	In case of Renewable Power Park Developer, authorization by the Central Government or the State Government, as applicable, to undertake infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators.	In case of Renewable Power Park Developer, the following documents shall be submitted: (a) authorization by the Central Government or the State Government, as applicable, to undertake infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators; and (b) 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 (c) Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity.	Major cost element for an RE park is the cost of land. If the ownership has been taken for at least 50% of park land, then the 10% equity requirement shall automatically be complied with. Hence, the requirement of equity infusion of at least 10% is redundant and may be deleted.
15.1 Transfer of Connectivity	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	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	GNA should be transferable between Bulk Consumer and its subsidiaries and vice versa.

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	<p>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 utilized by its subsidiary companies and Connectivity granted to a subsidiary may be utilized by its parent company.</p>	<p>provided under Regulations 15.2 and 15.3 of these regulations.</p> <p>Provided that Connectivity granted to a parent company may be utilized by its subsidiary companies and Connectivity granted to a subsidiary may be utilized by its parent company.</p> <p>Provided further that where a bulk consumer has been granted GNA under Regulation 17.1(iii) seeking to connect to ISTS directly, GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries.</p>	
18.3 Deemed Grant of GNA	-	For a host State in which a regional generating station is located, and is connected only to STU system or connected to both STU system and ISTS, the GNA quantum at Annexure-I shall be reduced by the GNA quantum calculated based on the methodology specified in Annexure-II to these Regulations.	Explanation is required for better clarity.

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20.4 GNA for drawing Renewable Energy by DISCOMS and Bulk Consumers	-	<p>Entities covered under clause (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA:</p> <p>Provided that if such an entity with GNARE intends to draw power from the sources other than the sources identified at clause (2) of the Regulation 13 of the Sharing Regulations, it may:</p> <p>(a) apply for grant of additional GNA; or</p> <p>(b) it may convert GNARE into GNA by making an application to the Nodal Agency.</p>	<ul style="list-style-type: none"> <li>• We humbly submit that, while the existing regulations and proposed amendment does not restrict such scenario whereby existing Discoms/ Bulk consumers connected to ISTS and having GNA for certain quantum shall have the option to meet their load growth by applying for additional GNARE, it may be clarified in final amended GNA Regulations to include such scenarios.</li> <li>• Also, the current regulation restricts the option to avail the benefit of GNARE to ISTS connected Discoms and Bulk Consumers (covered under 17.1(iii)). However, there is a possibility that STU connected Discoms/Bulk Consumers also find merit in such provision and thus the opportunity to optimize the ISTS charges shall also be</li> </ul>

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			extended to such entities. While the applicability of STU charges would be driven by SERC regulations, benefit of waiver of ISTS charges applicable under GNA <sub>RE</sub> shall also be available to such STU connected entities.
23.1 Use of GNA by other GNA grantees	An entity covered under Regulation 17.1 which is a GNA grantee, may authorize other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding <b>1 (one) year</b> at a time on mutually agreed terms and conditions:	An entity covered under Regulation 17.1 which is a GNA grantee, may authorize other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding <b>3 (three) years</b> at a time on mutually agreed terms and conditions:	The max limit of three years may be removed.
24.6 Relinquishment of Connectivity	-	Revocation of Connectivity (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,	<ul style="list-style-type: none"> <li>• Currently, as per the procedure, based on connectivity applications of generation projects, CTU carries out transmission planning and the cost of which (now as per GNA Regulations) shall be shared</li> </ul>

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		<p>(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.</p> <p>(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 .</p> <p>(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</p>	<p>among Drawee DICs. The Sharing Regulations clarify that if the COD of the generation projects get delayed, the generating entity has to pay the corresponding Yearly Transmission Charges for Associated Transmission System for the delay period.</p> <ul style="list-style-type: none"> <li>• However, there could be a situation whereby the generation project gets abandoned eventually without getting commissioned/gets bankrupt. In such a situation, the corresponding transmission charges would continue to be a part of entire pool and Drawee DICs would be compelled to bear the burden of such unutilized asset.</li> <li>• Clarity may be provided as to the treatment of Relinquishment charges to</li> </ul>

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		<p>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>(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</p>	<p>be decided / recovered for such exceptional events.</p>

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		<p>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>(2) In case of revocation of Connectivity under subclauses (a) to (d) of Clause (1) of this regulation, Conn-BG-1, Conn-BG2 and Conn-BG3 shall be dealt with in terms of regulation 24.2 or regulation 24.3 of these regulations, as applicable.</p>	
40.2 Payment of Charges	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.	<p>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.</p> <p><b>Provided that One-time GNA charges shall not be payable for the capacity which has been declared commercial operation as on date of coming into effect of these Regulations.</b></p>	<ul style="list-style-type: none"> <li>• The proposed amendment clarifies that One-time GNA charges are not required to be paid for the capacity which has been declared under commercial operation.</li> <li>• Similarly, the requirement of Conn-BG 3 (bank guarantee) for seeking additional GNA by entities falling under Regulation 4.1 and 17.1 corresponding to the capacity already under</li> </ul>

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			commercial operation should be done away with as there is no need for any collateral requirement in the form of Conn-BG 3 because the capacity is already operational.

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

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3.2 & 3.3 – Application for Grant of Connectivity and GNA	<p>3.2 Each application for grant of Connectivity shall be accompanied by an application fee of Rs.5 lakh along with applicable taxes.</p> <p>3.3 Each application for grant of GNA shall be accompanied by an application fee of Rs.5 lakh along with applicable taxes.</p> <p>Provided that no application fee shall be payable by the State</p>	-	<ul style="list-style-type: none"> <li>• The proposed amendment clarifies that One-time GNA charges are not required to be paid for the capacity which has been declared under commercial operation.</li> <li>• Similarly, it may be clarified that Application fees shall not be payable for the generators which are already under commercial operation. Accordingly, the following proviso be added after Clause</li> </ul>



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	Transmission Utilities while applying for GNA.		3.2 and 3.3 of the GNA Regulations: <b><i>“Provided that Application fees shall not be payable for the capacity which has been declared commercial operation as on date of coming into effect of these Regulations.”</i></b>
39.1 & 39.2 Detailed Procedure	Nodal Agency, i.e., CTU shall issue the ‘Detailed Procedure for Connectivity and GNA’ in line with these regulations.....	<b>Provided that the Nodal Agency shall issue revised formats and shall submit revised Detailed Procedure for approval of the Commission within 1 month of notification of these regulations after stakeholder consultation.</b>	Clause 18 (iv) of presently prevailing GNA Procedure reads as under: <i>Generating entities other than CGS which are connected to the grid and have been granted LTOA under the Connectivity Regulations, 2004, shall be granted deemed GNA equal to LTA effective to firm beneficiaries. The connectivity for these projects would be considered same as LTOA and would remain valid even if the LTOA got relinquished. For balance quantum (installed capacity - firm LTA/LTOA), GNA shall be granted under regulation 37.6 on</i>

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			<p><i>submission of requisite bank guarantees.</i></p> <p>The following may be clarified in respect of the above:</p> <ul style="list-style-type: none"> <li>• The Connectivity shall be deemed for the capacity which has been declared commercially operational as on date of coming into effect of these Regulations, as the plants are already connected to the ISTS corresponding to such capacity.</li> <li>• Deemed GNA would be considered same as LTA/LTOA and would remain valid even if the LTA/LTOA got relinquished.</li> <li>• For balance quantum (Installed capacity – LTA/LTOA), additional GNA shall be granted under regulation 37.6.</li> </ul>
New Proposed	-	<b>“Associate” or “Affiliate”</b> means, in relation to either Party, a person who controls, is controlled by, or is under	Associate/Affiliate should also be allowed to use GNA/T-GNA in case the same is not being

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		the common control with such Party (as used in this definition, the expression “control” means, with respect to a person which is a company or corporation or body or entity, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person, whether by operation of law or by contract or otherwise);	utilized by the original GNA grantee.
17.1 (iii) Eligibility of GNA	<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: 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>(iii) A distribution licensee or a Bulk consumer, seeking to</p>	<p>The following Clause 17.1 (vii) may be added in Clause 17.1 below Clause 17.1 (vi)</p> <p>....</p> <p>(vii) Distribution Licensees on behalf of its Consumers.</p>	<p>Distribution Licensees on behalf of its Consumers shall also be eligible to apply for grant of GNA or for enhancement of the quantum of GNA.</p>

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	connect to ISTS, directly, with a load of 50 MW and above;		
20.4 (New Clause proposed in the Amendment)	<p>Entities covered under clause (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges</p> <p>In accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA.</p>	<p>Entities covered under clause <b>(i) to (iii)</b> of Regulation 17.1 of these regulations <b>including Distribution Licensees on behalf of its Consumers</b> shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission charges</p> <p>In accordance with the Sharing Regulations. For purpose of these regulations GNARE shall be same as GNA.</p>	<p>State Transmission Utility on behalf of intra-State entities including Distribution licensees, A drawee entity connected to intra-State transmission system and Distribution Licensees on behalf of its Consumers should also be eligible to obtain GNARE for getting ISTS waivers under GNARE as detailed in Annexure-III, point no. (1) (ii) for getting waiver of a drawee DIC which has obtained "GNARE".</p>
20.4 (New Clause proposed in the Amendment)	<p>Entities covered under clause (iii) of Regulation 17.1 of these regulations shall be eligible to apply for GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such GNA shall be called as GNARE for purpose of calculation of transmission</p>	<p>Following proviso may be added to the newly proposed Clause 20.4:</p> <p>"Provided further that where a bulk consumer/<b>Discom</b> has been granted GNA under Regulation 17.1(iii) seeking to connect to ISTS directly, GNA granted to such Bulk consumer/<b>Discom</b> may be utilized in</p>	<p>Similar flexibility should also be allowed to Distribution Companies for utilization of GNA in part or full by its subsidiaries/it's Associate / Affiliate or vice versa.</p>

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	charges in accordance with the Sharing Regulations.	part or full by its subsidiaries/ <b>it's Associate/Affiliate or vice versa."</b>	
26.1 – Eligibility of T-GNA	-	New Clause proposed under Eligibility of T-GNA 26.1 .... 26.1 (d) Distribution Licensees on behalf of its Consumers.	Distribution Licensees on behalf of its Consumers shall also be eligible to apply for grant of T-GNA.