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Sent: Mon, 27 Feb 2023 20:55:33 +0530 (IST)
Subject: Comments/suggestions/objections on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023

To,

Sh. Harpreet Singh Pruthi,
Secretary - CERC

Dear Sir,

Greetings from Aditya Birla Group!

This is with reference to comments/ suggestions/ objections solicited from the stakeholders on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023.

At the outset, we thank you for providing this opportunity and extending the last day of submission to 27th Feb 2023. We would like to emphasise that the amendments proposed in Clause 5.8 of GNA puts significant disadvantage on large and serious conglomerates wanting to setup GW-scale Group Captive Projects on ISTS mode. The proposed clause brings back land and funding requirement for applying Connectivity, in absence of PPA by REIA or distribution licensee or its authorised agency.

You may appreciate that amidst the uncertainties in projects resulting from competitive bidding, the C&I and Group Captive sector has emerged to be most promising in addressing de-carbonisation needs of hard-to-abate sectors. Moreover, many project developers have secured Connectivity on basis of winning bids from REIAs, however, they have not gone ahead with the projects resulting in valuable evacuation infrastructure not being utilised/ delayed.

Since in the current situation where Connectivity is a limited resource, aggregating land in vicinity of the Grid Substation(s) and infusing funds in mere anticipation of connectivity, is a highly risky proposition. The aggregated land becomes a huge liability in case connectivity is not granted or is granted years later than it is required. In fact, the Captive RE players heartily welcomed the

new regulations doing away with such requirements and putting simple high value BG mandates in place. It was a clear sign of a maturing RE market that has evolved beyond competitive bids facilitated by govt bodies in its nascent years. Reverting to such clauses that existed in 2009 Connectivity Regulations would put brakes on this self-sustaining model of RE transitioning.

Thus, to promote serious C&I and Captive developers setting up large RE plants, we request doing away with the amendment of introducing land and funding requirements or at the least make it in line with decisions taken in meeting dated 05.09.2022 under Hon'ble Minister of Power for making provisions to demonstrate 50% lease/ownership rights of land within 6 months from date of grant of Connectivity.

We hope the proposed amendment would be reconsidered to pave way for obtaining Connectivity by serious captive RE developers and help improve ease of doing business in Power sector.

Best,
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