

Date: February 27, 2023

To,  
Shri Harpreet Singh Pruthi  
Secretary  
Central Electricity Regulatory Commission (CERC)  
New Delhi

**Sub.: Suggestions/Comments on Draft CERC (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**



**Vikas Bansal**

VP- Policy and Communication  
Azure Power India Private Limited



**Azure Power Feedback/Suggestion on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023**

We request Commission to expedite the process of transition. GNA became effective on 15<sup>th</sup> October 2022 vide notification No L-1/261/2021/CERC dated 9<sup>th</sup> October 2022 and confirmation for transition was also taken from RE developers. Despite the above, there continues to be uncertainty about, which regulation is applicable and how much longer the old regulation will remain effective. This clarity is required by the RE developers so as to be able to assess and report, as and where required, with full certainty, their obligations and risk exposures under the contracts entered into with CTU.

We further request Commission to define ATS more precisely. As per the current GNA Regulation ATS is “Augmentation required for immediate evacuation of power of the Applicant(s), excluding terminal bay(s)”. Here, Augmentation for immediate evacuation of power is not defined. Due to which risk and obligation under which RE developers are, cannot be estimated, since amount of CONN BG-2 is dependent on ATS.

S. No.	Clause	Draft Clause	Require Changes	Rationale
1	4.2	<p>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:</p> <p>Provided that in case of Applicants being multi-located REGS, the details of locations and capacity at each location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be, shall be submitted.</p>	<p><b>Request Commission to amend the clause as below:</b></p> <p>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:</p> <p>Provided that in case of Applicants being multi-located REGS, the details of locations and capacity at each location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be, shall be submitted.</p>	<p>Currently, generators apply for connectivity based on LOA received however some of the developers face delay in getting final signed PPA where in some case delay from couple of months to years.</p> <p>We request connectivity start date to be aligned with signed PPA SCOD date where connectivity is based on LOA.</p>

S. No.	Clause	Draft Clause	Require Changes	Rationale
			<p>Provided that the start date of Connectivity should aligned with the signed PPA SCOD date 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>	
2	4.2	<p>5.8 (xi) (b) (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><b>Request Commission to replace draft clause as below:</b></p> <p>5.8 (xi) (b) (i) Ownership or lease rights or land use rights for 50% of the land required for the capacity of Connectivity; and</p> <p>(ii) Financial closure of the project (with copy of sanction letter) or release of at least 10% of the project cost including the land acquisition cost through equity, duly supported by Auditor's certificate/ Independent Chartered Accountant certificate.</p> <p>(iii) If a grantee of Stage-II Connectivity covered under Regulation 5.8 (xi) (b) , subsequently submits LOA or PPA with Renewable Energy Implementing Agency or distribution licensee, consequent upon tariff based competitive bidding within nine months</p>	<p>We request commission to keep these milestones as it was in Connectivity procedure 2021 and include financial closure as a milestone to seek connectivity, as availability of funds are the most important aspect in a project development.</p> <p>If any developer is able to secure debt from any lender or equity through parent company or funds required for the project through any other medium, and able to meet financial closure requirement, the developer should be</p>

S. No.	Clause	Draft Clause	Require Changes	Rationale
			<p>from date of grant of Stage-II Connectivity or within nine months prior to SCOD of substation at which Stage-II Connectivity is granted, it shall be deemed to be a grantee under Regulation 5.8 (xi) (a) and shall be required to meet the conditions under Regulation 5.8 (xi) (a)</p>	<p>allowed to seek connectivity based on that.</p> <p>There must a timeline for the RE developer to switch from Clause no 5.8 (xi) (b) to 5.8 (xi) (a).</p>
3	8.1	<p>9.3 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, (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><b>Request Commission to amend the clause as below:</b></p> <p>9.3 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, (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 or (c) as per financial closure timeline defined in LOA/PPA agreement for projects covered under clause (xi) (a) of the Regulation 5.8</p>	<p>We request financial closure for connectivity grantee based on LOA/PPA or projects falling under clause 5.8 (xi) (b) and converted to clause 5.8 (xi) (a) should be aligned with PPA financial closure timelines.</p>

S. No.	Clause	Draft Clause	Require Changes	Rationale
			<p>or project subsequently converted from clause (xi) (b) of the Regulation 5.8 to clause (xi) (a) of the Regulation 5.8.</p>	
4	19.1	<p>24.6 (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,</p> <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>Request Commission to amend the clause as below:</b></p> <p>24.6 (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,</p> <p>(i) <a href="#">the maximum timeline of PPA within which RE developer is allowed to commission the project with penalty/LD (Long stop date), for cases covered under clause (xi) (a) of the Regulation 5.8, or as extended or delayed long stop date 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.</a></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>Connectivity should not be revoked if commissioning is not achieved till PPA SCD or extended SCD by REIA or discoms.</p> <p>RE Developer should be allowed to commission the project at least till long stop date with penalties which are only applicable after PPA SCD or extended SCD</p>

S. No.	Clause	Draft Clause	Require Changes	Rationale
5	19.1	24.6 (1) (e) <b>New Clause</b>	<p><b>Request Commission to add a new clause as below:</b></p> <p>24.6 (1) (e) Applicant covered under Regulation 5.8 (xi) (a) should have an option to file revised application based under Regulation 5.8 (ix) (b) in case of cancelation of LOA or PPA before the COD of the project 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>The developer should have an option to move the connectivity granted under LOA/PPA based mechanism in case of cancelation/ revocation of project to connectivity based on Regulation 5.8 (xi) (b) to safeguard the investments in the project.</p>