

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

Sl No	Clause	Original Clause	Recommended Clause	Rationale
1	5.2	Notwithstanding anything contained in Regulation 5.1, a generating station or ESS, with prior approval of CTU, shall be eligible to add, within the quantum of Connectivity granted to it, additional generation capacity or ESS, owned by the generating station or the ESS or any other entity:  .....	Notwithstanding anything contained in Regulation 5.1, a generating station or ESS <b>connected with Grid</b> , with prior approval of CTU, shall be eligible to add, within the quantum of Connectivity granted to it, additional generation capacity or ESS, owned by the generating station or the ESS or any other entity:  <b>Provided that Start date of connectivity shall get extended corresponding to SCOD in terms of PPA for applicants covered under 5.8 (xi)(a) 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.</b>	1. There are many bids from REIAs which only allow co-location of ESS with either Solar/Wind component. It is requested to provide clarity in Definition of ESS.  2. Further, there are provisions to change the Project configurations/Repowering in Bidding documents. In such cases, there may be instances, wherein the SCODs are changed/extended due to change in configuration for Hybrid or RTC projects. Therefore, it is also requested to provide commensurate extension provisions for Start date of connectivity due to such addition of Generation or ESS as per approvals of REIAs.
2	5.8 (vii) (a)	(a) authorisation 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	(a) authorisation 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 <b>or REGS or RHGS</b> ; and....	Request to include Hybrid or Hybrid+ESS projects as defined in GNA Regulations for RE park Developers.
3	6.1	..... Provided that the existing ISTS for the purpose of this Regulation shall include transmission system which has been awarded for implementation, as on the last day of the month in which application for grant of Connectivity complete in all respects, has been received:	..... Provided that the existing ISTS for the purpose of this Regulation shall include transmission system which has been awarded for implementation <b>or approved by NCT or where augmentation without ATS is required</b> , as on the last day of the month in which application for grant of Connectivity complete in all respects, has been received:	1.The current clause gives an impression that common network expansion schemes which are not yet awarded will not be covered under existing system, which is not justified. It is also important to note that schemes which have been approved as common network expansion schemes and strengthening for existing transmission infrastructure, basis which RE bids are issued by Central Government Agencies, should also be included in the definition of Existing System.  2. Further, it is important to provide clarity on definition of <b>Existing System</b> as <b>"augmentation without ATS"</b> BGs have addressed under clause 8.2 which provides for CON BG 3 of Rs. 2 lakhs/MW for Existing system.
4	7.2	augmentation (with ATS or without ATS)		Request to <b>define augmentation with ATS</b> as it directly affects the submission of BGs and levy of transmission charges under Sharing Regulations due to breach of Start date of Connectivity by Generators.
5	9.2	..... Provided further that if the Connectivity grantee fails to achieve the financial closure within the stipulated time as per this regulation or fails to submit the copy of financial closure as per first proviso to this regulation Connectivity shall be revoked and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable	..... Provided further that if the Connectivity grantee fails to achieve the financial closure within the stipulated time as per this regulation or fails to submit the copy of financial closure as per first proviso to this regulation <b>Connectivity shall pay Transmission Charges in terms of Sharing Regulations and subsequently revoked in terms of clause 16.3 of these Regulations.</b>	The only case of Revocation provided under Principal GNA regulations is non-payment of Transmission charges for continuous 3 (months). Further, there is a provision of LC equivalent to Transmission charges provided under Sharing Regulations. Therefore, it is prudent that clause 16.3 be pursued wherein non-payment of transmission charges for continuous 3 months, thereafter invocation of LC and subsequently BG encashment which sufficient to recoup transmission charges should be followed rather than straightforward revocation. Therefore, revocation shall only take place as per provision of Regulation 16.3 of GNA regulations.
6	15.1	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 provided under Regulations 15.2 and 15.3 of these regulations:  Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company.  .....	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 provided under Regulations 15.2 and 15.3 of these regulations:  Provided that Connectivity granted to a parent company may be utilised by its subsidiaries <b>or affiliate</b> companies and Connectivity granted to a subsidiaries <b>or affiliates</b> may be utilised <b>or transferred to its parent or subsidiaries or affiliate company with prior approval from CTU.</b>	1. The new proviso shall cover cases where PPA/LOA has been terminated, then Connectivity holder may transfer the same connectivity for other contracts under 5.8 (xi)(b) to its subsidiary/affiliates.  2. Further, there may be situation where delay in execution of PPA would lead to undue holding of connectivity granted based on LOA obtained under 5.8(xi)(a) and vice versa. In such cases, developer may be allowed to transfer such connectivity to other subsidiaries/affiliates and utilize it for some other Project under 5.8 (xi) (b) or 5.8(xi)(a), as applicable after termination of LOA.  3. Hon'ble Commission may also look to consider where utilization of connectivity among subsidiary companies/affiliates to cater to aforesaid cases with prior approval of CTU.  4. Allowing utilization of connectivity between two wholly owned subsidiary companies of the same parent company and/or a company where the company exercises its control will not prejudice any existing rights of the Central Transmission Utility (CTU), Power Grid Corporation of India Ltd. (PGCIL) or other transmission licensees and that the obligations of payments will remain secured due to presence of the parent company exercising its control over such subsidiaries. Further, to take care of any concerns, the Commission may amend the Connectivity Agreement to incorporate the new entity as the principal entity to be liable for bearing transmission charges towards the open access granted by CTU. Also, a bank guarantee is also furnished by such entity to further protect interests and investments of transmission licensees.

7	24.6	<p>24.6 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,  (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 Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.  (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.  (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,  (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.  (ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA</p>	Deleted	The only case of Revocation provided under Principal GNA regulations is non-payment of Transmission charges for continuous 3 (months). Further, there is a provision of LC equivalent to Transmission charges provided under Sharing Regulations. Therefore, it is prudent that clause 16.3 be pursued wherein non-payment of transmission charges for continuous 3 months, thereafter invocation of LC and subsequently BG encashment which sufficient to recoup transmission charges should be followed rather than straightforward revocation. Therefore, revocation shall only take place as per provision of Regulation 16.3 of GNA regulations.
8	37.8	<p>.... Provided that settlement of transmission charges inter-se between such trading licensee and the concerned grid connected entity(ies) shall be made in terms of the existing agreement between them or as may be mutually agreed.</p>	<p>.... Provided that settlement of transmission charges inter-se between such trading licensee and the concerned grid connected entity(ies) shall be made in terms of the existing agreement between them or as may be mutually agreed.  <b>Provided that any deviation in settlement mechanism of transmission charges for generating projects under section 63 of the Act should be duly pre-approved by Appropriate Commission as per extant Bidding Guidelines issued by Appropriate Government.</b></p>	Bidding documents already include definition of Delivery Point basis which tariffs are quoted as per Section 63 bidding guidelines. However, REIAs are inserting clauses to claim transmission charges as well without bringing it to the notice of Hon'ble Commission and thereby deviating from Bidding guidelines. Inclusion of such proviso should be made applicable only if it is duly approved by commission as per Bidding Guidelines.
9	2.1 (ah) - Definition	(ah) "Renewable Hybrid Generating Station" or "RHGS" means a generating station based on hybrid of two or more renewable source(s) of energy with or without Energy Storage System, connected at the same inter-connection point;	(ah) "Renewable Hybrid Generating Station" or "RHGS" means a generating station based on hybrid of two or more renewable source(s) of energy with or without Energy Storage System, connected at the same inter-connection point or multiple inter-connection points;	Since Proviso to 5.8 (xi)(a) already speaks about "multi-located REGS", the same should be made clear under RHGS definition as well.
10	New Clause after clause 2.1 (al)	Start Date of Connectivity	<p><b>Start date of Connectivity to be defined as the date on which all the elements of Transmission system as per Final Grant of connectivity are available and ready to evacuate power.</b></p> <p><b>Provided, that Start date of connectivity for Projects covered under 5.8 (xi) (a) shall be not be earlier than corresponding date of SCOD in terms of PPA 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.</b></p>	<p>1. It is important to define the Start Date of Connectivity to bring in interpretational clarity and should correspond to earlier usage of term "LTA Operationalization date". There has also been a long-standing demand of industry that in cases of Force Majeure or due to any reason, competitively bid out SCODs in such PPAs should have corresponding extension of LTA operationalization date. Therefore, it is obvious that corresponding extension in Start date of connectivity should also be provided for competitively bid out projects, in case SCOD is extended by REIAs.</p> <p>2. Further, there is a long stop date of SCOD as provided under such PPAs i.e. SCOD after encashment of PBGs. Therefore, delayed commissioning as provided under PPAs should also get qualified for corresponding extension in start date of connectivity. Developers are already incurring loss of PBG as a penalty. Additional penalty in form of transmission charges due to breach of start date of connectivity should not be levied on delayed commissioning with PBG encashment.</p> <p>3. The aforesaid rationale on extension of Start date of connectivity should also be applicable for projects shifting from Land &amp; Auditor route to LOA/PPA route.</p>