

Enel Green Power India Pvt Ltd - Comments on Draft CERC (Connectivity and General Network Access to the ISTS) (First Amendment) Regulations, 2023

I. Regulation wise comments

Reg no	Proposed Amendment	Changes proposed in Red	Reasoning
5.8 (xi)	<p>In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:</p> <p>(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>Or</p> <p>(b)</p> <p>(i) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for</p>	<p>In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:</p> <p>(b) 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 with an open access consumer, trader, captive power plant:</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>Or</p> <p>(b)</p> <p>(i) Registered Title Deed as a proof of Ownership or lease rights or land use</p>	<p>The pre-requisites for taking connectivity must also include the PPA with open access consumers/traders/ CPPs to promote Open Access in RE space. The Green Energy Open Access Rules issued by Ministry of Power also promotes purchase and consumption of green energy by Open Access consumers.</p> <p>The requirement for certification by REIA or any agency may be removed. The LOA issued by REIA would mention the locations of the proposed projects in most cases. Seeking additional certification from REIA would entail administrative delays. The locational details may be sought in the connectivity application formats to be submitted by the applicant.</p> <p>As per the MoP letter dated 26.09.2022, the requirements of 50% land and FC or 10% equity is to be met by within 6 months from date of grant of</p>

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	<p>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>rights for 50% of the land required for the capacity for which Connectivity is sought; and or</p> <p>(ii) Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity or financial closure of the project with copy of sanction letter</p>	<p>connectivity by the Generator. However, the draft amendments seek these requirements to be met at the time of connectivity application and are not as per the MoP directions.</p> <p>It is hence suggested that to address the situation of squatting and promoting serious players, the generator applicant be required to meet either of the two conditions at time of making the connectivity application, with the other condition to be met at the time of financial closure in accordance with Regulation 9.3.</p> <p>Further, the requirement of auditor's certificate certifying the release of at least 10% of Project cost at the time of connectivity application is very onerous financially so early in project development stage. Considering that connectivity applications are made for 300 MW/ 350 MW (limited to bay capacity), the equity requirement of 10% project cost comes to Rs 150 to Rs 175 Cr (Rs 5 Cr/MW capital cost). Such mobilization so early in project development cycle is not possible.</p>

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			Alternatively, if financial commitment is required to be seen at application stage, the same may be limited to land acquisition cost at the time of the connectivity application.
9.3	<p>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>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>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</p>	<p>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>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>Provided further projects that are granted connectivity on the basis of LOA/ PPA issued by REIA and in the event the REIA extends the time for achieving Financial Closure under such PPAs, then the period of achieving financial closure</p>	<p>Achieving Financial Closure is a time-based condition to be met under the PPA. Sometimes financial closure is not achieved due to external factors which are beyond the control of the project developers, such as PSAs not approved by the State Commission or PSA/PPA not executed by Renewable Energy Implementing Agency within stipulated time frame. In such cases, REIA extends the time for achieving financial closures with or without commensurate extension in SCOD of the project.</p> <p>It is request that, similar time extensions be provided to the connectivity grantee, if the FC timelines are extended by REIA. Further, for projects that are non-RIEA projects, they be given an opportunity to approach CTU to present their case for seeking time extension for FC and CTU may grant such extension on case-to-case basis.</p>

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	<p>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.</p>	<p>would be extended by CTU matching the revised extended timeline. For projects that are granted connectivity on the basis of land, the developer should submit their request to CTU for an extension of FC, in writing with proper documentary evidence, and CTU may grant an extension on case-to-case basis.</p> <p>Provided further that if the Connectivity grantee fails to achieve the financial closure within the stipulated time or under extended timelines 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.</p>	
20.4	<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 GNA_{RE} for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNA_{RE} shall be same as GNA:</p> <p>Provided that if such an entity with GNA_{RE} 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>Entities covered under clause i), ii) & (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 GNA_{RE} for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNA_{RE} shall be same as GNA:</p> <p>Provided that if such an entity with GNA_{RE} 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>Clause 20.4 of the draft GNA regulations is restrictive for Open Access consumers connected to STU network (almost all bulk consumers), to apply for GNA_{RE}. This is counterproductive for enabling Open Access consumers to avail waiver for usage of ISTS network, which is in line with MoP's order for waiver of ISTS charges for usage of RE power.</p> <p>It is suggested the option to apply for GNA_{RE} should be with all the consumer categories, if not all it should be extended to category ii) under Regulation 17.1 at least which is, a</p>

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	<p>a. apply for grant of additional GNA; or</p> <p>b. it may convert GNA_{RE} into GNA by making an application to the Nodal Agency.</p>	<p>b. it may convert GNA_{RE} into GNA by making an application to the Nodal Agency.</p> <p>c. It may convert GNA into GNA_{RE} by making an application to the Nodal Agency</p>	<p><i>drawee entity connected to intra-State transmission system.</i></p> <p>This will help in aligning the waiver option with the Clause 13, 2 and Annexure III, of ISTS sharing regulation. Under the current formulation, an intra-state OA consumer drawing 100% RE power but connected and embedded within a state, will not get the benefit of waiver in transmission charges and the waiver is limited to the waiver availed by the Discoms under the formula in Annexure III.</p> <p>Further, there would be entities current using conventional power to meet their requirements, with a plan to transition to green power over the coming years. Such entity would begin with a GNA drawing conventional power and would necessarily apply for GNA_{RE} and surrender commensurate GNA capacity, bearing the GNA relinquishment charges while the power requirement remains the same. It is suggested that GNA grantees be permitted to convert GNA to GNA_{RE} without having to bear the GNA Relinquishment charges.</p>

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24.6	<p>Revocation of Connectivity</p> <p>(1)</p> <p>(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) 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</p>	<p>Revocation of Connectivity</p> <p>(1)</p> <p>(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>Provided that the applicant converts the connectivity granted under Regulation 5.8 (xi) (a) to connectivity grant under Regulation 5.8 (xi)(b) meeting the requirements and paying the transmission charges as per Sharing Regulations.</p> <p>(ii) six months after the scheduled date of commercial operation as intimated in the 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</p>	<p>Extract of notified amendment in Sharing Regulation 2022 is re-produced as under</p> <p><i>13 (3)</i></p> <p><i>Where COD of a Connectivity grantee other than Renewable Power Park Developer is delayed on or before start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which has not achieved COD.</i></p> <p>...</p> <p><i>13 (7)</i></p> <p><i>Where Connectivity is granted to a Connectivity grantee other than Renewable Power Park Developer, on margins of existing system or on the augmented system with no ATS, and if the COD of such Grantee is delayed beyond start date of connectivity, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 3000/MW/month</i></p>

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	<p>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>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.</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, provide the connectivity grantee submits an application for conversion of the connectivity granted for coverage under clause (xi)(b) of Regulation 5.8.</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</p>	<p>The Sharing Regulations address the issue of delay on the part of connectivity grantee and ensure the delaying party bears the consequent transmission charges. It is hence requested that the connectivity granted should not be revoked in cases where the project is under construction and delayed and would be commissioned.</p> <p>The concern of the CTUIL and Regulations is to ensure that the projects granted connectivity are commissioned and transmission charges duly recovered by the defaulting party.</p> <p>Revocation of connectivity should be the last option and should only be done if significant progress is not being made by the connectivity grantee on ground. Project progress is taken in the quarterly Joint Coordination Committee Meetings called by CTUIL and also submitted to CEA on monthly basis by the project developer, and in case CTUIL assess that no progress is being made by the progress, a notice can be issued to the project developer seeking reasons for no progress being made by the project. If the response so submitted is not satisfactory and it is</p>

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		station(s) being set up without LOA or PPA.	<p>established that the project will not come up, only in such situations the connectivity may be revoked.</p> <p>Further, Regulation 24.6 (1)(a)(i) revokes connectivity of corresponding project capacity not commissioned by the SCOD or extended SCOD as permitted by REIA. It is submitted, the connectivity should not be revoked as a default option, and the developer be given the option to convert the connectivity granted under LOA/PPA basis to Land/FC basis since it would have met these criteria.</p> <p>The part capacity not commissioned and terminated under the PPA by the REIA would be developed and offered for sale under non-REIA routes, thus ensuring the connectivity granted and transmission assets so created are utilized prudently and the investments made in the projects remain viable. There is not loss to the system.</p> <p>Regulation 24.6 (1)(b)(ii) revokes connectivity six months after the SCOD as intimated at the time of "<i>making application for grant of connectivity</i>", instead of as "<i>intimated in the grant of connectivity</i>". The date of connectivity</p>

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			<p>is confirmed only at the time of final grant by CTUIL which can be different than the date asked for by the applicant. Hence it is request that the suggested change may be considered.</p> <p>Regulation 24.6 (1)(c), revokes connectivity granted if the LOA/ PPA is terminated. PPA termination is usually due to delay in signing of PSAs by REIA with State or inability to sign the PPA. The developer is not at fault and would have acquired the land, made investments, and progressed on the project development in anticipation of eventual signing of the PPA.</p> <p>Revocation of connectivity is an undue penalty on the developer and the site per se has not issue. It is suggested that instead of outright revocation, developer should be permitted to convert the connectivity granted as granted under land route and meet the requirements.</p>

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22.4	<p>Effective Date of GNA</p> <p>(a) For Connectivity grantees covered under Regulation 4.1 of these regulations, the effective date of GNA of such Connectivity grantees shall be the start date of Connectivity or COD of ATS, whichever is later.</p> <p>Provided that where only some of the transmission elements of the ATS have achieved COD before the COD of the ATS and the Connectivity grantee seeks part effectiveness of its Connectivity, the Nodal Agency shall make such part Connectivity and corresponding GNA effective, subject to availability of transmission system.</p> <p>Provided also that where such GNA is yet to become effective, such entity shall be eligible to get its power scheduled partly or fully of the quantum of Connectivity sought for, subject to availability of transmission system by treating such access as deemed T-GNA and shall not be required to pay T-GNA charges.</p>	<p>Effective Date of GNA</p> <p>(a) For Connectivity grantees covered under Regulation 4.1 of these regulations, the effective date of GNA of such Connectivity grantees shall be the start date of Connectivity or COD of ATS, whichever is later.</p> <p>Provided that where only some of the transmission elements of the ATS have achieved COD before the COD of the ATS and the Connectivity grantee seeks part effectiveness of its Connectivity, the Nodal Agency shall make such part Connectivity and corresponding GNA effective, subject to availability of transmission system.</p> <p>Provided also that where such GNA is yet to become effective, such entity shall be eligible to get its power scheduled partly or fully of the quantum of Connectivity sought for, subject to availability of transmission system by treating such access as deemed T-GNA and shall not be required to pay T-GNA charges.</p> <p>Provided further such T-GNA grantee shall be treated at par with the GNA grantee for the purpose of scheduling provisions under Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2022</p>	<p>Amendments provide for a GNA Grantee can schedule power under T-GNA, which is a welcomed provision. This is required in cases wherein the transmission system is yet to achieve its COD or is under commissioning and power is required to be evacuated on an alternate route or on the margins available. However, since the power is flowing under T-GNA, the generator has to schedule power as per the provisions of, IEGC and T-GNA Procedures as per which no revision of schedule is permitted.</p> <p>As per the draft IEGC, power scheduled under T-GNA cannot be revised. Relevant extract of Draft IEGC is provided as under:</p> <p>47 <i>(4) Revision of schedules on request of regional entities:</i> <i>(a) SLDCs, regional entity generating stations, regional entity ESSs, beneficiaries, buyers or cross-border entities may revise their schedules under GNA as per clause (b) and clause (c) of this Regulation in accordance with their respective contracts.</i> <i>Provided that scheduled transactions under T-GNA once scheduled cannot be</i></p>

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			<p><i>revised other than in case of forced outage as per clause (7) of Regulation 47 of these regulations.</i></p> <p>It is submitted the power that is being scheduled is actually GNA transaction power and not a T-GNA transaction power. It is requested that appropriate changes be introduced in the Draft IEGC and T-GNA Scheduling procedures, to treat power flowing under T-GNA under such circumstances as power being scheduled under GNA.</p>