

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

MSEDCL submits the comments as follows;

Clause/ Ref. Page	Existing Clause in Regulation	Clause proposed in First Amendment	Remarks
5.2	<p><i>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, including ESS.;</i></p> <p><i>Provided that for such additional generation capacity, the said generating station shall be responsible for compliance with the Grid Code and other regulations of the Central Commission</i></p>	<p><i>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;</i></p> <p><i>Provided that the generating station or the ESS being the existing Connectivity Grantee shall be responsible for compliance with the Grid Code and other regulations of the Central Commission for such additional generation capacity including ESS as 'Lead ESS' or 'Lead generator' in terms of Regulation 2.1 (x)(ii) or Regulation 2.1 (y)(ii), as the case may be</i></p> <p><i>Provided further that net injection at any point of time shall not exceed the quantum of total Connectivity granted to the existing Connectivity grantee</i></p>	<p>The Commission through this clause has introduced that the additional Generating station/ESS can be owned by a different entity other than that of the Lead Generator/ESS. However, the responsibility of compliance and injection of the additional generator/ESS shall always lie with the Lead Generator/ESS.</p> <p>Generating station or ESS who is willing to share infrastructure with other entity to add additional generation capacity or ESS shall have to get NOC from procuring entity whom with have PPA and got the connectivity for the same along with CTU approval.</p> <p>Since, generating station or ESS has already have PPA with procuring entity with quoted tariff inclusive of expenses related to connectivity and other infrastructure and now getting benefit by adding additional generation capacity or ESS to be installed by other entity on the same connectivity.</p>

			<p>It is submitted that more clarity would be required in terms of the agreement to be undertaken by the Lead Generator/ESS and the entity installing the additional Generation/ESS if at all it's a different entity as allowed under this Regulation.</p> <p>It is observed that several disputes can arise due to change in ownership between the Lead Generator/ESS and additional generator/ESS. Hence a draft standard agreement for such cases (difference in ownership) may be finalised under this Regulation to avoid any disagreement/disputes between the two parties. This would also help in standardizing such contracts and can avoid difference in agreements that may be undertaken by various Lead Generators/ESS for installation of additional infrastructure through different entity.</p>
5.8 (vii)	<p><i>(vii) In case of Renewable Power Park Developer, 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;</i></p>	<p><i>(vii) In case of Renewable Power Park Developer, the following documents shall be submitted:</i> <i>(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; and</i> <i>(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</i></p>	<p>Additional documentation to be submitted by Renewable Power Park Developer for applying for connectivity.</p> <p>It is submitted that, in the said clause, following additional document to be sought: (d) PPA copy of at least 50% for the quantum of connectivity sought and PPA copy for balance capacity to be submitted</p>

		<i>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</i>	within 06 months from the date of final grant of connectivity. In case renewable park developer fails to submit the same, connectivity for the balance capacity shall be revoked.
5.8 (xi)	New Clause	<i>(xi) 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: (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: 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. Or (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 (ii) Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity.</i>	It is submitted that documents sought under clause (a) and (b), clause (a) shall be made compulsory to get the connectivity and it should not be optional otherwise clause (b) should also be included the requirement of PPA. Further, it is submitted that instead of Letter of Award or PPA as mentioned under clause (a), only PPA needs to be considered. Hence, the clause is requested to be modified accordingly.
9.3	New Clause	<i>An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final</i>	It is submitted that the proposed new clause should be modified in line with the financial closure timelines specified in the

		<p><i>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: 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.</i></p> <p><i>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</i></p>	<p>MNRE competitive bidding guidelines. Since, as per the proposed new clause, renewable generator has to attain Financial Closure within 12 months from the date of issuance of final grant of connectivity which means applicants will get more than 12 months after submission of either LoA or PPA to achieve financial closure. However, as per competitive bidding guidelines, Solar Power Generator shall attain the financial closure, within 9 months from the date of execution of the PPA, for projects specified to be set up in solar park, and within 12 months from the date of execution of the PPA for projects not specified to be set up in Solar park. So, the said clause is contradict to already existing competitive bidding guidelines.</p> <p>Hence, the proposed new clause is requested to be modified in line with the timelines specified in the MNRE competitive bidding guidelines.</p>
23.1	<p><i>An entity covered under Regulation 17.1 which is a GNA grantee, may authorise 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</i></p>	<p><i>An entity covered under Regulation 17.1 which is a GNA grantee, may authorise 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 3 (three) years at a time on mutually agreed terms and conditions</i></p>	<p>It is submitted that the time period for using GNA of the GNA grantee in full or part shall be retained at a one year and can be made extendable to three years with consent of the entities and due permission of the Nodal Agency shall be taken every year. It would hence bring clarity on the network usage by the other entity (than the</p>

	<i>exceeding 1 (one) year at a time on mutually agreed terms and conditions</i>		GNA grantee) for each year rather than keeping it continuously for a large span of three years.
25.1	<i>For an entity covered under Regulation 17.1, GNA once granted can be relinquished with a notice of 30 days to the Nodal Agency, in full or in part, on payment of relinquishment charges in advance as per following</i>	<i>For an entity covered under Clauses (i) to (v) of Regulation 17.1, GNA once granted can be relinquished, in full or in parts, with a notice of one year to the Nodal Agency, along with a fee of fifty lac rupees(which will be adjusted from the relinquishment charges) as per following</i>	The notice period may be retained to 30 days as the clause already covers the payment of fee of fifty lac rupees which is to be adjusted in the relinquishment charges. If the entities are willing to pay the penalty fee, the notice period may be kept at minimum. This would also enable other entities (which are wanting to use the network) to start using the relinquished network with immediate effect.
25.1	<p><i>(a) For an entity covered under clause (i) of Regulation 17.1 of these regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 24 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum.</i></p> <p><i>(b) For an entity covered under clauses (ii) to (iv) of Regulation 17.1 of these regulations, the relinquishment charges shall be equal to 24 times, the transmission charges paid by such entity for the last month</i></p>	<p><i>(a) For an entity covered under clause (i) of Regulation 17.1 of these regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 18 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum.</i></p> <p><i>(b) For an entity covered under clauses (ii) to (v) of Regulation 17.1 of these regulations, the relinquishment charges shall be equal to 18 times, the transmission charges paid by such entity for the last month under the Sharing regulations, corresponding to the relinquished quantum</i> <i>Provided that, if the balance period of GNA is less than 18 months, the relinquishment charges shall be equal to the number of balance months' times the transmission charges paid by such entity for the last month under the Sharing Regulations,</i></p>	<p>Following proviso should be added:</p> <p>Provided that relinquishment of the GNA in an event of expiring of existing PPA of the Distribution Licensee with the interstate generator, then in such case quantum upto contracted capacity with said generator shall be relinquished upon request of distribution licensee, from the total deemed GNA without applying any relinquishment charges to the Distribution Licensee.</p>

	<p><i>under the Sharing regulations, corresponding to the relinquished quantum</i></p> <p><i>Provided that, if the balance period of GNA is less than 24 months, the relinquishment charges shall be equal to the number of balance months times the transmission charges paid by such entity for the last month under the Sharing Regulations, corresponding to the relinquished quantum</i></p>	<p><i>corresponding to the relinquished quantum</i></p> <p><i>Provided further that for the entity covered under clause (iii) of Regulation 17.1 of these regulations, if GNA is relinquished prior to date of effectiveness of GNA, Conn-BG1 and Conn-BG3 shall be encashed corresponding to the relinquished quantum as relinquishment charges</i></p>	
34.2	<p><i>Transmission charges for T-GNA, in case of bilateral and collective transactions, shall be payable only at point of drawal, as per the last published Transmission charge rate for T-GNA for the State where such point of drawal is located:</i></p> <p><i>Provided that under collective transactions, transmission charges for T-GNA shall be payable for drawal schedules more than GNA quantum or T-GNA quantum or both, as applicable</i></p> <p>New Explanation</p>	<p><i>Transmission charges for T-GNA, in case of bilateral and collective transactions, shall be payable only at point of drawal, as per the last published Transmission charge rate for T-GNA for the State where such point of drawal is located:</i></p> <p><i>Provided that under collective transactions, transmission charges for T-GNA shall be payable for drawal schedules more than GNA quantum or T-GNA quantum or both, as applicable</i></p> <p>Explanation: In order to determine whether drawl schedule was more than GNA quantum or T-GNA quantum or both in case of collective transaction, SLDC shall furnish to NLDC, each intra-state entity-wise detail of schedule under GNA or T-GNA, as the case may be. NLDC shall issue power exchange wise and entity-wise segregation of payable T-GNA charges.</p>	<p>From the illustrative example given in EM at Para 46, following comments needs to be considered.</p> <ol style="list-style-type: none"> 1) Combined Drawl of Distribution Licensees ‘Y’ and ‘Z’ though exceeds by 500MW in given time block, are paying combinely for TGNA charges for 400MW, getting benefitted by 100MW power without any TGNA charges. 2) Here, Distribution Licensee ‘X’ who has drawn less power by 100 MW wrt its GNA, needs to be compensated by Distribution Licensees ‘Y’ and ‘Z’. 3) Such compensation shall be calculated by concerned SLDC or

			<p>nodal agency and issue the bill accordingly.</p> <ol style="list-style-type: none">4) There may be the instances, when state as a whole do not exceed the GNA quantum, but one of the intra state distribution licensee may exceed its GNA quantum while others are drawing less power wrt their GNA.5) There should be a methodology to settle such issues at state level.6) Illustrative examples to give clarity in such different situations, should be made part of the Regulations.
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