



Ref: PTC/CERC/ISTS/2023/ | 577

Date: February 17, 2023

To  
The Secretary  
Central Electricity Regulatory Commission (CERC)  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath, New Delhi - 110001

**Subject: Comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023**

Dear Sir,

This is with reference to your letter (No. L-1/261/2021/CERC dated. 27 January 2023) regarding seeking comments on “**Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023**”.

You are requested to kindly consider the enclosed annexure (Annexure-A) of our comments for your kind reference and perusal. If deemed appropriate, we are also available for an in-person interaction to clarify any aspect.

Thanking you,

Yours faithfully,  
For PTC India Ltd.

(Rajesh Cherayil)  
Chief Strategy Officer

**PTC India Limited**

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**Comments on proposed amendments to the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-state Transmission System) Regulations 2022**

Sr. No.	Clause	Present Regulation	Draft Amendment Regulation	Impact
1	2.1	Missing clause	2.1 (t-i) "Host State" means the State in which an entity is geographically located	This defines the term "Host State"
2	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, including ESS.; 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.	"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: 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: Provided further that net injection at any point of time shall not exceed the quantum of total Connectivity granted to the existing Connectivity grantee."	By allowing any other entity not connected by ownership to the generating station, the provision enables flexibility to utilize approved connectivity.
3	5.8 (vii)	In case of Renewable Power Park Developer, authorization by the Central Government or the State Government, as applicable, to undertake infrastructural	In case of Renewable Power Park Developer, the following documents shall be submitted: (a) authorisation by the Central Government or the State Government, as applicable, to undertake	Documents to be furnished with application of connectivity, i.e., LOA/PPA/Land is a welcome step to

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		activities including arrangement for Connectivity on behalf of solar power generators or wind power generators;	infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators; and (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 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.”	ensure Connectivity is provided to credible developers.
4	New clause 5.8 (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 REImplementing 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	The only suggestion would be to replace “Or” between sub-clause (a) and sub-clause (b) as the documentary evidences for land use and expenditure towards project cost are essential to establish commitment.



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			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."	
5	Amendment to 7.1 and 7.2 and amendments to 8.2 and 8.3	"ATS" or Associated Transmission System	The words "ATS" shall be substituted with "augmentation" in Regulation 7.1 and Regulation 7.2 of the Principal Regulations	Use of the term "augmentation" in place of a defined term "ATS" allows two categories of enhancement "with or without ATS"
6	New clause 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: Provided that such an applicant shall submit proof of Financial Closure of the project (with copy of loan sanction letter or proof of first disbursal of loan amount) to CTU within 15 days of achieving the financial closure. Provided further that if the Connectivity	Not completion of Financial closure (FC) within the stipulated timelines would result in revocation of Connectivity. However, if FC is just linked to the issuance of a sanction letter, then there are many conditions that are to be met before actual drawal of funds. So, this may be linked to first disbursement with an extended timeline.

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			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."	
7	16.2	Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.	"Provided that in case of declaration of commercial operation of part capacity by the Connectivity grantee in a financial year, total quantum of such capacity declared under commercial operation within a financial year shall be considered while returning the Conn-BG2 and Conn-BG3 at the end of the financial year."	This clarifies the procedure for part commercial operations.
8	New Clause 16.5		"16.5 For an entity covered under Clause (iii) of Regulation 17.1 of these Regulations, Conn-BG1 shall be returned within one month of commencement of drawl of power. Conn-BG3 and Conn-BG2, as available, shall be returned in five equal parts over five years after commencement of drawl of power at the end of financial year or within one month of expiry of period of GNA, whichever is earlier."	This specifies the procedure with timelines for returning of bank guarantees.
9	New Clause 17.1 (vi)		"(vi) An injecting entity which is granted Connectivity to intra-State transmission system and seeking GNA for purpose of injection into ISTS."	This clause covers the situation of an injecting entity connected to the intra-state ISTS.
10	18.1, (f)	Entity(ies) covered under Regulation 4.1 of these regulations where	"Provided that generating stations connected to the intra-State transmission system where Long Term	This covers the situation of a generating station

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		Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations, 2009 has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations.	Access granted to such entity or to its identified buyer, under the Connectivity Regulations, 2009 has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations."	connected to the intra-state transmission system and where LTA is granted already under the 2009 Regulations.
11	New Clause 18.3		"18.3 For a host State in which a regional generating station is located and is connected only to STU system or connected to both STU system and ISTS, the GNA quantum at Annexure-I shall be reduced by the GNA quantum calculated based on the methodology specified in Annexure-II to these Regulations."	This clarifies the procedure for assessment of GNA quantum in cases of direct drawl by states for generating station connected to both ISTS & STU system or only to the STU system.
12	New Regulation 20.4		"20.4 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 <sub>RE</sub> for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations GNA <sub>RE</sub> shall be same as GNA: Provided that if such an entity with GNA <sub>RE</sub> intends to draw power from the sources other than the sources identified at clause (2) of the Regulation	To deal with Renewable Energy based flows, a separate GNA category has been introduced as there are benefits associated with RE injection and consumption. Flexibility has been provided to convert GNA <sub>RE</sub> into GNA.



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			13 of the Sharing Regulations, it may: (a) apply for grant of additional GNA; or (b) it may convert GNA <sub>RE</sub> into GNA by making an application to the Nodal Agency.”	
13	23.1	An entity covered under Regulation 17.1 which is a GNA grantee, may authorize 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 1 (one) year at a time on mutually agreed terms and conditions:	The words “1 (one) year” shall be substituted with the words “3 (three) years” in the first para of the Regulation 23.1 of the Principal Regulations.	This provides greater flexibility to use unutilized GNA for a reasonable period.
14	New Regulations 24.6		“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	Detailed procedures for revocation of Connectivity have been specified in case COD is not achieved as per the stipulated time as specified in the Regulations.

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			<p>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 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>	
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			<p>(ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA.</p> <p>(2) In case of revocation of Connectivity under subclauses (a) to (d) of Clause (1) of this regulation, Conn-BG-1, Conn-BG2 and Conn-BG3 shall be dealt with in terms of regulation 24.2 or regulation 24.3 of these regulations, as applicable.”</p>	
15	25.1		<p>Regulation 25.1 (except clauses(a) to (d)) of the Principal Regulations shall be substituted as follows:</p> <p>“ 25.1 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:”</p> <p>The number “24” shall be substituted with number “18” in clauses (a) and (b) of Regulation 25.1 of the Principal Regulations.</p> <p>“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.”</p> <p>New clause, namely, clause (e) shall be added after clause (d) to the Regulation 25.1 of the Principal Regulations as under:</p>	<p>Relinquishment charges of GNA for states reduced to 18 months from 24 months which is a positive especially in the initial phases of adoption.</p> <p>( e ) Specifies that Relinquishment charges shall be effective only if paid a month in advance which makes one month an effective notice period along with payment.</p>

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			“(e) Relinquishment charges shall be paid one month prior to effective date of relinquishment failing which relinquishment shall not be effective.”	
16	New clause 26.4		“26.4 Entities covered under sub-clauses (i) and (ii) to clause (a) of Regulation 26.1 of these regulations shall be eligible to apply for T-GNA to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations. Such T-GNA shall be called as T-GNA <sub>RE</sub> for purpose of calculation of transmission charges in accordance with the Sharing Regulations. For purpose of these regulations T-GNA <sub>RE</sub> shall be same as GNA: Provided that if such an entity with T-GNA <sub>RE</sub> 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: (a) apply for grant of additional T-GNA; or (b) it may convert T-GNA <sub>RE</sub> into T-GNA by making an application to the Nodal Agency.”	Concept of GNA <sub>RE</sub> & T-GNA <sub>RE</sub> introduced. Although detailing clarifies the situation with regards to incentives for RE flows, the process has become more complicated. It may be clarified how the applicant of TGNA or TGNA <sub>RE</sub> (if the applicant is a Trading Licensee) will act for submitting the short term application. A procedure may be specified to guide the applicant in choosing the category.
17	34.2	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	“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	This is a welcome clarification issued in this amendment to avoid payment of charges twice under both GNA and T-GNA categories.

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		point of drawal is located: 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.	wise and entity-wise segregation of payable T-GNA charges.”	However, applicability of T-GNA charges under bilateral transactions within the GNA capacity is not mentioned and may be specified.
18	New clause 37.8, c		“(c) Medium Term Open Access granted to a Trading licensee, other than for cross border trade of electricity in terms of the Cross Border Regulations, shall be considered as part of GNA deemed to have been granted to the concerned grid connected entity(ies) under Regulation 17.1 and for entities under Regulation 4.1 (including generating stations connected to intra-State transmission system) for the period of such Medium Term Open Access. 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.”	This is a clarificatory measure where a similar clause was available for Long Term Access transition. And now, a similar clause has been put for medium term open access also. This amendment bridges the gap of earlier regulation
19	40.2	One time GNA charges shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.	“Provided that One-time GNA charges shall not be payable for the capacity which has been declared commercial operation as on date of coming into effect of these Regulations.”	This is clarificatory and covers specific cases.



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