

**Annexure-1**

**SPDA suggestions on the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (1st Amendment) Regulations, 2023**

SPDA would like to appreciate the Hon’ble Commission to bring out the draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023. We would like to submit our observations and suggestions on the draft Regulations.

We request for kind consideration of the following suggestions:

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1	7.1	7.1 In the event the Nodal Agency after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that no <u>augmentation</u> is required, the Nodal Agency shall intimate inprinciple grant of Connectivity to the Applicant within 30 days from the last day of the month in which the application had been received along with details such as terminal bay(s), already available or to be developed under ISTS through CTU, and minimum design features for dedicated transmission lines to be constructed by the Applicant.	Definition of Augmentation may be provided in Regulations 2 - Definitions	It is proposed that a broader definition of augmentation may be provided in the Definitions.  This will provide visibility to the Connectivity applicants vis-à-vis ATS requirement as suggested in Augmentation with ATS in Regulation 7.2
2	5.8 (xi) (a)	“5.8 (xi) In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped	“(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:	Consequent to the launch of the National Green Hydrogen Mission, over 125 GW renewable energy capacity addition is envisaged for a target production capacity of 5 MMTPA. To achieve such capacity addition, Renewable energy



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		<p>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:</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>(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>Provided further that in case of Applicants being REGS or ESS for supplying renewable electricity for the production of green hydrogen/ green ammonia, Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with the Producer of Green Hydrogen/ Green Ammonia shall be submitted</b></p> <p><b>Provided also that the Applicants which have been granted Connectivity under clause (xi)(b) of the Regulation 5.8 and later want to convert such connectivity under</b></p>	<p>developers will be entering into Long term agreements for sale of power through open access or captive mode to the producers of green hydrogen and green ammonia.</p> <p>These renewable projects will be setup with a large capacity and the electricity contracts will be made on a bilateral basis i.e. between RE generators and green hydrogen producers or on captive basis where the RE Generator itself or through its another subsidiary is also a Green Hydrogen and Ammonia Producer.</p> <p>In the proposed clause, only REGS with LoA, PPA with Renewable Energy Implementing Agency or a distribution licensee have been considered as documents to be submitted along-with the application for seeking connectivity.</p> <p>We request such REGS and ESS which intend to sell renewable electricity through LoA/PPA or Captive route to the green hydrogen producer may also be considered as an eligible entity. LoA/PPA with such procurers may be considered as accepted documents for the application to seek connectivity.</p> <p>There have been cases where the LoA/PPAs have been terminated on account of procedural delays, Force Majeure, external issues related to delays in supply chain, Change in Govt. Policy etc. In such cases, connectivity will not be utilized thereby coercing the developers to</p>



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			<p><b>clause (xi)(a) of the Regulation 5.8, such Applicants must submit PPA or LOA 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.</b></p>	<p>relinquish the connectivity and pay relevant charges along encashment of BG.</p> <p>While on the other hand, the existing connectivity if made fungible may be utilized for the development of project and sale of renewable power on merchant/captive basis. Thereby utilizing the transmission asset and avoid it from getting stranded.</p> <p>We therefore request the Commission to allow fungibility of connectivity between two routes i.e. connectivity obtained through LoA/PPA with REIA/Discom and connectivity obtained through submission of land related documents.</p>
3	5.8 (xi) (b)	<p>(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.”</p>	<p>(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.</p> <p><b>Provided also that the Applicants which have been granted Connectivity under clause (xi)(a) of the Regulation 5.8 and later</b></p>	<p>There have been cases where the LoA/PPAs have been terminated on account of procedural delays, Force Majeure, external issues related to delays in supply chain, Change in Govt. Policy etc. In such cases, connectivity will not be utilized thereby coercing the developers to relinquish the connectivity and pay relevant charges along encashment of BG.</p> <p>While on the other hand, the existing connectivity if made fungible may be utilized for the development of project and sale of renewable power on merchant/captive basis. Thereby utilizing the transmission asset and avoid it from getting stranded.</p>



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			<p>want to convert such connectivity under clause (xi)(b) of the Regulation 5.8 on account of termination of LoA or PPA, such Applicants must submit No Objection Certificate from the 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>We therefore request the Commission to allow fungibility of connectivity between two routes i.e. connectivity obtained through LoA/PPA with REIA/Discom and connectivity obtained through submission of land related documents.</p>
4	9.3	<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>“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 <b>or the timelines as per PPA signed 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 whichever is later</b>, 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 <b>or the</b></p>	<p>It is to submit that the REGS while seeking connectivity is already paying an application fees and submitting Conn-BG1, Conn-BG2 and Conn-BG3 as applicable.</p> <p>It is understood that the achievement of financial closure is from the perspective to avoid squatting of connectivity.</p> <p>We would like to submit that there have been cases wherein the LoAs have been awarded to the developers but there has been a considerable delay in signing of PPAs. Now all the timelines related to Financial closure and SCOD begin from the effective date of PPA. Applicant’s those intending to apply on the basis of LoA may be at a disadvantage considering any delay in signing of PPA. Moreover, there may be certain cases where in the Procuring Agency/Discom provides an extension in the achievement of financial closure, therefore in such cases, the connectivity grantee must not be bound by different timelines for achieving the financial closure.</p>



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		<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><b>timelines as per PPA signed 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 whichever is later</b>, 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 <del>15</del> <b>30</b> days of achieving the financial closure.</p>	<p>We therefore would like to suggest that timeline for achievement of financial closure may be counted from the date of issuance of grant of connectivity or from the timelines of PPA whichever is later.</p> <p>We also propose that the timeline to furnish proof of financial closure to the CTU may be at least 30 days from the date of its achievement. This will ensure that all company and lender formalities are complete during the period.</p>
5	22.2	(b-i) Entities covered under clause (iii) of Regulation 17.1 shall furnish Conn-BG1 for Rs 50 lakhs per application and Conn-BG3 for Rs 2 lakh/MW.	To be removed for Green Hydrogen Producers	<p>We propose that Green Hydrogen Producer shall be seeking GNA under the Bulk Consumer category as defined under the 17.1 (ii) &amp; (iii) of the GNA Regulations. The quantum of GNA proposed to be sought will be to the tune of 4-5GW for every 1 MTPA of green hydrogen and ammonia production. These Producers will be mostly RE developers who have entered into the green fuels segment as a natural extension of their business. Therefore, seeking Conn BG-1 and Conn BG-3 from such Applicants falling under the Bulk Consumer category may not be advisable as they would be already providing the Conn-BG1, Conn-BG2 and Conn-BG3 as applicable while seeking connectivity at the RE generation end.</p>



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				<p>The National Green Hydrogen Mission envisages India to become a green hydrogen production hub, this can only become possible when the overall LCOH of green hydrogen is one of the world's lowest. Seeking Conn BG for connectivity at the drawl end will kill the green hydrogen industry in the bud itself. The amount of BG will be very high considering the huge amount of power requirement for green hydrogen industry. It is also to reiterate that the Conn-BG2 and Conn-BG3 shall be returned within five years for the date of commencement of drawl of power, this will keep the credit limit of the developer blocked thereby prohibiting them from further investments.</p> <p>We request that the proposal for seeking Conn-BG1, Conn-BG2 and Conn-BG3 may be exempted from Green Hydrogen Producers falling under the Clause 17.1(ii) &amp; (iii) of GNA Regulations</p>
6	<p>Proviso to subclause (d) to Clause (2) of the Regulation 37.3</p>	<p>Provided that for an entity covered under subclauses (i),(ii) and (v) of Regulation 17.1 of these Regulations , Conn-BG1 and Conn-BG3 shall be returned within one month of date of effectiveness of GNA and for an entity covered under Regulation 17.1(iii), Conn-BG1 and Conn-BG3 shall be treated in terms of Regulations 16.5 of these regulations.</p>	<p>Clarity is sought with respect to which Conn BGs are to be submitted by Bulk Consumers seeking GNA</p>	<p>There are two different clauses which suggest that different Conn BGs are to be submitted.</p> <p><i>As per New Clause (b-i) of Regulation 22.2, Conn-BG1 for Rs 50 lakhs per application and Conn-BG3 for Rs 2 lakh/MW are to submitted.</i></p> <p><i>Whereas</i></p>



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	<p>Proviso to subclause (d) to Clause (3) of the Regulation 37.3</p>	<p>Provided that for an entity covered under subclauses (i),(ii) and (v) of Regulation 17.1 of these Regulations , Conn-BG1, Conn-BG2 and Conn-BG3 shall be returned within one month of date of effectiveness of GNA and for an entity covered under Regulation 17.1(iii)), Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulations 16.5 of these regulations.</p>		<p><i>As per the proposed Provisos to subclause (d) to Clause (2) of the Regulation 37.3 Proviso to subclause (d) to Clause (2) of the Regulation 37.3, it talks about returning Conn-BG1, Conn-BG2 and Conn-BG3 to the applicants</i></p> <p>It is requested to provide clarity on which Conn BGs are to be provided by Applicants falling under the Clause 17.1(iii) of GNA Regulations.</p>
7	20.4 and 26.4	<p>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:</p> <p>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</p>	<p>20.4 Entities covered under clauses <b>(ii) &amp;</b> (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.</p> <p>26.4 Entities covered under sub-clauses (i) <b>and</b> (ii) <b>and</b> (iii) 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</p>	<p>The Commission while elaborating the reasons for inclusion of Regulations 20.4 &amp; 26.4 in the Explanatory Memorandum to the draft GNA 1<sup>st</sup> Amendment Regulations 2023 has acknowledged the comments by the industry stakeholders for incorporating the provision of waiver of Inter-State Transmission charges for the dedicated consumer procuring/utilizing GNA for RE power only.</p> <p>In the proposed draft Regulations, entities under clause (iii) of Regulation 17.1 and Entities covered under sub-clauses (i) and (ii) to clause (a) of Regulation 26.4 have been considered for GNA<sub>RE</sub> and T-GNA<sub>RE</sub> respectively.</p> <p>It is to bring to notice that the entities covered under Regulation 17.1(iii) and sub-clauses (i) and (ii) to clause (a) of Regulation 26.4 are DISCOMs and Bulk Consumers</p>



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		<p>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.</p>	<p>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</p>	<p>directly connected to ISTS. Currently, majority of the consumers are connected to Intra-state system and are utilizing LTA for procuring RE power only.</p> <p>With the proposed addition of new regulations, consumers connected to intra-State system will not be able to apply for GNA<sub>RE</sub>/T-GNA<sub>RE</sub> while they are able to apply for GNA and T-GNA and hence, will not be able to avail intended benefit of ISTS charge waiver. Therefore, the proposed addition will not completely address the concerns raised by the stakeholders.</p> <p>Therefore, we request the Hon'ble Commission to also allow entities covered under Regulations 17.1(ii) and sub-clauses (i) and (ii) to clause (a) of Regulation 26.4 as eligible entities to apply for GNA<sub>RE</sub>/T-GNA<sub>RE</sub> to draw power only from renewable sources as identified at clause (2) of the Regulation 13 of the Sharing Regulations.</p>
8	17.1 (iii)	<p>17.1 The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:</p> <p>(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;</p>	<p>Clarity is sought on the status of Bulk Consumer whether such Bulk Consumer is required to become a consumer of Discom even in the case the Bulk Consumer is directly connected to ISTS network and only uses network for the purpose of wheeling power</p>	<p>It is learnt that green hydrogen producers will be connected to ISTS system directly to draw renewable energy from REGS connected at ISTS level. The power later will be drawn through the wired network of the discom.</p> <p>In this case, clarity is sought on whether such green hydrogen producers will be treated as customers of discom and have to meet the contract demand charges.</p>





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9	40.2	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p><b>Provided further that One-time GNA charges shall not be payable for the REGS or ESS or Renewable power park developer supplying renewable energy for the production of green hydrogen and ammonia</b></p>	<p>As explained earlier, huge quantum of RE Generation is required for providing renewable electricity to produce green hydrogen and ammonia. Capacity addition to the tune of 4-5GW for every 1 MTPA production capacity is required.</p> <p>Payment of one-time GNA charges for such huge quantum restricts the financial viability of the project and increases the LCOH. The National Green Hydrogen Mission envisages India to become a green hydrogen production hub, this can only become possible when the overall LCOH of green hydrogen is one of the world's lowest.</p> <p>We therefore request that the One-time GNA charges for the REGS or ESS or Renewable power park developer supplying power to the Green Hydrogen production unit must be waived off at least till 31.12.2030 coinciding with the Mission deadline.</p>
10	9.3	<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 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>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.</p>	<p>It is to submit that there may be certain events which may lead to a delay in achievement of financial closure. Further the timelines for achieving the financial closure are in accordance with the terms of the PPA. There will be cases where developer has no control over the event of delay and gets a reasonable extension from bidding agency for submission of FC.</p> <p>It is requested that an adequate extension may be provided in the event of force majeure conditions</p>



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			<p><b>Provided that an extension may be provided to the connectivity grantee in the event of force majeure events impacting the project commissioning.</b></p> <p><b>Provided further that a show cause notice may be provided to the connectivity grantee seeking reasons for delay in submission of copy of financial closure.</b></p> <p><b>Provided also that connectivity shall be revoked after due consultation with the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding</b></p>	<p>including sub-judice matters which impact the project commissioning.</p> <p>The CTUIL must also issue a showcause notice seeking reasons for delay in achieving the financial closure prior to taking any adverse action. Any decision related to revoking connectivity must be taken after discussion with the the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding.</p>
11	24.6 (1) (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>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><b>Provided that the connectivity grantee will be provided an opportunity to convert the connectivity so granted based on clause (xi)(b) of the Regulation 5.8</b></p>	<p>It is requested that the Connectivity sought by REGS or ESS will upon payment of application fees and subsequent Conn BGs as applicable. In the event of termination of PPA on the basis of LoA or PPA, there will be a financial impact on the developers.</p> <p>The developers may be provided a chance to get the connectivity route to be converted on the basis of land documents in order to continue the connectivity and develop the project for sale on merchant/captive basis.</p>



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12			<b>Clarification sought on GNA for multi-located RE+Storage Projects</b>  Procurement Methodology: Solar + Storage with procuring solar energy during days hours and storage for 1-2 hours after solar hours Procurer: Discom in Maharashtra  Solar Project: located in Rajasthan Storage Project: located in Andhra Pradesh  Connectivity and GNA <sub>RE</sub> for the Generator end will be taken by the RE Generator for both the Solar and Storage Asset.  As per present Regulations, how shall the GNA <sub>RE</sub> be governed at the drawl point for charging the storage asset from RE Power. Will it be considered as per the GNA of the Procuring State i.e. Maharashtra or the State in which Storage Asset is located i.e. Andhra Pradesh or will the RE Generator have to take GNA <sub>RE</sub> separately to draw renewable power to charge the storage asset.	

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