

Hon'ble CERC has issued the draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023.

In this background, our comments/suggestions on the subject matter are as under:

Sl. No.	Clause No. and Existing Provision	Proposed Amendment	Suggestions, Request / Rationale for clarification
1.	<p>Clause 5.8 (i) (ii).... . . . (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;</p>	<p>“(vii) In case of Renewable Power Park Developer, the following documents shall be submitted:</p> <p>(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</p> <p>(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</p> <p>(c) Undertaking by the Developer, certifying the release of at least 10% of the project cost including the land acquisition cost through equity (which may include cost of land).”</p> <p>Or (c) Auditor`s certificate, certifying the release of cost incurred for land</p>	<p>Suggestion:</p> <p>Clause 5.8 (vii)..... . . . (c) Auditor`s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity. OR (c) Auditor`s certificate, <u>Undertaking</u> certifying the release of at least 10% of the project cost including the land acquisition cost through equity.”</p> <p>Request:</p> <p>Since acquiring the Auditor`s certificate is a time taking process, it will be difficult for developer to arrange the same, so it is humbly requested that the Hon`ble Commission may consider submission of an undertaking by the developer in place of Auditor`s certificate for certifying the release of at least 10% of the project cost through equity.</p> <p>Further, it may be also noted that a company which has acquired more than 50% of land shall also have</p>

		acquisition whose ownership / lease details are submitted.	fulfilled the criteria of equity acquisition. Therefore, requirement of providing the auditors certificate certifying release of 10% of project cost shall be exempted for such projects.
2.	New Clause 9.3	<p>“9.3</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>Suggestion:</p> <p>New Clause 9.3</p> <p>“9.3</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 <u>except due to the force majeure circumstances or event beyond the control of the Connectivity grantee</u>. 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>Request:</p> <ul style="list-style-type: none"> • It is suggested that Connectivity Grantee and GNA Grantee shall not be burdened with revocation in case Financaila Closure is not achieved due to force majeure events or due to unavoidable circumstances. <p>Please note that any eventualities arising out of non-fulfilment of obligations due force majeure circumstances can't be assigned to either Party of the contract.</p>

			<p>Hence, such exception is required to be explicitly provided in reference to the relinquishment.</p> <p>Therefore, we kindly request the Hon'ble Commission to provide the definitive clause for the Force Majeure events in the regulations itself to remove any ambiguity.</p> <ul style="list-style-type: none"> Without prejudice to the above , It is humbly submitted that land acquisition and connectivity are two critical aspects of any RE project. Both these requirements are necessary to be fulfilled for securing the state government approvals to put in place the development of the RE Projects. It may be noted that achieving Financial Closure is mainly driven through the PPA terms and can be secured with above approvals in place. <p>Therefore ,achieving financial closure shall be allowed till the connectivity timeline or shall be kept in line with the preceding regulations allowing financial closure to be achieved till the period of 9 months prior to SCOD of the Project.</p>
<p>3.</p>	<p>Clause 15.1</p> <p>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.</p>	<p>Clause 15.1</p> <p>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.</p> <p>Provided that Connectivity granted to a parent company may be utilised by its</p>	<p>Suggestion:</p> <p>“Provided further that where a bulk consumer has been granted GNA under Regulation 17.1(iii) seeking to connect to ISTS directly, GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries <u>and other Associated companies/ its affiliates/Group Companies/ Parent / Ultimate parent company”</u></p> <p>Request:</p>

	<p>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.</p>	<p>subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company.</p> <p>“Provided further that where a bulk consumer has been granted GNA under Regulation 17.1(iii) seeking to connect to ISTS directly, GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries.”</p>	<p>We appreciate the amendment proposed through the said clause and further we request to kindly accommodate the above proposed addition to provide clarity and avoid any ambiguity with regard to the interpretation of the clause.</p>
5.	<p>New Clause 24.6:</p>	<p>New Clause 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 at time of making application for grant of</p>	<p>Request: Connectivity to the grantee are granted on the basis of the PPA executed by the Grantee. The standard PPAs have provisions which accommodate delayed commissioning on account of various reasons stated in the said PPA . Firstly, it is requested that revocation of connectivity shall directly linked with the provisions of this PPA and shall be subject to Force Majeure or event beyond the scope of the connectivity grantee . Further , revocation in case where connectivity grantee has made application through Land and FC route shall also be subject to Force Majeure event or event beyond the scope of the connectivity grantee and shall be permitted timeframe of 9 months after SCOD to address any eventualities.</p>

		<p>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>	<p>Notwithstanding the above , it is humbly requested that before revocation of the connectivity due to reasons detailed in this clause , the grantee may be given the first option to convert or use the same connectivity for any other PPA / another project within a stipulated time frame . It may be considered that connectivity grantee has already spent substantial time and investment to secure the connectivity and thus shall be given a preference to by not compelling it to go through the same process. More particularly, where connectivity grantee is applying through PPA route and in case the PPA is terminated , then the grantee may be given an opportunity to continue its connectivity by fulfilling the land ownership and equity infusion criteria before revoking its connectivity.</p>
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