

Comments / Suggestions on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023.

March 2023

➤ **Point no.4.2 : New clause (xi) of 5.8 of the Principal Regulation**

- Existing clause: Require documents for land-based connectivity
 - (i) Ownership for 50% of the land required for the capacity for which Connectivity is sought; and
 - (ii) Auditor's certificate for release of at least 10% of the project cost including the land acquisition cost through equity.
- Suggestions:
 - Revised Procedure for grant of connectivity to projects based on Renewable sources to Inter state transmission system.
 - Financial closure of the project (with copy of sanction letter) **or release of at least 10%** of the project cost including the land acquisition cost through equity.

➤ **Point no.4.2 : New clause (xi) of 5.8 of the Principal Regulation**

- Existing clause:
 - Ownership for 50% of the land required for the capacity for which Connectivity is sought;
- Suggestions:
 - Ownership for 50% of the land required for the capacity for which Connectivity is sought **OR Bank guarantee having validity of 6 months for the amount of INR 12,26,000 / MW per Project;**
 - Proposed BG is equivalent to EMD of SECI-1200 MW Wind-Solar Hybrid Project (Tranche-VI).

➤ **Point no. 9.3: New clause (xi) of 5.8(x) of the principal regulation**

➤ Existing clause: Financial Closure timeline:

- i. Within a period of 12 months, If the start date of Connectivity is within 2 years.
- ii. 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.

➤ Suggestions:

- **FC date should be extended** as extended date permitted by the REIA or the DISCOM or the authorized agency on behalf of distribution licensee, as the case may be.

➤ **Point no. 8: New Regulation 9.3 of the principal regulation**

➤ Existing clause: Revocation of Connectivity - If fails to achieve the FC within the stipulated time.

➤ Suggestions:

➤ **Extension of FC should be allowed,**

- if delay is beyond the control of developer or
- due to a Force Majeure.
- Allow extension with a penalty of Rs. 1000/MW/Day in line of latest SECI - 1200 MW Wind-Solar Hybrid bid (Tranche-VI)

➤ **Point No. 16: New Regulation 20.4 of the Principal Regulation:**

➤ Existing clause:

- i. GNARE allowed for only entities covered under clause Regulation 17.1 (iii).

17.1(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above.

➤ Suggestions:

- Govt. of India is promoting CTU connected RE Power Projects to utilize the available resources in high potential state, which can be absorbed in other state. It has been observed that maximum existing C&I Consumers have connectivity with State Grid and ready to procure power only RE Power through CTU network.
- The proposed Regulation is not providing any support to STU connected consumers. They have to make payment of GNA Charges, which may reduce the interest of C&I Consumer to purchase power through CTU connected project as C&I Consumers always have an objective to get a cheaper power at its periphery including losses & charges.
- Ministry of Power has given clarity that waiver will be applicable for solar & wind projects, irrespective of certain load (50 MW) and connected with CTU only.
- MOP is also promoting small consumers for OA, having a contract demand of more than 100 KW under Green Energy Open Access Route.
- **In view of the above the drawee entity connected to intra-State transmission system should also be allowed to apply for GNA to draw power only from renewable sources.**



POWER

➤ **Point No. 19: New Regulation 24.6 (1) (a) & (b) of the Principal Regulation:**

➤ Existing clause:

- Revocation of Connectivity - If fails to achieve the COD either in full or in parts on or before:
 - Intimated for grant of Connectivity or as extended or delayed commissioning permitted by the REIA or the DISCOM or the authorized agency on behalf of DISCOM, as the case may be.
 - 6 months after the SCOD as intimated for grant of Connectivity

➤ Suggestions:

- Connectivity should not be revoked & extend based on following conditions:
 - **delay is due to Force Majeure (FM) event.**
 - **Allow to make payment of applicable transmission charges for delay on monthly basis.**

➤ **Point No. 19: New Regulation no.24.6 (1) (c) of the principal Regulation:-**

➤ Existing clause:

- Revocation of Connectivity, if LOA or PPA terminated prior to the COD of the project.

➤ Suggestion:

➤ Conversion of Connectivity

- PPA may terminate due to tariff adoption / approval OR any other issues after a certain period.
- **Allow to convert the remaining / full connectivity from LoA / PPA to Land based route**

Clarification: Calculation of ISTS transmission waiver for RE projects commissioned beyond June 25.

- As per formula, if the monthly CUF of the RE plant is equal or more than 30% then there will be 100% waiver of transmission charges for GNA.
- If a RE Plant have COD after June 25 and maintaining 30% CUF, considering multiplier of % drawl schedule, would be eligible for Waive irrespective of limitation for certain waiver only.
- Following is an example, for the plant have CUF of 70%, will eligible for 100% waiver transmission charges till COD June 27.

	%age Waiver on drawl schedule	CUF based on %waiver drawl schedule	Applicable Transmission Charges
Project COD by Jun 25	100%	70%	0%
Project COD Jul 25 to Jun 26	75%	52.5% (75% of 70%)	0%
Project COD Jul 26 to Jun 27	50%	35% (50% of 70%)	0%
Project COD Jul 27 to Jun 28	25%	17.5% (25% of 70%)	41.5%
Project COD after Jun 28	0%	0%	100%

- kindly provide clarification that if project is getting commissioned beyond Jun 25, it can avail 100% waiver of ISTS transmission charges if the monthly CUF is $\geq 30\%$ even after multiplying with respective year %age waiver of drawl schedule. OR
- Projects to be commissioned after June 25, will get waiver only for 75%, 50% & 25% of transmission charges for the year of COD June 26, June 27 & June 28 respectively, which has no link with the 30% of CUF as per formula.

➤ Additional comments:

- **Revision of final date of connectivity:** The Regulation should allow revision of final date of connectivity and consider final connectivity date as intimated at the time of final grant, not the date as intimated at the time of making application.
- **Timeline for conversion of connectivity.**
 - The regulation is silent on the timeline for conversion of Land based connectivity (secured under clause (xi)(b)) to LoA based connectivity.
 - The timeline should also be provided for conversion of LoA based connectivity to Land based connectivity.
- **Conversion of category of connectivity from Developer mode to Park mode**
 - No provision of conversion of existing connectivity of same REGS into RE Park Developer category.
 - It does not make any impact into CTU connectivity and its timeline but provide additional support to REGS for sale of power to multiple captive consumers under captive mode.
- **Conversion of partial connectivity from land-based connectivity into LoA based connectivity**
 - No provision to convert the partial capacity secured under land route to LOA based route.
 - This restriction of Regulation will hold the better / early utilization of transmission infrastructure.



THANK YOU

Annexure – 1: Transmission charges waiver



$$\text{Waiver (\%)} = 100 \times \frac{\text{sum of SDRG for all time blocks in the month}}{(\text{total number of time blocks in the month} \times 0.3 \times \text{GNARE})}$$

Where,

"GNARE" is the GNA to procure power only from the sources eligible for waiver under Regulation 13 of these regulations;

"SDRG" is the drawl schedule (in MW) in a time block through ISTS under GNARE from the sources eligible for waiver under Regulation 13 of these regulations;

Provided that maximum waiver shall be limited to 100%:

I. REGS or RHGS based on wind or solar sources or Hydro PSP ESS or BESS ESS:

Category	Period of COD	Number of years from COD	% of drawl Schedule from identified generating station or ESS, to be considered under Step-1 under Annexure-III
REGS or RHGS based on wind or solar sources or Hydro PSP ESS	1.7.2025 to 30.6.2026	25 years	75
	1.7.2026 to 30.6.2027	25 years	50
	1.7.2027 to 30.6.2028	25 years	25
	After 30.6.2028		0