



AEVIPL/CERC/008/2024-25

Date: 11.11.2024

To,
The Secretary,
Central Electricity Regulatory Commission,
Chanderlok Building, 36, Janpath,
New Delhi- 110001

Dear Sir,

Sub: Comments and suggestions on the Staff Paper on modifications in the GNA Regulations – reg

Ref: CERC Document No. L-1/261/2021/CERC dated 09.10.2024

With reference to the comments invited by the Hon'ble Central Electricity Regulatory Commission on the Staff Paper on modifications in the GNA Regulations cited as reference above, we are hereby submitting our comments on the same for your kind consideration.

Thanking you for your understanding and thoughtful consideration of our views.

Yours sincerely
For Axis Energy Ventures India Private Limited



Authorised Signatory





Comments on Staff Paper on modifications in the GNA Regulations		
CERC Clause	Suggestion/ Modification in Clause	Justification
Clause 15.1	<p>First Provisio of Regulation 15.1 shall be modified as follows: <i>"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 and Connectivity granted to one subsidiary may be utilised by another subsidiary of the same Parent Company"</i></p>	<p>Issue No 5 of the Staff Paper talks about whether to allow the utilisation of connectivity among the different subsidiaries of the same Parent company should be allowed or not.</p> <p>The option to enable connectivity usage across various subsidiaries of a single parent company is highly beneficial for project developers. We hold the view that granting this flexibility will significantly streamline project development and enhance the ability to secure project financing.</p> <p>For example, connectivity can now be obtained through Land route or Land-BG routes. Typically, a developer (the parent company) will initially secure connectivity rights through these channels under one of its SPVs, which is its subsidiary. Later, the parent company may participate in bids to secure LoA or PPA under the name of another SPV, which is also its subsidiary.</p> <p>In these cases, the project SPV awarded the LoA or PPA may face challenges in securing project financing, as it lacks direct ownership of the connectivity rights. This can raise concerns for investors regarding the project's potential for revenue generation</p> <p>To address such challenges, the provision that allows connectivity to be utilized across subsidiaries within the same parent company is crucial for timely project execution and investor confidence. This provision is likely to reduce financial risk and ensure that projects are implemented efficiently.</p> <p>Also, the Hon'ble GERC has also issued directions allowing RE park developers transfer their connectivity, allowing for more flexibility in project development and execution.</p> <p>The Hon'ble CERC maybe pleased to consider a similar modification to the inter-state connectivity regime as well.</p>

Axis Energy Ventures India Private Limited