Ref: HFE/CERC/GNA24/RA&C/FY24-25/09 02 December 2024

To

Shri Harpreet Singh Pruthi
Secretary Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Subject: Suggestions/comments on Central Electricity Regulatory Commission Staff Paper on modifications in the GNA Regulations

Dear Sir,

At the outset, we extend our gratitude to the Hon'ble Central Electricity Regulatory Commission for issuing the Central Electricity Regulatory Commission Staff Paper on modifications in the GNA Regulations and seeking stakeholder's comments on the same.

We would like to introduce 'Hero Future Energies Private Limited' (HFEPL), the renewable energy arm of Hero group and an Independent Power Producer (IPP) primarily focusing on investment in developing the generating capacities based on solar and wind resources across the country. The HFEPL portfolio is having around 1.8 GW of commissioned capacity and around 2.6 GW under various stages of development.

Hero Future Energies Private Limited hereby submits its suggestions/comments on 'Central Electricity Regulatory Commission Staff Paper on modifications in the GNA Regulations' and same are attached as **Annexure-I** to this letter. We humbly request CERC to consider our suggestions while finalising the amendments to the mentioned Regulations.

This letter is signed digitally, we request you to consider this communication as formally signed and submitted.

Thanking you.

For Hero Future Energies Pvt. Ltd.

Hero Future Energies Pvt. Ltd. New Delhi

Authorised Signatory

Enclosure: As above.

HERO FUTURE ENERGIES PVT. LTD.
CIN: U40101DL2012PTC243852
Registered & Corporate Office: 202, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE, PH-III, NEW DELHI-110020, INDIA P: +91 11 49598000 | F: +91 11 49598022 | E: info@herofutureenergies.com | W: www.herofutureenergies.com

HERO FUTURE ENERGIES
planet positive power

Annexure I

Clause wise suggestions/ comments are mentioned in table below

S.No	Issue No	Comments and suggestions
1	***Issue No. 1: Platform for providing NOC by the STU in a time-bound and a transparent manner*** *Whether such a centralized online platform is required to be implemented for processing the application for grant of NOC by the STU in terms of availability of transmission capacity in the intra-State network?*	Need for a Centralized Online Platform for NOC Processing: To enhance transparency and streamline the process for granting NOCs by State Transmission Utilities (STUs), a centralized online platform is essential. This platform would facilitate the following: 1. Unified NOC Processing: • The portal should enable the processing of applications for NOCs from STUs based on the availability of transmission capacity in the intra-state network. • Additionally, it should facilitate the issuance of NOCs from DISCOMs (or SLDCs) as required under SERC regulations. • Bulk consumers connected to the grid at 11 kV or 220 kV require NOCs from both the STU and the DISCOM to obtain open access under GNA. A centralized system should seamlessly integrate both these requirements. 2. Integration with Single Window Systems: • The Ministry of Power, through its letter no. 25-10/30/2024-PG dated 18.09.2024, has directed states to incorporate the procedure for issuing NOCs into the state's single window systems and link them with the National Single Window System. • A centralized portal aligned with this directive would provide a cohesive and efficient mechanism for stakeholders. 3. Timely Approvals and Deemed Clearance: • As per the Green Energy Open Access Rules, 2022, approvals from State Transmission Utilities should be granted within 15 days of application

		submission. • If the approval is not provided within this timeframe, the system should automatically grant deemed approval to prevent delays. • The implementation of such a centralized platform would foster transparency, reduce procedural bottlenecks, and ensure compliance with regulatory directives, thereby facilitating smoother operations in the open access regime.
2	***Issue No. 2: Provision for grant of Solar hours Connectivity and Non- Solar hours Connectivity through the same Transmission system*** *Should existing solar generators (without storage) also be given the option to install storage for utilization of connectivity/GNA during non-solar hours by submitting an application to CTUIL within three months and installing within a period of 24 months, failing which connectivity/GNA during non-solar hours shall be utilised to grant another connectivity through the same transmission system as 'non-solar hour connectivity' to another applicant, based on the other RE resources or Storage plant, for injection of power during non-solar hours?.*	The concept of non-solar connectivity is welcome and novel in its nature to meet stated objectives. However, the following concerns need to be looked into before this is finalised: I. **Inclusion of Solar parks under these provisions**: The inclusion of solar parks under the provisions addressing the solar and non-solar hour connectivity is essential to ensure equitable and efficient utilization of the transmission network. Solar parks, which are hubs for renewable energy generation, often host multiple developers contributing to substantial power generation capacities. However, the absence of specific provisions to address the treatment of connectivity for such projects during Solar and non-Solar hours can create operational ambiguities and inefficiencies, particularly when integrating solar and non-solar energy within the same network framework. II. **Clarification and Recommendations on the 3-Month Application Period**: The starting point for the 3-month application period mentioned in the regulations is unclear and requires clarification. To ensure a smooth transition and sufficient time for compliance, it is recommended that existing solar

			generators be provided a minimum of two years from the date of notification of the regulations to submit their applications. After this two-year period, connectivity may be granted to applicants seeking non-solar hour connectivity. Existing solar generators should also be allowed to apply for non-solar connectivity beyond the two-year window, but their applications should be considered based on the time-stamp principle, ensuring fairness in the allocation process. This approach balances the need to provide existing generators adequate time to adapt while accommodating new connectivity requests in a structured and transparent manner. **III.** **Clarification on definition of Solar and Non-Solar hours:** We seek clarification on the precise definitions of "solar hours" and "non-solar hours" as referenced in the CERC provisions for granting connectivity during these periods. A clear demarcation of these terms is critical to ensuring uniform interpretation and application across stakeholders. Specifically, it is important to understand whether these hours are determined based on geographical, seasonal, or real-time solar generation patterns. This clarity will help existing and prospective generators plan their operations and applications effectively, ensuring compliance with the regulations while optimizing grid utilization. **IV.** **Auxiliary consumption during non-solar hours:** During non-solar hours (e.g., late evening or night), solar plants draw power from the grid to meet their auxiliary power requirements, which is currently settled at DSM rates. This grid-to-plant power flow necessitates clarity on how auxiliary power will be treated when a Battery Energy Storage System (BESS) operates under its contracts during these hours. Specifically, it must be clarified how solar plants will source their auxiliary power and at what rates.
3	***Issue No. 3: Provision for grant of Solar hours Connectivity and Non- Solar hours Connectivity through the same Transmission system***	I.	**Cost of sharing terminal bays and DTL**: To avoid potential disputes, the Central Electricity Regulatory Commission (CERC) should establish a clear and transparent cost-sharing mechanism between solar hour and non-solar

	Should existing solar generators (without storage) also be given the option to install storage for utilization of connectivity/GNA during non-solar hours by submitting an application to CTUIL within three months and installing within a period of 24 months, failing which connectivity/GNA during non-solar hours shall be utilised to grant another connectivity through the same transmission system as 'non-solar hour connectivity' to another applicant, based on the other RE resources or Storage plant, for injection of power during non-solar hours?.	hour connectivity grantees for the use of dedicated transmission lines and associated infrastructure. This framework should allocate costs proportionally based on the utilization of the infrastructure during solar and non-solar hours, ensuring fairness. The methodology for calculating these costs should account for factors like peak load demand, maintenance, and operational hours, and should be reviewed periodically to reflect changes in demand and operational needs. Such a mechanism will provide transparency, reduce the likelihood of disputes, and ensure that all stakeholders contribute equitably to the shared infrastructure, promoting smoother grid integration and development. II. **Protection of Solar Generator Rights during Solar Hours**: During solar hours, the incumbent solar generator should have exclusive and inalienable statutory rights to inject power into the grid. Since a Battery Energy Storage System (BESS) can inject or withdraw power at any time throughout the 24-hour period, utilizing the dedicated transmission line (DTL) and bay, the solar generator should always have the first right to utilize the connectivity and reschedule as needed. Additionally, there should be no restrictions on the size of the BESS to be set up during non-solar hours. The current GNA regulations require a minimum 50 MW BESS capacity to be eligible for connection to the ISTS network, but such restrictions should be removed. The choice of BESS capacity should be left to the developer, based on factors like site conditions, economic viability, and offtake commitments.
4	***Issue No. 4 Provision for Minimum Transmission Capacity Utilisation for Hybrid ISTS Connectivity*** *An applicant should take Connectivity for a quantum that it wishes to utilise. It is proposed that to ensure the optimal utilization of the transmission system, a minimum annual capacity utilization, i.e., 50%, for RHGS may be mandated, failing which the underutilized capacity of the Connectivity may be reduced, effective 1st October 2026.Alternatively, the quantum of Connectivity equal to the average of maximum injection in any time block of a*	**Removal of minimum transmission capacity utilization requirement:** The requirement for a minimum 50% capacity utilization of connectivity is excessively stringent, particularly considering that renewable energy plants are designed based on specific contractual obligations. For instance, recent FDRE bids have set an annual CUF requirement of 40%, which reflects the actual expectations for plant performance in line with market conditions and technological constraints. This inconsistency between regulatory requirements and the design of plants creates a challenge for developers, as it imposes unrealistic expectations on their operational capabilities.

	day over the year (first year after the declaration of COD) may be allowed to be retained by the Connectivity grantee, and the balance quantum of the part of the Connectivity may be revoked (with corresponding Conn-BGs to be returned). Connectivity on such vacated capacity may be granted to other entities.	Renewable energy plants, such as solar and wind, inherently experience variability in generation due to factors like weather, seasonal changes, and technological limitations. As such, achieving a 50% capacity utilization may not always be feasible, especially in the early stages of operation when plants are still stabilizing. Additionally, factors like grid conditions and plant performance fluctuations must be considered when setting such targets. In light of these challenges, it is recommended that the 50% capacity utilization provision be either eliminated or, at a minimum, reduced to a more practical level, such as 25%. This should be assessed after a monitoring period of at least 2-3 years, allowing for a clearer understanding of the plant's actual generation profile. Such an adjustment would align regulatory requirements with the real-world performance of renewable plants, providing developers with the flexibility to meet their contractual obligations without undue penalty. This approach would foster a more balanced regulatory framework that supports the growth of renewable energy while recognizing the dynamic nature of its generation patterns.