serentica

11/11/2024

To,

The Secretary

Central Electricity Regulatory Commission
World Trade Center, 6th, 7th and 8th Floor
Tower B, Nauroji Nagar, New Delhi- 110029.

Sub: **Comments from Serentica Renewables India Private Limited on CERC Staff Paper on modifications in the GNA Regulations.**

Dear Sir,

This is in reference to the above subject where Hon'ble Central Electricity Regulatory Commission (CERC) has invited comments and suggestions on Staff Paper on modifications in the GNA Regulations. Our Comments on the same has been annexed with this letter.

We request the Hon'ble CERC to take our view on record.

Thanking You

Yours Sincerely,

Serentica Renewables India Private Limited

Kunal Lalit Kaistha
Serentica Renewable India Private Limited
AVP-Regulatory Affairs

Annexure-1

Comments and Suggestions on Central Electricity Regulatory Commission Staff Paper (October 2024) for necessary modifications in the GNA Regulations

The comments and suggestions on the Staff Papper and on its terms on behalf of **Serentica Renewables India Private Limited (SRIPL)** is provided in the following matrix for the kind perusal of the Hon'ble CERC.

S.No	Issue No	Comments and suggestions
1	***Issue No. 1: Substitution of GNA quantum under Regulation 17.1(i) to Regulation 17.1(iii) to the GNA Regulations*** *i. Whether such substitution of GNA quantum under Regulation 17.1(i) to GNA under Regulation 17.1(iii) should be allowed?* *ii. If such substitution is allowed, should it be coupled with the following conditions:* *a. the entity shall submit the NOC from the STU.* *b. the entity shall be liable for payment of the charges of the intra-State network or relinquishment charges, as applicable.* *c. the entity shall be radially connected with the ISTS as 17.1(iii) entity*	The substitution of GNA quantum under Regulation 17.1(i) to GNA/under Regulation 17.1(iii) should be allowed as it would help discoms optimise transmission charges and reduce consumer tariff. Further, keeping the tariff same, the savings can be diverted toward reducing unpaid regulatory assets. Further, in case distribution licensee get direct connectivity with ISTS network it will allows them to reduce their technical losses. The requirement for such shifting should require mandatory NOC from STU and payment of relinquishment charges or any other applicable charge as per SERC regulation for moving out MWs from state grid. Further, radial connection improves reliability of supply to consumers by building in contingencies however that should be left to the Discom as they are required to maintain reliable supply under SERC standards of performance regulation. The stated objective of optimising transmission cost would stand defeated if radial connection with intrastate network is required, effectively making section 17.1.(iii) a non-starter for Discoms.
2	***Issue No. 2: Use of GNA of a Connectivity grantee by an entity connected with an intra-State network that is not a GNA grantee.***	The utilisation of GNA of a GNA grantee should be allowed to a GNA non grantee provided that STU/Discom gives NOC on availability of spare capacity in intrastate network to accommodate the request. It should be noted that intrastate

S.No	Issue No	Comments and suggestions
	i. Whether such utilisation of GNA of a GNA grantee can be allowed by an entity that is not a GNA grantee? *ii. If such use is allowed, should it be coupled with the following conditions:* *a. Such request to be made along with the NOC from the STU towards availability of space in the intra-State network for such quantum of GNA and period.* *b. Such request for utilisation of GNA shall be from an entity located in the same State or same region as that of the GNA grantee. The additional conditionalities that need to be imposed for considering the GNA utilisation beyond the state.* *c. Such request should only be allowed based on the margin available in ISTS, and no augmentation in the ISTS is to be made to facilitate such use of GNA.* *d. Such utilisation shall be restricted to GNA only and not GNARE.* *iii. Issue of Waiver of transmission charges: If entity 'B' draws power from RE resources, should the GNA grantee 'A' be allowed waiver in respect of such RE power drawl.*	connected entities like Bulk Consumer take GNA (or open access) for a quantum within their contract demand agreed with the Discom. Hence spare capacity in network is always available to accommodate power within contract demand capacity. However, under GNA as power would be drawn using inter state network also the flow of such power within intra state network may require approval from STU/Discom. Hence, NOC should be required and being a GNA grantee should not be a precondition. If NOC is obtained GNA can be shifted directly to the intrastate entity and it be considered a GNA grantee consequently. The utilisation of GNA should be made from an entity located anywhere in the country and not necessarily the same sate or region where the original GNA grantee is located. This is because as a principle, under GNA regime the entire national grid is like a copper plate where any entity can draw from any source or inject power to a load located anywhere. Further, as GNA transfer is for only a period of 3 years, the transfer should be for margins available within the system only. In case CERC decides to allow transfer for say a period of 25 years, then requirement for additional network enhancement and corresponding bank guarantees to be given to CTU should arise. In that case the party taking GNA through transfer should pay the charges. The transfer of GNA or GNAre both should be allowed. Further, as ISTS waver is basis schedule from RE generator, hence waiver should stay with entity 'B' which schedules such power and in case entity 'B' or 'A' are subsidiaries having common parent

S.No	Issue No	Comments and suggestions
		option for claiming should ISTS waiver should be available for both be claimed by 'A' or 'B' which schedules power.
3	***Issue No. 3: Dual Connectivity to the Bulk Consumer for the same load capacity*** *i. Whether such grant of GNA to Bulk Consumer through dual connectivity, i.e., for the same load capacity should be allowed or not?* *ii. If such a grant of GNA to Bulk Consumer through dual connectivity is allowed, can it be coupled with the following conditions:* *a. NOC of the STU based on the commitment of bulk consumers to pay the applicable charges of the intra-State network if the applicant is already connected with the intra-State network and seeking GNA through direct connectivity with ISTS?* *b. Commitment of bulk consumer to pay the applicable charges of ISTS if the applicant is already connected with the ISTS and seeking connectivity to the intra-State network.* *c. Should only those Bulk Consumers be granted GNARE from ISTS, which is drawing only RE power through the intra-State network also. Further, after the granting of GNARE, if the user starts drawing non-RE power through the intra-State network, its GNARE may be converted into GNA with a waiver*	Connectivity to both intra and inter state network for the same load capacity should be allowed upon payment of applicable intra or inter-state transmission charges for the contract capacity reserved in respective network irrespective of extent of usage.

S.No	Issue No	Comments and suggestions
	of the ISTS charges as applicable for GNA in terms of the Sharing Regulations, 2020.	
4	***Issue No. 5: Utilisation of the Connectivity granted to a subsidiary by another subsidiary of the same Parent company.*** *Whether such utilisation of Connectivity among the different subsidiaries of the same Parent company should be allowed or not?*	While Regulation 15.1 enables the utilisation of connectivity among parent and subsidiary companies, and existing Regulation 15.3 permits the transfer among subsidiaries as well as affiliates, it would be appropriate to include transfer of connectivity amongst subsidiaries having common parent company. Right now, post COD a subsidiary holding connectivity may transfer it to Parent Company which in turn can transfer it to its other subsidiary. Such transfer, though theoretically possible, is not allowed by CTUIL till the Hon'ble CERC explicitly allows it. It is suggested that transfer of connectivity amongst subsidiaries having common parent is to be allowed so that the ambiguity with CTUIL is clarified. Transfer amongst subsidiaries is aligned to the spirit of Regulation 15 of GNA regulations which principally allow connectivity transfer amongst affiliates. While affiliate is not defined in company law, the transfer amongst subsidiaries with common parent is suggested. This would help in better utilization of connectivity and align with market requirement, especially when bids under FDRE regime require multiple injection points to meet 90% generation availability.
5	***Issue No. 6: 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?*	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 is needed to facilitate transparency. Further such portal should also facilitate NOC from Discoms (or SLDC) as required under SERC regulations. Bulk Consumer connected to grid at 11 KV or 220 KV require both STU and Discom NOC for getting open

S.No	Issue No	Comments and suggestions
		access under GNA. Hence, the portal should facilitate both this. Recently the Ministry of Power vide its letter no 25-10/30/2024-PG dated 18.09.2024 has directed all states that the procedure to issue NOC by states to GNA applicants be incorporated with the state single window system and then be connected to National Single Window System. Hence, a centralised portal in this line would be welcome. In addition to this such approvals from the State Transmission utilities should be provided within 15 days as per Green Energy Open Access Rules 2022 failing which automatic and deemed approval should be granted by the system.
6	***Issue No. 7: 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 utilisation 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. **During non-solar hours** (viz late evening/night) the solar plant draws power from grid to meet auxiliary power requirement. Such power flows from grid to solar plant. During non-solar hours when the BESS would be injecting energy, wherefrom would solar plant get aux power. **Further, in solar hours** due to the addition of a co located BESS there would be requirement of charging the BESS during solar generation hours. Either the incumbent solar generator can provide this charging power to the BESS or the BESS can set up its own solar plant or the BESS can buy charging power from third parties during the solar hours. In case own solar plant, dedicated only for charging with no grid injection, is used for BESS charging the energy accounting for charging power would be internal, simple and not require regional energy accounting. If third party charging power is used

S.No	Issue No	Comments and suggestions
		or power from incumbent solar plant is used, then energy accounting at POI for both simultaneous injection and drawl would get complicated. This may require net scheduling and special metering scheme approval which the Hon'ble CERC should clarify to avoid disputes both during solar and non-solar hours. A case in point here is Balco Vs PGCIL & others in Petition No. 299/MP/2018 (https://cercind.gov.in/2020/orders/299-MP-2018.pdf) which provides important energy settlement principles to resolve this. ii. The sharing of bay and dedicated transmission line by existing solar generators with Co-located Energy Storage Systems (ESS) would be at a cost which we suggest should be the equipment benchmark cost used by PGCIL and Hon'ble Commission to suggest a methodology on recovering the same over the life of the BESS. This would avoid disputes and litigations before the Commission. Further, BESS addition would require fresh technical study approval from CTU and some exclusive re-engineering that may result in change in MVAr rating of harmonic filter or SVGs or installation of additional equipment etc involving a huge cost. The commission should statutorily require the incoming BESS to pay entirely for it to avoid disputes. It is further suggested that in case the connectivity shared between two different entities the Bank Guarantees (Con BG 1,2,3) should be proportionately shared along with aforementioned common infra sharing charges. iii. The existing solar generators should be first given the option to develop and set up the BESS. Because there are many

S.No	Issue No	Comments and suggestions
		challenges in setting up co-located BESS and importantly being viable offtake of expensive BESS power, the Hon'ble Commission should specify a mechanism by which the power can be offtaken for ancillary services at a predetermined floor price and additionally facilitate long term tie ups for life of BESS to facilitate its financing from Banks. The Hon'ble Commission should also allow injection of BESS power during solar hours so that incumbent solar project can save on DSM charges and come at mutually agreed understanding for it thereby building a captive market. iv. During solar hours the incumbent solar generator should have exclusive and inalienable statutory right on injection of power to the grid. Further, no restriction should be on the size of BESS to be set up during non-solar hours. The GNA regulations requires minimum 50 MW BESS to be eligible to connect to the ISTS network. Such restrictions should be done away with and choice of BESS capacity should be left to the Developer to decide depending on site conditions, economic viability, offtake commitment etc.
7	***Issue No. 8: Provision for Minimum Transmission Capacity Utilisation for Hybrid ISTS Connectivity*** *8.6 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,*	It is suggested that there should not be mandated minimum annual capacity utilization i.e. 50% for RHGS as it may not be commercially viable in all cases. Higher CUF sites are already scarce in the country and lower CUF sites are best utilized through hybrid configuration. Further, different PPAs require different CUFs and not necessarily minimum 50%. Generally annual capacity utilization range is provided by the beneficiaries in tenders. Therefore, it is suggested that it should not be prescribed as upfront.

S.No	Issue No	Comments and suggestions
	the quantum of Connectivity equal to the average of maximum injection in any time block of a 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. *8.7 Considering the above, Comments and suggestions are sought from stakeholders on the above proposal whether the minimum annual capacity utilization of the Connectivity by the RHGS should be mandated or not.*	Further, it is suggested that Quantum of connectivity equal to the average of maximum injection in any time block of a day during 3 years after **COD of full capacity** may be allowed to be retained by the Connectivity grantee. 3 years is the minimum prudent timeline as post full COD the plant takes around 1 years to technically stabilize and impact of changing wind/solar pattern can be better assessed within 3 years instead of one year.