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Subject: Tata Power _CERC_ Staff Paper for necessary modifications in the GNA Regulations

Dear Sir/Mam

Please find enclosed comments on the Staff Paper for necessary modifications in the GNA Regulations.

Regards,
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Tata Power Comments on Central Electricity Regulatory Commission Staff Paper for necessary modifications in the GNA Regulations

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 the STU optimize transmission charges and reduce consumer tariff. 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. Since, the Discom/ intra-state entity continues to be connected to STU network (as indicated in Para 2.4 of the staff paper), the transmission system would continue to be utilized and paid for by the discom/ intra-state entity as per extant SERC regulations and payment of relinquishment charges or any other applicable charge as per SERC regulation for moving out MWs from state grid will be applicable only if no additional GNA is required by the state in the immediate future for upcoming demand as per their Resource Adequacy Plan.
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.*** *i. Whether such utilisation of GNA of a GNA grantee can be allowed by an entity that is not a GNA grantee?*	The utilization 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 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

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	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.*	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. 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 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?*	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 extent of usage. The inter-state transmission charges have the usage component factored in as part of the charges. Similarly, the intra-state charges must also reflect the usage element. Otherwise, this relaxation may be a non-starter in view of the

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	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 of the ISTS charges as applicable for GNA in terms of the Sharing Regulations, 2020.*	transmission charges being levied for the same load in both the networks.
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?*	Yes, utilization of connectivity amongst different subsidiaries of the same parent company should be allowed. Creating multiple SPVs under same holding company is widely used industry practice for ring fencing of assets and risks as per the requirement of the investors. However, these SPVs share common management, controlling equity, human and other resources. Thus, same rationale of utilising and transfer of a parent company's connectivity apply in this case also

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		since the connectivity is held effectively by parent of SPV only. Under such arrangement, there is no sale of connectivity happening since control of both companies live with the common parent company.
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?*	Yes, 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. 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 integrated to National Single Window System. Such approvals from the State Transmission utilities should be provided within 15 days as per Green Energy Open Access Rules 2022, failing which approval would be deemed to have been granted and an automatic approval order should be generated by the system for further use by the NOC applicant.
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*	The following concerns need to be looked into before this is finalized: • **Rights of Solar generator to be protected during Solar Hours-** The incumbent solar generator should have exclusive and inalienable statutory right on injection of power to the grid during the solar hours. Given, that a BESS can inject/drawal during any 24 hrs and utilize the DTL and bay, first right for utilization of the connectivity and rescheduling should always be with the existing solar generator.

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	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?.	• **Safeguarding right of existing RE+BESS contract**- There are projects which already have BESS (along with RE) as part of the PPA, set up for supplying power beyond solar hours. The right to inject from existing BESS in such projects during non-solar hours should be safeguarded in the proposed regime. • **Need to create market based demand for storage during non-solar hours-** The existing solar projects have been given option to install storage and utilitize their non-solar hour connectivity by applying within 3 months. This needs be enabled by creating demand for storage by way of competitive bids. The demand will have to cater to the margins available in the non-solar hours. This is crucial as the solar developer may not be able sell storage capacity under the existing contract. The bids should have all combinations of RE i.e. solar+storage, wind+storage, hybrid+storage, to utilize the margins in non-solar hours Further, it is suggested that existing solar generators be provided min 6 months from the date of notification of the regulations providing for this. Also, for the incumbent solar developer, there should be no restriction on BESS sizing. The 50 MW condition of BESS should not be there. • **The reduced connectivity need to translate into reduced obligations for the existing solar developer-** Transfer of non-solar hour connectivity to a separate entity must transfer the rights and obligations as well. For example, reduced BG for the existing developer. Bank Guarantees (Con BG 1,2,3) should be proportionately shared.

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		• **Equitable sharing of dedicated infrastructure with the new entity installing BESS-** It should be ensured that any additional expenses incurred should be entirely borne by the new connectivity grantee and common infra to be equitably shared. ✓ The addition of BESS 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. ✓ In case of non-availability of space within existing PSS, a shared PSS may have to be developed. Further, as another example, land availability close to the substation may also be an issue and in case the existing DTL needs to be re-routed, cost due to loss on account of increased T/L length shall also be compensated by the new connectivity grantee All commercial aspects, right and obligations for sharing of infrastructure should be under regulatory oversight. This would avoid disputes and litigations before the Commission. • **Standalone storage to be preferably taken up by transmission utilities as a transmission element-** Development/procurement of standalone storage by transmission companies in the vicinity of their substations may be mandated for optimized grid operation. • **Ascertaining the duration of solar/non-solar hours**- The non-solar hour margins must be ascertained very carefully, as (i) duration of solar/non-solar hours is both state and

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		season specific; (ii) non-solar margins may also be affected by power flows from existing and future capacity addition of both RE and conventional power. • **Provision for drawing auxillary power from the grid**- During non-solar hours when the BESS would be injecting energy, the existing the solar plant must be allowed to meet its auxiliary power requirements from the grid. • **Accounting mechanism for power drawn for charging co-located BESS and co-located RE+BESS**- During solar hours, due to the addition of a co- located BESS, the BESS would need to be charged during solar generation hours. The incumbent solar generator can provide excess power, if any, for 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 or power from incumbent solar plant is used, then energy accounting at POI for both simultaneous injection and drawl needs to be addressed. 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.
7.	***Issue No. 8: Provision for Minimum Transmission Capacity Utilization 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	Tenders issued by REIAs/ Discoms specify the minimum CUF that is to be met by the RHGS. Prescribing a minimum annual CUF may not be commercially viable for RHGS grantee due to various requirements under the utility tenders/ C&I PPAs,

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	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 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.	which stipulate CUF and max-min CUF range, the ratio of wind and solar components in the hybrid mix etc. Further, the RHGS can be co-located or non-co-located and this condition of minimum utilization is relevant in the context of only co-located RHGS. It is recommended that the minimum CUF requirement be contractually driven rather than mandated through regulations. If at all, a minimum utilization factor must be considered, it should be basis the maximum injection at any time block during the past three years. The first year after COD should not be considered as a plant would take time to stabilize.