

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**IA (Diary) No. 105/2024
in Petition (Diary) No. 89/2024**

Subject : Application on behalf of the Petitioner for interim directions.

Petitioner : Indosol Solar Private Limited (ISPL)

Respondent : Central Transmission Utility of India Limited (CTUIL)

Date of Hearing : **27.2.2024**

Coram : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member

Parties Present : Ms. Swapna Seshadri, Advocate, ISPL
Shri Siddharth Sharma, CTUIL

Record of Proceedings

The matter was mentioned by the learned counsel for the Petitioner, citing the urgency therein. Learned counsel for the Petitioner submitted the instant IA has been moved by the Petitioner in Petition (Diary) No. 89/2024, *inter alia*, seeking direction from this Commission to Respondent No.1, CTUIL to extend the time to submit the Bank Guarantee (BG), which may be replaced with Payment on Order Instrument (POI) subject to the outcome of the main Petition and/or amendment of the GNA Regulations. Learned counsel mainly submitted as under:

- (a) The Petition (Diary) No. 89/2024 has been filed by the Petitioner under Section 79(1)(c), (f) and (k) of the Electricity Act, 2003, read with Regulations 41 and 42 of the GNA Regulations for a direction on the submissions of POI in lieu of Connectivity BG.
- (b) Petitioner has proposed to set up Solar Power Parks with capacity of 3500 MW in the district Kurnool, YSR (Kadapa) and Ananthapur in four phases and submitted its applications dated 9.11.2023 for connectivity to CTUIL under the GNA Regulations. Consequently, CTUIL by its letter dated 29.1.2024 intimated the grant of the in-principle connectivity to the Petitioner.
- (c) In terms of Regulation 8 of the GNA Regulations, the Petitioner is required to furnish Conn-BG1 and Conn-BG2 and/or Conn-BG3 as applicable within one month from the in-principle grant of the connectivity.
- (d) However, the Petitioner has a regular banking relationship with the Indian Renewable Energy Development Agency (IREDA) and the Petitioner, therefore, proposed to obtain and have the POI issued towards submitting Conn-BG1, Conn-BG2 and Conn-BG3. Pertinently, the security interest over all assets of the Petitioner is vested with IREDA.
- (e) IREDA being a non-banking financial corporation registered with RBI, POI issued by IREDA shall hold the same legitimacy as BG issued by the Scheduled Bank recognized by RBI. POI to be issued by the IREDA shall fulfil all the conditions stipulated for the BG to be furnished in the GNA Regulations. In fact,

POI has become commonly acceptable by the various implementing agencies, and SECI has also carried out amendments in the RfS and the PPAs to include POI therein in lieu of the BG.

(f) Since CTUIL has rejected the request of the Petitioner to the above effect, the Petitioner has filed the main Petition, *inter alia*, for a relaxation of the requirement to submit the BG and submit POI in lieu thereof.

(g) Keeping in view the time given to the Petitioner to submit the BG expires on 29.2.2024, failing which its connectivity applications will be closed, the Petitioner has also moved the instant IA seeking interim directions for extension of time for submissions of the BG/POI till the main Petition is decided. Alternatively, the Petitioner has also prayed for the grant of time to submit BG, which may be replaced with POI subject to the outcome of the Petition.

(h) The Petitioner is willing to submit the BG, which may be replaced with subject to the outcome of the main Petition and/or amendment of the GNA Regulations and keeping in view that the amount involved is substantial, the Petitioner is requesting for an extension of 45 days to submit such BG.

2. The representative of Respondent, CTUIL, submitted that the issue involved in the matter is somewhat generic in nature and not specific to the Petitioner herein only. The representative of CTUIL further added that there are some issue(s) involved with the POI as compared to the BG and pointed out that under Insolvency and Bankruptcy Code, while BG is specifically exempted from the Corporate Insolvency Resolution Process (CIRP) – which permits CTUIL to encash the BG even if a company is subject to CIRP, the same dispensation is not there for POI and other instruments. The representative of CTUIL fairly submitted that the above aspect requires examination, and CTUIL will file its detailed reply to the Petition.

3. Considering the submissions made by the learned counsel for the Petitioner and the representative of CTUIL and the special circumstances, the Commission ordered as under:

(a) CTUIL will not proceed to revoke the in-principle grant of Connectivity to the Petitioner provided the Petitioner submits POI from IREDA within 7 days of issue of RoP, which shall be replaced by BG of the requisite amount by 31.3.2024, failing which CTU will take action as per GNA regulations.

(b) BG(s) to be furnished by the Petitioner in terms of (a) above will be subject to the outcome of the main Petition. Accordingly, IA (Diary) No. 105/2024 was disposed of.

(c) CTUIL to file its reply to the main Petition within three weeks with a copy to the Petitioner, who may file its rejoinder within two weeks thereafter.

4. The main Petition will be listed for hearing on **24.5.2024**.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**