

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition (Diary) No. 358/2024 along with IA (Diary) No. 359/2024**

Subject : Petition under Section 79(1)(c) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

Petitioner : ACME Cleantech Solutions Private Limited (ACME)

Respondents : Central Transmission Utility of India Limited (CTUIL) & Ors.

Date of Hearing : **22.7.2024**

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member

Parties Present : Shri Shryeshth Sharma, Advocate, ACME  
Shri Bharat Gangadharan, Advocate, ACME  
Shri Vedant Chaudhary, Advocate, ACME  
Shri Siddharth Sharma, CTUIL  
Shri Akshayvat Kislay, CTUIL

**Record of Proceedings**

Learned counsel for the Petitioner submitted that the Petitioner is seeking appropriate direction cum clarification to the effect that the Letter of Award (LoA) dated 2.2.2024 and addendums thereto issued by Respondent No.2, Solar Energy Corporation of India Ltd. (SECI) to the Petitioner as the successful bidder has been issued after duly conducting the competitive bidding process undertaken by SECI and that the said LoA submitted by the Petitioner to Respondent No.1, CTUIL for the grant of connectivity is for the purposes of the supply of power from its Solar Plant to its Green Hydrogen Plant and qualifies as an LoA as required under Regulation 5.8(xi)(a) of the GNA Regulations and that the same suffices as an LoA for setting up the Solar Plant under the governing regulatory framework. Learned counsel for the Petitioner mainly submitted as under:

(a) On 17.2.2022, the Ministry of Power, Govt. of India, with the aim of meeting the country's climate targets and making India a green hydrogen hub, issued a Green Hydrogen Policy. As per the Policy, green hydrogen/ammonia means hydrogen/ammonia produced by way of the electrolysis of water using renewable energy (RE) and the hydrogen/ammonia produced from biomass. Pertinently, the said Policy was marked to all the stakeholders in the power sector including CTUIL.

(b) The said Policy *inter alia* also provided that green hydrogen/ammonia can be manufactured by a developer by using renewable energy from a co-located RE plant or sourced from a remotely located plant and that connectivity at a generation end and the green hydrogen/ammonia manufacturing end, to the ISTS for the RE capacity set-up for the purpose of manufacturing green hydrogen/ammonia shall be granted on a priority basis. Moreover, in order to achieve competitive prices, MNRE may aggregate demand from the different sectors and have consolidated bids conducted for procurement of green hydrogen/ammonia through any of the designated implementing agencies.

(c) Thereafter, MNRE, Govt. of India issued the National Green Hydrogen Mission in January 2023. The said document *inter alia* required the MNRE to frame model guidelines for transparent, competitive bidding for procurement of green hydrogen and its derivatives. Consequent thereto, MNRE, on 28.6.2023, issued the Scheme Guidelines for implementation of Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme – Component II: Incentive Scheme for Green Hydrogen Production under Mode I.

(d) The said Scheme Guidelines also recognized two modes for implementation of an incentive scheme for green hydrogen production wherein Mode I includes bidding on the least incentive demanded over the three-year period through a competitive selection process. Also, by the said Scheme Guidelines, SECI was identified as implementing agency in this regard.

(e) Pursuant thereto, SECI conducted a bidding process for selection of the Green Hydrogen Produced for setting up the Production Facilities for Green Hydrogen in India under SIGHT Scheme (Mode I Tranche I) wherein the Petitioner herein came to be selected as the successful bidder and has been issued the LoA dated 2.2.2024 read with addendums dated 6.3.2024, 13.5.2024 and 27.5.2024 – issued primarily to incorporate the details including change of location(s) of RE capacity required to be set-up for production of green hydrogen.

(f) In terms of the above, the Petitioner is in the process of setting up the facility for 90,000 MT/annum production of green hydrogen and ammonia facility ("Green Hydrogen Plant") in the State of Odisha along with the Solar Power Project ("Solar Plant") in the District Jalore in the State of Rajasthan for a total capacity of 2182 MW to power its Green Hydrogen Plant. For the purpose of setting up a Green Hydrogen Plant, the Petitioner has also entered into an MoU with the Tata Steel Special Economic Zone whereby the Petitioner has sub-leased a land parcel of 130 acres for consideration of Rs. 67.6 crores, and the Scheduled Commissioning Date of this Green Hydrogen Plant is February 2027.

(g) Thereafter, on 29.5.2024, the Petitioner filed an application under the GNA Regulations for the grant of connectivity to ISTS for its Solar Plant to Sanchore S/s under the LoA route. However, on 5.6.2024, CTUIL raised certain queries pertaining

to the said application, which the Petitioner promptly clarified in its letter dated 6.6.2024.

(h) However, CTUIL, vide its letter dated 10.7.2024, rejected the Petitioner's application on the basis that the LoA submitted by the Petitioner with its application does not fulfil the requirement of a valid LoA as per Regulation 5.8(xi) (a) of the GNA Regulations. In the said letter, CTUIL *inter alia* has conveyed that (i) LoA submitted by the Petitioner pertains to the Green Hydrogen Plant and not the Solar Plant, and (ii) Regulation 5.8(xi)(a) of the GNA Regulations requires an LoA or the PPA entered into with REIA/Distribution licensee/ authorised agency on behalf of the Distribution licensee consequent to tariff based competitive bidding for Solar Project and that no tariff based competitive bidding has been carried out for the 2182 MW Solar Projects.

(i) While rejecting the Petitioner's aforesaid application for the connectivity, CTUIL has completely lost sight of the stipulations under the various Policy documents/ Scheme Guidelines. Also, CTUIL has failed to consider that the Petitioner is setting up the Solar Plant of capacity 2182 MW for the purpose of supplying solar energy to its Green Hydrogen Plant, and the same has also been verified and certified by SECI, a REIA, in the LoA issued by it to the Petitioner. CTUIL has also failed to consider that the LoA to the Petitioner has been issued pursuant to the transparent and competitive bid process based on lease incentive requisition. While denying the Petitioner's connectivity application, CTUIL has rather adopted quite a pedantic interpretation of Regulation 5.8(xi)(a) of the GNA Regulations, which is neither proper nor sustainable.

(j) The Petitioner has also moved IA (Diary) No.359/2024 *inter alia* seeking an ad-interim *ex-parte* stay on the operation of CTUIL's letter dated 10.7.2024 rejecting the Petitioner's connectivity application and also a direction to the CTUIL to reserve the capacity of 2182 MW at Sanchore S/s with the same priority as on date on which the Petitioner applied for connectivity subject to the outcome of the present Petition and to keep the connectivity application of the Petitioner alive during the pendency of the present Petition. The Petitioner is pressing for the above interim relief(s) as in case any other applicant is granted connectivity to Sanchore S/s, it may not be possible to accommodate the Petitioner's requisition of 2182 MW and ultimately, may also render the present petition infructuous.

2. The representative of the Respondent, CTUIL, submitted that for the applicability of Regulation 5.8(xi)(a) of the GNA Regulations, there are two necessary elements. Firstly, the applicant has to be REGS or ESS, and secondly, should have an LoA or PPA with REIA or is a distribution licensee or an authorised agency on its behalf consequent to a tariff-based competitive bidding. As per CTUIL, the Petitioner's application based on the LoA dated 2.2.2024, along with addendums thereto, did not meet the above criteria and consequently, was closed. He further submitted that insofar as the grant of interim relief is concerned, there is no pending application with CTUIL, and as such, there is no pressing urgency in the matter.

3. Considering the submissions made by the learned counsel for the Petitioner and the representative of the CTUIL, and in order to understand the precise scope and nature of the LoA along with addendums in question as issued by SECI, the Commission ordered as under:

(a) Admit and issue notice to the Respondents.

(b) The Respondents to file their reply, if any within two weeks with a copy to the Petitioner who may file its rejoinder within two weeks thereafter.

(c) The Petitioner to furnish the following information details/ clarification, on affidavit, within two weeks:

(i) As per the LoA dated 2.2.2024, issued by SECI to the Petitioner for Green Hydrogen Production Facilities, the Scheduled Commissioning Date (SCD) for the commissioning of full Production Capacity shall be 2.2.2027, whereas the Petitioner in its Connectivity application for 2182 MW Solar Plant has mentioned the date from which connectivity is required as 25.6.2027. Clarify how the Green Hydrogen production will be done based on the proposed Solar Plant when the Solar Plant is proposed with a delay of approximately five months. Further, in light of such a mismatch, clarify how the proposed Solar Plant is covered under the LoA issued by SECI for Green Hydrogen Production Facilities.

(ii) Detailed calculations to work out the capacity of 2182 MW for production of Green hydrogen covered under instant LOA for production of green hydrogen.

(iii) Whether the Petitioner is planning to take power from other renewable generation projects or only one 2182 MW project?

(iv) The Petitioner to indicate whether the transmission system at Sanchore would be ready in 2027 for evacuation of power?

(d) SECI to furnish the following details/clarifications, on an affidavit, within two weeks:

(i) Is the LoA dated 2.2.2024 issued by SECI for Green Hydrogen Production Facilities to the Petitioner is similar to the LoAs being issued by SECI for implementing Solar Power Plants for procurement of power based on the tariff discovered through competitive bidding?

(ii) In respect of the Addendum to the LoA issued by SECI, wherein SECI has acknowledged the Solar Energy Capacity, whether any Bank Guarantee (BG) has been taken for such RE capacity and has considered any SCOD for this RE Plant as well as intermediary milestones being monitored by SECI for its implementation within the stipulated timeframe. The relevant documents may be submitted in this regard.

(e) CTUIL is directed to submit on an affidavit within two weeks indicating the status (awarded/ under-construction/ implemented) of the Sanchore sub-station and its total evacuation capacity as well as the available evacuation capacity and implementation timeframe of the Sanchore sub-station.

4. Insofar as the Petitioner's prayer for grant of interim relief(s) is concerned, the Commission declined to issue any direction at this stage prior to considering the views of the Respondents on the above-noted aspects.

5. The Petition, along with IA, will be listed for the hearing on 22.8.2024.

**By order of the Commission**  
**Sd/-**  
**(T.D. Pant)**  
**Joint Chief (Law)**