

**Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2023 ('Draft Third Amendment Regulations')**

**No. L-1/261/2021/CERC**

**Explanatory Memorandum**

**Background**

1. The Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (hereinafter 'Principal Regulations') was notified on 7th June 2022, and subsequently, the first amendment and second amendment were notified on 1st April 2023 and on 19th June 2024, respectively (The amended Regulations are hereinafter collectively referred to as "GNA Regulations"). The draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024 (hereinafter 'draft Third Amendment') was issued on 31.07.2024.
2. The draft Third Amendment has been issued in light of the following:
  - a) Post notification of the first amendment to the GNA Regulations on 1.4.2023, some suggestions were received from the Ministry of Power (MoP), CTUIL, RE Developers, and RE Associations to address certain concerns, some of these concerns have already been addressed through the Second Amendment to the GNA Regulations. The balance issues have been covered under the draft Third Amendment.
  - b) Suo Motu Orders dated 22.09.2023, 29.09.2023, 1.10.2023, and 7.10.2023 were issued under the GNA Regulations in light of difficulties raised by CTUIL/ other stakeholders. Out of the said Suo Motu Orders, some issues covered were one-time clarifications, and some of the clarifications are required on an ongoing basis under the GNA Regulations. Such ongoing points are included in the draft Third Amendment.
  - c) A few issues brought to our light by way of Petitions filed by stakeholders, which are also covered under the draft Third Amendment

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3. The explanations for each of the proposed amendments are covered in detail in the subsequent paragraphs. However, the broad amendments proposed are as follows:
- (a) Treatment of Land BG and Conn BGs in case of partial or full withdrawal of application, closing of application, and relinquishment of connectivity.
  - (b) Grant of Connectivity to REGS to transmission network of Bhakra Beas Management Board (BBMB),
  - (c) Grant of Connectivity to REGS based on LOA or PPA route limited to the quantum of LOA or PPA.
  - (d) Connectivity for authorized Renewable Power Park Developer (RPPD) in phases where the authorized quantum is more than 500 MW.
  - (e) Sharing of ISTS terminal bay among entities covered under Regulation 4.1 and entities covered under Regulation 17.1(iii).
  - (f) LOA issued by a Central Government approved third party for replacement of the scheduled generation by power supplied from REGS is proposed to be considered as an eligible document for grant of Connectivity on the LOA route.
  - (g) Change in land parcel by the REGS or RPPD.
  - (h) Framework of final grant of Connectivity is proposed to be modified as immediately on submission of Conn-BGs in place of after ~6 months under prevailing Regulations.
  - (i) Monitoring of the dates of submission of land documents, achieving financial closure and achieving COD by CTUIL.
  - (j) Detailed provisions for conversion of part or full quantum of Connectivity granted on Land or Land BG route to LoA route.
  - (k) Process for change in configuration of renewable sources by the Applicant .
  - (l) Compliances of intermediary milestones may be met by the subsidiary company executing the project when the Connectivity is with Parent company or vice-versa.
  - (m) Broad contours of reallocation of Connectivity granted to an Applicant at one ISTS sub-station to another ISTS sub-station.
  - (n) Making a web portal by NLDC to facilitate GNA grantees to indicate its surplus GNA quantum or demand for GNA quantum under 'Use of GNA by other GNA Grantee'.

- (o) Maximum quantum of T-GNA, which can be sought by a Bulk Consumer (directly connected to ISTS).
  - (p) Operating charges for T-GNA grantee
4. The draft amendments have been explained in the Explanatory Memorandum under the following heads:
- A. Amendments for treatment of Bank Guarantees (BGs) in case of withdrawal or closing of the Application**
  - B. Amendments to address the issues pertaining to the grant of Connectivity**
  - C. Amendments to address the issues pertaining to the grant of GNA**
  - D. Amendments to address the issues pertaining to the grant of T-GNA**
  - E. Amendments to incorporate directions under Order dated 22.09.2023 in 11/SM/2023**

**A. Amendments for treatment of Bank Guarantees (BGs) in case of withdrawal or closing of the Application**

- (a) Amendment to Regulation 3.7 - Treatment of Bank Guarantee (BG) submitted under Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8, in lieu of land documents (hereinafter referred to as 'Land BG'), Conn-BG1, Conn-BG2, and Conn- BG3, in case Application for Connectivity or GNA is withdrawn**

5. CTUIL vide letter dated 24.01.2024 sought clarification for treatment of Land BG /Conn- BG, as follows:

“ .....

*As per GNA Regulation 11A, an applicant shall submit documents for land in terms of Clause (xi)(b) or Clause (vii)(b) of Regulation 5.8, as the case may be, within 180 days of issuance of final grant of Connectivity. The Bank Guarantee shall be returned within 7 days of submission of stipulated documents as a proof of Ownership or lease rights or land use rights.*

*Further, as per CERC order dated 01.10.2023, in petition no. 15/SM/2023, in case the application of an entity is closed due to non-submission of Conn-BG1, Conn-BG2 or Conn-BG3, the Bank Guarantee of Rs. 10 lakh/ MW submitted in lieu of land documents shall be returned within one month from the closing of the Connectivity Application.*

*However, in cases, where applications are made under the Land-BG route, treatment of land BG is not specified in the following scenarios:*

- i. In case of Withdrawal of application under Regulation 3.7, wherein withdrawal of Connectivity application is permitted before in-principle grant of Connectivity with refund of 50% application fees.*

ii. In case of Relinquishment of Connectivity under Regulation 24, wherein Connectivity grantee(ies) are permitted to relinquish the Connectivity by giving a notice of 30 days.

In view of above, clarity regarding treatment of Land-BG is required in the following scenarios:

a. In case an applicant requests for reduction/ withdrawal/ relinquishment of its Connectivity quantum

- Prior to the grant of in-principle grant of Connectivity
- From in-principle grant of Connectivity to submission of Conn-BGs
- From submission of Conn-BGs to Final grant of Connectivity
- From Final grant of Connectivity to 180 days from the date of final grant of Connectivity or during scrutiny period beyond 180 days.

b. Submission of land documents corresponding to a quantum lower than the Connectivity quantum

*Under Regulation 11B(1), treatment of Land-BG in case of failure to submit the document by applicants/grantees in accordance with Regulation 11A has been specified. However, if the Connectivity grantee submits documents for partial land and requests for modification of the Connectivity quantum corresponding to the land submitted, whether the full Connectivity should be revoked and Land-BG corresponding to full quantum shall be encashed or pro-rata to be applied. Further, Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of GNA Regulations.*

c. Conversion of Connectivity under Land-BG route to LoA route

*In case a developer requests for conversion of connectivity from Land-BG to LOA Route in line with Regulation 11(A) 4 for partial capacity, whether the same is allowed and if so how will the Land-BG for the partial capacity be treated?*

.....”

6. We have considered the submissions of CTUIL. We observe that the treatment of Land BG and the Conn-BGs for the withdrawal or closing of Application at different stages of Application needs to be clearly included in the Regulations. The proposals are based on the principle that an entity while making an application, should make a serious assessment of the quantum of Connectivity sought. Hence, any partial withdrawal of Connectivity is not permitted post submission of the application. However, if the substation at which such an entity wishes to seek connectivity has an available quantum that is less than the Connectivity quantum sought by such entity, only for this condition can an entity seek partial withdrawal of application for the quantum of Connectivity not available at the particular substation. Accordingly, the treatment of BGs, based on the different stages of the withdrawal of the application, has been proposed under the Draft third Amendment by amending Regulation 3.7, as follows:

*“3.7 Withdrawal of Application for Connectivity or GNA and treatment of Bank Guarantees:-*

*3.7.1 If any application for grant of Connectivity or grant of GNA is withdrawn before the*

*in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, the Nodal Agency shall deal with such cases in the following manner:*

- (a) 50% of the application fee shall be forfeited.*
- (b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:*

*3.7.2 If any application is withdrawn for partial quantum based on the availability of evacuation capacity at the substation at which Connectivity has been sought before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations, such modification shall be carried out in the following manner:*

- (i) BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn.*
- (ii) For applicants covered under sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations or sub-clause (b) of Clause (xi) of Regulation 5.8 of these regulations, the applicant shall intimate the details of the land documents corresponding to the quantum withdrawn and the Nodal Agency shall release such documents.*

*3.7.3 If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:*

- (a) 100% of the application fee shall be forfeited;*
- (b) 5% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 95% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.*
- (c) If Conn BG1, Conn-BG2, Conn-BG3, as applicable, have been furnished, Conn BG-1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned by the Nodal Agency:*

*Provided that where ATS or terminal bays have not been awarded for implementation as on the date of withdrawal, Conn-BG2 shall be returned within 15 days of such withdrawal of the application.*

- (d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant;*

*3.7.4 If any application is withdrawn after the final grant of Connectivity and before the signing of the Connectivity Agreement, the Nodal Agency shall deal with such cases in the following manner:*

- (a) 100% of the application fee shall be forfeited;*
- (b) 25% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 75% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.*
- (c) Conn BG1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned to the Applicant:*

*Provided that where ATS or terminal bays have not been awarded for implementation as on the date of withdrawal, Conn-BG2 shall be returned to the Applicant within 15 days of such withdrawal of the application.*

(d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant ;

3.7.5 Any withdrawal of application for partial quantum shall only be permitted under Regulation 3.7.2 and shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation.

3.8 An applicant whose Bank Guarantee (BG) is to be encashed may opt to pay the equivalent amount through online payment mode in lieu of such encashment of BG under these regulations and seek the return of the BG.”

7. Further, during the hearing of the petitions related to GNA by the Commission in the recent past, entities had requested to allow them to deposit the cash equivalent to the amount of BGs in lieu of encashment of BGs so that encashment of BGs does not have adverse impact on their credit rating. A provision has been introduced under Regulation 3.8 to incorporate the said the option to pay the equivalent amount digitally in lieu of encashment of BG and seek the return of the BG.

8. **Illustrations under proposed Regulation 3.7 are as under for clarity to the stakeholders:**

Suppose an REGS Applicant ‘A’ applied Connectivity for 500 MW

Sl No.	Case for withdrawl of application	Application fee	Land BG	Conn BG1	Conn BG2	Conn BG3
1	Before in-Principle grant of Connectivity for full capacity say 500 MW	50 % of the Application fee to be forfeited, balance return	To be Returned in full	NA	NA	NA
	for part capacity say 200 MW (due to limited evacuation capacity)	100% of Application fee is treated as the fee for balance capacity , hence no return	Proportionate LAND BG to be returned. Land BG for 200 MW (200 x 10 lakh = 20 Crore), shall be returned	NA	NA	NA
2	After the in-Principle grant of Connectivity but before the final grant of Connectivity for the full 500 MW	100% of the Application fee to be forfeited	5% of Land BG (i.e., 2.5 Crore (5% x 500 x 10 lakh)) to be encashed, the balance shall be returned	100% of Conn BG1 to be encashed, if submitted	To be Encashed corresponding to the ATS or terminal bays, if already awarded	To be returned in full
3	After the final grant of Connectivity but before signing of Connectivity Agreement (for full capacity only)	100% of the Application fee to be forfeited	25% of the Land BG, i.e., 12.5 Crore (25% x 500 x 10 lakh) to be encashed,	100% of Conn BG1 to be encashed	To be Encashed corresponding to the ATS or terminal bays	To be returned in full

			the balance shall be returned		if already awarded	
4	No withdrawal shall be permitted after signing of the Connectivity Agreement, and the same shall be treated under Relinquishment provisions					

**(b) Insertion of Regulation 24.3A – Treatment of Land BG in case of relinquishment of Connectivity**

9. In case of relinquishment of Connectivity after the final grant of Connectivity but prior to the CoD of the project, the treatment of Land BG is required to be covered clearly under the GNA Regulations. The rationale for the said proposal is that an entity should not block the capacity for a long time and then relinquish the Connectivity.
10. Accordingly, it is proposed to insert a new Regulation, namely 24.3A, as follows:

*“24.3A For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations:*

*(a) In case full or part Connectivity is relinquished within six months of final grant of Connectivity, 50% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, corresponding to relinquished quantum shall be encashed, and the balance shall be returned;*

*(b) If the Connectivity is relinquished after six months of the final grant of Connectivity, 100% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed.”*

**(c) New Regulation 8.7 and Amendment to Regulation 10.6 –Treatment of Land BG in case of failure to furnish Conn-BG1, Conn-BG2 & Conn- BG3, as applicable, subsequent to the in-principle grant of Connectivity or in case of failure to sign the Connectivity Agreement subsequent to the intimation of the final grant of Connectivity**

11. Further vide Removal of difficulty order dated 01.10.2023 in Petition No. 15/SM/2023 treatment of Conn-BG1, Conn-BG2 or Conn-BG3, the Bank Guarantee of Rs. 10 lakh/ MW submitted in lieu of land documents, in case of closing of the Connectivity Application was clarified.
12. Under the proposed draft Regulation 3.7.3, treatment of Land BG has been provided for in case of withdrawal of Connectivity application after the in-principle grant but before final grant. Thus, the treatment of closure of application after the in-principle grant of Connectivity due to non-submission of the applicable BGs in terms of Regulation 8.2 and Regulation 8.3 has been proposed to be the same as under Regulation 3.7.3.

Similarly, the case of revocation of Connectivity after the final grant of Connectivity due to failure to sign the Connectivity Agreement by the entity, in terms of Regulation 10.6, is proposed to be the same as under Regulation 3.7.4.

13. Accordingly, it is proposed to add new Regulation 8.7 and to amend Regulation 10.6 of the GNA Regulations as under:

*“8.7 In case of closing of the Connectivity application in terms of Regulation 8.2 or Regulation 8.3 of these regulations, the Bank Guarantee submitted in terms of Clause (vii)(c) or Clause xi(c), of Regulation 5.8 of these regulations, shall be treated as per Regulation 3.7.3 of these regulations.”*

.....

.....

*10.6 In case of failure to sign the Connectivity Agreement by the entity that has been intimated final grant of Connectivity, as required under Regulation 10.3, the Nodal Agency may extend the time for signing the Connectivity Agreement for a maximum period of 30 days, failing which the final grant of Connectivity shall be revoked by the Nodal Agency under intimation to the Applicant and the Conn-BG1, Conn-BG2, **Conn-BG3 and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be treated in terms of Regulation 3.7.4 of these regulations.**”*

**(d) Amendment to Regulation 16.4 – Treatment of the amount of encashed Land BG**

14. Regulation 16.4 of the GNA Regulations provides that the encashed Conn-BG1, Conn-BG2, and Conn-BG3 shall be adjusted in Monthly Transmission charges under the Sharing Regulations. The treatment of encashed LAND BG has been proposed the same as that of Conn-BGs. Accordingly, it is proposed to amend Regulation 16.4 of the GNA Regulations as under:

*“16.4 The proceeds of encashed Conn-BG1, Conn-BG2, Conn-BG3 and the BG submitted in terms of sub-clause (c) of Clause (vii) of Regulation 5.8 or in terms of sub-clause (c) of Clause (xi) of Regulation 5.8 shall be adjusted in Monthly Transmission charges under the Sharing Regulations.”*

**B. Amendments to address the issues pertaining to the grant of Connectivity**

**(a) Amendment to Clause (d) of Regulation 4.1**

15. Under Regulation 4.1 of the GNA Regulations, the minimum quantum of installed capacity to apply for Connectivity directly to ISTS, either individually or through aggregation, is 50 MW. To provide clarity about the minimum capacity for a Renewable Power Park Developer (RPPD), the same has been proposed as 50 MW. Accordingly, Clause (d) of Regulation 4.1 has been proposed to be amended as under:

*“(d) Renewable Power Park Developer for a quantum of 50 MW and above;”*



**(b) New Regulation 4.4 - Grant of Connectivity to REGS connecting to BBMB system**

16. CTUIL vide letter dated 07.09.2023 has submitted difficulties being faced regarding the treatment of BBMB generating stations, as follows:

*“2.0 BBMB vide letter dated 03.08.2023 has approached CTUIL for clarification regarding requirement of Connectivity to ISTS under GNA Regulations, for its new Solar Power Projects (Floating/Ground Mounted) of capacity in the range of 244 kW to 15 MW at various BBMB substations/Power stations (at 11 kV or 66 kV or 132 kV). Some of these solar projects with installed capacity less than 5 MW are proposed to be connected through the electrical system of existing BBMB generating stations while some of the solar projects with installed capacity less than 50 MW are proposed to be connected directly at 11 kV or 66 kV or 132 kV substations of BBMB.*

*For the connectivity of above solar projects of BBMB to ISTS, clarification regarding the treatment of BBMB generating stations is required under GNA Regulations 2022.*

*In view of the above, it is requested that suitable clarification may kindly be issued regarding treatment of BBMB generating stations, so that scheduling of existing generating projects may be carried out and connectivity of new generation project may be granted in a smooth manner.”*

17. BBMB vide letter dated 15.11.2023 to Commission, has submitted as under:

*“BBMB is in the process of installation of Floating/Ground Mounted/Rooftop Solar Power projects at its various project stations & substations. The power generated from these projects shall be scheduled/apportioned to partner states of BBMB in the agreed ratio. The solar Power plants shall be connected to BBMB transmission network at respective BBMB Grid stations.*

.....

*..... MNRE/GOI has assigned BBMB with Solar Power project target of 500 MW Accordingly, BBMB is exploring the usage of surplus vacant land/water bodies /Roof ToP for installation of Solar power projects. BBMB approached NRLDC/CTU for clarification regarding requirement of connectivity to ISTS under GNA Regulations 2022 for scheduling & Energy accounting of solar projects.*

*It was brought out that proposed solar power projects of BBMB do not fit in the prevailing CERC GNA Regulations 2022. BBMB submitted that these proposed Solar Power projects shall be connected to BBMB owned transmission network for evacuation of power and therefore relaxation was sought regarding connectivity for these solar projects from CTUIL under the prevailing CERC (Connectivity & General Network Access to Inter-state Transmission Regulations 2022.*

.....

*It is submitted that:*

- i. ..*
- ii. ..*
- iii. Regarding solar power projects of installed capacity below 1 MW, BBMB shall take up the matter with respective States on its own.*

*In view of the above, it is requested that suitable relaxation may be allowed CERC (Connectivity & General Network Access to inter-state Solar Power projects in its own transmission network for scheduling the power amongst the partner States through NRLDC. It is also submitted that PPA for 15 MW Floating Solar & 18 MW Ground Mounted Solar Power projects has already been signed with Solar Power Developer and projects are under execution.”*

BBMB attached the details of proposed BBMB Solar Projects along with the letter as under:

S. No.	Location/Description	Proposed Capacity	Connectivity
1.	<i>Floating Solar Power Project at Nangal Dam Reservoir, BBMB through Solar Power Developer (SJVNL) through Competitive bidding on BOO basis</i>	<i>15 MW</i>	<i>66 KV Bhakra Left Bank BBMB Hydro Power Station</i>
2.	<i>Installation of Ground Mounted Solar Power Plant at four different locations of BBMB through Solar Power Developer (SJVNL) through Competitive bidding on BOO basis</i>	<i>18 MW</i>	
i)	<i>Opposite Sector 3 GT Road, Talwara-Mukerian Road &amp; Land adjoining to office of Chief Engineer/ Beas Dam, Talwara, Punjab</i>	<i>10 MW</i>	<i>66 KV BBMB Pong Power House</i>
ii)	<i>4 MW at Counter Toe Weight Land, Pong Dam, BBMB, Himanchal Pradesh</i>	<i>4 MW</i>	<i>11 KV Bus at BBMB Pong Power House</i>
iii)	<i>2 MW near bypass tunnel T1 –T2 Pong Dam, Himanchal Pradesh</i>	<i>2 MW</i>	<i>11 KV Bus at BBMB Pong Powe House</i>
iv)	<i>Village Neilla, Bhakra Dam, Distt. Bilaspur, Himanchal Pradesh</i>	<i>2 MW</i>	<i>By tapping existing 11 KV transmission line of BBMB emanating from Bhakra Left bank Power House</i>
3.	<i>Installation of Ground mounted Solar Power Project at Bhiwani &amp; Hissar sites</i>	<i>11.5 MW</i>	
i)	<i>400 KV Sub Station Biwani</i>	<i>10 MW</i>	<i>132 KV BBMB Bhiwani Substation</i>
ii)	<i>220 KV Sub Station Hissar</i>	<i>1.5 MW</i>	<i>11 KV BBMB Hissar substation</i>
4.	<i>220 KV sub Station Jagadhari</i>	<i>530 kWp</i>	<i>11 KV BBMB Jagadhari substation</i>
5.	<i>220 KV Sub Station Kurukshetra</i>	<i>408 kWp</i>	<i>11 KV BBMB Kurukshetra substation</i>
6.	<i>220 KV Sub Station Charkhi Dadri</i>	<i>244.8 kWp</i>	<i>11 KV BBMB Charkhi dadri substation</i>
7.	<i>Kotla Power House</i>	<i>1.3MW</i>	<i>11 KV BBMB Kotla Power House</i>

”

18. The GNA Regulations provide that the minimum Installed capacity for seeking Connectivity to ISTS is 50 MW. Further, the Connectivity to ISTS can be sought for 5 MW and above by a REGS or standalone ESS seeking Connectivity through the electrical system of a generating Station already having Connectivity to ISTS. The Commission vide Order dated 15.09.2011 and 10.1.2013 in Petition No. 181/2011 (Suo-moto) directed to file a tariff Petition with the Commission for the inter-State transmission system of BBMB. We note that under the Act, the inter-State transmission system is under the control of CTU and the Connectivity and Access on same is administered as per the provisions of the GNA Regulations. Accordingly, any REGS

seeking Connectivity to BBMB owned transmission system shall be covered under the GNA Regulations.

19. Considering the above, it is proposed to add new Regulation 4.4 in the GNA Regulations as under:

*“4.4 Grant of Connectivity to REGS seeking to get connected to transmission network of Bhakra Beas Management Board (BBMB)*

*4.4.1 A REGS with Installed capacity 5 MW and above, individually or collectively through a lead generator, owned and operated by BBMB, and located in BBMB area may seek Connectivity to the ISTS network of the BBMB, including a substation or transmission line or at the switchyard of a generating station of BBMB, by making an application to the Nodal agency, along with system study conducted by BBMB SLDC for such an entity.*

*4.4.2 A REGS of Installed capacity of less than 5 MW, owned and operated by BBMB, may seek Connectivity to the ISTS network of BBMB, including a substation or transmission line or at the switchyard of a generating station of BBMB, by applying to BBMB SLDC for such connectivity and after approval of BBMB SLDC, may get connected to the network of BBMB. The approval of SLDC shall be forwarded to the Nodal Agency for records. There shall be no separate scheduling and accounting for such entities by RLDC. However, RLDC may add such entities to the schedule of the existing generating station of BBMB, behind which such REGS of capacity less than 5 MW is connected.”*

**(c) Amendment to Regulation 5.5. –Application of connectivity in phases by the Renewable Power Park Developer (RPPD)**

20. MoP vide letter dated 03.07.2023 has suggested that RPPD may be allowed to apply for a grant of Connectivity for a quantum which is not less than 25% of the authorized Park Capacity at a time. CTUIL had also filed Petition No. 241/MP/2023, wherein CTUIL requested the Commission for practice direction on allowing the Connectivity to RPPD in stages or fragments of the authorized quantum. The Commission disposed of the Petition vide Order dated 16.10.2023 with liberty to the CTUIL to submit a comprehensive proposal in this regard.

21. Subsequently, CTUIL, vide letter dated 21.02.2024, has submitted its proposal as follows:

*“This is in reference to the difficulty being faced by CTU in administration of applications received from Renewable Power Park Developers (RPPD) seeking connectivity for a quantum which is lesser than the authorized quantum.*

*....*

*It is further submitted that for technical & planning optimization, ideally a co-located RPPD application should be made for the entire authorized quantum or in such parts that utilizes the maximum loadability of a given dedicated transmission infrastructure (e.g., 400kV bay ~ 900MW). However, for various commercial or regulatory reasons, RPPD applicants may resort to making applications for lesser than the authorized quantum. Therefore, an appropriate consultation in the amendment process may be deliberated for arriving at a balanced and considered opinion on this issue.*

*For this purpose, the provision under Regulation 5.5 may be amended as indicated below:*

5. Application for Grant of Connectivity

5.1.....

5.5 An Applicant, which is a Renewable Power Park Developer, shall apply for grant of Connectivity for the quantum for which it has been authorised by the Central Government or a State Government as a Renewable Power Park developer.

Provided that a Renewable Power Park Developer having authorized quantum greater than 300 MW shall apply for grant of Connectivity for **a quantum which is not less than 25 per cent of the authorized** quantum for which it has been authorised by the Central Government or a State Government as a Renewable Power Park developer **or 900MW, whichever is lower.**

.....”

22. NSEFI, vide its letter dated 10.06.2024, has also submitted that based on the visibility of the development of the generating stations within the park and other reasons such as land acquisition/ physical possession, etc., RPPD may be allowed to apply connectivity in phases.

23. We have considered the submissions of stakeholders regarding the difficulties faced by the RPPD to bring the full Capacity of the Renewable Park in one go, whereas the generating projects within the Renewable Park are to be developed by different developers in different timeframes. Considering the same, we are of the view that the RPPD may be allowed to seek Connectivity in phases. It is clarified that connectivity for the balance capacity would be subject to the availability of margins at the same bay or at the same pooling station.

24. Accordingly, it is proposed to add a proviso under Regulation 5.5 in the GNA Regulations as under:

“5.5.....

.....

*Provided that Renewable Power Park Developer which is authorized for a quantum of more than 500 MW, shall be eligible to apply for grant of Connectivity in phases where in the first phase the application for Connectivity shall not be less than 500 MW, and the balance authorized quantum shall be in phases, subject to a minimum quantum of 50 MW in each phase.”*

**(d) Amendment to Regulation 5.6, Clause (a) of Regulation 9.1 and Regulation 17.3 – Sharing of the terminal bay, switchyard, and connecting line to ISTS among injecting entities covered in Regulation 4.1 and drawal entities covered under Clause (iii) of regulation 17.1**

25. CTUIL vide letter dated 24.01.2024 has proposed to allow the sharing of the terminal bay, switchyard, and connecting line to ISTS among injecting entities covered under (4.1) and drawal entities covered under 17.1(iii) for optimization of the transmission

system. The relevant extract of this letter is as under:

*“5. Enabling provisions for sharing of the terminal bay / switchyard / connecting line to ISTS among injecting entities covered under Reg. 4.1 and drawee entities covered under Reg. 17.1(iii)*

*Sharing of terminal bay of an ISTS sub-station / switchyard / line connecting to ISTS among injecting entities (Reg. 4.1) has been covered under Reg. 5.6 and same among drawee entities (Reg. 17.1 (iii)) has been covered under Reg. 17.3. However, there is no enabling provision for sharing of terminal bay of an ISTS sub-station / switchyard / line connecting to ISTS amongst injecting and drawee entities. Earlier also, CTU vide letter dated 12.07.2023 to CERC had proposed that such sharing may be allowed in order to plan optimized transmission system.*

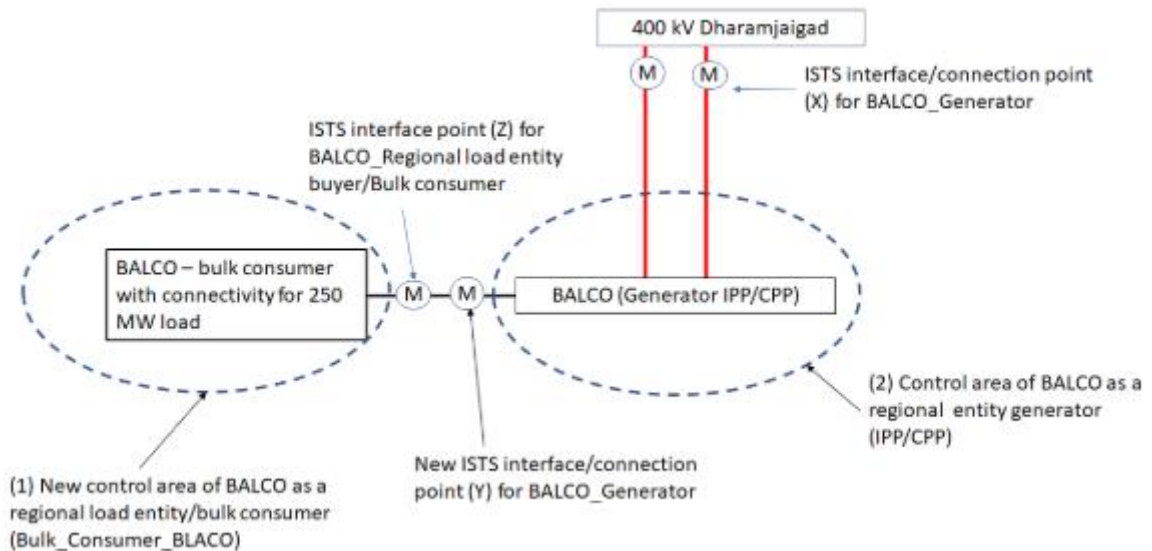
*In this regard, an application has been received from RE project of M/s Reliance Industries Ltd. (254.5MW) for sharing the switchyard of its Bulk Consumer entity (800MW) at Jamnagar which is being interconnected to ISTS at Jam Khambhaliya PS through 400kV D/c line being implemented by licensee at cost of RIL (Bulk Consumer entity). The application was discussed in the monthly consultation meeting held on 29.11.2023 and also in a separate meeting amongst CEA, CTU, GRID-INDIA, GETCO & RIL on 14.12.2023 wherein all parties agreed that the proposed sharing arrangement would lead to optimal utilisation of transmission infrastructure. However, certain comments were received from GRID-INDIA w.r.t. proposed sharing arrangement. Schematic and proposed metering arrangement as informed by RIL as well as comments of GRID-INDIA are given at Appendix-I.*

*Other applications of similar nature requiring sharing of terminal bay of an ISTS sub-station / switchyard / line connecting to ISTS amongst injecting and drawee entities are also expected to be received in future.*

*Accordingly, it is requested to give suitable direction in this regard.”*

26. We have perused Order dated 29.01.2020 in Petition No. 299/MP/2018 filed by BALCO, where the BALCO (as Bulk consumer) was permitted to connect through the existing switchyard of CPP of BALCO through the 400kV BALCO-Dharamjaygarh D/C dedicated line of the Balco CPP. The relevant extract of the Order dated 299/MP/2018 dated 29.01.2020 is as under:

*“17. The Committee has recommended granting Connectivity to the Petitioner as a bulk consumer for load of 250 MW through existing 400 kV BALCO-Dharamjaygarh D/C line. The Committee has noted that such an arrangement will have benefits such as ensuring optimal transmission system; saving investment of about Rs. 120 crores in constructing a new D/C line; avoiding unnecessary right of way issues in constructing a new line; saving transmission losses; and avoiding net annual loss of 3.82 million units in round tripping. Therefore, we accept the recommendation of the committee as regards providing Connectivity through existing 400 kV BALCO- Dharamjaygarh D/C line. As suggested by the Committee, it should be done through suitable metering, accounting and scheduling arrangements for the Petitioner (as a captive generator) and the Petitioner (as bulk consumer). The metering arrangement proposed by the Committee is as below:*



18. We observe that with above arrangement there shall be two entities connected at ISTS interface point of Dharamjaygarh namely BALCO (as captive generator) and BALCO (as Bulk consumer). WRLDC shall carry out scheduling and accounting for these two entities at ISTS periphery duly considering accounting of BALCO (as Bulk consumer) at its interface with BALCO (as captive generator). Necessary metering and accounting arrangements shall be finalised by CTU and WRLDC after discussing the same at Western Regional Power Committee.

19. Further, during deliberations in the Committee under Member (PS), CEA, the representatives of NLDC had suggested that BALCO may be provided with additional source other than Dharamjayagarh from reliability point of view. This aspect may be considered by CTU in consultation with CEA and NLDC so that required reliability is met.”

As per the above Commission directed the WRLDC to carry out scheduling and accounting for these two entities at ISTS periphery duly considering accounting of BALCO (as Bulk consumer) at its interface with BALCO (as a captive generator) and that the necessary metering and accounting arrangements shall be finalised by CTU and WRLDC after discussing the same at WRPC. It is understood that the metering arrangement for the said arrangement was finalized and in place.

27. Considering the suggestions of CTUIL, it is proposed to allow the generating station to seek Connectivity at the switchyard of an entity covered under Regulation 17.1(iii) of the GNA Regulations. The same may lead to optimization of the transmission system

28. It is proposed to substitute Regulations 5.6, Clause (a) of Regulation 9.1, and Regulation 17.3 of the GNA Regulations as under:

“5.6 An Applicant may apply for grant of Connectivity at (i) a terminal bay of an ISTS sub-station already allocated to another Connectivity grantee or (ii) switchyard of a

generating station having Connectivity to ISTS, or (iii) switchyard of an entity covered under Regulation 17.1(iii) of these regulations with an agreement duly signed between the Applicant and the said Connectivity grantee or the generating station having Connectivity to ISTS, or the GNA grantee covered under Regulation 17.1(iii), as the case may be, for sharing the terminal bay or the switchyard and the dedicated transmission lines, if any. The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by such Applicant:

**Provided that where an Applicant is seeking Connectivity at terminal bay or switchyard of an entity covered under Regulation 17.1(iii) of these regulations having Connectivity to ISTS, the necessary metering, accounting and scheduling arrangements shall be as per the Detailed Procedure to be prepared by NLDC, which shall be prepared in consultation with CTU, RPCs and RLDCs.**

.....  
9.1 (a) Name of the ISTS sub-station or switchyard of the generating station or switchyard of the entity covered under regulation 17.1(iii) of these regulations, as the case may be, where Connectivity is granted.

.....  
17.3 The Applicant covered under Regulation 17.1(iii) of these regulations may apply for a grant of GNA, by seeking interconnection at (i) a terminal bay of an ISTS sub-station already allocated to another such entity covered under Clause (iii) of Regulation 17.1, or (ii) a terminal bay of an ISTS sub-station already allocated to another entity covered under Regulation 4.1 of these regulations, or (iii) switchyard of a generating station having Connectivity to ISTS, with an agreement duly signed between the Applicant and the said entity for sharing the terminal bay or the switchyard and the dedicated transmission lines, if any:

**Explanation: The necessary metering, accounting and scheduling arrangements for such entities shall be governed by the detailed procedure notified under Regulation 5.6 of these Regulations.”**

29. We observe that there is a need to formulate a procedure clarifying the metering, accounting, and scheduling arrangements and accordingly, it has been proposed that NLDC shall prepare a suitable Detailed procedure in consultation with the CTU, RPCs, and RLDCs.

**(e) Amendment to Regulation 5.1 and to Clause (xi)(a) of Regulation 5.8- Grant of Connectivity based on the LoA or PPA**

I. LOA/PPA issued under “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under the scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power”

30. The Commission vide Removal of Difficulties order dated 22.09.2023 in Petition No. 11/SM/2023 held as under:

**“Issue No.12: Connectivity by entities under Regulation 4.1 of the GNA Regulations,**

Explanatory Memorandum of Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

**which are REGS or Renewable power park developer**

.....  
50. We observe that there is a requirement to include other documents such as “consent of beneficiaries” or “Rules” or any other requirements in light of stated guidelines. However, since the PPA is to be signed by the procurer with the successful bidder/ project company or an SPV formed by the successful bidder, we consider it appropriate to consider the PPA entered into by the procurer as an eligible document under regulation 5.8(xi) of GNA Regulations. We direct staff of the Commission to process the amendment to GNA Regulations so that a considered view may be taken for projects covered under such guidelines. Till such time an REGS shall be eligible to apply Connectivity on submission of PPA entered into with the procurer for such cases or any of the other two options of Land or BG.”

As per above, the requirement to include LOA/PPA issued under “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under the scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power” was acknowledged.

31. We have perused the “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under the scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power” extracted as under:

**“2. SCOPE OF THE GUIDELINES**

**2.1. Applicability of Guidelines:**

2.1.1. These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long term procurement of electricity by the ‘Procurers’, from grid-connected RE Power Projects (‘Projects’), having individual size of 5 MW and above, through competitive bidding.

Explanation:

a) ‘Procurer’: The term ‘Procurer’, as the context may require, shall mean the thermal/ hydro generating company.

b) ‘Authorised Representative’ of the Procurer: In cases, where the Power Purchase Agreement (PPA) signing entity and the agency carrying out the tendering/bidding process are different, the agency carrying out the tendering / bidding process shall be deemed to be the Authorized Representative of the ‘Procurer’ and be responsible for carrying out the bidding process till the selection of the successful bidder, in accordance with these Guidelines. Authorised representative shall be a Central Govt. approved third party appointed by the Procurer. No trading margin shall be payable to Authorised Representative.

.....  
**6. BIDDING PROCESS**

6.1. The Procurer or its authorised representatives shall call for the bids adopting a single stage bidding process to be conducted through Electronic mode (e-bidding). The Procurers may adopt e-reverse auction if it so desires. E-procurement platforms with a successful



*track record and with adequate safety, security and confidentiality features will be used. In case of a Solar Park specific Project, intimation about the initiation of the bidding process shall be given by the Procurer to the SPPD. The SPPD has to engage actively in the bidding process by providing all the necessary land and infrastructure related details and making the same available in centralized data rooms accessible to bidders.*

*6.2. The Procurer or its authorised representatives shall invite the RE Power Generators to participate in the RfS for installation of RE Power Plants in terms of these Guidelines. Affiliate of the procurer can also submit the bid and in such cases the Procurer shall not invite bids.*

.....

#### 10. CONTRACT AWARD AND CONCLUSION

*10.1. The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.*

*10.2. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.*

*10.3. For the purpose of transparency, the Procurer or its authorised representatives shall, after the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.*

*10.4. Subject to provisions of the Act, the Procurer shall approach the Appropriate Commission for adoption of tariffs by the Appropriate Commission in terms of Section 63 of the Act.*

*10.5. LoA shall be issued to successful bidders after getting consent from beneficiaries or in accordance with rules notified by the Central Government under Electricity Act, 2003, and PPA shall be signed by the procurer with the successful bidders after the adoption of tariff by the Appropriate Commission.”*

As per the above, the ‘Procurer’ is a thermal or a hydro generating company, and the LoA is to be issued by the Central Government approved third party which is acting as an ‘authorized representative of procurer’ , whereas the PPA is to be signed by the Procurer with the successful bidders.

32. We observe that under the stated Guidelines, the power is procured through ‘tariff based competitive bidding’. Accordingly, the LOA/PPA issued consequent to ‘tariff based competitive bidding’ under the stated Guidelines have been included as eligible LOA/PPA under Regulation 5.8(xi)(a) of the GNA Regulations.

#### II. Quantum of Connectivity for REGS based on LOA/PPA quantum

33. CTUIL vide letter dated 24.01.2023 has referred to a meeting held in CEA on 01.12.2023 regarding the grant of connectivity for the LOA quantum or Installed capacity over and above the Contracted Capacity mentioned in the LOA in case of co-

located / multi-located RE projects and suggested limiting the quantum of Connectivity based on LOA/PPA to LOA/PPA quantum. The CEA minutes of the meeting attached along with the letter dated 24.01.2023 are as under:

“

4. *As the RE generation developers seeking connectivity through BG route or Land Route have to fulfil certain conditions pertaining to the total capacity for which connectivity is sought (eg. Rs. 10 lakh/ MW for BG route: and Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought). Hence, granting connectivity for total installed capacity based on LOA quantum, which may be much less than the installed capacity (for eg. in the case of ReNew Vikram Shakti Pvt. Ltd, the LOA quantum is 600 MW whereas connectivity has been granted for 1710 MW on LOA route) does not seem to be appropriate. This does not provide a level playing field among the developers who is developing the same capacity as standalone as compared to the RE-RTC type of project wherein full connectivity is being granted with much lesser quantum of LOA.*
5. *For the multi-located RE generators, separate bay shall be required at each location for interconnection with ISTS for immediate evacuation of power. Further, for evacuation of power from each location corresponding to the Connectivity quantum, margins are required to be allocated in ISTS network. Under certain scenario, it may also require augmentation of ISTS network.*
6. *Maximum generation from wind and solar generators generally occurs at different instant of time during the day. This also varies seasonally. Hence, if connectivity is granted for the total installed capacity of wind and solar generators for the co-located generations, it is quite unlikely that the transmission system would be utilised for the full quantum for which connectivity is proposed to be granted to such RE generation developers. Further, as the generation developers do not have to submit any BG even for the additional quantum (over and above the LOA quantum) for which connectivity is sought, they may indicate the installed capacity to meet the RE-RTC quantum on much higher side. which shall lead to sub-optimal transmission system planning / utilisation and would increase the transmission system requirement multi folds and lead to unnecessary burden of transmission charges on end consumers.*
7. *In order to maintain uniformity across all the routes through which connectivity can be sought by the RE generation developers. it was decided that the connectivity based on LOA route should be restricted to the LOA quantum. For additional capacity over and above the LOA quantum, the RE generation developer should seek connectivity through the other routes viz. BG route or Land Route as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations 2022, and subsequent amendments.”*

34. We have considered the submission of CTU and CEA. Considering the same, it is proposed that the Connectivity sought based on the LoA or PPA may be allowed limited to the quantum of LOA or PPA, and balance may be sought through the Land route or through the Land BG route. Accordingly, it is proposed to amend Clause (xi) of

Regulation 5.8 of the GNA Regulations as under:

5.8(xi).....

(a) Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, LOA issued by a Central Government approved third party which is acting as an authorized representative of a generating station other than REGS replacing its scheduled generation by power supplied from REGS, consequent to tariff based competitive bidding, as the case may be:

Provided that:

- (i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause;
- (ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and Installed capacity at each location, the applicant shall be eligible to obtain the Connectivity up to the Installed capacity at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at each location shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause.”

A consequential change required in Regulation 5.1 of the GNA Regulations has been proposed as an addition of the third proviso to Regulation 5.1 as follows:

“5.1.....

Provided also that an REGS making an application based on LOA or PPA under Regulation 5.8(xi) may apply for a grant of Connectivity for a quantum equal to the quantum of LOA or PPA, which may be less than the installed capacity.”

35. Illustrative Examples are provided for clarity as follows:

- a For REGS – Suppose an entity gets LoA of a 500 MW Solar power plant where the Installed capacity under LoA is 800 MW. In such case, the Applicant can seek connectivity for 500 MW on the LoA route, and for the remaining 300 MW capacity, the Applicant can seek connectivity on the Land or Land BG route.
- b For RHGS- Suppose an entity gets a LoA for supplying RTC power of 900 MW, and such entity proposes to supply such power through RHGS. Suppose the installed capacity of the configuration is 800 MW Solar, 900 MW Wind, and 600 MWh of BESS. In such case, the Applicant can seek Connectivity through the LoA route only for 900 MW, and for remaining capacity, the Applicant can apply through the Land or Land BG route.
- c For multi-located REGS under the same LOA - Suppose an entity gets an LoA

for supplying RTC power of 900 MW and proposes to set up REGS at different locations . Suppose the installed capacity of the configuration is 1000 MW Solar and 600 MWh of BESS at location 'A' and 700 MW Wind at location 'B'. In such case, the Applicant can seek Connectivity through the LoA route, a maximum of up to 900 MW at location A and 700 MW at location B and for the remaining capacity at location 'A', the Applicant can apply through the Land or Land BG route.

**(f) New Regulation 5.9 – To define the land requirement per MW in case of Connectivity sought through Land route**

36. The applications for Connectivity by REGS can be applied under any of the three routes viz LOA/PPA, LAND, or BG in lieu of LAND under Regulation 5.8 (xi) . Further Renewable Power Park Developer is also required to furnish Land documents of BG in lieu of LAND along with the application for Connectivity under Regulation 5.8(vii) of the GNA Regulations. The Land documents are required to be furnished for 50% of the land required for the capacity for which Connectivity is sought. The land required for a particular project is the purview of the REGS /RPPD as per its own estimates and technology. However, to make the requirement of land uniformly applicable to all such REGS and RPPD, there is a need to specify the minimum land required for a project based on solar, wind, or hybrid sources. Such minimum requirements may need updation based on further technological advancement. Accordingly, it is proposed to add a new Regulation, namely Regulation 5.9, in the GNA Regulations as under:

*“5.9 For Applications covered under Clause (vii) and sub-clauses (b) to (c) of Clause (xi) of Regulation 5.8 of these regulations, the quantum of land requirement / MW shall be as published on the website of CTU. The land requirement/MW shall be worked out in consultation with CEA and shall be updated from time to time based on feedback from stakeholders due to technology advancement or any other reason.”*

**(g) Timeline for submission of Conn-BGs and intimation of the start of Connectivity- Amendment to Regulations 7.2, 8.3,8.4, 9.1, 10.3,10.4**

37. CTUIL, vide its letter dated 24.01.2024, has raised the difficulties in intimation of the firm start date of Connectivity as under:

“ .....

*6. Intimation for firm date of start of Connectivity:*

*In our earlier letter it was referred that timeline for final grant of connectivity for cases with augmentation without ATS route need to be aligned for cases with augmentation with ATS route. As per Regulation 8.3:*

“(b) The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated under Regulation 7.2 of these regulations, (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity...

Further, Regulation 9.1 of GNA Regulations provides that:

“Within 15 days of receipt of Conn-BG2 and Conn-BG3, as applicable, the Nodal Agency shall intimate the final grant of Connectivity to the entity that has been intimated in-principle grant of Connectivity.

The difficulties faced and proposed solution in case of grant of connectivity with Augmentation with ATS are given below:

Steps Involved	Difficulties faced	Solution Suggested
In principle grant within 60 days	-	-
Conn-BG1 submission in next 30 days		
Conn-BG2 intimation and Firm start date of connectivity within next six months	Firm start date of connectivity can only be intimated upon award of the associated transmission system. If the projects are awarded without availability of Conn-BG2, then in the event the applicant is not willing to submit Conn BG2, then the awarded project need to be annulled which would lead to complications/litigation as well as financial obligation under TBCB regime.	Intimation of Conn-BG2 amount and start date of connectivity may be informed at the time of in-principle grant of connectivity based on information available at that time. The Conn BG2 along with its consent for execution of ATS and terminal bay(s) may be submitted along with Conn-BG1 within one month of the grant of in-principle connectivity. Based on availability of Conn BG2, other activities like approval and bidding process would be carried out for implementation of ATS.  The firm start date of connectivity can be intimated after award of the project along with final grant of connectivity.
Final grant of connectivity within next 15 days of submission of ConnBG2	Final grant of connectivity requires SCOD of the transmission system which shall be known after the award of the transmission system. It may not be practically possible to ensure award of transmission system within 15 days of submission of Conn-BG2.	Intimation of final grant of connectivity along with final date of connectivity may be issued after award of the augmentation (with ATS) system or within six months of submission of Conn-BG2, provided that in this case if issue of such intimation takes more than six months' time then CTU would intimate the reason for such delay to the applicant along with a copy to CERC

Similarly, the difficulties faced and proposed solution in case of grant of connectivity with Augmentation without ATS are given below:

Steps Involved	Difficulties faced	Solution Suggested
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<i>In principle grant within 60 days</i>	-	-
<i>Conn-BG1/BG2/BG3 submission in next 30 days</i>		
<i>Final grant of connectivity indicating SCOD of the substation within next 15 days of submission of ConnBG</i>	<i>Final grant of connectivity requires SCOD of the transmission system which shall be known after the award of the transmission system. It may not be practically possible to ensure award of transmission system within 15 days of submission of Conn-BG2 &amp; Conn-BG3</i>	<i>Intimation of final grant of connectivity along with final date of connectivity may be issued after award of the augmentation (without ATS) system or within six months of submission of Conn-BG2 &amp; ConnBG3, provided that in this case if issue of such intimation takes more than six months' time then CTU would intimate the reason for such delay to the applicant along with a copy to CERC.</i>

.....”

38. NSEFI vide letter dated 10.06.2024 has submitted that final Connectivity approval and Connectivity Agreement can take anywhere from 6 to 12 months from the in-principle grant of connectivity, and if a RE Developer has to depend on the final approval, then there could be delays in project execution due to dependence on consents and permits required.

39. We have considered the submissions of CTUIL and NSEFI. We observe that the timeline of “six months” to confirm the Conn-BG2 for cases where ATS is required was provided for in the Regulations to ensure that a “firm date of Connectivity” can be intimated by CTUIL to the Applicants post-completion of the bidding process. Explanatory Memorandum to 2021 Draft GNA Regulations provided as follows:

*“(b) Timeline of 6 months has been proposed as per Regulation 8.3(b) of the 2021 Draft GNA Regulations for the cases where ATS is required to be constructed keeping in view that the decision for construction of transmission system requires approvals at various levels, including the decision whether to construct transmission system under cost-plus mode or TBCB mode and carrying out bidding process in case the transmission system is to be constructed under TBCB mode.”*

However, it is observed that the above has led to the following issues:

- (1) There is a substantial delay in the issuance of the final grant of Connectivity on the premise of non-completion of bidding.
- (2) Even for cases where ATS has been awarded, the start date of Connectivity is issued “subject to availability of transmission system.” Thereby the start date of Connectivity is made subject to additional conditions.
- (3) Applicants are issued an “in-principle grant of Connectivity” whereby they are

allotted the terminal bays at the ISTS substation without submission of Conn-BG2. Such Applicants have the option to withdraw their application in case CTUIL does not inform the firm date of the start of Connectivity after keeping the bay allocation for 6 months.

40. Keeping in view the suggestions of CTUIL as quoted above and the issues stated above, a need has arisen to reconsider the timeline for the final grant of Connectivity. It is proposed to shorten the timeline between the date of application and final grant of Connectivity and the signing of Connectivity Agreement. It is proposed that CTUIL shall intimate the quantum of Conn-BG2 along with the intimation of the in-principle grant of Connectivity, and the entity shall submit applicable Conn-BG1 and Conn-BG2 within a month of such intimation, to enable CTU to issue the final grant of Connectivity. CTUIL, in this process, would not wait for the bidding to be completed. It is proposed that CTU shall inform the tentative start date of Connectivity along with the final grant and shall update the same after the bidding is completed. Accordingly, it is proposed to amend Regulations 8.3 and 8.4 to incorporate the above said principles. Regulations 8.3 and 8.4 are proposed to be substituted as follows:

*“8.3. For cases covered under Regulation 7.2 of these regulations, where augmentation with ATS is required, the entity that has been intimated in-principle grant of Connectivity, shall submit Conn-BG1 for Rs 50 lakhs and Conn-BG2 equal to the estimated cost of ATS and terminal bay(s), within one month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.*

*8.4 For applicants, where Connectivity is granted with augmentation (with ATS or without ATS), the Nodal Agency, within 6 (six) months of furnishing of Conn-BG1, Conn-BG2 and Conn-BG3, as applicable, as per Regulation 8.2 or Regulation 8.3 of these regulations, shall intimate to such entity the timeline for completion of augmentation, ATS, terminal bay(s), and firm date of start of Connectivity based on scheduled date of commercial operation of such elements:*

*Provided that if such ATS and terminal bay(s) are planned for more than one entity, Conn-BG2 shall be furnished in proportion to the quantum of Connectivity applied for by such entities.*

*8.5. In the event that Nodal Agency does not intimate the details as per Regulation 8.4 of these regulations within 6 (six) months, the Nodal Agency shall furnish the reasons for such non-intimation to the entity with a copy to the Central Commission within one month of expiry of such period of six months with a probable date by which such timeline shall be furnished.*

*8.6. Conn-BG1, Conn-BG2, Conn-BG3, and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1 of these regulations.*

*8.7 In case of closing of the Connectivity application in terms of Regulation 8.2 or Regulation 8.3 of these regulations, the Bank Guarantee submitted in terms of Clause*

*(vii)(c) or Clause xi(c), of Regulation 5.8 of these regulations, shall be treated as per Regulation 3.7.3 of these regulations.”*

Consequential changes are also proposed in Regulation 9.1, 10.3 and 10.4 of the GNA Regulations.

### **(h) New Regulation 9.3 - Change in configuration of renewable sources post application for Connectivity**

41. CTUIL vide letter dated 11.03.2024 has submitted as under:

“.....

*The GNA Regulations does not have any specific clause for change in Renewable Energy source of generation project. However, there is following provision outlined in para 5 (xiii) of the Detailed procedure:*

*“The Applicants who have been granted Connectivity to ISTS for the generation projects based on particular renewable energy source(s) (with or without ESS) may, for the same granted connectivity, change to another renewable energy source(s) (with or without ESS) in part or full, subject to approval by CTU, keeping in view of outcome of system studies. The entity shall submit the Technical Data for changed renewable energy source(s) and CTU shall incorporate the necessary change in connectivity agreement in line with GNA Regulations.”*

*Accordingly, change in Renewable energy source/ technology for different cases is being permitted as below:*

- *In case of Renewable power Park developers (RPPDs) granted Connectivity on Land BG route i.e under sub-clause (c) of Clause (vii) of Regulation 5.8, a change in the Renewable Energy source is being permitted based on submission of revised authorization certificate for RPPD issued by the Central/ State government.*
- *In case of Applicants covered under sub-clause (a) of Clause (xi) of Regulation 5.8 (i.e applications based on LoA/PPA), a change in the Renewable Energy source is being permitted based on certification by the Renewable Energy Implementation Agency (REIA) or the Distribution Licensee (as applicable).*
- *In case of Applicants covered under sub-clause (c) of Clause (xi) of Regulation 5.8 (i.e applications based on Land BG) change in the Renewable Energy source is being allowed on the basis of certification of the applicant.*

*However, CTU is facing difficulty in cases where applicants are covered under sub-clause (b) of Clause (vii) & sub-clause (b) of Clause (xi) of Regulation 5.8 as the change of Renewable Energy source can be allowed subject to fulfillment of land requirement for the project. However, CTU is following the procedure as described below in such cases:*

- *As the land requirement for solar projects is higher than the land requirement for wind projects, conversion from solar connectivity to wind/hybrid is being permitted subject to system studies and suitability of the land for the development of Wind generation project. However, no additional land parcels are being accepted at this stage.*
- *Conversion of Connectivity from wind projects (secured through land route) to solar/hybrid or converting from Hydro or Pumped storage plants (for which land documents are not required) to another RE based generation is not being permitted.*
- *In cases where applicant is seeking change of land as well as change in RE source, the change is permitted based on the suitability of the revised land parcels to the revised configuration of the Solar/ Hybrid subject to the condition that the revised land*



*quantum is less than or equal to the land quantum submitted at the time of original application.*

*Till any decision/direction, above is being considered for processing requests of RE generators for change in Renewable Energy source. Specific provision regarding change in fuel/ technology considering the above scenarios may suitably be incorporated in the Regulations.”*

42. NSEFI vide letter dated 10.06.2024 has suggested that the application for change in fuel be considered after in-principle Connectivity approval, and there should not be any dependence for these on the final Connectivity approval as final Connectivity approval and Connectivity Agreement can take anywhere from 6 to 12 months from the in-principle grant of connectivity and if a RE Developer has to depend on the final approval, then there could be delays in project execution due to dependence on consents and permits required.
43. Considering the issues raised by the stakeholders, we observe that the provision for change in configuration needs to be incorporated in the Regulations. It is proposed that change in configuration may be allowed after the in-principle grant of Connectivity Accordingly, it is proposed to insert new Regulation 9.3 under:

*“9.3 The Applicants who have been issued an in-principle grant of Connectivity or final grant of Connectivity to ISTS, for the generation projects based on particular renewable energy source(s) (with or without ESS) may, for the same connectivity quantum, change to another renewable energy source(s) (with or without ESS) or ESS in part or full, by making an application to the Nodal Agency for approval for such change within 18 months from the in-principle grant of Connectivity. The Nodal Agency may carry out system studies, as required, and approve or reject the change in configuration within 30 days of application by the Applicant. On approval of such change of renewable source(s), the entity shall submit the technical Data for changed renewable energy source(s) and CTU shall incorporate the necessary change in connectivity agreement, if already signed.”*

The detailing of authorisations and land requirements consequent to such change in configuration, as suggested by CTUIL, vide letter dated 11.3.2024, may be incorporated by CTUIL in the detailed Procedure to be formulated by the CTUIL.

**(i) Conversion of part or full quantum of Connectivity granted on Land or Land BG route to LoA route**

44. In some of the recent petitions filed with the Commission, it is observed that a REGS which has applied for Connectivity under Regulation 5.8(xi)(b) or 5.8(xi)(c) i.e. based on Land or Land BG route, on obtaining LoA, wish to convert their Connectivity to Regulation 5.8(xi)(a). Vide Order dated 12.5.2024 in Petition No. 9/MP/2024, following was observed :

*“Issue No. 2: Whether the ACME CLEANTECH is eligible for conversion of a partial quantum of Connectivity from the BG route to the LoA route?”*

*32. Petitioners have submitted that ACME CLEANTECH has been granted Connectivity for 600 MW at Fatehgarh-II under the LAND BG route. Petitioner ACME CLEANTECH wishes to convert 300 MW capacity (Solar) out of 600 MW (Solar) from the LAND BG route to the LOA route subsequent to being awarded LOA for 300 MW issued by SJVN.*

*Petitioners have submitted that the entities participating in the bid and securing LoA may get capacity equal to or less than the Connectivity quantum granted under the BG route to LOA route. In such cases, entities would submit the LoA for the capacity to CTUIL for conversion of the Connectivity of such quantum granted under the BG route to the LoA route. For the balance connectivity quantum will still remain under the BG route, for which it will have to either submit separate LoA or 50% land documents within 180 days of the grant. Petitioners also submitted that no prejudice would be caused to CTUIL if ACME CLEANTECH is allowed to convert their Connectivity partially since the remaining Connectivity shall remain secure with the remaining BG already submitted.*

*33. CTUIL has submitted that Regulation 11A(4) of CERC Connectivity and GNA Regulations, 2022, does not provide for partial conversion from the Land/Land-BG route to the LOA route. CTUIL also submitted that if such partial conversion is allowed, it may create a situation wherein, under a single grant of Connectivity, there would be two routes and two distinct milestones and the implementation of different regulatory provisions related to compliances, revocation of Connectivity (if required), encashment of Bank guarantees, etc. may be difficult to implement. CTUIL further submitted for such partial conversion cases, the Commission needs to provide the compliances required for each quantum separately, including but not limited to the treatment of Connectivity BG furnished by an applicant.*

*34. We have considered the submission of the Petitioners and Respondent. We proceed to peruse the regulatory provisions in this regard.*

*35. Clause (4) of Regulation 11A of the GNA Regulations provides as under:*

*“(4) In case of Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the requirement of furnishing the documents in accordance with Clauses (1) to (3) shall be the same as applicable to the entities covered under clause (xi)(a) of Regulation 5.8.”*

*As per the above, for Applicants who have been granted Connectivity on the basis of the LAND route or on the BG (in lieu of LAND) route but are subsequently covered under the LOA route, the requirement of furnishing the documents of 10% of project cost under equity and Financial closure shall be same as applicable to the entities covered under LOA route. We agree with the contentions raised by CTU that partial conversion from LAND to LOA or LAND BG to LOA is not covered in the quoted regulations. We also agree that in case partial conversion is allowed, the Commission needs to provide the compliances required for each quantum separately including but not limited to treatment of Connectivity BG furnished by such applicant, which has been granted Connectivity.”*

*As per the above, the Commission acknowledged the need to include the provisions of compliances in case a partial quantum of Connectivity is converted from the Land or Land BG route to the LOA route.*

*45. Accordingly, it is proposed that in case of partial conversion, each such part of Connectivity should be treated as separate Connectivity, and the Applicant shall meet the compliance for each such part separately. The Applicant shall submit Conn-BG1*

for each such part of Connectivity. In case any Conn-BG2 or Conn-BG3 has been submitted against the Connectivity granted on the Land or BG route, the same shall be adjusted in proportion to the quantum of Capacity of each such part of Connectivity subsequent to the conversion from Land or Land BG route to LoA route.

46. It is observed that under the LOA/PPA route, no land documents are required to be submitted by the Applicants at any stage of the Connectivity application; hence an entity on conversion from the Land route to the LOA route may propose to utilize the same land documents to obtain fresh Connectivity. It is proposed that after conversion from the land route to the LoA route, the Applicant shall not be allowed to seek fresh connectivity based on the same land documents so that an Applicant should not use the same land to obtain multiple connectivity.
47. There is a possibility that post-conversion from the Land/Land BG route LOA/PPA route, subsequently LOA or PPA gets terminated for the full or part quantum of the LoA or PPA, in which case such an entity may apply for conversion of Connectivity from LoA/PPA to Land or Land BG route. This would lead to a second conversion, first from Land/Land BG to LOA/PPA and then back from LOA/PPA to Land/Land BG. Any such conversions may lead to a delay in project implementation on the pretext of SCOD of LOA/PPA or termination of LOA/PPA. An entity that has been granted Connectivity on any of the routes should endeavour to bring the project and declare it under commercial operation. To restrict such frequent conversion and subsequent extension in the SCOD, it is proposed that the entity seeking such a second conversion shall pay a non-refundable conversion fee of Rs 50,000/MW for the capacity to be converted at each such conversion. After such second conversion from LOA/PPA to Land BG, the entity shall furnish the land documents within three months from the date of approval by CTU for such conversion, if not submitted already, and the entity shall achieve financial closure considering SCOD as the start date of Connectivity. This would limit the date of SCOD for such a project seeking multiple conversions.
48. Accordingly, it is proposed to substitute the Clause (4) of Regulation 11A of the GNA Regulations as under:

*“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:*

- a) If LOA or PPA is for a renewable source(s) (with or without storage) other than the renewable source(s) (with or without storage) provided in the Connectivity application applied under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such an entity shall*

- be required to first get approval of change of configuration from CTU prior to seeking conversion of Connectivity under Clause (xi)(a) of the Regulation 5.8.*
- b) Where part capacity of the Connectivity granted under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 is converted to Connectivity under Clause (xi)(a) of the Regulation 5.8,*
- i. CTU shall issue revised Connectivity intimation for each part treating each part as a separate Connectivity.*
  - ii. The entity shall submit separate Conn-BG1 for each part treating each part as a separate application.*
  - iii. Conn-BG2 and Conn-BG3, as submitted towards Connectivity granted under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 shall be revised and resubmitted, as applicable, for each part calculated on a pro-rata basis based on the quantum of such part of capacity.*
  - iv. The minimum capacity for conversion of Connectivity is 50 MW.*
- c) After conversion has been approved by the CTU, the requirement of furnishing the documents towards such converted Connectivity, in accordance with Clauses (1) to (2) of this Regulation, shall be the same as applicable to the entities covered under Clause (xi)(a) of the Regulation 5.8, with the condition that scheduled date of commercial operation for the purpose of Clause (2) of this Regulation shall be the start date of Connectivity.*
- d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such re-conversion shall be allowed subject to the following conditions:*
- i. The application for conversion of Connectivity shall be accompanied by a non-refundable conversion fee of Rs 50,000/MW for the capacity to be converted. Such fees are payable for each such conversion sought by the entity.*
  - ii. On such re-conversion, treatment of each part shall continue to be as a separate application.*
  - iii. The entity shall be required to furnish documents under Clauses (1) of this Regulation within three months from the date of approval by CTU for such conversion, if not submitted already.*
  - iv. The entity shall be required to furnish documents under Clause (2) of this Regulation considering the scheduled date of commercial operation as the start date of Connectivity.*
- e) The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.”*

49. Some Illustrative Examples are included for clarity as follows:

**Example No. 1:**

(a) Suppose an entity has been granted Connectivity for 500 MW with the start date of Connectivity as August 2028 for a Solar power project having a commissioning schedule of June 2028 on the Land BG route and has submitted Conn BG1 of 50 lakhs, Conn BG2 of 12 Crore, Conn BG3 of 10 Crore and Land BG for 50 Crore.

(b) Subsequently it receives a LoA for 250 MW for Solar power, having the SCOD as June 2028.

(c) The entity may seek the transition of 250 MW of its Connectivity granted on the Land BG route to the LoA route by submitting the application to the CTUIL. CTUIL shall bifurcate the Connectivity of 500 MW into two separate Connectivity; 250 MW on LoA route and 250 MW on Land BG route. The existing Conn BG1 shall be considered for connectivity on the Land BG route, and the entity needs to submit an additional Conn BG1 for 50 lakhs for the connectivity on the LoA route. Further, the existing Conn BG2, and Conn BG3 shall be revised as Conn BG2 of 6 Crore each for connectivity on the Land route and on the LoA route, similarly Conn BG3 of 5 Crore for connectivity on the Land route and on the LoA route.

(d) After revising the Conn BGs, CTUIL shall return the Land BG corresponding to 250 MW of Connectivity, i.e., 25 Crores.

(e) Suppose after the transition from Land BG to LoA route, the LoA gets terminated in March 2027, the entity is eligible to again convert to Land or Land BG route from LoA route in terms of the provisions under GNA Regulations. However, the entity needs to pay the conversion fee of 1.25 Crore. Further, the entity needs to submit the land documents within three months of conversion (if the conversion happens in April 2027, then by July 2027) and have to achieve financial closure by considering the start date of Connectivity, i.e., August 2028 as SCOD.

## **Example No. 2**

(a) Suppose an entity has been granted Connectivity for 500 MW for a Solar power project on Land BG or Land route.

(b) Subsequently, the entity received an LoA for 250 MW for Wind power or Hybrid power, and the entity seeks the transition of 250 MW of its Connectivity granted on Land BG or Land route to LoA route by submitting the application along with the copy of the LOA to the CTUIL.

(c) In such a scenario, before seeking the transition from Land BG or Land route to LoA route, the entity shall first take approval of the CTUIL for configuration change in terms and the GNA Regulations and then approach the CTUIL for such conversion from Land BG/Land route to LOA/PPA route.

**(j) Compliance with the milestones by the subsidiary(ies) where the Connectivity is granted to the Parent Company and vice-versa- New clause (5) under Regulation 11A**

50. Sustainable Projects Developers Association (SPDA) vide letter dated 15.09.2023 has submitted as follows:

51. SPDA vide letter dated 15.09.2023 has submitted as under:

“ ...

*It is known fact that a parent company by virtue of its credentials submits a bids for renewable energy projects to be awarded under the Central Government/ State Government schemes or policies by the REIAs or SNA or Discos, as the case may be. Thereafter, post award of the RE project, the awardee creates a Special Purpose Vehicle (SPV) which is a wholly owned subsidiary of the Parent Company, to execute/construct the RE project.*

*In order to mitigate the risk of Connectivity the IPPs tend to apply connectivity via BG route even before securing a bid or project. Since there is no clarity around which subsidiary shall later execute the project, Connectivity is secured on the name of holding Company/ platform company. Later once the project is secured, the project is executed via a subsidiary, which is also preferred when from compliance of law perspective.*

*The SPV takes all the necessary approval and permission. The funding (equity and debt) is raised by the SPV. Later, the SPV constructs the project and the billing for energy generated is also performed by the same SPV. This mechanism is followed by all the Renewable Energy Implementation Agencies (REIAs) while awarding projects wherein the selected bidder being the Parent Company duly provides the details of its subsidiary which shall execute the project and also raise bills for the energy generated to the REIA.*

.....

*We would like to submit that in the aforementioned case, the land documents will be in the name of Parent Company (if opted for Route 2) and the BGs will be provided by the Parent company (if opted by Route 3). However, in both cases, the project will be executed by its wholly owned subsidiary. Therefore, the conditions subsequent as provided in Regulation 1 IA i.e. submission of land documents, auditor's certificate regarding infusion of equity and achievement of financial closure will be required to be met by the project executing entity i.e. the subsidiary in this case.*

*There are certain apprehensions of the CTUIL in allowing the parent company to submit the land documents/ BGs in their name and later the project subsidiary to showcase the land documents as a sub-lease or land use rights. It has been suggested that the Parent Company if submitting the land documents/ BG in their names, the remaining procedural formalities shave to be completed by the Parent Company itself, being the applicant.*

....

**Request:** *Therefore, we would request that the Hon'ble Commission may kindly consider and provide necessary clarification allowing the Applicant (Parent Company) to apply for connectivity (using Route-2 (land based) or Route-3 (land based BG)), submitting land documents/ BGs in the name of Parent Company and later the conditions subsequent as provided in Regulation 1 IA to be fulfilled by the subsidiary.*

*The land use rights/sub-lease of land by the Parent company in the name of its subsidiary which shall execute the project may be considered by the CTU for the purpose of granting connectivity and GNA as the case may be.....”*

NSEFI vide letter dated 24.05.2024, citing the contention similar to the SPDA, has requested that the entity(ies) utilizing the Connectivity be permitted to fulfil the condition subsequent as required under Regulation 11A.

52. We have perused the RfS issued by SECI extracted as under:

**Relevant extract from the one of the SECI's RfS**

*“20.1 Pursuant to Clause 22.3, SECI shall enter into Power Purchase Agreement (PPA) with Bidders selected based on this RfS. A copy of standard PPA to be executed between SECI and the selected SPD will be made available on ISN-ETS Portal and also on SECI’s website. The PPA shall be signed within 90 days from the date of issue of Letter of Award (LoA), if not extended by SECI. (for e.g. If the LoA is dated 07-08-2021, then the last date of signing of PPA shall be 05-11-2021). Subsequent extension in this timeline shall be finalized as mutually agreed by SECI and the SPD. PPA will be executed between SECI and selected bidder or its SPV separately for each Project. The PPA shall be valid for a period of 25 years as per provisions of PPA.*

.....  
*24.3 In case of Project being executed through SPVs: The Selected Bidder executing the project, if being a single company, shall ensure that its shareholding in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after the COD, except with the prior approval of SECI. ....*

.....  
*35.6 A Bidder which has been selected as Successful Bidder based on this RfS can also execute the Project through a Special Purpose Vehicle (SPV) i.e. a Project Company especially incorporated/acquired as a subsidiary Company of the successful bidder for setting up of the Project, with atleast 51% shareholding in the SPV which has to be registered under the Indian Companies Act, 2013, before signing of PPA. Multiple SPVs may also be utilized for executing more than one Project.”*

As per the above, the selected bidders are allowed to execute the project through their SPV and, in such cases, PPA is being signed by the SPV with the BPC. A similar RFS is issued by other Renewable Energy Implementing Agencies.

- 53. In the above case, once the project is implemented by SPV, the milestones of land, financial closure, and COD shall be achieved at the SPV level, whereas the Connectivity was granted to the Parent Company, based on LOA issued to the Parent Company. Under prevailing GNA Regulations, the Connectivity grantee is required to meet the intermediary milestones, which is the Parent Company in said case.
- 54. We have considered the suggestions of SPDA and NSEFI. Accordingly, it is proposed to add a new clause (5) under Regulation 11A of the GNA Regulations, as under:

*“(5) Where Connectivity has been granted to the Parent Company and the Project is being executed by the subsidiary company(ies), the conditions subsequent to the grant of Connectivity required to be completed under Regulation 11A may be met by the subsidiary Company(ies) implementing the project. Similarly, in the case of Connectivity granted to the subsidiary company(ies), where the project is being implemented by the Parent company, the conditions subsequent to the grant of Connectivity required to be completed under Regulation 11A may be met by the Parent Company implementing the project. All the responsibilities under these regulations shall continue to be with the Connectivity grantee and the documents furnished under Regulation 11A shall be accompanied by due authorization of the Connectivity grantee.”*

**(k) New Regulations 11.3a - Monitoring of the compliances to fulfill the intermediary**

## **milestones by the connectivity grantee**

55. GNA Regulations provide for milestones to be achieved by the connectivity grantee to monitor the progress of the project and ensure seriousness and commitment. There is a need to make the process of the compliances to be fulfilled by the connectivity grantee along with the trigger date for action in case of non-fulfillment of the compliances in a transparent manner since Connectivity is being sought by a number of entities and a non-compliant entity should not continue to retain the Connectivity. Accordingly, the said information is proposed to be made available in the public domain. Accordingly, new Regulation 11.3a is proposed to be added under GNA Regulations, as under:

*“11.3a Nodal Agency shall monitor the fulfilment of conditions under Regulation 11A by the entities that have been issued an in-principle or final grant of connectivity as per the format enclosed in Annexure-III of these Regulations. Nodal Agency shall publish the details of the compliances as per Annexure-III of these regulations on the website of the Nodal Agency.”*

### **(I) New Regulation 11.3b - Monitoring of the utilization of the quantum of the Connectivity by the Connectivity grantee after commissioning of the generating station**

56. Vide Order dated 30.11.2023 in Petition No. 211/MP/2023 and 218/MP/2023 observed as follows:

*“24. CTU has also sought certain clarifications with respect to RHGS, as follows:*

- a) *What proportion should be considered between the LoA capacity and the project/installed capacity, as there is no benchmark specified for the same. In the present case, the application for connectivity is for 1710 MW, and the LoA is granted for 600 MW (i.e. 35.08% of the quantum for which the connectivity has been sought).*
  - b) *As per practice followed by CTUIL, the “Connectivity quantum” approved for grant for any applicant serves as the input for CTU in reserving not only the evacuation capacity at a given sub-station but also ensuring the onward power transfer through ISTS. In such a scenario, if the net injection from an RTC project is not likely to utilize to the extent of the summation of RE sources constituting such a project, then not only the sub-station capacity but also the ISTS margins may be susceptible to under- or sub-optimal utilization. It may be desirable that Respondent No. 2 and any concerned Renewable Energy Implementing Agencies clearly specify the capacity for which ISTS connectivity may be applied under a given LoA in terms of the provisions of the GNA Regulations, 2022. In this regard, prior consultation of REIA with CTU may also be done in terms of Clause 19 of the RfS.*
25. *We observe that in the case of an RHGS applying through any route, be it land, LOA or BG, the issue of timely planning for ISTS and utilization of Connectivity needs to be considered. Since generation is a delicensed activity, and the Act requires CTU to ensure the development of an efficient, coordinated, and economical system of inter-state transmission lines for the smooth flow of electricity from generating stations to load centres, we observe that it is the generating station which should decide the amount of injection it seeks through ISTS depending upon its generation profile and CUF unless bound by restrictive conditions of any agreement entered into by it or grid*



*security. In case a generating station has been set up under specific bidding conditions that restrict injection up to a certain quantum, it is expected that the same shall be provided for in the LOA or PPA. We agree with the submissions of CTU that to take care of such projects where RFS or PPAs restrict injection, REIA, a distribution licensee, or an authorized agency on behalf of a distribution licensee may specify the maximum Connectivity quantum that can be obtained based on such LOA or PPA, as the case may be. However, the instant petitions do not fall under such a category, as there is no restriction on the injection of excess generation unless it causes disturbance in the system as specified in clause 8.4 of the RFS.*

26. *Further, SECI shall ensure that the Petitioners install the capacities as specified in the LOAs in line with the conditions specified in the RFS/ PPA. Post-COD, Grid-India shall monitor the maximum injection from these two projects on a daily basis and submit a report to this Commission one year after the COD.”*

57. As per the above quoted Order, an issue was raised by CTUIL about the sub-optimal utilization of ISTS capacity if the net injection from an RTC project is not likely to materialize up to the quantum of Connectivity granted. Further, the Commission directed Grid-India to monitor the maximum injection from the said projects after COD. The requirement of utilization of Connectivity gains importance when a large number of projects are planned to be commissioned, which requires augmentation of ISTS, which has its associated costs. Therefore, it is prudent to ensure the maximum utilization of the transmission system. Accordingly, it is proposed to monitor the utilization pattern of the Connectivity by the generating station after its commissioning. Accordingly, a new Regulation 11.3b is proposed to be added under the GNA Regulations, as under:

*“11.3b Respective RLDC shall monitor the utilization of the connectivity quantum by a connectivity grantee post commissioning of such entity, and NLDC shall submit a consolidated report on the utilization pattern of the Connectivity by the Connectivity grantee to the Commission after one year of commissioning of the project by such entity.”*

**(m) New Clause (j-i) in Regulation 2.1 and new Regulation 11C - Reallocation of Connectivity granted to an Applicant at one sub-station to another sub-station where any bay falling vacant due to surrender or revocation of the Connectivity granted to another entity**

58. The issues of reallocation of Connectivity across ISTS substations were brought to the notice of the Commission in Petition No. 268/MP/2023 and 269/MP/2023. Vide Order dated 19.01.2024 in Petition No. 268/MP/2023 and 269/MP/2023, the following was observed:

*“46. We are of the considered view that considering the dynamism of the renewable sector, if the exercise of reallocation is the need of the hour, the principles of such reallocation and the associated commercial liabilities are required to be included in the transparent Procedure /Regulations following due process of law after due stakeholder consultation. We direct the staff of the Commission to process the required amendment in light of the above observations.*

*In this regard, CTU is directed to suggest the proposed amendments to be included in the Regulations, with due stakeholder consultation within a month of the issue of this Order.”*

59. Subsequently, the said Order has been set aside by APTEL vide Order dated 28.05.2024 in Batch Appeal no.50, 51, 160, 79 & 82 of 2024 whereby APTEL observed as follows:

*“141. In view of the above deliberations, we set aside the impugned order. The existing practice of reallocation considering vicinity/complex approach adopted by CTUIL shall continue, if need arises for reallocation of capacity/bays, till the exercise now being undertaken by CERC to amend the regulations is taken to its logical conclusion. Needless to state, as directed by CERC, CTUIL shall henceforth publish the agenda and minutes of such reallocation meeting on its website.”*

60. Keeping in view the above said discussions, the principles of reallocation of Connectivity have been proposed in the draft Third Amendment.

61. Based on the inputs received from CTUIL, it is proposed that a “Complex of ISTS substations or Cluster of ISTS substations” should be demarcated by CTUIL based on the geographical proximity and planning of ISTS undertaken by CTUIL by grouping the ISTS substations which have already been commissioned or are under construction or approved by National Committee on Transmission (NCT). CTUIL shall publish a list of the same on its website. In case of approval of the new ISTS substation, CTU shall declare the Cluster in which such new substation shall be included ab-initio so that the information is made available to all stakeholders with respect to their rights of reallocation.

62. Further, in case of reallocating an entity (A) from one substation (X) to another substation (Y) there may be some intervening period for which the bay vacated at (X) is not allotted to another entity (B). Therefore, the liability of the transmission charges for for such intervening period is proposed to be of the entity which has vacated the Bay at substation (X); here the entity (A) shall be liable for payment of transmission charges for the intervening period.

63. Accordingly, it is proposed to add a new Clause (j-i) in Regulation 2.1 and new Regulation 11C under the GNA Regulations as under:

*“(j-i) “Complex of ISTS substations” or “Cluster of ISTS substations” means the group of ISTS sub-stations clustered together as a complex, based on geographical proximity and ISTS planning undertaken by CTU, as declared by CTU on its website for the ISTS substations which have already been commissioned or are under construction or approved by National Committee on Transmission (NCT). On approval of a new ISTS substation by NCT, CTU shall declare the Cluster in which such new substation shall be included;*

.....

11C. Reallocation of the terminal bay(s) falling vacant due to the surrender or revocation of the Connectivity granted to another entity

(1) For optimal utilization of the transmission system, the Nodal Agency, with the consent of the concerned Connectivity grantee(s), may reallocate the Connectivity granted at an ISTS sub-station to another ISTS sub-station (in the Complex of ISTS substations) where any terminal bay has fallen vacant due to surrender or revocation of the Connectivity granted to another entity. The Nodal agency shall do such reallocation in the following manner:

- a. Information relating to any bay falling vacant at any particular substation due to surrender or revocation shall be given publicity on the CTU's website and the status updated on a weekly basis with the date and time when the document was updated.
- b. An entity that has been issued a final grant of Connectivity at an ISTS substation located in the Complex of ISTS substations may seek reallocation of its Connectivity for another ISTS substation within the same ISTS complex where a bay has fallen vacant. Such reallocation shall be subject to commercial liabilities as per the Sharing Regulations 2020:

*Provided that an entity shall not be eligible for reallocation of Connectivity after a period of 18 months of issuance of an in-principle grant of Connectivity or 12 months of issuance of a final grant of Connectivity, whichever is earlier;*

*Provided further that an entity which had already exercised the option of reallocation and is once reallocated shall not be eligible for subsequent reallocation of Connectivity.*

- c. CTU shall do such reallocation in order of priority of its date and time stamp of the Connectivity application based on which Connectivity has been granted to such Applicant as follows:
  - i. Stage-II Connectivity grantees under Connectivity Regulations, 2009, which have been transitioned in terms of under Regulation 37 of these regulations and submitted the requisite BG, as per the date and time stamp of their Stage-II Connectivity application(s) made under the Connectivity Regulations, 2009;
  - ii. Applicants who have been issued a final grant of Connectivity in terms of these Regulations, as per the date and time stamp of the application made under these regulations.
- d. The terminal bay at the ISTS substation falling vacant due to shifting out of a grantee (Grantee 'X') to another ISTS substation in the complex of ISTS substations, if opted to be utilised by another grantee (Grantee 'Y') where the start date of Connectivity of 'Y' is later than that of 'X', then the liability to pay the charges for the ATS/terminal bay shall remain with 'X' for such intervening period. The start date of connectivity for an entity that has been reallocated shall not change pursuant to the reallocation exercise. However, the entity which has been reallocated may seek the advancement of the start date, which shall be subject to the availability of a transmission system."

#### 64. Illustrative Examples:

Example 1:

(a) Suppose an Entity 'A' has been granted Connectivity of 300 MW at a substation- 'S2' and has a start date of Connectivity as 01.12.2026.

(b) Subsequently, a bay falls vacant at Substation 'S1' (which is within the same complex of ISTS substation as 'S2'), due to the revocation of the Connectivity of other entity 'B'.

(c) After the reallocation exercise, entity 'A' chooses to be reallocated at 'S1'. After the reallocation of entity 'A' at substation 'S1', its start date of Connectivity shall not be changed, and it shall be 01.12.2026 only.

(d) A third entity, 'C', is granted the Connectivity at the same bay at 'S2', which was vacated due to the reallocation of entity 'A'.

(e) Suppose the start date of Connectivity of the entity 'C' is 10.03.2027. In such case, entity 'A' shall be liable to pay the transmission charges for the intervening period, i.e., 01.12.2026 to 09.03.2027, for the bay and ATS, if any at 'S2'. In addition, 'A' shall be liable to pay bay and ATS charges at 'S1' if 'A' does not achieve COD by 1.12.2026.

(c) Further, suppose the Commissioning schedule of the bay and ATS at 'S1', which has now been reallocated to the entity 'A', is 01.11.2026; in such case, there shall not be any transmission charges for this bay and 'ATS' on 'A' and liability of 'A' shall start from 1.12.2026.

#### **(n) Amendment to Clause (a) of Regulation 22.4**

65. CTUIL vide letter dated 11.03.2024 has suggested changes as under:

##### *"12. Effective Date of GNA*

*The Regulation 22.4 of GNA Regulations deals with Effective Date of GNA. In the First amendment to GNA Regulations, grant of Connectivity through "no augmentation" and "augmentation (with ATS or without ATS)" were introduced. Accordingly, suitable modification is also required in the Regulation 22.4 (a). The draft formulation is suggested below:*

*"(a) For Connectivity grantees covered under Regulation 4.1 of these regulations, the effective date of GNA of such Connectivity grantees shall be the start date of connectivity or COD of **ATS transmission system for grant of Connectivity**, whichever is later.*

*Provided that where only some of the transmission elements of the **ATS transmission system for grant of Connectivity** have achieved COD before COD of the **ATS transmission system for grant of Connectivity** and the Connectivity grantee..."*

66. We note that there may be cases where the Connectivity has been granted with augmentation in the GNA system, and therefore, commissioning of such an augmentation system shall also be required to operationalise the GNA corresponding to the capacity of the Connectivity granted to such Connectivity grantee.

67. Accordingly, it is proposed that the words "augmentation with or without" shall be added before the word "ATS" in the first paragraph of Clause (a) of Regulation 22.4 of the Principal Regulations and the words "or the augmentation" shall be added after the word "ATS", appearing twice in the first proviso under Clause (a) of Regulation 22.4 of

the Principal Regulations.

### **(o) Amendment to Regulation 24.6**

68. Clause (c) of Regulation 24.6(1) of the GNA Regulations provides as under:

*“(c) Connectivity granted to an REGS (other than Hydro generating station) or ESS (excluding PSP) shall be revoked, if LOA or PPA on basis of which Connectivity was granted, is terminated prior to the COD of the project.”*

As per the above, on the termination of LoA or PPA prior to the COD of the project, the Connectivity granted based on such LoA or PPA is revoked.

69. Second Amendment to the GNA Regulations effective from 15.7.2024 allows conversion from LOA/PPA route to Land/Land BG route on termination of such LOA/PPA. In case such conversion of the route is sought and allowed, the event of termination of LOA/PPA should not lead to revocation of Connectivity. Accordingly, it is proposed to add the words “, subject to conversion sought under Regulation 11A of these regulations.” In Regulation 24.6(1)(c) of the GNA Regulations.”

### **C. Amendments to address the issues pertaining to the grant of GNA**

#### **(a) Construction of the Transmission Line to connect the entity covered under Regulation 17.1(iii) to the ISTS**

70. Regulation 12.5 of the GNA Regulations provides as under:

*“12.5 In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained by a licensee at the cost of such entity.”*

As per the above, for the entity covered under Regulation 17.1(iii), the transmission line to connect such entity to ISTS and necessary augmentation in ISTS for providing connection to the ISTS shall be constructed and maintained by a licensee at the cost of such entity.

71. Ministry of Power (MoP) vide Gazette dated 10.01.2024 has issued the Electricity (Amendment) Rules, 2024. The relevant extract of the Rules is as under:

**“21. Establishment, operation and maintenance of dedicated transmission lines.–** A generating company or a person setting up a captive generating plant or an Energy Storage System or a consumer having load of not less than twenty five Megawatt in case of Inter State Transmission System and ten Megawatt in case of Intra-State Transmission System shall not be required to obtain license under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid, if such company or person or consumer

*complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Act.”*

As per the above, a consumer having a load of not less than 25 MW in case of an Inter State Transmission System and 10 MW in case of an Intra-State Transmission System shall not be required to obtain a licence under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid.

72. CTUIL, vide letter dated 11.03.2024, has also suggested incorporating the suitable amendment in the GNA Regulations.

73. Considering the above , it is proposed to amend Regulations 12.5 of the GNA Regulations as under:

*“12.5 In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained **either by the entity itself or** by a licensee at the cost of such entity.”*

Under the above, it is proposed that it is optional for an entity covered under Regulation 17.1(iii), to construct the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS by itself or get it constructed by another licensee at its own cost.

**(b) Amendment to Clause (ii) of Regulation 17.1 - Intra-State drawee entity connected with State network (Transmission/Distribution) to be eligible for grant of GNA**

74. Regulation 17.1(ii) provides that a drawee entity connected to an intra-State transmission system is eligible for a grant of GNA. Renew Power Limited vide letter dated 14.12.2023 and NSEFI vide letter dated 3.01.2024 has submitted as follows:

Renew letter dated 14.12.2023:

“....

1. ..

*The Regulation 17.1(ii) provides that a drawee entity connected to intra-State transmission system shall be eligible as Applicants to apply for grant of GNA or for enhancement of quantum of GNA. This provision bars drawee entity not directly connected to intra-State transmission system but willing to avail GNA either to draw power from ISTS or inject power into ISTS as per Regulation 17.1(iv). Further, the 'Explanatory Memorandum' to the draft GNA Regulations exhibits the intent that all intra-State entities are eligible for grant of GNA. However, the same has inadvertently missed in the final GNA Regulations. It is to be noted that these entities were eligible for grant of LTA under the 2009 Connectivity Regulations. Therefore, we request the Hon'ble CERC to issue clarification that intra-State drawee entities are eligible for grant of GNA or enhancement of GNA as per regulations 17.1(u) and 17.1(iv) of the Regulations.*

.....”

NSEFI letter dated 03.01.2024:

“ .....

3. GNA-RE for intra-State entities:

*Request: The Regulation 17.1(ii) provides that a drawee entity connected to intra-State transmission system shall be eligible as Applicant to apply for GNA-RE. This bars the drawee entity not directly connected to STU/intra-State transmission system. We request the Hon'ble Commission to issue clarification the intra-State drawee entities are eligible for grant of GNA/GNA-RE.*

.....”

Considering the submissions of stakeholders, it is proposed to add the words “or distribution system” in Clause (ii) of Regulation 17.1 of the GNA Regulations.

**(c) Amendment to the Clause (b-i) of Regulation 22.2 - Timeline for submission of Conn BGs by the entities covered under Regulation 17.1(iii)**

75. CTUIL vide letter dated 14.06.2024 has submitted as under:

*“1. Timeline for submission of Conn-BGs by entities under Regulation 17.1 (iii)*

*Regulation 22.2 (b-i) provides that entities under Regulation 17.1 (iii) are required to furnish Conn-BG1 at INR 50 Lakh/MW and Conn-BG3 at INR 2 Lakh/MW. However, the timeline for furnishing Conn-BGs has not been provided. CTU is providing one month time for furnishing said Conn-BGs to such entities in line with that of Connectivity applicants, and if the same are not being furnished within one month time, then grant of GNA/GNARE is being revoked. It is requested to include timeline for furnishing requisite Conn-BGs within one month in Regulation 22.2 (b-i) including provision for revocation of grant in case of failure.”*

As per above, CTUIL requested to include the timeline for submission of Conn BGs by the entities covered under Regulation 17.1(iii) under Clause (b-i) of Regulation 22.2.

76. Accordingly, it has been proposed to add words “ *within one month of issuance of intimation of Grant of GNA by the Nodal Agency and shall enter into GNA Agreement incorporating the relevant provisions of Regulation 10, applicable for such an entity*” at the end of Clause (b-i) of Regulation 22.2 of the Principal Regulations. It is also proposed that a GNA agreement should be signed in line with the Connectivity Agreement to set the terms and conditions and other necessary details for compliance by the GNA grantee. The format for the GNA Agreement may be included by CTUIL under the detailed Procedure.

**(d) Amendment to Clause (d) of Regulation 22.2 - Submission of one-time GNA charge**

77. CTUIL vide letter dated 14.06.2024 has submitted as under:

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Explanatory Memorandum of Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

“4. Timeline for furnishing one time GNA charges:

As per Regulation 22.2(d) of GNA Regulations,

“Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. one lakh per MW for the quantum of GNA **one month prior to the start date of GNA**. In case, such charges are not furnished by the entity within the specified timeline, the same shall be recovered by encashment of Conn-BG1, Conn-BG2 and Conn-BG3 as required. The proceeds of such one-time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations:

Provided that the entities covered under Regulation 17.1(iii) shall pay monthly transmission charges for its GNA in addition to one-time GNA charge in accordance with the Sharing Regulations.”

As per Regulation 22.4(a) i.r.o. Effective Date of GNA:

“(a) For Connectivity grantees covered under Regulation 4.1 of these regulations, **the effective date of GNA of such Connectivity grantees shall be the start date of Connectivity or COD of ATS, whichever is later.**”

From the combined reading of Regulation 22.2(d) and 22.4(a), it is prudent that one-time GNA charges may be furnished one month prior to the effective date of GNA instead of one month prior to the start date of GNA. In view of the above, Regulation 22.2(d) of GNA Regulations are proposed to be amended as below:

- Regulation 22.2(d) of GNA Regulations, 2022:

“(d) Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. one lakh per MW for the quantum of GNA **one month prior to the start-effective date of GNA**. In case, such charges are not furnished by the entity within the specified timeline, the same shall be recovered by encashment of Conn-BG1, Conn-BG2 and Conn-BG3 as required. The proceeds of such one-time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations:

Provided that the entities covered under Regulation 17.1(iii) shall pay monthly transmission charges for its GNA in addition to one-time GNA charge in accordance with the Sharing Regulations.”

As per above, CTU has suggested replacing ‘start date of GNA’ with ‘effective date of GNA’.

78. Considering the suggestions of CTUIL, it is proposed that the words ‘start date of GNA’ shall be substituted with the words ‘effective date of GNA’ in Clause (d) of Regulation 22.2 of the Principal Regulations.

**(e) Amendment to Clause (b-ii) of Regulation 22.2 - Minimum eligible Capacity for grant of GNA to the entity covered under Regulation 17.1(vi)**

79. CTUIL vide letter dated 24.01.2024 has submitted as under:

“As per Regulation 22.2(b-ii),

“(b-ii) Entities covered under clause (vi) of Regulation 17.1 and applying GNA for injection into the ISTS shall comply with all requirements as applicable to entities under Regulation



4.1.....”

*According to above clause, it is understood that requirements like Conn-BGs for existing/ augmentation/ ATS etc. for intra-state entities seeking GNA for injecting power to ISTS would be similar to that of entities under Regulation 4.1, however, as many such intrastate injecting entities with installed capacities less than 50 MW would require transfer of power using ISTS network, these entities should be eligible to apply for less than 50 MW GNA quantum unlike the 50 MW threshold applicable for entities under Regulation 4.1.”*

80. It is clarified that reference to Regulation 4.1 was provided in Regulation 22.2(b-ii) to identify the type of entity and compliance requirements. However, the capacity of 50 MW is the minimum quantum for entities seeking connection to ISTS. An intra-State entity may have a capacity of less than 50 MW and can be connected at various voltage levels at the transmission or distribution system of the State depending on its Installed capacity. Regulation 17.1(vi) allows an intra-state entity to seek GNA for injection into ISTS, and there is no minimum MW requirement for seeking GNA. Keeping in view clarifications sought by CTUIL, it is proposed to add the words “except the requirement of a minimum capacity of 50 MW” in Regulation 22.2(b-ii) of the GNA Regulations.

**(f) New Regulation 23.3 – Development of web portal to facilitate the use of GNA by other GNA grantee(s)**

81. Regulation 23 of the GNA Regulations provides as under:

*“23. Use of GNA by other GNA grantee(s)*

*23.1. An entity covered under clauses (i) to (v) of Regulation 17.1 which is a GNA grantee, may authorise other entities covered under clauses (i) to (v) of Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 3 (three) years at a time on mutually agreed terms and conditions:*

*Provided that payment liability for transmission charges shall continue to be with the original GNA grantee that authorised its GNA to be used by other GNA grantee(s):*

*Provided further that for the purpose of calculating the transmission deviation charges under the Sharing Regulations, GNA authorised to be used by other GNA grantee(s) shall be reduced from original GNA grantee that authorised its GNA to be used by other GNA grantee(s) and shall be added to GNA of other GNA grantee(s) which is using it.”*

As per the above, a GNA Grantee can use the GNA of another GNA grantee in part or full, with the prior approval of the Nodal Agency, for a period of up to three years.

82. To facilitate the implementation of the said Regulation, by making the information available in the public domain, it is proposed to add a new Regulation 23.3 in the GNA Regulations as under:

*“23.3 NLDC shall make a web portal where a list of GNA grantees with their GNA quantum shall be displayed. The GNA Grantees shall be able to indicate the GNA quantum, dates, and time blocks for which such quantum can be made available, for use by other GNA*

*grantees. GNA grantees who wish to use the GNA of another GNA grantee shall also be able to indicate their requirement of GNA quantum along with dates and time blocks for which such quantum is required.”*

**(g) Amendment to Clause (b) of Regulation 25.1 - Relinquishment of GNA by the entity covered under clause (iii) of Regulation 17.1 prior to the effectiveness of GNA**

83. It is observed there is a need to clarify the provision of notice period for an entity covered under Regulation 17.1(iii). Accordingly, the second proviso of Clause (b) of Regulation 25.1 of the GNA Regulations is proposed to be amended to provide that “for an entity covered under Regulation 17.1(iii), the notice period shall be six months, and if GNA is relinquished at least six months prior to the date of effectiveness of GNA, only Conn-BG1 and Conn-BG3 shall be encashed corresponding to the relinquished quantum as relinquishment charges.”

84. Illustrative Examples are included for clarity as follows:

(a) Suppose a bulk consumer ‘B’ has obtained a GNA of 100 MW for 10 years with an effective date of GNA as 1.6.2027. If ‘B’ relinquishes its GNA for 100 MW on 1.4.2027, ‘B’ shall be liable to pay 18 times the monthly transmission charges and encashment of Conn-BG1 and Conn-BG3.

Suppose ‘B’ relinquishes its GNA on 1.12.2026, the Conn-BG1 and Conn-BG3 shall be encashed, and there shall be no levy of monthly transmission charges.

(b) Suppose a bulk consumer ‘B2’ has obtained a GNA of 200 MW for 14 months with an effective date of GNA as 1.6.2028. If ‘B2’ relinquishes its GNA for 200 MW on 1.3.2028, ‘B2’ shall be liable to pay 14 times the monthly transmission charges and encashment of Conn-BG1 and Conn-BG3.

**(h) Amendment to Regulation 40.2 One-Time GNA Charges**

85. CTUIL vide its letter dated 24.01.2024 has submitted as under:

“....

*CTU has received the representation from a bulk consumer which are already connected to intra-state network and drawing power from STU network. However, with the enabling provisions of GNA regulations, they have made an application for grant of GNA as an eligible entity under 17.1(iii) with NoC from concerned STU to disconnect from STU network to connect to ISTS directly. In such cases difficulties are faced in determination of one time GNA charges as their plants are operational before the effectiveness of GNA regulations and their GNA quantum mentioned in the application cater the existing and future requirement. Similarly, some commissioned generators already connected to STU network are applying for ISTS connectivity with state NoC and one time GNA charges shall be zero for such projects as per*

above provision. Further there is no concept of commercial operation date in case of bulk consumers unlike generation projects. Therefore, in case of bulk consumers, commercial operation date may be replaced with the date of commencement of drawl of power from ISTS.

Accordingly following is proposed-

*“Provided that One-time GNA charges shall not be payable for the capacity which has been declared commercial operation and connected to ISTS and commencement of drawal/injection of power has started as on date of coming into effect of these Regulations...”*

86. We have considered the suggestions of CTUIL. One time GNA charges are provided in the GNA Regulations for the entities who get connected to ISTS directly viz entities covered under Regulation 4.1 and Regulation 17.1(iii) of the GNA Regulations. The Detailed Procedure issued under the GNA Regulations dated 14.10.2022 provides in Paragraph 26(vii) as follows:

*“One-time GNA charges shall not be payable by entities for quantum for which Connectivity /Stage-II Connectivity for specified entities) is effective under the 2009 Connectivity Regulations.”*

87. Further vide the First Amendment to the GNA Regulations, a Proviso was inserted under Regulation 40.2 as follows:

*“Provided that one-time GNA charges shall not be payable for the capacity which has been declared commercial operation as on date of coming into effect of these Regulations.”*

The rationale for the abovesaid insertion was provided in the Explanatory Memorandum as follows:

*“Amendment in Regulation 40.2 of the Principal Regulations*

*50. Regulation 40.2 of the Principal Regulations provides as under:*

*“40.2 One time GNA charges shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.”*

*51. CTU vide letter dated 16.12.2022 has suggested that One time GNA charges may not be applicable for the capacity which is already connected to the grid and declared to be in commercial operation as on date of coming into effect of the GNA Regulations. It is observed that entities which has already connected to the grid may seek additional GNA upto its connectivity or may enhance its connectivity for the capacity already declared under commercial operation.*

*Accordingly, it is proposed that One time GNA charges shall not be applicable for the capacity which has been declared commercial operation as on date of coming into effect of the GNA Regulations.*

*Illustration:*

*Suppose a generating station having installed capacity of 1200 MW has already achieved the COD for full capacity, but having Connectivity for 1150 MW. Suppose such generating station applies for additional Connectivity for 50 MW under GNA Regulations, there shall*

*not be any one time GNA charges be levied on such 50 MW Capacity which is already connected to the Grid*

*52. Accordingly following proviso is proposed to be added in the Regulation 40.2 of the Principal Regulations:*

*“Provided that One-time GNA charges shall not be payable for the capacity which has been declared commercial operation as on date of coming into effect of these Regulations.”*

88. From perusal of the above quoted Regulations and Explanations, it can be concluded that one-time GNA charges are not applicable for entities for which Connectivity /Stage-II Connectivity for specified entities is effective under the 2009 Connectivity Regulations and those who were declared commercial operation as on the date of coming into effect of the First Amendment.
89. The above-quoted Regulations does not give any exemption to entities that were not connected to ISTS and were connected to the STU/ distribution system as on coming into effect of the GNA Regulations. Once an entity seeks a new connection to ISTS , it is liable to pay a One-time GNA charge under the GNA Regulations. However, as pointed out by CTU, for clarity, minor modifications are proposed in Proviso to Regulation 40.2, and the words “and connected to ISTS” are proposed to be inserted in the Proviso.

#### **D. Amendments pertaining to T-GNA**

##### **(a) New clause (d) under Regulation 26.1 - Grant of T-GNA to an Injecting entity which is granted Connectivity to intra-State transmission system**

90. Clause (vi) of Regulation 17.1 of the GNA Regulations provides that an injecting entity that is granted Connectivity to an intra-State transmission system can seek GNA for the purpose of injection into ISTS.
91. A generating station connected to an intra-State system and generally selling power within the State may wish to schedule injection of power on a temporary basis based on its contractual arrangement. In such case, it may not be prudent for such an injecting entity to avail permanent GNA, which may need augmentation of ISTS but it may be evacuated on margins. Hence, such an entity where the injection schedule in ISTS is for the intermittent period may be allowed to seek T-GNA on margins.
92. Accordingly, it is proposed to add a new clause (d) under Regulation 26.1 of the GNA

Regulations:

*“(d) An injecting entity which is granted Connectivity to intra-State transmission system or distribution system and seeking T-GNA for purpose of injection into ISTS.”*

It is clarified that since the abovesaid T-GNA quantum is for the purpose of injection, the same shall not be liable for transmission charges under Regulation 34 of these Regulations since such a generating station is not a buying entity.

**(b) Amendment to Regulation 26.2 - Application of T-GNA by an entity under Regulation 26.1(a) (ii) of the GNA Regulations**

93. Regulation 26.2 of the GNA Regulations provides as follows:

*“26.2. A GNA grantee shall be eligible to apply for T-GNA over and above the GNA granted to it, as per eligibility under clause (a) of Regulation 26.1 this Regulation”*

As per above, T-GNA can be sought over and above the GNA quantum.

94. The entity covered under Regulation 26.1(a) (ii) of the GNA Regulations, i.e., a Bulk consumer directly connected to ISTS, is covered under Regulation 17.1(iii) of the GNA Regulations for the purpose of seeking GNA.

95. In case such an entity wishes to seek T-GNA under Regulation 26.1(a)(ii), how much T-GNA can be permitted in such a case needs to be clearly provided for in the Regulations. It is proposed to permit up to 30% of the GNA quantum as the maximum T-GNA that can be applied for. The reason for limiting up to 30% is that margins under T-GNA get created only when the backbone transmission system is in place, which is paid for by drawee DICs under GNA. Hence, the entity needs to balance between GNA and T-GNA quantum and should not have a huge quantum of T-GNA on an intermittent basis.

96. Accordingly, a proviso is proposed to be added under Regulation 26.2 of the GNA Regulations as under:

*“26.2 ....*

***Provided that entity covered under clause (ii) of Regulation 26.1(a) may seek T-GNA maximum up to 30% of the GNA granted.”***

**(c) New Regulation 34A - Operating charges for transactions under T-GNA**

97. Grid-India has suggested including operating charges for transactions of power under T-GNA considering that services of Grid-India are availed for such T-GNA. There may be intra-State entities availing T-GNA for substantial quantum and substantial period

which are not availing any GNA, hence not liable to pay any RLDC charges under the prevailing dispensation. Since services of RLDCs are availed while availing T-GNA and consequent scheduling and related matters, the payment of the operating charges of the RLDC or NLDC is required to be built in for T-GNA. We have perused provisions of CERC (Open Access in inter-State Transmission) Regulations, 2008 (which has been repealed after the effectiveness of the GNA Regulations), which provided as follows:

**“Operating Charges**

17. (1) *Operating charges at the rate of `1000/-, per day or part of the day for each bilateral transaction for each of the Regional Load Despatch Centre involved and at the rate of `1000/- per day or part of the day for each State Load Despatch Centre involved shall be payable by the applicant.*

(2) *In case of collective transaction, NLDC operating charges shall be payable by each of the successful buyer and seller on the basis of its energy scheduled (MWh) at regional periphery by NLDC for transactions in the respective power exchange.*

(3) *The NLDC operating charges collected by the power exchanges shall be transferred to NLDC on a daily basis. The rate of NLDC operating charges shall be Rs 1/MWh for collective transactions. NLDC operating charges payable by each of the successful buyer and seller in case of collective transaction, for a day, shall be capped to a maximum ceiling of Rs 200 per day.*

(4) *The Power Exchanges will provide NLDC with a daily list of successful participants along with their volumes cleared and the NLDC operating charges levied on these successful participants*

.....”

As per the above, the operating charges for bilateral transactions were at the rate of Rs 1000/-, per day or part of the day for each bilateral transaction for each of the Regional Load Despatch Centres involved, and for collective transactions, the rate of NLDC operating charges was Rs 1/MWh which was capped to a maximum ceiling of Rs 200 per day.

98. Considering the above, Operating charges for transacting under T-GNA have been proposed under the GNA Regulations. Accordingly, a new Regulation 34A is proposed to be added under GAN Regulations as under:

**“34A Operating charges for transactions under T-GNA**

34A.1. *Operating charges at the rate of Rs 1000 per day or part of the day for Advance T-GNA or Exigency T-GNA under bilateral transaction shall be payable by the applicant to the host Regional Load Despatch Centre.*

34A.2. *In case of collective transactions, NLDC operating charges shall be payable to the respective power exchange by each of the successful buyer and seller on the basis of their energy scheduled (MWh) by NLDC @ Rs 1/MWh subject to a maximum of Rs 200 per day. The NLDC operating charges collected by the power exchanges shall be transferred to NLDC on a daily basis. The Power Exchanges shall provide NLDC with a daily list of successful participants along with their volumes cleared and the NLDC operating charges levied on these successful participants.*

*Provided that under collective transactions, operating charges shall be payable for drawal schedules more than GNA quantum or T-GNA quantum or both, as applicable.*

*Explanation: In order to determine whether the drawal schedule is more than GNA quantum or T-GNA quantum or both in case of collective transactions, SLDC shall furnish to NLDC, intra-state entity-wise details of the schedule under GNA or T-GNA, as the case may be. NLDC shall issue power exchange wise and entity-wise segregation of payable operating charges under T-GNA for collective transactions.”*

**E. Amendments to incorporate directions under Order dated 22.09.2023 in 11/SM/2023**

**(a) New Regulation 5.10 – Regarding the Change in location of Land parcel by REGS or by RPPD, based on which Connectivity has been granted**

99. The Commission vide its Removal of Difficulties Order dated 22.09.2023 in Petition No. 11/SM/2023 directed as under:

*“Issue No.14: Change in location by entities covered under Regulation 4.1 of the GNA Regulations, which are REGS or Renewable power park developer*

.....

*58. We observe that the requirement of submission of land documents was a condition under the 2009 Connectivity Regulations. Revised Procedure for “Grant of Connectivity to projects based on renewable sources to inter-State transmission system” dated 21.02.2021 issued under the 2009 Connectivity Regulations provided as follows:*

*“7.8 Change in the location of project keeping the connectivity with ISTS substation same shall not be construed as material change in location under first proviso to Regulation 8(1) of Connectivity Regulations. The grantee shall inform the CTU about the same.”*

*57. We observe from the submission of RE Developers that sometimes the location of the land for which Connectivity has been granted needs some changes based on changes in location coordinates of the substation (which was under bidding/yet to be awarded), proximity to the ISTS substation which reduces the length of dedicated transmission line, higher capacity utilisation factor at different land location as calculated at a later point in time and unseen practical difficulty in acquiring the complete land parcel near to the earlier land location. Considering the issues highlighted by the RE Developers, we direct that change in the location of the land parcel without any change in (a) the point of Connectivity with ISTS and (b) the start date of Connectivity shall be allowed and shall not lead to cancellation of the Connectivity.”*

As per above, change in land parcel was permitted based on specific conditions.

100. There is a need to incorporate the clause in the GNA Regulations. Accordingly, it is proposed to add a new Regulation namely Regulation 5.10 in the GNA Regulations as under:

*“5.10 Applicants covered under Clause (vii) of Regulation 5.8 of these regulations or subclauses (b) to (c) of Clause (xi) of Regulation 5.8 of these regulations, may implement its project at a land parcel different (partly or fully) than as submitted while seeking Connectivity, under intimation to the Nodal Agency, with no change in the point of Connectivity with ISTS and the start date of Connectivity due to such implementation of*

*project at a different land parcel.”*

**(b) (a) Amendment to Regulation 10.8 - Advancement of Terminal Bay for drawal of Start-up power or injection of infirm power**

101. Commission vide Removal of Difficulties Order dated 22.09.2023 in Petition No. 11/SM/2023 directed as under:

*“Issue No.6: Advancement of the terminal bay for start-up power or injection of infirm power*

*19. CTUIL has submitted that Regulation 10.8 of the GNA Regulations provides that elements of ATS can be identified for early commissioning for the requirement of start-up power/injection of infirm power. Apart from ATS, a bay at ISTS end etc. may also be required. Accordingly, the same needs to be incorporated in the Regulations i.e. ATS/bay/transmission element.*

.....

*21. We observe that an entity may need some or all of the elements in ATS prior to the Start date of Connectivity as agreed in the Connectivity Agreement. Without the terminal bay, an entity would not be able to connect to ISTS and hence it may need terminal bay(s) at a date prior to the Start date of the Connectivity as agreed in the Connectivity Agreement. Accordingly, we agree to suggestions of CTUIL that apart from elements in ATS, an entity, for drawal of Start-up power or injection of infirm power, may seek COD of terminal bay prior to the Start date of Connectivity as agreed in the Connectivity Agreement. All other terms and conditions for such terminal bay (s) shall be governed as per Regulation 10.8 of the GNA Regulations.”*

Accordingly, it is proposed that the word “and terminal bay(s)” shall be after the words “elements in the ATS” in Regulation 10.8 of the Principal Regulations.

**(c) Amendment to Regulation 15.3 - Transfer of Connectivity**

102. The Commission vide Order dated 22.09.2023 in Petition No. 11/SM/2023 directed as under:

***“Issue No.15: Transfer of Connectivity***

...

*63. Considering the above quoted Regulations and clarifications sought by CTUIL and Serentica, we hereby clarify as follows:*

*(a) In case, the Connectivity grantee which is a REGS does not split its Connectivity into parts under Regulation 15.2, and wishes to transfer the full Connectivity, it shall be allowed to transfer Connectivity under Regulation 15.3 for the full Connectivity capacity, subject to terms and conditions of Regulation 15.3.*

*(b) A subsidiary, which has developed the REGS shall be eligible to take transfer of Connectivity (in part or full, subject to minimum capacity in accordance with Regulation 4.1 of these regulations) from Parent to said subsidiary, after COD of such REGS under Regulation 15.3. It is clarified that post COD of REGS, the Connectivity shall be allowed to be transferred to the entity who owns such REGS subject to minimum capacity in accordance with Regulation 4.1 of these regulations.”*

As per the above, it was clarified that Connectivity may be transferred to the entity



that owns such REGS subject to minimum capacity in accordance with Regulation 4.1 of these regulations.

103. There is a need to incorporate the above-mentioned clarifications in the GNA Regulations. Accordingly, it is proposed to amend Regulation 15.3 of the GNA Regulations as under:

*“15.3 Any **entity** which acquires **or holds** 51% or more shareholding of the company or its subsidiary owning the REGS, may, after COD of **full capacity or** such split part **in terms of Regulation 15.2 of these regulations**, apply to the Nodal Agency for transfer of Connectivity **for the full capacity or the spilt capacity, as the case may be**. The Nodal Agency shall issue a revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such entity. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On the issue of a revised grant of Connectivity, such entity shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations.”*

#### **(d) Amendment to Regulation 36.1 - Allocation of Transmission Corridor**

104. The Commission vide order dated 22.09.2023 in Suo Motu Petition No. 11/SM/2023 has held as under:

“

*Issue No.7: Bifurcation of GNA as “within the region” and “from outside the region” under application of GNA by entities covered under Regulation 17.1 (iii) of the GNA Regulations*

*22. CTUIL has suggested that in the case of entities under Regulation 17.1(iii), GNA is to be applied, indicating bifurcation ‘within region’ and ‘from outside the region’ as per Regulation 20.1. However, entities applying GNA for drawal of Round the Clock power have expressed difficulty in indicating the within and outside region GNA at the application stage due to scheduling of RE power from different sources located in different regions during various points in time. Accordingly, for such entities ‘within region’ & ‘from outside the region’ GNA may be used only for planning purposes.*

.....

*24. In light of difficulties brought to our notice by CTUIL, we clarify that a drawee DIC is eligible to request a schedule from anywhere in India up to its GNA quantum, where such injection point may be “within the region” or “from outside the region”. Once such entity has placed a scheduling request with RLDC and there is a constraint in the transmission system due to which a full schedule as requested by all drawee DICs in the region cannot be accommodated, RLDC shall allocate the transmission corridor as follows:*

*(a) In case of constraint in the transmission system “from outside the region”, the transmission corridor shall be allocated in proportion to the “outside the region” bifurcation of all such drawee DICs.*

*(b) In case of constraint in the transmission system “within the region”, the transmission corridor shall be allocated in proportion to the total GNA quantum for such drawee DICs (sum of “within the region” and “from outside the region” bifurcation)*

25. We also note that the requirement of such indicative bifurcation of GNA as ‘within the region’ and ‘from outside the region’ shall be reviewed by the Commission periodically after operationalization of scheduling under GNA starts w.e.f. 1.10.2023.”

As per the above, the treatment of scheduling was clarified under “within the region “or “from outside the region” under Regulation 36.1 of the GNA Regulations. The said clarification requires amendment in the GNA Regulations. Accordingly, it is proposed to substitute the proviso in Regulation 36.1 of the GNA Regulations as under:

“36.1 .....

*Provided that in case of constraint in the transmission system within the region, the available transmission corridor shall be allocated to the GNA grantees in proportion to their total GNA, and in case of constraint in the transmission system outside the region, the available transmission corridor shall be allocated to the GNA grantees in proportion to their GNA from the outside region and the GNA grantee shall be eligible to schedule power under any contract within such allocated transmission corridor.”*

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