

Date: 08.03.2024

To,  
The Hon'ble Secretary  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building,  
36, Janpath, New Delhi- 110001

**Sub:** Comments on Draft Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Second Amendment*) Regulations, 2024.

Dear Sir,

At the outset, we are grateful to Hon'ble Central Electricity Regulatory Commission ("CERC") for issuing the Draft Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Second Amendment*) Regulations, 2024.

We Acme Cleantech Solutions Private Limited are grateful to Hon'ble CERC for providing the opportunity to submit our comments to the Draft Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Second Amendment*) Regulations, 2024.

We hereby submit our comments for your kind consideration.

Thanks & Regards,

For and on behalf of ACME CLEANTECH SOLUTIONS PRIVATE LIMITED



Authorized Signatory

**GNA 2<sup>nd</sup> Amendment: ACME's Comments/Suggestions**

| <b>Proposed Amendments</b>   | <b>ACME's Suggestions</b>   | <b>Rationale</b>   |
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| <p>5. Amendment to Regulation 5.8 of the Principal Regulations:</p> <p>5.1. The sub-clause (c) to Clause (vii) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after subclause (c ) as under:</p> <p>.....</p> <p>(d) Government Order issued by the concerned Government for allotment of the land along with possession documents for 100% of the land required for the capacity for which Connectivity is sought.”</p> | <p>5. Amendment to Regulation 5.8 of the Principal Regulations:</p> <p>5.1. The sub-clause (c) to Clause (vii) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after subclause (c ) as under:</p> <p>.....</p> <p>(d) Government Order issued by the concerned Government for allotment of the land along with possession documents for 100% of the land required for the capacity for which Connectivity is sought.</p> <p>(e ) LOA by, or PPA entered into with a Government agency consequent to tariff based competitive bidding.</p> <p>(f) LOA by REIA or Discom or any other Govt agency for setting up of green hydrogen or green ammonia projects having details of installed capacity of renewable energy projects</p> | <p>We would like to inform you that Government agencies other than REIA or Discom such as Railway Energy Management Company Limited (REMCL) which is a govt undertaking (JV of Ministry of Railways and RITES Ltd) are also conducting competitive bidding in accordance with MoP bidding guidelines for procurement of power. However, REMCL is neither a REIA nor a Discom and is a self-consumer, due to which the LOA awarded by REMCL or PPA executed with REMCL doesn't entitle applicants to obtain connectivity. Therefore, it is requested that in addition to LOA of REIA or DISCOM, LOA/PPA of other Govt agencies such as REMCL be treated at par to allow connectivity.</p> <p>It is submitted that recently SECI had conducted bid for selection of green hydrogen production facilities of 4.5 lakh MTPA under National Hydrogen Mission and awarded LOA to successful bidders.</p> |

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|   | <p>to be installed for supplying renewable energy for production of green hydrogen or green ammonia.</p>   | <p>As you are aware that green hydrogen production requires significant amount of green energy, therefore, these successful bidders would require ISTS connectivity to set up captive RE project for supplying green power to their hydrogen/ammonia facility. However, there is no provision in GNA regulations for allowing connectivity based on green hydrogen/ammonia LOA by REIA. It is thus requested that LOA awarded by REIA for green hydrogen/ammonia facility having details of installed RE capacity be allowed to obtain connectivity.</p>               |
| <p>5. Amendment to Regulation 5.8 of the Principal Regulations:</p> <p>5.1. The sub-clause (c) to Clause (vii) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after subclause (c ) as under:</p> <p>“(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW, in lieu of ownership or lease rights or land use rights of land for 50% of the</p> | <p>5. Amendment to Regulation 5.8 of the Principal Regulations:</p> <p>5.1. The sub-clause (c) to Clause (vii) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after subclause (c ) as under:</p> <p>“<del>(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW,</del> in lieu of ownership or lease rights or land use</p> | <p>Developers are required to submit huge BGs to REIAs/Discom at the time of bidding which are in the range of ~Rs. 30 lakhs/MW for EMD and ~Rs. 75 lakhs/MW for PBG. MNRE has issued trajectory for RE bids which targets bids of 50 GW every year to achieve 500 GW by 2030. Therefore, RE developers would require to submit EMD of ~Rs. 15,000 crores and ~Rs. 35,000 crores every year for such bids. Additionally, developers are also submitting Conn BGs to CTU of Rs. 2 Lakhs/MW. Therefore, RE developers are already facing issues related to BG limits</p> |

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| <p>land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; or</p> <p>5.2. The sub-clause (c) to Clause (xi) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after sub-clause (c) as under as under:<br/>“(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW, in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; ..</p> | <p>rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; or</p> <p>5.2. The sub-clause (c) to Clause (xi) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause (d) shall be added after sub-clause (c) as under as under:<br/><del>“(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW, in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations; or</del></p> | <p>as their cash/BG margins are blocked after submitting these heavy BGs.</p> <p>In view of the above, it is requested that the amount may be kept as Rs. 5 lakh/MW for Land BG which is reasonable and sufficient to ensure that serious applicants are applying connectivity and at the same time also ease out the BG constraints.</p>                                   |
| <p>8.2. A new Clause, namely Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations as under:</p> <p>“(5) In case of Applicants which have been granted Connectivity under subclause (a) of Clause (xi) of Regulation 5.8 of these regulations, and whose LoA or PPA gets terminated prior to the COD of the project, for the reasons not</p>   | <p>8.2. A new Clause, namely Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations as under:</p> <p>“(5) In case of Applicants which have been granted Connectivity under subclause (a) of Clause (xi) of Regulation 5.8 of these regulations, <del>and whose LoA or PPA gets terminated prior to the COD of the project, for</del></p>   | <p>We welcome Hon’ble CERC proposal to allow conversion of connectivity granted under LOA route to Land route under certain conditions which are beyond the control of developers. It is submitted that during the instances of Force Majeure events. The REIAs or DISCOM might not give consent and in such cases appropriate commission adjudicates the applicability</p> |

attributable to such Applicant and in cases where LoA or PPA has been terminated by the entity and the same has also been agreed by the REIA or Distribution Licensee, such Applicant may convert the Connectivity, in full or part, granted under sub-clause (a) of Clause (xi) of Regulation 5.8 of these regulations to Connectivity under sub-clause (b) of Clause (xi) of Regulation 5.8 of these Regulations with no change in the start date of Connectivity consequent to such conversion and compliance to requirements of Clause (2) and Clause (3) of this Regulation as applicable to entities covered under subclause (b) of Clause (xi) of Regulation 5.8 of these regulations:

Provided that in case of conversion of part quantum of Connectivity from LOA or PPA to Land, balance quantum of Connectivity shall be revoked and shall be governed in terms of Regulation 24.6 of these regulations:

Provided further that such subsequent conversion from Land to LoA or PPA, for the purpose of fulfilling requirements under Regulation 11A and Regulation 24.6 of these regulations, shall not be permitted under Clause (4) of this Regulation.”

~~the reasons not attributable to such Applicant and in cases where LoA or PPA has been terminated by the entity and the same has also been agreed by the REIA or Distribution Licensee,~~ such Applicant may convert the Connectivity, in full or part, granted under sub-clause (a) of Clause (xi) of Regulation 5.8 of these regulations to Connectivity under sub-clause (a) or (b) of Clause (xi) of Regulation 5.8 of these Regulations with ~~no~~ change in the start date of Connectivity consequent to such conversion **upto 06 months** and compliance to requirements of Clause (2) and Clause (3) of this Regulation as applicable to entities covered under subclause (b) of Clause (xi) of Regulation 5.8 of these regulations **under following scenarios:**

- i.** LOA or PPA gets terminated prior to COD for reasons not attributable to such applicant or termination has been upheld by appropriate commission.
- ii.** LOA or PPA has been terminated as per mutual agreement between applicant and REIA/Discom.

of FM events. It is requested that if appropriate commission approves Force Majeure reasons or holds termination of PPA/LOA as valid, then it should be allowed to convert the connectivity to either Land based or another LOA based connectivity given that RE developers has multiple LOA based projects awarded by REIAs/Discoms and it should be left at the discretion of developer to use such connectivity to either LOA or Land or mix of both. It is also requested that a short window of 06 months be given to applicants to revise their start date of connectivity as the same has been allowed on instances of reasons which are beyond the control of applicants. 06 months window is reasonable and fair to all the stakeholders.

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|   | <p>Provided that in case of conversion of part quantum of Connectivity from LOA or PPA to Land, balance quantum of Connectivity shall be revoked and shall be governed in terms of Regulation 24.6 of these regulations:</p> <p><del>Provided further that such subsequent conversion from Land to LoA or PPA, for the purpose of fulfilling requirements under Regulation 11A and Regulation 24.6 of these regulations, shall not be permitted under Clause (4) of this Regulation.</del>"</p>   |  |
| <p>Additional Comments</p> <p>11 A (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.</p> | <p>11 A (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.</p> <p>Provided that Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 may submit LOA granted to it or its parent or subsidiary company for the purpose of covering under under clause (xi)(a) of the Regulation 5.8.</p> | <p>It is submitted that MoP bidding guidelines and REIA bids allow RE developers to participate in the bid from Parent company and execute the project through its subsidiary. In such cases, LOA is awarded to Parent company while PPA is executed with subsidiary company. Accordingly, CERC GNA regulations allow utilisation of connectivity granted to Parent company to its subsidiary company and vice-versa.</p> <p>However, we would like to inform you that in cases where connectivity has been granted to subsidiary company under Land or Land BG route, CTU is not allowing to convert/cover its connectivity under LOA</p> |

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|   |  | route upon submission of LOA awarded to Parent company. It is humbly requested that Hon'ble CERC clarifies that LOA awarded to Parent company can be submitted against connectivity granted to its subsidiary company under Land or Land BG route for conversion to LOA route.   |
| <p>Additional Comments</p> <p>11 A (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.</p> | <p>11 A (4)</p> <p>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.</p> <p>Provided that Applicants can opt for conversion of Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 to Regulation 5.8 (xi) (a) either in parts or full quantum. In such cases, Applicants connectivity shall be split into respective parts under Regulation (a) or Regulation (b) or Regulation (c) of 5.8, as the case may be, and Applicants shall comply with requirements as applicable in respective provisions.</p> | <p>It is possible that Applicants have obtained connectivity for 1000 MW under Land or Land BG route but subsequently got LOA or PPA by/with REIA or Discom for quantum lesser than 1000 MW, say 500 MW, in such cases, Applicants should be allowed to partly convert their Land or Land BG based connectivity to LOA route based on quantum mentioned in such LOAs. In such cases, Applicants will continue to comply with requirements as mentioned in respective categories.</p> |

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| <p>Additional Comments</p> <p>Letter of undertaking (LOU) issued by Power Finance Corporation (PFC), REC Limited or IREDA as alternate to Bank Guarantee for the purpose of submission of Conn BGs under Regulation 8 or Land BG under Regulation 5.8 (c )</p> | <p>Applicant may submit either Letter of undertaking (LOU) issued by Power Finance Corporation (PFC), REC Limited or IREDA or Bank Guarantees for the purpose of submission of Conn BGs under Regulation 8 or Land BG under Regulation 5.8 (c ).</p> | <p>It is submitted that MoP bidding guidelines allow submission of either BG or LOU issued by PFC/REC/IREDA for the purpose of submission of EMD or PBG. It is requested that the same be allowed for submission of Conn BGs or Land BG under GNA regulations. LOU is as good as BG in terms of security and at the same time provides developer an alternate mechanism as per its limits available with Banks or PFC/REC/IREDA.</p> |
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