**Email** **Mukesh Kumar**

## Fwd: comments & suggestions on Draft Central Electricity Regulatory Commission (Connectivity and GNA to the inter-State Transmission System) 2nd Amendment

**From :** Shilpa Agarwal <shilpa@cercind.gov.in> Wed, Mar 13, 2024 11:32 AM

**Subject :** Fwd: comments & suggestions on Draft Central Electricity Regulatory Commission (Connectivity and GNA to the inter-State Transmission System) 2nd Amendment

3 attachments

**To :** Mukesh Kumar <mukeshkr.cea@gov.in>, ramakant ece <ramakant.ece@gmail.com>, Awdhesh Kumar Yadav <awdhesh@nic.in>

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Sent: Wed, 13 Mar 2024 11:17:43 +0530 (IST)
Subject: comments & suggestions on Draft Central Electricity Regulatory Commission (Connectivity and GNA to the inter-State Transmission System) 2nd Amendment

Dear Ms. Shilpa,

This is with reference to comments/ suggestions/ objections solicited from the stakeholders on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024.

ASSOCHAM sincerely appreciates Govt. of India's and CERC's effort in providing conducive regulations and policies in promoting Renewable sources of energy. We are grateful for your continued support and policy provisions enabling robust and healthy policy environment in the country. We hope this policy conducive environment continues in order to add more energy from renewable sources. ASSOCHAM members' comments and suggestions on the captioned subject matter are detailed in the attached document. We hope our submissions will merit your consideration.

Enclosures:
Annexure 1. Proposed Amendment in Draft Second Amendment to Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State transmission System) Regulations, 2022.

Annexure 2. Proposed Amendment in the Existing Principal Regulation Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

Regards

Siddharth Srivastava
Assistant Director- Energy and Infra

[Logo  Description automatically generated]
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**Annexure 1 - Proposed revision in the 2nd Draft GNA Amendment_.pdf**
454 KB

**Annexure 2 - Proposed revision in the Existing Principle GNA Regulation.pdf**
411 KB


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170 KB

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**Annexure: 1**

## Proposed Amendment in Draft Second Amendment to Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State transmission System) Regulations, 2022

| Sr. No. | Regulation No. | Proposed Clause | Comments with Justification |
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| 1. | **Subclause 3.1 of Clause 3: Amendment to Regulation 3.5 of the Principal Regulations:** The Subclause (3.1) the principal regulation of the amendment stipulates that "*the Nodal Agency shall intimate the deficiencies, if any, in the application for grant of Connectivity or grant of GNA, to the Applicant within Eighteen (18) days of the receipt of application... The Applicant shall rectify the deficiency within one week (7 days) thereafter, failing which the application shall be closed and 20% of the application fee shall be forfeited. Balance 80% of the application fee shall be refunded … within 15 days of closure of the application.*" | **Regarding Member industry requests the CERC to extend the timeframe for the rectification of deficiencies in the application within 14-18 days instead of 7 days**; As in response to the deficiencies identified by the Nodal Agency, developers may also be required to obtain data/records from various government agencies, adhering to specific procedures established by the respective departments. This process is also contingent upon the availability of officials from those departments. **However, ASSOCHAM council members of Power Transmission Council also noticed that the extended timeframe, should not affect the monthly CMETS meeting/agenda**. Further, in case | **Proposal is requested as:**<br>(a) Applications made in last week of a month were anyways susceptible to cross the month of application as date is reset to date of revert by applicant when shortcomings in application are fulfilled. Now with this proposed amendment, an application made beyond first 12 days of a month is susceptible to cross the month and thereby create a gap of almost 3 months from date of application to it being taken up in CMETS.<br>(b) Alternatively, application date may not be reset to revert-date of applicant if there is a superficial or small typographical error so that |

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| | | of extended time frame, all the replies received by the applicant on CTUIL observations till 15th of the subsequent month (i.e. the month in which applicant has made original application) should be considered for the same month CMETS meeting. For the sake clarity, all the applications complete in all respect by 15th day of the month should be considered in the CMETS meeting of the same month. | this delay and resulting loss in priority can be averted. For insufficiency wherein required documents have not been provided, application date may be reset.<br>(c) May note that elongating the number of days reduces transparency of the system as an earlier application could be reverted later (within the window of 18 days) thereby pushing its priority down from a later application which has been reverted earlier (within its window of 18 days). Moreover, the application processing days could be kept at one week if more resources for application scrutiny can be augmented at CTU to process the applications faster. |

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| 2. | **Subclause 5.1 of Clause 5 in the 2nd draft of Amendment:** Amendment to Regulation 5.8 of the Principal Regulations,<br><br>Subclause 5.1 in the draft amendment stipulates, "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: *(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"* | **ASSOCHAM requested CERC to may consider the following changes in the regulation,**<br>(vii)<br>(c) For a capacity up to **100MW**- Bank Guarantee **or Insurance Surety Bonds** of Rs. 10 lakh/ MW and for a capacity more than **100MW**- Bank Guarantee **or Insurance Surety Bonds** of Rs. **10** Crore plus Rs. 5 lakh/ MW for capacity over and above **100MW**, 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; | In the recent bids issued by various Renewable Energy Implementation Agencies (REIAs), RE Developers are required to submit significant amount of Performance Bank Guarantees (PBG). In order to satisfy the huge financial requirements specified in these bids like the PBG requirement, developers have to keep bank limits locked to meet these conditions. This scenario leads to a blockage of huge amount of capital which is prolonging the commissioning and progress of many projects.<br><br>Hence, to ease up the financial burden on the developers and to expedite the RE capacity addition in the country, it is requested to revise the land route BG as provided here. |

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| 3. | **Subclause 5.2 of clause 5 in the 2nd draft of Amendment**<br>**Subclause 5.2 Stipulates "***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: "(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"* | (xi)<br>(c) For a capacity up to **100MW**- Bank Guarantee **or Insurance Surety Bonds** of Rs. 10 lakh/ MW and for a capacity more than **100MW**- Bank Guarantee **or Insurance Surety Bonds** of Rs. ~~100~~ **10** Crore plus Rs. 5 lakh/ MW for capacity over and above **100MW**, 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; | Further to the above, we submit that the payment security mode of "Insurance Surety Bonds" should also be assessed. The issuance of BGs exerts pressure on working capital limits, as banking credit becomes immobilized due to the collateral requirements associated with BGs, which are often tied to working capital. Moreover, incidental costs of BGs (ranging from 0.5% to 1% of the guaranteed amount in terms of annual charges) further compound the financial burden.<br>Developers should not be forced to go in for a substantial capital lockup, especially in view of the project implementation requirements.<br>IRDAI has come out with Surety Insurance Contracts guidelines on 03.01.2022, enabling General Insurance Companies to start Surety bonds business from 01.04.2022. Subsequently, the Department of Expenditure issued an amendment to GFR, 2017 vide |

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| | | | OM dated 02.02.2022 to include Insurance Surety Bonds as a Security mechanism.<br>The Ministry of Road Transport & Highways has already started accepting Insurance Surety Bonds in their bidding processes, as seen in the recent TOT bundle 14 bidding conducted by NHAI.<br>It is submitted that instead of BGs, Insurance Surety bonds should be also acceptable. This approach will unlock private capital thereby accelerating RE development, reducing reliance on foreign investment, and providing new avenues to the insurance sector to contribute to the growth of power infrastructure. |

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| 4. | **Subclause 5.1 of Clause 5: Amendment to Regulation 5.8 of the Principal Regulations:**<br><br>Subclause 5.1 in the draft amendment stipulates *"(d) Government Order (GO) 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*." | **The ASSOCHAM request CERC to may consider GOs only and not mandate possession documents during the application for connectivity**. As obtaining possession documents from revenue departments is time-consuming, taking up to 8-9 months. Even if 50% of the land is in possession, developers can opt for the land route instead of the GO route | Since the GOs issued by the State Governments is a credible proof for the land allotment, the requirement of land possession at the time of application may not be required. Given the first-cum-first-serve basis for connectivity, waiting for possession documents may lead to a lack of available capacity at preferred substations, rendering developers' efforts redundant. ASSOCHAM recommends the efficient adoption of GOs to streamline the application process and facilitate timely connectivity approvals. |
| 5. | **Sub Clause 8.1 of Clause 8: Amendment to Regulation 11A of the Principal Regulations:**<br>"*(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under sub-clause (c) of Clause (vii) Regulation 5.8, shall* | **ASSOCHAM request CERC to may include following phrase, as appended in bold below**:<br><br>"(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under | Once the said Connectivity is granted to an applicant company, the freedom of choice comes in for which specific Subsidiary Company (or Project SPV) will actually develop the project – which can differ basis compliance perspective, or targeted customers to be served, or even the solar-wind mix in the RE solution being provided. |

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| | *submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as proof of Ownership or lease rights or land use rights*." | sub-clause (c) of Clause (vii) Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as proof of Ownership or lease rights or land use rights **provided that such documents for land can be in name of the applicant or its parent company and/ or subsidiary company(ies).** | However, at the same time, it is still mandated that land be acquired in the name of the entity, which is the Connectivity grantee, i.e. the Holding Company/ Parent Company. Further, connectivity taken under BG route requires the Connectivity grantee to submit land documents within 180 days from final grant of connectivity. It may be noted that as an industry practise the Subsidiary Company (or Project SPV) develops the project and associated activities such as financial closure, release of orders to contractors, dependent approvals, among others, is taken by the Subsidiary Company (or Project SPV) itself.<br><br>Now if the project is developed by Subsidiary Company (or Project SPV) whereas land against connectivity has to be in the name of Connectivity Grantee viz. Parent/Holding company, a disconnect and difficult |

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| | | | situation for Developers is created as the land cannot be in separate entities – namely Holding Company and Project SPV. Additionally, the lenders require under facility agreement to have the land in the name of Project SPV which has taken the project loan. There is therefore concern if the land of the project is in one entity and project is being developed in the other entity.<br><br>It is requested that demonstrating land in the Subsidiary Company (or Project SPV) against connectivity granted to Holding Company/ Parent Company should be allowed. For this, Developers can submit an undertaking stating that the connectivity will be utilized by the said Project SPV at a later date for the particular quantum in question and that the land submitted against a particular connectivity will not be used elsewhere. |

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| 6. | **Sub Clause 8.1 Stipulates,**<br>*"(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall submit an Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity latest by 12 months prior to the scheduled date of commercial operation of such applicant:"* | (i) Request to clarify if Auditor is any chartered accountant.<br>(ii) Request to include following phrase, as appended in **bold** below:<br><br>*"(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall submit an Auditor's certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity latest by 12 months prior to the scheduled date of commercial operation of such applicant* ***or 12 months prior to its GNA effectiveness date, whichever is later"*** | (a) Seek clarification since **A**uditor has been capitalised but not defined in the amendment, principal regulation or in Electricity Act 2003.<br>(b) Comments for suggesting appendment in clause:<br>• In cases where REIAs are not involved ie where connectivity has been obtained through Regulation 5.8 (b), (c) or (d), developers invariably align their schedule of commissioning with effectiveness of GNA, especially if GNA effectiveness date provided by CTU is substantially higher than SCOD submitted by applicant at the time of application.<br>• To provide with an example, assuming that applicant has sought connectivity indicating SCOD of 30-Jun-2025 in application but he is provided with GNA effectiveness date of 31- |

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| | | | Mar-2026, then for all practical purposes, the development of plant is aligned with evacuation readiness schedule of 31-Mar-26. In this case, it would be prudent to make financial commitments targeting 31-Mar-26 instead of 31-Jun-2025.<br>• Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD.<br>• Thus, the period of 12 months shall be considered from either of SCOD or GNA effectiveness date, whichever is later. |
| 7. | **Sub Clause 8.1 stipulates;**<br>*(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued shall have to* | **ASSOCHAM request CERC to may consider appendment** in **bold** below:<br>*"(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final* | In line with rationale provided above,<br>(a) In cases where REIAs are not involved ie where connectivity has been obtained through Regulation 5.8 (b), (c) or (d), developers invariably align their schedule of commissioning with effectiveness of |

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| | *achieve the financial closure for the capacity of such Connectivity, latest by 12 months prior to the scheduled date of commercial operation of such applicant:"* | *grant of connectivity has been issued shall have to achieve the financial closure for the capacity of such Connectivity, latest by 12 months prior to the scheduled date of commercial operation of such applicant* ***or 12 months prior to its GNA effectiveness date, whichever is later"*** | GNA, especially if GNA effectiveness date provided by CTU is substantially higher than SCOD submitted by applicant at the time of application.<br>(b) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD.<br>(c) Thus, the period of 12 months shall be considered from either of SCOD or GNA effectiveness date, whichever is later. |
| 8. | **Subclause 8.2 of the Clause 8: Amendment to Regulation 11A of the Principal Regulations:**<br><br>Subclause 8.2 Stipulates "*A new Clause, namely Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations as under:* | **ASSOCHAM request CERC to may consider and include following phrase, as appended in bold below:**<br><br>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 **or instances where the PPA signing gets** | It is appreciated that Applicants would be allowed to convert their Connectivity from LoA or PPA route to other route. However, this conversion should also be allowed in cases where the LoA is given by REIA, but the final PPA is not executed with power procurers for a long period.<br><br>In such cases, since Applicant has already been granted Connectivity, they should be allowed flexibility and option to convert it to other route. This will ensure that Developers are not unduly suffering owing to delays in |

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| | *(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 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)* | **delayed beyond 12 months from LoA**, for 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 (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: | PPA execution, and Connectivity (and Transmission infrastructure) is not left unutilised. |

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| | *of Clause (xi) of Regulation 5.8 of these regulations:"* | | |

**Annexure 2:**

## Proposed Revision in the Existing Principal Regulation
## Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022

| Sr. No. | Regulation No. | Proposed Clause | Comments with Justification |
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| **1.** | ***Subclause 4.1 of Clause 4: Eligibility for Connectivity to ISTS,***<br><br>***Subclause 4.1 Stipulates*** *"The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:*<br><br>*(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above* | **ASSOCHAM request CERC to may consider the following changes in the eligibility clause for connectivity to ISTS,**<br><br>4.1. The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:<br><br>(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate | Ministry of Power has recently notified the Electricity (Amendment) Rules, 2005 dated 10.01.2024, wherein it has allowed a generating company or captive generating plant or energy storage system or consumer to connect to inter-state transmission system with loads of 25 MW and above. The verbatim details are as follows:<br><br>"*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* |

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| | *individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS;*<br>*(b) Captive generating plant with capacity for injection to ISTS of 50 MW and above;*<br><br>*(c) Standalone ESS with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead ESS or Lead Generator;* | installed capacity of **25 MW** and above through a Lead Generator or a Lead ESS;<br>(b) Captive generating plant with capacity for injection to ISTS of **25 MW** and above;<br>(c) Standalone ESS with an installed capacity of **25 MW** and above individually or with an aggregate installed capacity **of 25 MW** and above through a Lead ESS or Lead Generator. | *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*"<br><br>Therefore, it is suggested that 50 MW minimum connectivity requirement for inter-state transmission networks should be reduced to 25 MW. |
| **2.** | **Sub clause 17.1 of Clause 17: Eligibility for GNA**<br>**Subclause 17.1 stipulates "**The following entities shall be eligible as Applicants to apply for grant of GNA or | **<u>ASSOCHAM request CERC to may consider the following changes in the eligibility criteria for GNA,</u>** | |

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| | for enhancement of the quantum of GNA:<br>…<br>(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above; | 17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:<br>…<br>(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of **25 MW and above**; | |
| **3.** | **Subclause 8.2 (c) in Clause 8: Connectivity Bank Guarantee**<br>Subclause 8.2 Stipulates "(c) *Conn-BG1, Conn-BG2 and Conn-BG3, as applicable, shall be furnished within 1 (one) month of intimation of in-principal grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited."* | **The ASSOCHAM request CERC to may consider the extension of current timeline for the submission of Conn-BG1, Conn-BG2, and Conn-BG3 from 30 days to 60 days from the date of intimation of the in-principal grant of connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.** | This adjustment is crucial to accommodate the intricacies involved in the processing and disbursement of specific guarantees by Financial Institutions and Banks, which typically surpass the 30-day timeframe. By allowing a longer submission period, the proposed revision aligns with the operational realities faced by developers, ensuring they can adhere to the regulatory requirements without undue pressure. |

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| **4.** | **Clause 5: Application for Grant of Connectivity**<br>**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>(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. | **ASSOCHAM request CERC to may consider to add 5.2 The sub-clause (c) to Clause (xi) of Regulation 5.8 of the Principal Regulations shall be substituted, and sub-clause**<br>**(d) shall be added after sub-clause (c) as under:**<br>(d) Government Order issued by the concerned Government for allotment of the land along with land details for 100% of the land required for the capacity for which Connectivity is sought. | As per the 2nd draft amendment proposed, developers can apply for grant of connectivity by furnishing GOs issued by the concerned government for allotment of the land along with possession documents for 100% of the land required. However, obtaining the possession documents from the revenue departments is a very time-consuming process and it may take upto 8-9 months.<br>Even if 50% of the land is in possession, the developer can directly apply under land route instead of GO route. Since the GOs issued by the State Governments is a credible proof for the land allotment, the requirement of land possession at the time of application may not be required. Also, since the connectivity is granted on a first -cum-first serve basis, by the time the developers receive the possession documents, there is a high chance that there may not be any vacant capacity available |

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| | | | in their preferred substation and all the efforts taken by the developer to get the possession documents will become redundant. In this regard, it is requested to consider only the GOs issued by the concerned Governments and not make the possession documents for the land allotted as a mandatory requirement at the time of application for grant of connectivity. |
| **5.** | **An additional sub-clause (e) shall be added to the Regulation 5.8 (vii)and 5.8 (xi) of the Principal regulations;** | **ASSOCHAM request CERC to may consider to add an additional sub-clause (e) shall be added to the Regulation 5.8 (vii)and 5.8 (xi) of the principal regulations**<br>(e) Agreements executed with the Central/State Governments or Government Agencies for the development of renewable energy projects. | The agreements executed with Central/State Governments or Government Agencies for the development of RE projects are executed after consultation and deliberations with all the stakeholders and the developers are also obligated to follow the timelines and other conditions stipulated by the government in such agreements.<br><br>In this regard it is requested to consider such agreements executed with Central/State |

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| | | | Governments or Government Agencies to be considered for applying for grant of connectivity |
| **6.** | **An additional clause shall be added to Regulation 5.8 vii (c) and 5.8 xi (c)** | **<u>ASSOCHAM request CERC to may consider to add an</u> additional clause shall be added to Regulation 5.8 vii (c) and 5.8 xi (c)**<br>As an alternative form of submission, for the Bank Guarantee 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, the applicant has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as "Payment on Order Instrument" (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the PBG would be liable to be encashed by the Nodal Agency within the provisions of these regulations | Government Financial Institutions, like PFC, REC and IREDA, are actively involved in financing renewable energy projects. Major contribution towards financing these projects, comes from these institutions, as renewable energy power projects are typical and different from that of other regular Infrastructure projects. The Ministry of New and Renewable Energy (MNRE) has also issued specific guidelines/instructions, to all RE implementing Agencies to accept Payment on Order Instrument (POI) issued by the above Financial Institutions (FIs) in lieu of the Bank guarantees towards meeting the requirements of EMD and Performance Guarantees.<br><br>All the REIAs have successfully implemented this and this has been a successful way of meeting the |

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| | | | requirements as a substitute for the Bank guarantees as the Payment on Order Instrument will also have terms and conditions similar to that of a Bank Guarantee given by any public sector bank and would promise to pay the procurer on demand within the stipulated time thus meeting the requirements of the security to be submitted towards specific requirements and timelines.<br><br>We would like to state, as said the FIs have certain specific financial schemes to sanction and disburse Loans and financial comforts. These come as regular loan sanctions with minimum expenditure of resources and time, as these Institutions understand the nature of renewable energy projects. Banks do give guarantees generally on a 100% margin or on the issuance of Counter Guarantees by the aforesaid Financial Institutions. When Banks themselves give Guarantee, on the |

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| | | | counter Guarantees of FIs, there is no reason for refusing to have the payment orders by these FIs, as commitment Guarantees under GNA regulations. Promoters have difficulty in providing Bank guarantees from the Banks alone, as the Commission has to be paid twice, first for FI issuing a counter Guarantee and second for the Bank to issue BG. Further proposals for these have to be appraised at two separate institutions which apart from the additional cost also add up to the additional time required for the bank and FIs to process.<br>Hence, it is requested to consider the provision for acceptance of POIs issued by Fis like IREDA, PFC and REC also as an acceptable format for submission of all applicable BGs (Conn BG 1,2 &3 and Land route BGs). |
| **7.** | | **An additional sub-clause (a) shall be added to regulation 8.4 of the Principal regulations** | Government Financial Institutions, like PFC, REC and IREDA, are actively involved in financing |

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| | | As an alternative form of submission, Conn-BG1, Conn-BG2 and Conn-BG3, the applicant has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as "Payment on Order Instrument" (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the PBG would be liable to be encashed by the Nodal Agency within the provisions of these regulations. | renewable energy projects. Major contribution towards financing these projects, comes from these institutions, as renewable energy power projects are typical and different from that of other regular Infrastructure projects. The Ministry of New and Renewable Energy (MNRE) has also issued specific guidelines/instructions, to all RE implementing Agencies to accept Payment on Order Instrument (POI) issued by the above Financial Institutions (FIs) in lieu of the Bank guarantees towards meeting the requirements of EMD and Performance Guarantees.<br><br>All the REIAs have successfully implemented this and this has been a successful way of meeting the requirements as a substitute for the Bank guarantees as the Payment on Order Instrument will also have terms and conditions similar to that of a Bank Guarantee given by any public sector |

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| | | | bank and would promise to pay the procurer on demand within the stipulated time thus meeting the requirements of the security to be submitted towards specific requirements and timelines.<br><br>We would like to state, as said the FIs have certain specific financial schemes to sanction and disburse Loans and financial comforts. These come as regular loan sanctions with minimum expenditure of resources and time, as these Institutions understand the nature of renewable energy projects. Banks do give guarantees generally on a 100% margin or on the issuance of Counter Guarantees by the aforesaid Financial Institutions. When Banks themselves give Guarantee, on the counter Guarantees of FIs, there is no reason for refusing to have the payment orders by these FIs, as commitment Guarantees under GNA regulations. Promoters have difficulty in providing |

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| | | | Bank guarantees from the Banks alone, as the Commission has to be paid twice, first for FI issuing a counter Guarantee and second for the Bank to issue BG. Further proposals for these have to be appraised at two separate institutions which apart from the additional cost also add up to the additional time required for the bank and FIs to process.<br>Hence, it is requested to consider the provision for acceptance of POIs issued by Fis like IREDA, PFC and REC also as an acceptable format for submission of all applicable BGs (Conn BG 1,2 &3 and Land route BGs). |
| **8.** | **Sub Clause 15.3 in Clause 15: Transfer of Connectivity;**<br><br>**Sub Clause 15.3 stipulates that "**Any person which acquires 51% or more shareholding of the company or its | **ASSOCHAM request CERC to may consider the rephrasing of the paragraph as given below,**<br><br>*"Any person**, (a)** which acquires 51% or more shareholding of the company or **(b)** its subsidiary or **(c)** affiliate **of** company owning REGS or part thereof, in | The addition of marking words is suggested to improve the legibility and facilitate ease of interpretation of the clause. |

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| | subsidiary or affiliate company owning REGS or part thereof in terms of Regulation 15.2, may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations. Provided that all liabilities and obligations in accordance with these regulations, for | *terms of Regulation 15.2, may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations".* | |

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| | the Connectivity not transferred, shall continue to remain with the original Connectivity grantee." | | |
| **9.** | **Subclause 16.2 in Clause 16: Treatment of Connectivity Bank Guarantee**<br><br>The Sub-clause 16.2 in the principal regulation stipulates "*Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee*." | **The ASSOCHAM request CERC to may consider return of Conn-BG2 and Conn-BG3 within 60 days from the Scheduled Commercial Operation Date (SCOD) of the project** | This adjustment is also rooted in the new RE guidelines, where the Commercial Operation Date (COD) is declared after ensuring the rated full generation capacity of the project. Unlike conventional projects, RE plants operate at 100% capacity from the start, and their annual generation depends on the availability of solar or wind resources. Additionally, the nature of RE projects eliminates the need for ramp-up or trial runs. Hence, this revised timeline for releasing the submitted BGs within 60 days of commissioning aligns seamlessly with the unique characteristics of RE plants, ensuring a more efficient and timely process. |

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| **10.** | **Subclause 20.1 of the Clause 20: Application for Grant of GNA by entities other than STU**<br><br>**Subclause 20.1 stipulates "***Entities covered under clauses (ii) and (iii) of Regulation 17.1 of these regulations, may apply for GNA indicating bifurcation of GNA within the region and outside the region, from a specified date, for a specified quantum, and for a specified period of more than eleven months.*<br><br>*Provided that the entities covered under clause (ii) of Regulation 17.1 of these regulations shall furnish consent of the concerned STU in terms of availability of transmission capacity in intra-State transmission system for such quantum and period of GNA."* | | It is requested that STU concurrence may not be kept a prerequisite for filing GNA application by a Bulk Consumer and subsequent consideration in CMETS meetings.<br><br>If the Bulk Consumer's GNA application is discussed in CMETS meeting, it can mean that:<br>(a) STU/ Discoms would be required to give timeline for issuing concurrence.<br>(b) In the absence of above, CTUIL can always give conditional GNA.<br><br>The introduction of a definitive timeline is essential, as without such a provision, the Bulk Consumer is left in ambiguity without knowing whether they can proceed for relevant development works or not. The STU/ Discom should have a pre-defined timeline of say 1 month within which the approval or rejection of concurrence request should be concluded.<br><br>Further, the concurrence from STU/ Discoms can be linked to the application in National Single Window System (NSWS) portal itself, or some suitable system of tracking be built like NOAR for long-term |

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| | | | standing clearance, so that the status can be tracked in the central portal. This will promote transparency of process and ease of doing business.<br><br>In line with the above, it is requested that Reg. 20.1 be amended to drop STU clearance as a prerequisite to file GNA application by Bulk Consumer, and change it to a condition subsequent to the application. The STU concurrence can be taken after an initial discussion at CMETS forum. Also, it is proposed that there should be a pre-defined timeline (say 1 month) in which the STU/ Discom should approve or reject the concurrence/standing clearance request, as the case may be. |
| **11.** | **Existing Clause 24.6 (1) (a) (ii)**<br>*"(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8."* | ASSOCHAM request CERC to may consider inclusion of the following phrase in **bold** below for clause 24.6 (1)(a)(ii):<br>*"(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity* ***or six months after the GNA has been made effective, whichever is later,*** *for cases* | Justification for inclusion is as follows:<br>(a) The existing clause has potential to be misinterpreted, especially in cases where GNA effectiveness date is later than scheduled date of commercial operation intimated at time of making application of Connectivity. |

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| | **and Existing Clause 24.6 (1)(d)(ii)**<br><br>*"(ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA."* | *covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8."*<br><br>Request to include following phrase in bold below for clause 24.6 (1)(d)(ii):<br>*"(ii) six months after the scheduled date of commercial operation* ***or six months after effectiveness of GNA, whichever is later****, for generating station(s) being set up without LOA or PPA."* | (b) For instance, assuming that applicant has sought connectivity indicating SCOD of 30-Jun-2025 in application but he is provided with GNA effectiveness date of 31-Mar-2026, then going strictly as per the existing clause, once the GNA is made effective on 31-Mar-2026 and six months have passed from SCOD intimated by the applicant, the connectivity would be revoked very next day!.<br>(c) In this particular case, the connectivity stands revoked by 01-Apr-2026 as 9 months have passed from SCOD intimated by applicant (30-Jun-2025) ie merely 1 day delay from GNA effectiveness.!<br>To avoid this misinterpretation, six months shall be counted from SCOD intimated by applicant or GNA effectiveness date, whichever is later. |
| **12.** | **Existing Clause 24.1 (1)(a)(ii)** | ASSOCHAM request CERC to may consider & append the clause (after revising as suggested in S.No 8 above) | Rationale for appending the clause: |

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| | *"(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8."* | *"(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity* ***or six months after the GNA has been made effective, whichever is later****, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8.* ***An extension of further six months to be provided if project has acquired more than 80% land and released more than 50% of project cost through equity, duly certified by an Auditor"*** | (a) Given the extreme uncontrollable challenges such as land acquisition, RoWs, geopolitical factors, combined with shorter development cycles of renewable energy projects, revoking connectivity with a grace of only six months' is an extreme punitive action that can result in significant loss of capital invested in the project.<br>(b) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD, making them vulnerable to delay.<br>(c) Therefore, we request to establish additional safeguards that offer motivation for timely project completion while avoiding overly restrictive measures that could jeopardize the entire investment and undermine investor confidence. |

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| | | | (d) A further leeway of 6 months can be provided if project has acquired say 80% land and released more than 50% equity.<br>Alternatively, delay charges which are specified as Rs 3000/MW/month in "CERC Sharing of inter-State Transmission Charges and Losses Regulations, 2020" can be enhanced for period crossing six months so that developers face the heat of delay but at the same time do not lose the connectivity. |
| **13. .** | **New Clause 24.6 (3)** | ASSOCHAM request CERC to may consider the inclusion of new Clause 24.6 (3)<br><br>*"(3) Up to the revocation, the applicant has to furnish the delay charges as stipulated in Sharing Regulations and amended from time to time."* | For sake of ample clarity, a reference to delay penalty as stipulated in "CERC Sharing of inter-State Transmission Charges and Losses Regulations, 2020" must be made so that applicant is aware of consequences of delay in toto rather than referring separate regulations issued by hon'ble Commission |