
Fwd: Blupine Energy comments on draft CERC GNA (2nd amendment) Regulations, 2024

1 message

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Fri, Mar 8, 2024 at 5:38 PM

From: "Shilpa Agarwal" <shilpa@cercind.gov.in>
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Sent: Friday, March 8, 2024 5:31:43 PM
Subject: Fwd: Blupine Energy comments on draft CERC GNA (2nd amendment) Regulations, 2024

From: "manish tiwari" <manish.tiwari@blupineenergy.com>
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Sent: Friday, March 8, 2024 5:08:17 PM
Subject: Blupine Energy comments on draft CERC GNA (2nd amendment) Regulations, 2024

Respected Sir,

Kind Attention : Sh. Harpreet Singh Pruthi ji

Hon'ble Secretary, Central Electricity Regulatory Commission

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With reference to the "Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024" published by Hon'ble CERC vide notice dated 16th Feb 2023 on its website, inviting comments/views from the stakeholders.

In this regard, please find enclosed our comments on the draft amendment Regulation. We would appreciate if you can kindly incorporate the same while finalising the Regulations.

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 **Blupine comments on draft GNA second ammendment Regulations.pdf**
518K

Blupine Comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024

S.No.	Clause	draft amendments	Blupine Comments/Remarks
1.	Clause 3.5	The words “one week” before the words “of the receipt of application” shall be substituted with the words “Eighteen (18) days	<ul style="list-style-type: none"> • The timeline for intimation by nodal agency, for any deficiency in the application is proposed to be increased from currently 7 days to 18 days. • While this will give CTUIL more time to process applications, this may result in scenarios, where the application made during a month may not get considered by CTU within the same months applications. This may lead to uncertainties and unwarranted delays for developers anticipating confirmation of the feasibility of their connectivity application at the desired substation. Therefore, we request that this time may be extended to maximum 10-12 days from the date of application. • Further, the connectivity applicants may also be allowed similar timeline for submission of responses by the applicants to CTU queries (10-12 days).
2.	New Clause - 5.8 (vii) (d)	(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.”	<ul style="list-style-type: none"> • We request the commission to delink the GO route with the condition of land allotment and possession. The GO scope and process is not uniform in all the states and may also mean allocation of project capacity (for example in Karnataka) which provides exclusive rights to allottees to develop a project in a certain area with defined boundaries. This is quite different from land allotment through GO followed in Andhra Pradesh. • Further, the requirement of demonstrating 100% land ownership in this case makes this route for connectivity application redundant, as developers having land in their possession could anyway opt for connectivity application under the land route. • We therefore suggest that the proposed clause may be revised to include
3.	New Clause - 5.8 (xi) (d)	(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.”	

S.No.	Clause	draft amendments	Blupine Comments/Remarks
			<p>“Government Order issued by the respective State Government for allocation of capacity or registration of Renewable Energy Project.”</p> <ul style="list-style-type: none"> To avoid hoarding of any capacity under GO route, we suggest that the quantum of such allotted connectivity can be restricted to max 500-600 MW capacity at group company level (including its subsidiary or group company) until the earlier granted project is commissioned.
4.	Clause -7.1	The number and words “30 days” shall be substituted with the number and words “60 days”	<ul style="list-style-type: none"> The timelines for intimation of connectivity to applicants is proposed to be increased to 60 days from currently 30 days (in case of no ATS requirement). This is not conducive to the urgency and relatively shorter timelines for competitively bid projects as it will lead to longer period of uncertainty for the applicant developers, causing further delays in finalising of their project schedule and locations etc. Therefore, we request that the maximum timeline for intimation to applicants be limited to 45 days.
5.	Clause - 7.2	The number and words “60 days” shall be substituted with the number and words “90 days”	<ul style="list-style-type: none"> For the reasons explained in the previous paragraph, we request to retain the existing timeline for intimation of connectivity to developers to 60 days (in cases where ATS is required).
6.	Clause - 11A (1)	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.	<ul style="list-style-type: none"> We welcome the proposal to increase the timelines for submission of land documents. However, we request that the timelines may be linked only to final grant of connectivity, instead of also linking it to in principal grant of connectivity, to remove any ambiguity around these regulations.

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7.	Clause - 11A (2)	An Applicant 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 SCOD of such applicant. Provided that	<ul style="list-style-type: none"> We request the Hon'ble Commission that criteria for fulfilling both the condition subsequent of a) 10% equity infusion criteria as well as the b) financial closure of the project may not be insisted upon as both these requirements are interlinked to each other. In many cases, the lenders usually provide the FC letter only when the equity infusion criteria is met by the project proponents. We, therefore, request that the connectivity grantees should be required to fulfill either one of these stipulated conditions individually, instead of fulfilling both conditions.
8.	Clause 11A (3)	(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 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: Provided that	<ul style="list-style-type: none"> We also additionally propose that the CA certificate demonstrating equity infusion criteria should also certify/indicate infusion of equity in relation to the specific project for which connectivity is granted. This is necessary to prevent blocking of multiple capacity allocations by a grantee by fulfilling this condition of having made 10% equity contribution only once in a project/SPV.
9.	New Clause 11A (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	<ul style="list-style-type: none"> We request Hon'ble Commission that, in cases where the LOA / PPA is terminated due to reason not attributable to an applicant and where the REIA has agreed to terminate the PPA, the applicant should be allowed to exit without any financial implication and the BG submitted for such connectivity (Con1, Con2 and Con3) should be refunded to the developers.

S.No.	Clause	draft amendments	Blupine Comments/Remarks
		<p>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:</p> <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>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.”</p>	