

To  
The Secretary  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi-110001  
secy@cercind.gov.in; shilpa@cercind.gov.in

Ref: Public Notice wide No. L-1/261/2021/CERC, Dated: 16th February 2024

Sub: Comments / Suggestions and Objection in the matter of Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024.

Dear Sir,

This is with reference to the above mentioned subject in the matter of Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024 please find our comments and suggestions.

**1. 5. Amendment to Regulation 5.8 of the Principal Regulations:**

Proposal from Hon'ble Commission: To amend the provision of the Land BG to Rs.10,0000 per MW upto 1000 MW and then beyond 1000 MW to be reduced to Rs.500000 per MW

**Suggestions from Applicant:**

- i. The whole concept of the land BG was introduced for a novel reason to remove the difficulty and un-wanted financial losses that an applicant may have to bear in the event of non-allocation of capacity to the applicant.
- ii. It is submitted that the same to calculated for all capacities based on merits and rational. Some of them have been mentioned below based on the same is being proposed.
- iii. ISTS Projects are generally in multiple of 300 MW or so and are developed in areas where cost of land is reasonable and generally low.
- iv. Some of the preferred location for the same are places like: Rajasthan, Arid areas of Madhya Pradesh, Karnataka, Maharashtra and upcoming in areas Bundelkhand in Uttar Pradesh, etc.
- v. The typical purchase price cost of land per acre in these areas varies from Rs. 1 Lakh per Acres to Rs.5 Lakhs Per acres.

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- vi. Thus, at an average cost of Rs. 3 Lakhs per Acre.
- vii. The total land required for Solar is @ 3 Acres per MW. Thus a total land of 900 Acres per 300 MW.
- viii. The total land to be demonstrated for connectivity is 50%.
- ix. The total cost at stake on per MW basis =  $(900 \text{ Acres} \times 3 \text{ Lakhs}) / 2 \times 300 =$   
Rs. 4,50,000.00 (Rupees four lakh fifty Thousand only) per MW. Plus service charges making it not more than Rs. 5,00,000 per MW
- x. In some of the places where land may be at premium the same is always considered under leasing @ Rs. 40000-45000 per Acres. Thus the amount at stake is even lesser.
- xi. Thus, it is submitted that the same may be considered at Rs. 5,00,000 per MW for all / any capacity applied for the grant of connectivity to the ISTS.
- xii. Further, the issuance of large BGs, irrespective of how much financially sound a company impacts on
  - a. Impact on the cost of renewable energy.
  - b. Reducing the capability of the developer to invest and develop more projects.
  - c. Contradicts the mantra of ease of doing business.
- xiii. It is felt that the BG is made with lesser margins, however, the limits of the developer is blocked for the entire value of the BG thus, hampering the development of the project by serious developers.

## SUBMISSIONS:

The amount of bank Guarantee to be reduced to the level of risk at stake of acquiring the land which is Rs. 5 Lakhs per MW.

## 2. 8.1 Tenure of the arrangement of the land documents:

Proposal of the Hon'ble Commission: The same to be extended to 12 to 18 months.

We welcome the proposal of the commission to increase the time lines to 12 months from final connectivity and 18 months from in-principle connectivity, however, it is submitted that in many of the cases the final location of the substation is not known to the CTUIL and thus the developer is also not in a position to start the identification and acquisition of the land for the

said project.

#### **SUBMISSION:**

Thus, the timeline of 12 or 18 months shall be made from the date of final connectivity and the date of intimation of the Location of the ISTS substation which ever it later.

### **3. Existing Clause 24.6 (1) (a) (ii)**

**“(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.”**

**and Existing Clause 24.6 (1)(d)(ii)**

**“(ii) six months after the scheduled date of commercial operation for generating station(s) being set up without LOA or PPA.”**

#### **Submission from applicant:**

Request to include following phrase in bold below for clause 24.6 (1)(a)(ii):

**“(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.”**

Request to include following phrase in bold below for clause 24.6 (1)(d)(ii):

**“(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.”**

### **4. Existing Clause 24.1 (1)(a)(ii)**

**“(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.”**

#### **Submission from applicant:**

Request to append the clause (after revising as suggested in S.No 8 above)

**“(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”**

## 5. New Clause 24.6 (3)

Propose inclusion of new Clause 24.6 (3)

“(3) Upto the revocation, the applicant has to furnish the delay charges as stipulated in Sharing Regulations and amended from time to time.”.

Thanks and Best Regards



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