

**Ref:** GEPL/GEPL/2023-24/20240311

**Date:** 11<sup>th</sup> March 2024

**To,**

The Secretary  
Central Electricity Regulatory Commission (CERC)  
3rd & 4th Floor, Chanderlok Building,  
36, Janpath, New Delhi- 110001

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

**Ref:** Draft No L-1/261/2021/CERC Dated 16.02.24

**Dear Sir,**

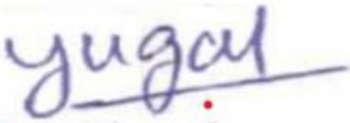
At the outset, we extend our gratitude to Hon'ble Commission for inviting comments/suggestions on the on Draft Central Electricity Regulatory Commission Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, and objections/suggestions as attached herewith as **Annexure -I**.

We humbly request the hon'ble Commission to favourably consider our comments/suggestion in larger interest of Stakeholders.

Thanking you

Yours Sincerely,

For **M/s Greenko Energies Private Limited**

  
Yours Sincerely  
**Y K Sehgal**

Authorized Signatory

**CC:**

1. Dr. S.K. Chatterjee, Chief-Regulatory Affairs, Central Electricity Regulatory Commission (CERC) 3<sup>rd</sup> & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001

## **Annexure I: Comments in Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024**

### **1. Existing Regulation no. 3.5 as per the 2<sup>nd</sup> Amendment Draft Regulation –**

After scrutiny, 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, in order of date and time of receipt of application. The Applicant shall rectify the **deficiency within one week** 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 by the Nodal Agency to the Applicant within 15 days of closure of the application.

#### **Proposed Amended Regulation -**

After scrutiny, the Nodal Agency shall intimate the deficiencies, if any, in the application for grant of Connectivity or grant of GNA, to the Applicant within **one week** of the receipt of application, in order of date and time of receipt of application. The Applicant shall rectify the deficiency within **one week** 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 by the Nodal Agency to the Applicant within 15 days of closure of the application.

#### **Rationale –**

We kindly request that the regulation 3.5 of the Principal Regulation needs to be maintained, as deviating from it may result in a prolonged and delayed process for granting grid connectivity once again.

### **2. Existing Regulation substitute (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) 3.5 as per the 2<sup>nd</sup> Amendment Draft Regulation –**

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.

#### **Proposed Amendment –**

d) Government Order issued by the concerned Government for allotment of the land along with letter from the concerned department for 100% of the land required for the capacity for which Connectivity is sought.

#### **Rationale -**

In accordance with the proposed 2<sup>nd</sup> draft amendment, developers seeking connectivity grants must submit government order (GOs) for land allotment along with possession documents covering 100% of the required land. It is to be noted that land acquisition process takes long time period from issuance of Govt. order and possession of land documents. The completion of entire process generally takes 8-9 Months.

As per the regulation 11 (A) (3), in case applicant has possession of at least 50% of the land, they can opt for the land route for obtaining Grid Connectivity for 100% capacity. Hence, under such condition, allowing Grid Connectivity for 100% capacity with 100% land possession documents has no meaning. Given that GOs from State Governments serve as credible evidence of land allotment, the mandatory requirement for land possession at the application stage may be reconsidered. Moreover, Government order along with letter from the concerned agency stating deemed possession of land should be considered suffice for obtaining Grid Connectivity under this route.

**In light of these challenges, it is requested to consider only GOs along with letter from concerned department stating deemed possession of land should be considered as mandatory documentation and eliminate the necessity for possession documents during the initial application for connectivity grants.**

### **3. Existing Regulation no. 7.2 as per the 2<sup>nd</sup> Amendment Draft Regulation –**

In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that augmentation (with ATS or without ATS) is required, the Nodal Agency shall intimate in-principal grant of Connectivity to the Applicant within **90 days**-from the last day of the month in which the application had been received.

#### **Proposed Amendment –**

In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that augmentation (with ATS or without ATS) is required, the Nodal Agency shall intimate in-principal grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received.

#### **Rationale –**

We respectfully urge the maintenance of Regulation 7.1 from the Principal Regulation, emphasizing that any deviation from it may lead to an extended and delayed process in awarding grid connectivity.

### **4. Existing Regulation no. 11 (A) (2) as per the 2<sup>nd</sup> Amendment Draft Regulation –**

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.

Provided that in case of REGS (other than Hydro generating station) or ESS (excluding PSP) who have been granted Connectivity under sub-clause (a) of Clause (xi) of Regulation 5.8 or are subsequently covered under sub-clause (a) of Clause (xi) of Regulation 5.8, the scheduled date of commercial operation for the purpose of Clause (2) of Regulation 11A shall be considered as SCOD, as extended by REIA or a distribution licensee or an authorized agency on behalf of distribution licensee from time to time, subject to the condition that any extension in the timeline to release 10% equity infusion due to extension in SCOD shall not be allowed more than 12 months from the original timeline as per initial SCOD.

### **Proposed Amendments-**

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 **5 %** of the project cost including the land acquisition cost through equity latest by 6 months prior to the scheduled date of commercial operation of such applicant.

Provided that in case of REGS (other than Hydro generating station) or ESS (excluding PSP) who have been granted Connectivity under sub-clause (a) of Clause (xi) of Regulation 5.8 or are subsequently covered under sub-clause (a) of Clause (xi) of Regulation 5.8, the scheduled date of commercial operation for the purpose of Clause (2) of Regulation 11A shall be considered as SCOD, as extended by REIA or a distribution licensee or an authorized agency on behalf of distribution licensee from time to time.

### **Rationale –**

It is stated that the RE developers are leasing the land instead of procurement, under such scenario the actual land cost is anticipated to fall within the range of approximately 3-4% of the total project cost. Additionally, the applicant may commit the acquisition of land within the original equity infusion timelines as initially specified for the Scheduled Commercial Operation Date (SCOD). Given this circumstance, developers may find it challenging to meet this requirement. We respectfully propose a revision of the equity infusion criteria from 10% to 5%.

Further, as per the Bidding Guidelines (SBD), it is emphasized that the commissioning timeline is set at 18 months from the execution of the Power Purchase Agreement (PPA), and the financial closure timeline is stipulated as 12 months from the PPA execution. Consequently, it is recommended that Financial Closure (FC) and the infusion of 5% equity criteria should occur six months prior to the Scheduled Commercial Operation Date (SCOD) of the project instead of 12 months as stipulated in the draft regulation.

Further, it has been observed that SCOD of the project are generally gets revised due to delay in commissioning of Associated transmission system. In many cases, it become reason of revision of Scheduled commissioning date of Project and REIA has issued revised SCOD letter.

Under such scenario, infusion of equity (5 %) and financial closure as stated in the draft regulation should get extended appropriately considering the extended SCOD.

Moreover, there is a request for ensuring that current Connectivity Grantees, who secured grid connectivity under the existing regulations, are not adversely affected by the newly issued amendment. The proposed amendment should be applicable prospectively, impacting only those developers who submit applications for Grid Connectivity after the effective date of the amendment in the regulation.

#### **5. Existing Regulation no. 11 (A) (2) as per the 2<sup>nd</sup> Amendment Draft Regulation –**

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 such an applicant shall submit proof of Financial Closure of the project (with a copy of the loan sanction letter or proof of first disbursement of the loan amount) or a copy of board resolution (if internal funding is planned for 100% of the project cost) to CTU within 15 days of achieving the financial closure:

Provided that in case of REGS (other than Hydro generating station) or ESS (excluding PSP) who have been granted Connectivity under sub-clause (a) of Clause (xi) of Regulation 5.8 or are subsequently covered under sub-clause (a) of Clause (xi) of Regulation 5.8, the scheduled date of commercial operation for the purpose of Clause (3) of Regulation 11 A shall be considered as the SCOD, as extended by REIA or a distribution licensee or an authorized agency on behalf of distribution licensee from time to time, subject to the condition that any extension in the timeline to achieve the milestone of Financial Closure due to extension in SCOD shall not be allowed more than 12 months from the original timeline as per initial SCOD.

#### **Proposed Amendments –**

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 **6** months prior to the scheduled date of commercial operation of such applicant.

Provided that such an applicant shall submit proof of Financial Closure of the project (with a copy of the loan sanction letter or proof of first disbursement of the loan amount) or a copy of board resolution (if internal funding is planned for 100% of the project cost) to CTU within 15 days of achieving the financial closure:

Provided that in case of REGS (other than Hydro generating station) or ESS (excluding PSP) who have been granted Connectivity under sub-clause (a) of Clause (xi) of Regulation 5.8 or are subsequently covered under sub-clause (a) of Clause (xi) of Regulation 5.8, the scheduled date of commercial operation for the purpose of Clause (3) of Regulation 11 A shall be

considered as the SCOD, as extended by REIA or a distribution licensee or an authorized agency on behalf of distribution licensee from time to time.

#### **Rationale –**

It is stated that the RE developers are leasing the land instead of procurement, under such scenario the actual land cost is anticipated to fall within the range of approximately 3-4% of the total project cost. Additionally, the applicant may commit the acquisition of land within the original equity infusion timelines as initially specified for the Scheduled Commercial Operation Date (SCOD). Given this circumstance, developers may find it challenging to meet this requirement. We respectfully propose a revision of the equity infusion criteria from 10% to 5 %.

Further, as per the Standard Bidding Guidelines (SBD), it is emphasized that the commissioning timeline is set at 18 months from the execution of the Power Purchase Agreement (PPA), and the financial closure timeline is stipulated as 12 months from the PPA execution. Consequently, it is recommended that Financial Closure (FC) and the infusion of 5% equity criteria should occur six months prior to the Scheduled Commercial Operation Date (SCOD) of the project instead of 12 months as stipulated in the draft regulation.

Further, it has been observed that SCOD of the project are generally gets revised due to delay in commissioning of Associated transmission system. In many cases, it become reason of revision of Scheduled commissioning date of Project and REIA has issued revised SCOD letter. Under such scenario, infusion of equity (5 %) and financial closure as stated in the draft regulation should get extended appropriately considering the extended SCOD.

Moreover, there is a request for ensuring that current Connectivity Grantees, who secured grid connectivity under the existing regulations, are not adversely affected by the newly issued amendment. The proposed amendment should be applicable prospectively, impacting only those developers who submit applications for Grid Connectivity after the effective date of the amendment in the regulation.

#### **6. New Additional Regulation incorporation in GNA Regulation as amendment:**

***The Applicants who have been granted Connectivity to ISTS for the generation projects based on particular renewable energy source(s) (with or without storage), ESS, for the same capacity of connectivity granted, change to another renewable energy source(s), ESS in part or full, with at least 1-year prior intimation to CTU from the date of effectiveness of Connectivity. In all such cases, CTU shall incorporate such changes and amend the Connectivity Agreement required.***

It is pertinent to mention that bidding agencies such as REMCL, SJVNL, SECI, NHPC and NTPC are inviting tenders based on various new energy products such as RE assured peak, FDRE, RE-RTC, and RE supply matching the demand profile of DISCOMs, and these tenders stipulates stringent power supply conditions and in case RE-developer is unable to meet such stringent supply conditions, these tenders are imposing hefty penalties on developers.

Such tenders typically have unique features including, inter alia,

1. Hybridization of RE sources with or without energy storage as it plays an imperative role in providing the optimum desired supply profile to distribution utilities.
2. Such tenders are providing flexibility to RE developers to revise the project configuration pre and/ or post commissioning of the projects.
3. Additionally, many of such tenders allows developer to modify the supply technology before and /or after commissioning of the project.

Consequently, there may be situation arise where grid connectivity is granted with a particular RE configuration; and later to provide the desired supply profile, developer requires to revise the RE project configurations. Therefore, it is requested that flexibility in change in project configurations should be allowed to developers, until the granted grid connectivity quantum remains unchanged. **Hence, there is need to incorporate such provisions in CERC GNA Regulation 2022 / GNA Procedure, which will cover such aspects.**

In such a scenario, it should be emphasized that developers should also be permitted to modify the land coordinates while keeping the connection details and substation remained unchanged.

Specific provision to be inserted in GNA Regulations/ GNA Procedure is as under:

<p>suitably incorporated under GNA Procedure</p>	<p><i>The Applicants who have been granted Connectivity to ISTS for the generation projects based on particular renewable energy source(s) with or without storage / ESS may, for the same capacity of connectivity granted, change to another renewable energy source(s) / or ESS in part or full, under intimation to CTU. In such cases, CTU shall incorporate the necessary change in connection agreement.</i></p>
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It is to be noted that the similar provision has already been kept under regulation 4.4 of revised procedure for “Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System”, wherein it has specifically mentioned that generating projects based on particular renewable energy sources(s) are allowed to change the renewable energy source(s) in part or full after the grant of Grid Connectivity, under intimation to CTU; however, such pertinent clause has not been addressed in Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulation 2022.

In view of same, it is requested to suitably insert the above-mentioned provisions in GNA Regulation / GNA Procedure to address the scenarios wherein change in RE project configuration requires.