

Date: 28th February 2024

To,
Shri. Harpreet Singh Pruthi
Secretary
CERC

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

Dear Sir,

On behalf of Indian Wind Power Association (IWPA), we thank you for inviting comments on the draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024.

We are herewith enclosing our comments.

We look forward to your continued support.

Thanking you.

For Indian Wind Power Association



UB Reddy
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S. No	Title of the Regulations	Clause No. of the Draft	Existing Provisions of GNA Regulations	Proposed Provision in Draft GNA (Second Amendment) Regulations, 2024	Suggestion/Comments from IWPA
1	Definition	2.1		<p>A new clause of (ag-i) is added after clause (ag) of Regulation 2.1 as under:</p> <p>“(ag-i) “Renewable Energy Implementing Agency” means and includes an entity designated by the Central Government or the State Government to act as <u>Intermediary Procurer to select and buy power from Renewable energy generating station(s) and sell the same to one or more distribution licensees or any other entity in accordance with the Guidelines issued from time to time by the Ministry of Power, Government of India or the Ministry of New and Renewable Energy, Government of India or the State Government.”</u></p>	Ok
2	Application for Grant of Connectivity and GNA	3.5	<p>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.</p> <p>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.</p>	<p>The words “one week” before the words “of the receipt of application” shall be substituted with the words “Eighteen (18) days” in Regulation 3.5 of the Principal Regulations.</p> <p>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.</p>	<p>After the application has been reverted by the nodal agency, at least 15 days should be given to the applicant for rectification of the application.</p>
3	Eligibility for Connectivity to ISTS	4.1		<p>A new Clause, namely, Clause (f), shall be added after Clause (e) of Regulation 4.1 of the Principal Regulations as under:</p>	Ok



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4	Application for Grant of Connectivity	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 sub-clause (c)	5.8 (vii) In case of Renewable Power Park Developer , the documents shall be submitted in combination of clauses (a) and (b) or combination of clauses (a) and (c) as specified hereunder: (c) Bank Guarantee of Rs. 10 lakh/ MW 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.	“(f) Notwithstanding anything contained under Clauses (a) to (c) of this Regulation, the <u>minimum installed capacity individually or with an aggregate installed capacity to apply for a grant of Connectivity shall be 25 MW in North Eastern Region (NER).</u> ” 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: (c) For a <u>capacity up to 1000MW</u> - Bank Guarantee of <u>Rs. 10 lakh/ MW</u> and for a <u>capacity more than 1000MW</u> - Bank Guarantee of <u>Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW</u> , 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 (d) <u>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.</u>	(c) We request the honorable commission to consider BG of Rs. 5 Lakh/MW for the capacities upto 350 MW. Above that 10 lakh/MW BG can be submitted. Also, the proposition of Rs.100 crore BG should be withdrawn. (d) Secondly, in case of Government order the applicant should be allowed to submit the 50% land documents along with the application and remaining can be submitted within 12 months from the application.
5	Application for Grant of Connectivity	The sub-clause (c) to Clause (xi) of Regulation 5.8 of the	5.8 (xi) In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:	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:	



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		Principal Regulations shall be substituted, And sub-clause (d) shall be added after sub-clause (c) as under	(c) <u>Bank Guarantee of Rs. 10 lakh/MW 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</u> subject to provisions of Regulations 11A and 11B of these regulations	(c) For a capacity up to <u>1000 MW</u> - Bank Guarantee of <u>Rs. 10 lakh/MW</u> and for a capacity <u>more than 1000 MW</u> - Bank Guarantee of <u>Rs. 100 Crore plus Rs. 5 lakh/MW for capacity over and above 1000 MW</u> . 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 (d) <u>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.</u>	(c) We request the honorable commission to consider BG of Rs. 5 Lakh/MW for the capacities upto 350 MW. Above that 10 lakh/MW BG can be submitted. Also, the proposition of Rs.100 crore BG should be withdrawn. (d) Government order related to allotment of land is acceptable. However, in States like Karnataka, Government Order are issued for project capacity allotment. The procedure for obtaining the project allotment is to identify the site, conduct wind studies, preparation of DPR, and submission of application to the State nodal agency KREDL along with application fees of Rs. 2 lakhs/MW. KREDL shall also scrutinize the net worth of the applicant before issuing the GO. Further, the applications shall be processed and forwarded to high-level allotment committee chaired by the Additional Chief Secretary, Govt of Karnataka. The high-level committee at its discretion shall approve issuance of GO. Thereafter the applicant has to sign an agreement with State nodal agency by submitting a BG of Rs. 5 lakh/MW.



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6	In-principle Grant of Connectivity by the Nodal Agency	Regulation 7.1	In the event the Nodal Agency after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that no ATS is required , the Nodal Agency shall intimate in principle grant of Connectivity to the Applicant within 30 days from the last day of the month in which the application had been received along with details such as terminal bay(s), already available or to be developed under ISTS through CTU, and minimum design features for dedicated transmission lines to be constructed by the Applicant.	The number and words "30 days" shall be substituted with the number and words "60 days" in Regulation 7.1 of the Principal Regulations. In the event the Nodal Agency after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that no ATS is required , the Nodal Agency shall intimate in principle grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received along with details such as terminal bay(s), already available or to be developed under ISTS through CTU, and minimum design features for dedicated transmission lines to be constructed by the Applicant.	Therefore, we would request the CTU to recognize the GOs issued by GoK for the grant of connectivity. Please note, land will not be part of GO and the applicant are required to acquire the land at their own risk. Considering that the applicant has done all the studies prior to making an application to KREDL, the chances of not acquiring the land are very minimal.
7	In-principle Grant of Connectivity by the Nodal Agency	Regulation 7.2	In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of	The number and words "60 days" shall be substituted with the number and words "90 days" in Regulation 7.2 of the Principal Regulations.	Ok



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8	Conditions subsequent to be satisfied by the Connectivity Grantee	11 (A) (1) (2) & (3)	<p>these regulations, determines that ATS is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received:</p> <p>11A. Conditions subsequent to be satisfied by the Connectivity Grantee</p> <p>(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under clause (xi)(c) of Regulation 5.8 or Renewable power park developer covered under clause (vii)(c) of Regulation 5.8 of these regulations shall submit documents for land in terms of clause (xi)(b) or clause (vii)(b) of Regulation 5.8, as the case may be, within 180 days of issuance of final grant of Connectivity. The Bank Guarantee shall be returned within 7 days of submission of stipulated documents as a proof of Ownership or lease rights or land use rights.</p> <p>(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall submit Auditor's certificate, certifying the release of at least 10% of the project cost including the land</p>	<p>In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that ATS is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 90 days from the last day of the month in which the application had been received:</p> <p>Clause (1), Clause (2) and Clause (3) of Regulation 11A of the Principal Regulations shall be substituted as under:</p> <p>(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 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 sub clause (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.</p> <p>(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.</p>	Ok



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			<p>acquisition cost through equity <u>within a period of 12 months from the date of issuance of final grant of connectivity.</u></p>	<p>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.</p>	<p>Relaxation to submit the 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 is detrimental to timely completion of project.</p> <p>A normal REGS (more specifically a wind farm) requires a minimum of 30 months to complete and commission the project. Therefore, the serious applicant will have to demonstrate by disbursing adequate equity and debt much before 12 months to the scheduled date of commercial operation.</p> <p>Without timely cash flows vendors and other stakeholders will be strangled, resulting in delay in the commissioning of project. Hence, a stringent condition need to be imposed that the applicant clearly demonstrates visibility of Net worth at the time of making the application and disbursement of the funds at regular intervals within the 30 months time schedule.</p> <p>Please note, it is imperative to state that demonstration of net worth is a</p>



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			<p>(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity, (a) within a period of 12 months from the date of issuance of final grant of connectivity, if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or (b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity, if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity: Provided that such an applicant shall submit proof of Financial Closure of the project (with copy of loan sanction letter or proof of first</p>	<p>(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 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,</p>	<p>pre condition in the bidding process. Along with net worth, the bid winner is assumed to have adequate equity for the project. therefore making any relaxation on disbursement of equity into project activity will dilute the commitment of the bid winner to commission the project on time.</p> <p>(3) Time is of the essence for establishing and commissioning of REGS. Establishing REGS involves different stakeholders that include bid winners (financial investors), vendors like WTG and module suppliers, EPC developers, Crane and logistic companies, etc.</p> <p>Relaxation to submit the 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 is detrimental to timely completion of project.</p> <p>A normal REGS (more specifically a wind farm) requires a minimum of 30 months to complete and commission the project.</p>



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			<p>disbursal of loan amount) or 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.</p>	<p>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.</p>	<p>Therefore, the serious applicant will have to demonstrate by disbursing adequate debt much before 12 months to the scheduled date of commercial operation as majority of the construction is expected to have been completed and the applicant is required to file application for FTC 12 months before the scheduled date of operation.</p> <p>Without timely cash flows vendors and other stakeholders will be strangled, resulting in delay of commissioning of project. Hence, in order to complete the project on time, the applicant is required to have completed majority of the construction activities at site, procured all WTGs/Solar modules, installation of WTGs for majority of WTGS locations are expected to have been completed. Further, the applicant is expected to be ready with Grid simulation data as per FTC requirements 12 months before the SCOD.</p> <p>In order to achieve this status substational disbursement both from debt and equity are required to be made 12 months before SCOD. Hence this condition has to be reversed.</p>



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9	Conditions subsequent to be satisfied by the Connectivity Grantee	Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations		<p>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 sub-clause (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 <u>where LoA or PPA has been terminated by the entity and the same has also been agreed by the REJA 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</u> consequent to such conversion and compliance to requirements of Clause (2) and Clause (3) of this Regulation as applicable to entities covered under sub-clause (b) of Clause</p> <p>(xi) of Regulation 5.8 of these regulations:</p> <p><u>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:</u></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>	Ok



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10	Consequences of non-fulfillment of conditions under Regulation 11A	Amendment to Regulation 11 B	<p>(1) If the Connectivity grantee covered under clause (xi)(c) of Regulation 5.8 or Renewable power park developer covered under clause (vii)(c) of Regulation 5.8 of these regulations, fails to submit the documents in accordance with Clause (1) of Regulation 11A of these regulations, its Connectivity shall be revoked, Bank Guarantee of <u>Rs 10 lakh/MW</u> submitted in lieu of land shall be encashed and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.</p> <p>(2) If the Connectivity grantee fails to submit the documents in accordance with Clause (2) Regulation 11A of these regulations or fails to achieve the financial closure within the stipulated time or fails to submit the copy of financial closure within the stipulated time as per Clause (3) of Regulation 11A of these regulations, Connectivity shall be revoked and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.</p>	<p>The words "of Rs 10 lakh/MW" shall be substituted with the words "submitted in terms of sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations," in Clause (1) of Regulation 11B of these regulations.</p> <p>(1) If the Connectivity grantee covered under clause (xi)(c) of Regulation 5.8 or Renewable power park developer covered under clause (vii)(c) of Regulation 5.8 of these regulations, fails to submit the documents in accordance with Clause (1) of Regulation 11A of these regulations, its Connectivity shall be revoked, Bank Guarantee of submitted in terms of sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations submitted in lieu of land shall be encashed and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.</p> <p>(2) If the Connectivity grantee fails to submit the documents in accordance with Clause (2) Regulation 11A of these regulations or fails to achieve the financial closure within the stipulated time or fails to submit the copy of financial closure within the stipulated time as per Clause (3) of Regulation 11A of these regulations, Connectivity shall be revoked Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.</p>	Ok

