

Date: 08.03.2024

To
The Secretary,
Central Electricity Regulatory Commission,
36, Janpath Road, Janpath, Connaught Place,
New Delhi, Delhi 110001

Subject: Comments on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

Reference: CERC Draft Notification No.: L-1/261/2021/CERC dated 16.02.2024.

Dear Sir/ Madam,

Greetings from ReNew Pvt. Ltd.!

ReNew Pvt. Ltd. is one of the largest renewable power producers in India, having an aggregated portfolio of ~13 GW, including ~8 GW of operational capacity. We have portfolio of solar, wind & hydro assets with presence across 10 states in the country, having an asset base of more than Rs. 60,000 Crores. The company is also the first Indian renewable company to be listed on NASDAQ.

This is in reference to the Draft Notification issued by CERC inviting comments/ suggestions on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022. We are herewith submitting our comments as per attachment.

We request your good office to kindly consider our comments/suggestions while finalizing the same.

Thanking you.

Yours Sincerely,



for ReNew Private Limited



ReNew Private Limited
(Formerly known as ReNew Power Private Limited)

CIN: U40300DL2011PTC291527

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S. No.	Clause no.	Original Clause	Requested amendments	Reasoning
1.	2.1 (ag -i)	<p>“(ag-i) “Renewable Energy Implementing Agency” means and includes an entity designated by the Central Government or the State Government to act as 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.”</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 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 designated as the third party Bid Process Agency/Coordinator in accordance with the Guidelines/Scheme 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.”</p>	<p>The Ministry of Power (MoP) vide letter no. 09/11/2021-RCM dated 12th April 2022 notified ‘Revised Scheme for flexibility in Generation and scheduling of Thermal/Hydro Power Station through bundling with Renewable Energy and Storage Power, 2022’.</p> <p>The Clause 3.3 of the aforesaid Scheme provides that <i>“A Generating Company under Section 62 or its subsidiary shall be allowed to establish a RE power plant through tariff based competitive bidding process under section 63 provided the bids are called by a Central Government Approved third party”.</i></p> <p>Further, vide Order No. 09/11/2021-RCM-Part (1) dated 17th June 2022, MOP approved NTPC Vidyut Vyapar Nigam Ltd (NVVN), PFC Consulting Ltd., and REC Power Development and consultancy Ltd as the third party Bid Process Coordinators for the aforesaid scheme.</p> <p>Further, MoP vide notification dated 26.08.2023 issued “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power”. The said guidelines define</p>

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				<p>'Authorised Representative' of the Procurer' as under:</p> <p>b) <i>'Authorised Representative' of the Procurer: In cases, where the Power Purchase Agreement (PPA) signing entity and the agency carrying out the tendering/bidding process are different, the agency carrying out the tendering / bidding process shall be deemed to be the Authorized Representative of the 'Procurer' and be responsible for carrying out the bidding process till the selection of the successful bidder, in accordance with these Guidelines. Authorised representative shall be a Central Govt. approved third party appointed by the Procurer. No trading margin shall be payable to Authorised Representative.</i></p> <p>In view of the above, we request the Hon'ble Commission to suitably modify the proposed amendment to include Central/State Govt. approved third party as REIA. This will provide more clarity on the inclusion of agencies designated by GOI/ state govt. which may or may not procure energy but work as a bid process agency.</p>
2.	4.1 (f)	<i>(f) Notwithstanding anything contained under Clauses (a) to (c) of the Regulation, the 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).</i>	<p><i>"In North Eastern Region (NER)" may be deleted at the end of said clause.</i></p> <p><i>Thus 4.1 (f) may be read as under:</i></p> <p><i>(f) Notwithstanding anything contained under Clauses (a) to (c) of the Regulation, the minimum installed capacity individually or with an aggregate installed capacity to apply for a grant of connectivity shall be 25 MW.</i></p>	<p><i>Rule -21 of Electricity (Amendment) Rules, 2024 notified by Ministry of Power on 10th January 2024 states as under:</i></p> <p><i>"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 Transmission System and ten Megawatt in case of</i></p>

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				<p><i>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, if such company or person or consumer complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Act."</i></p> <p>In order to maintain consistency with aforesaid rules, the proposed threshold for grant of connectivity, i.e., 25 MW may be extended to all regions of India instead of only for North Eastern Region.</p>
3.	5.8 (vii) (d)	<i>(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."</i>	To be deleted.	As you may be aware, certain states issue Government Orders (GOs) to facilitate the development of Renewable Energy (RE) projects within their jurisdiction. However, it's crucial to acknowledge that there's a lack of standardized procedures or guidelines for issuing these GOs across different states. Additionally, in instances where projects awarded under GOs face non-implementation, developers have the option to extend the GOs upon payment of nominal fees. Consequently, allowing GOs for ISTS (Inter-State Transmission System) connectivity applications could result in inconsistency in connectivity application processes under these regulations.
4.	5.8 (xi) (d)	<i>(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."</i>	To be deleted.	<p>It is pertinent to note that many of these GOs were issued long ago based on applications from potential project developers. However, till date no necessary allocation of land has been done. In numerous cases, although GOs were issued for RE</p>

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				<p>project development in various states, there has been minimal progress, such as land acquisition or application for connectivity. It's important to note that GOs issued by state governments do not confer any rights to developers until they secure land for project development. Further, the State Nodal Agency for development of Renewable power project the States are issuing letters to developers regarding allocation of land. However, it is not clear whether those parcels of land were actually transferred to the developers after following due process and on submission of requisite fees. It is clear from the fact that these developers are fling petitions before this Commission seeking waiver of each and every clause of the GNA Regulations.</p> <p>Since, the GNA Regulations already permit developers to apply for connectivity based on 50% land ownership or even without land through the Land BG route. Therefore, introducing an additional route based on GOs plus 100% land ownership, when the regulations already allow connectivity applications based on 50% land or Land BG, seems unnecessary.</p> <p>Hence, the existing routes adequately cater to serious developers seeking ISTS connectivity. Introducing an additional GO route for ISTS connectivity would unfairly disadvantage developers who adhere to the specifications outlined in the GNA Regulations 2022.</p> <p>Given the aforementioned points, we assert that the existing criteria (LoA/Land/BG) are logical, comprehensive, and importantly, can be uniformly</p>

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				<p>implemented across all states. There is no need to introduce an additional route for ISTS connectivity, as doing so would uphold the integrity and efficacy of the GNA Regulations 2022, thereby fostering continued success in India's RE sector.</p> <p>We request this Commission to remove clause 5.8 (vii) (d) and 5.8 (xi) (d).</p>
5.	11 A	<p><i>“(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:”</i></p>	<p><i>We humbly request the Hon’ble Commission to add the third proviso as suggested below in the proposed Regulations to link financial closure for the capacity in line with PPA terms and conditions:</i></p> <p><i>“Provided further projects that are granted connectivity on the basis of LOA/ PPA issued by REIA and in the event the REIA extends the time for achieving Financial Closure under such PPAs, then the period of achieving financial closure would be extended by CTU matching the revised extended timeline. For projects that are granted connectivity on the basis of land, the developer should submit their request to CTU for an extension of FC, in writing with proper documentary evidence, and CTU may grant an extension on case-to-case basis”</i></p>	<p>Achieving Financial Closure (“FC”) is a time-based condition to be met under the PPA. Sometimes FC is not achieved due to external factors which are beyond the control of the project developers, such as PSAs not approved by the SERC or Force Majeure Events or PSA/PPA not executed by Renewable Energy Implementing Agency (“REIA”) within stipulated time frame. In such cases, REIA extends the time for achieving FC with or without commensurate extension in SCOD of the project. We therefore request the Hon’ble Commission to extend similar time extensions to the connectivity grantee, if the FC timelines are extended by REIA in line with the PPA terms and conditions.</p> <p>Further, for projects that are non-REIA projects, they may be given an opportunity to approach CTU to present their case for seeking time extension for FC and CTU may grant such extension on case-to case basis.</p>
6.	11 A	<p><i>“(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</i></p>	<p><i>“(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</i></p>	<p>We would like to submit that the State REIAs/DISCOMs have floated tenders for selection of renewable power developers to develop</p>

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		<p><i>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) of Clause (xi) of Regulation 5.8 of these regulations:</i></p>	<p><i>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/approved by the REIA or Distribution Licensee or appropriate regulatory commission, 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:</i></p>	<p>Solar/wind/solar-wind hybrid projects which can be set up anywhere in the country. In the recent past, PPA was terminated by RE developers on account of reasons beyond their control. The said termination was not agreed by DISCOM but the same has been upheld by State Regulatory Commission. In view of the above, we request the Hon'ble Commission to also include the 'approval by appropriate Regulatory Commission' as one of the criteria for conversion of PPA/LOA based connectivity to land based connectivity.</p>
7.	11A	<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>	<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 3 months prior to the scheduled date of commercial operation of such applicant:</p>	<p>As per the proposed amendment, the REGS is required to release at least 10% of the project cost, including land acquisition cost through equity latest by 12 months prior to SCOD. We would like to submit that the land cost constitutes only about 2.5% of the total project cost. Releasing any amount other than the land cost as equity 12 months prior to SCOD is a challenging requirement for REGS. For example: Project capacity- 300MW Capital cost- 1500 crore (@5 crore/MW) Debt- Rs.1050 crore & Equity- Rs- 450 crore (70:30)</p>

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				<p>As per the proposed clause, the developer will have release at least Rr. 150 crore prior to SCOD of the project which is 1/3rd of the total equity infusion.</p> <p>We would like to submit that as per the industry practice, developers are infusing equity, other than land procurement cost, in the project during the last 3-6 months of the SCOD of the project. Therefore, the proposed provision would increase the risk on the REGS. Since the cost of equity is about 6-7% higher than that of debt, developers would be compelled to quote a higher tariff to minimize the risk of early investment through equity.</p> <p>Therefore, we request the Hon'ble Commission to modify the proposed clause and allow developers to release of at least 10% of the project cost including the land acquisition cost through equity latest by 3 months prior to the scheduled date of commercial operation of the project.</p>
Additional suggestions:				
8.	17.1(ii)	<p>17. Eligibility for GNA</p> <p>17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:</p> <p>.....</p> <p>(ii) A drawee entity connected to intra-State transmission system</p>	<p>17. Eligibility for GNA</p> <p>17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:</p> <p>.....</p> <p>(ii) A drawee entity connected to intra-State transmission system</p>	<p>The Regulation 17.1(ii) provides that a drawee entity connected to intra-State transmission system shall be eligible as Applicants to apply for grant of GNA or for enhancement of quantum of GNA. This provision bars drawee entity connected to distribution system but willing to avail GNA either to draw power from ISTS as per Regulation 17.1(ii). Further, the 'Explanatory Memorandum' to the draft GNA Regulations exhibits the intent that all</p>

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				<p>intra-State entities are eligible for grant of GNA. However, the same has inadvertently missed in the final GNA Regulations. It is to be noted that these entities were eligible for grant of LTA under the 2009 Connectivity Regulations.</p> <p>Therefore, we request the Hon'ble CERC to issue clarification that intra-State drawee entities are eligible for grant of GNA or enhancement of GNA as per regulations 17.1(ii).</p>
9.	37.3(3)	<p>(3) Where Long term Access has been granted with system augmentation, the treatment of such Long term Access and corresponding quantum of Connectivity shall be as under:</p> <p>.....</p> <p>(d) In case, the entity exercises the option (i) of clause (a) of this Regulation to convert the Long term Access granted under the Connectivity Regulations, 2009 as GNA deemed to have been granted under these regulations, the Construction Bank Guarantee already furnished shall be treated as Conn-BG1 for Rs 50 lakhs and balance as Conn-BG2 under these regulations. In case no construction bank guarantee has been furnished pursuant to signing of PPA and PSA, it shall furnish Conn-BG1 for Rs. 50 lakhs and Conn-BG3 @Rs. 2 lakh/MW corresponding to such Long term access quantum within two (2) months of exercising the option (i) under clause (a) of this</p>	<p>(3) Where Long term Access has been granted with system augmentation, the treatment of such Long term Access and corresponding quantum of Connectivity shall be as under:</p> <p>.....</p> <p>(d) In case, the entity exercises the option (i) of clause (a) of this Regulation to convert the Long term Access granted under the Connectivity Regulations, 2009 as GNA deemed to have been granted under these regulations, the Construction Bank Guarantee already furnished shall be treated as Conn-BG1 for Rs 50 lakhs, balance as Conn-BG2 @Rs. 2 lakh/MW <u>under these regulations and balance, if any, shall be returned.</u> In case no construction bank guarantee has been furnished pursuant to signing of PPA and PSA, it shall furnish Conn-BG1 for Rs. 50 lakhs and Conn-BG3 @Rs. 2 lakh/MW corresponding to such Long term access quantum within two (2) months of exercising the option (i) under clause (a) of this Regulation. In case any Conn- BG2 has been furnished under</p>	<p>The objective behind the enactment of GNA Regulations, 2022 is to provide a regulatory framework to facilitate non-discriminatory open access to licensees or generating companies or consumers for the use of inter-State transmission system (ISTS). Further, the said Regulations were also enacted to provide a level playing field for the power developers.</p> <p>As per the Regulation 37.3(3), if an Entity has exercised its option available under Regulation 37.3 (3) (a) (i) and has converted the LTA granted under the Connectivity Regulations, 2009 and GNA is deemed to have been granted under the present Regulations the following scenarios emerge:</p> <p>i) If the Construction BG (CBG) is already furnished, the same shall be treated as Conn-BG 1 for Rs. 50 lakh and the balance as Conn-BG 2;</p> <p>ii) In case no CBG has been furnished pursuant to the signing of the PPA and PSA, the Entity shall furnish Conn- BG 1 for Rs. 50 Lakhs and Conn-BG 3 @ Rs. 2 Lakh/MW corresponding to such LTA;</p>

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		<p>Regulation. In case any Conn- BG2 has been furnished under Connectivity Regulations, 2009, the same shall be treated as Conn-BG2 under these regulations. The Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulations 16.1 to 16.4 of these regulations.</p> <p>.....</p>	<p>Connectivity Regulations, 2009, the same shall be treated as Conn-BG2 under these regulations. The Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulations 16.1 to 16.4 of these regulations</p>	<p>iii) In case any Conn-BG 2 has been furnished under Connectivity Regulations, 2009, the same shall be treated as Conn-BG 2 under the GNA Regulations;</p> <p>It is relevant to highlight that if the entity is a fresh Applicant for the grant of connectivity in terms of the present GNA Regulations, it would be required to furnish BGs in terms of Regulation 8 of the said Regulations which are as follows:</p> <ul style="list-style-type: none"> i) Conn-BG 1 of Rs. 50 Lakhs; ii) Conn-BG 3 @ Rs. 2 Lakhs/MW. <p>However, as per Regulation 37.3 (3) (d), the entire Construction BG would be retained as Conn-BG 1 and Conn-BG 2, resulting in a total BG amount being 100% more than the Conn BGs which would have been furnished, if the entity is a fresh Applicant or there was no Construction BG submitted.</p> <p>We would like to submit that such adjustment would amount to financial detriment to the entities who has already submitted CBG as it would be saddled with an additional financial liability which no other Developer would entail.</p> <p>In view of the above, we request this Commission to suitably modify the Regulation 37.3 (3) (d) in such a manner that all entities covered under the GNA Regulations are treated equally and are granted</p>

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				Connectivity/GNA under same terms and conditions.