

AVAADA ENERGY



Draft CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment
2024

March 21, 2024



CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment).....(1/6)

16 February 2024

S.No.	Regulation Title Clause	Existing Clause	Proposed Amendment
1	<p><u>Application for Grant of Connectivity</u></p> <p>sub-clause (c) to Clause (vii) of Regulation 5.8 shall be substituted, and sub-clause (d) shall be added after subclause (c)</p> <p>-----</p> <p>sub-clause (c) to Clause (xi) of Regulation 5.8 shall be substituted, and sub-clause (d) shall be added after sub-clause</p>	<p>(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.” .</p>	<p>(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity more than 1000MW - Bank Guarantee of Rs. 100 Crore plus Rs. 5 lakh/ MW for capacity over and above 1000MW, in lieu of ownership or lease/ sub-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</p> <p>(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</p>

Avaada’s proposed amendment:

1. Bank guarantee of Rs 5 Lakh/MW in lieu of ownership or lease/ sub-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.”

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment).....(2/6)

16 February 2024

S.No.	Regulation Title Clause	Existing Clause	Proposed Amendment
2	<p><u>Conditions subsequent to be satisfied by the Connectivity Grantee</u></p> <p>Clause (1) of Regulation 11A of the Principal Regulations shall be substituted</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>(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 subclause (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>

Avaada's proposed amendment:

1. An applicant or its affiliate shall submit land documents
2. Land documents submission should be de-linked with the timeline of in-principle grant of connectivity and only be linked to the timeline of final grant of connectivity
3. REIA/DISCOM LoA/PPA based connectivity or Connectivity which are later on converted to LoA / PPA shall not be required to fulfil land/equity/FC criteria.

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment).....(3/6)

16 February 2024

S.No.	Regulation Title Clause	Existing Clause	Proposed Amendment
2	<p><u>Conditions subsequent to be satisfied by the Connectivity Grantee</u></p> <p>Clause (2) of Regulation 11A of the Principal Regulations shall be substituted</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 acquisition cost through equity within a period of 12 months from the date of issuance of final grant of connectivity.</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> <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>

Avaada’s proposed amendment:

1. An applicant or its affiliate shall submit Auditor’s certificate latest by 6 months prior to SCOD
2. REIA/DISCOM LoA/PPA based connectivity or Connectivity which are later on converted to LoA / PPA shall not be required to fulfil land/equity/FC criteria.



CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment).....(4/6) —

16. February 2024
 Regulation Title
 No Clause

Existing Clause

Proposed Amendment

<p>2</p> <p>Conditions subsequent to be satisfied by the Connectivity Grantee</p> <p>Clause (3) of Regulation 11A of the Principal Regulations shall be substituted</p>	<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:</p> <p>Provided that such an applicant shall submit proof of Financial Closure of the project (with copy of loan sanction letter or proof of first disbursement 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</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:</p> <p>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:</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 (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</p>
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Avaada's proposed amendment:

1. An applicant or its affiliate shall achieve Financial Closure latest by 6 months prior to SCOD
2. REIA/DISCOM LoA/PPA based connectivity or Connectivity which are later on converted to LoA / PPA shall not be required to fulfil land/equity/FC criteria.



CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment)..... (5/6)

16 February 2024
S. N. O.

S. N. O.	Regulation Title Existing Clause	Proposed Amendment
3	<p><u>Consequences of non-fulfillment of conditions under Regulation 11A</u></p> <p>Amendment to Regulation 11B of the Principal 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 Rs 10 lakh/MW 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>(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 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>

Avaada's proposed amendment:

1. Provided that connectivity agreement has not been signed, Conn-BG3 shall be returned. Provided further that there is no construction of ATS or terminal bays been awarded for implementation, Conn-BG2 shall also be returned.
2. REIA/DISCOM LoA/PPA based connectivity or Connectivity which are later on converted to LoA / PPA shall not be required to fulfil land/equity/FC criteria.



CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Existing Clause vs. Proposed Amendment).....(6/6) —

16 February 2024
S. N. O.

S. N. O.	Regulation Title Existing Clause	Proposed Amendment
3	<p><u>Consequences of non-fulfillment of conditions under Regulation 11A</u></p> <p>Amendment to Regulation 11B of the Principal Regulations</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 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, Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations 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>

Avaada’s proposed amendment:

1. Provided that connectivity agreement has not been signed, Conn-BG3 shall be returned. Provided further that there is no construction of ATS or terminal bays been awarded for implementation, Conn-BG2 shall also be returned.
2. REIA/DISCOM LoA/PPA based connectivity or Connectivity which are later on converted to LoA / PPA shall not be required to fulfil land/equity/FC criteria.

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(New Clauses proposed by CERC)(1/2)

16 February 2024

S.No	<u>Regulation Title</u> Clause	New Clauses Proposed
1	<u>Definition</u> A new Clause, namely, Clause (ag-i), shall be added after Clause (ag) of Regulation 2.1 of the Principal Regulations	(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.
2	<u>Eligibility for Connectivity to ISTS</u> A new Clause, namely, Clause (f), shall be added after Clause (e) of Regulation 4.1 of the Principal Regulations	(f) Notwithstanding anything contained under Clauses (a) to (c) of this Regulation, the minimum installed capacity individually or with an aggregate installed capacity to apply for a grant of Connectivity shall be 25 MW in Northeastern Region (NER).

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(New Clauses proposed by CERC)(2/2)

~~16 February 2024~~

S.No.	<u>Regulation Title</u> Clause	New Clauses Proposed
3	<p><u>Conditions subsequent to be satisfied by the Connectivity Grantee</u></p> <p>Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations</p>	<p>(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 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>

Avaada's proposed amendment:
 In cases where LoA or PPA has been **terminated and/ or modified**, the applicant may convert the connectivity.



CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Amendments/ New Clauses proposed by AVAADA)

– 16 February 2024

Amendments proposed by

S.No.	Regulation Title Clause	Existing Clause	Amendment Proposed
1	<u>8. Connectivity Bank Guarantee</u> Amendment to Clause 8.3 (e)	(e) The entity that has been intimated in-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of intimation by the Nodal Agency under sub-clause (b) of this Regulation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be forfeited.	(e) The entity that has been intimated in-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of intimation by the Nodal Agency under sub-clause (b) of this Regulation, failing which application for Connectivity shall be closed, Conn-BG1 shall be returned , and application fee shall be forfeited. In case of applications under application BG route, the application BG shall also be returned
2	<u>16. Treatment of Connectivity Bank Guarantee</u> Amendment to Clause 16.2	Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.	Conn - BG2 and Conn - BG3 shall be returned within 60 days from the date of SCOD of the project

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Amendments / New Clauses proposed by AVAADA)

– 16 February 2024

S.N o.	Regulation Title Clause	Existing Clause	Amendment Proposed
3	<p><u>17. Eligibility for GNA</u> Amendment to Clause 17.1.(i) Amendment to Clause 17.1 (iii)</p>	<p>17.1.(i) State Transmission Utility on behalf of intra-State entities including distribution licensees;</p> <p>17.1.(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;</p>	<p>17.1.(i) State Transmission Utility on behalf of intra-State entities including distribution licensees; Provided that in case of intra-state entity connected to STU is seeking GNA (RE), the quantum of Open Access/ Green Energy Open Access/ GNA (RE) shall be equivalent to the quantum of GNA (RE) sought</p> <p>Bulk consumer seeking connectivity to ISTS and simultaneously remain connected to STU (Dual connectivity) and/ or directly with ISTS with a load of 50 MW and above;</p>
4	<p><u>11A. Conditions subsequent to be satisfied by the Connectivity Grantee</u> 11.A.4</p>	<p>(4) In case of Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the requirement of furnishing the documents in accordance with Clauses (1) to (3) shall be the same as applicable to the entities covered under clause (xi)(a) of Regulation 5.8.</p>	<p>11.1.4 In case of Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the requirement of furnishing the documents in accordance with Clauses (1) to (3) shall be the same as applicable to the entities covered under clause (xi)(a) of Regulation 5.8.</p> <p>Provided that Applicants can opt for conversion of Connectivity either in parts or full quantum. Also conditions subsequent (Land, Equity and Financial closure) shall be as per the terms and conditions of LoA or PPA to be achieved.</p>

CERC (Connectivity and GNA to the ISTS) Regulations, 2022 - 2nd Amendment 2024

(Amendments / New Clauses proposed by AVAADA)

– 16 February 2024

New Clause proposed by

S.No.	<u>Regulation Title</u> Clause	New Clauses Proposed
1	Additional Clause in Clause 6	<ol style="list-style-type: none">1. PSP/ ESS to be considered deemed RE Zone while intimating ATS and terminal bays2. While formulizing amendments in the Detailed Procedure for GNA and Connectivity 2022, PSP/ ESS, ATS/ terminal bay component are to be considered under Common Network Expansion/ Common Transmission System (CTS).

