

## SUB-CLAUSE (C) TO CLAUSE (VII)&(IX) OF REGULATION 5.8 OF THE PRINCIPAL REGULATIONS



### Request:

*(c) For a capacity up to 100 MW - Bank guarantee or Insurance Surety Bonds of Rs 10 Lakh/MW and for a capacity more than 100 MW - Bank Guarantee or Insurance Surety Bonds of Rs 10 Crore plus Rs 5 Lakh/MW for capacity over and above 100 MW.*

- It will ease up the financial burden on the developers and will expedite the RE capacity addition in the country as bids issued by various REIAs, developers are required to submit huge Performance Bank Guarantees.
- IRDAI has come out with Surety Insurance Contracts guidelines on 03.01.2022, enabling General Insurance Companies to start Surety bonds business from 01.04.2022. Subsequently, the Department of Expenditure issued an amendment to GFR, 2017 vide OM dated 02.02.2022 to include Insurance Surety Bonds as a Security mechanism.
- The Ministry of Road Transport & Highways has already started accepting Insurance Surety Bonds in their bidding processes

## Amendment proposed in sub-clause (1) of Clause 11A



Request:

*It is submitted that a single condition be kept, and the connectivity grantee be required to submit the land documents within 12 months from issuance of final grant of connectivity.*

*Provided that such documents for land can be in name of the applicant or its parent company and/ or subsidiary company(ies).*

➤ Observed more often that the tentative coordinates indicated in at the time of in-principal grant of connectivity undergo change and the final coordinates are very different and Hence it is suggested that 18 months from in-principal grant of connectivity be deleted

## Regulation 11 (A) (2)



Request:

*We request hon'ble Commission that this extra requirement of 10% equity release latest by 12 months prior to the scheduled date of commercial operation may be deleted from principal Regulation.*

- It is hence suggested that Developers are already submitting BGs to protect the interest of transmission utility.
- land for RE projects is leased, and the cost of land varies between 3%-5% of the total project cost.

## Regulation 11 (A) (3)



Request:

*We request hon'ble Commission that the financial closure for the capacity of such Connectivity latest by 6 months prior to the scheduled date of commercial operation of such applicant or from the start date of connectivity whichever is later.*

- The RE tenders issued by REIA's require the developer to achieve Financial Closure 6 months prior to the SCSD/ extended SCSD.
- It is hence submitted that the requirement of achieving financial closure be 6 months from SCD. The requirements across connectivity conditions and tender conditions be aligned with same timelines, to the extent possible not duplicated and consistency maintained.



## A new Clause, namely Clause (5), shall be added after Clause (4) of Regulation 11A of the Principal Regulations



Request:

*Applicants who have been granted Connectivity under subclause, (a) or (b) or (c) of Clause (xi) of Regulation 5.8 of these regulations, may convert the Connectivity, in full or part, granted under sub-clause (a) or (b) or (c) of Clause (xi) of Regulation 5.8 of these regulations to*

*(A) Connectivity under sub-clause (a) or (b) or (c) of Clause (xi) of Regulation 5.8 of these Regulations with the start date of connectivity as 12 months from the date of conversion or original the start date of Connectivity whichever is later,*

*(B) another LOA/PPA with SCOD of the new project as start date of connectivity;*

Option:

- LOA to LOA substitution
- LOA to Land BG
- Land BG route to LOA

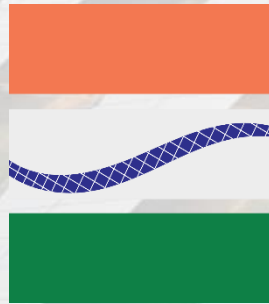


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