

# CERC's Draft 2<sup>nd</sup> Amendment to GNA Regulations

Inputs and Submissions from Serentica Renewables

21-Mar-2024

# Minimum requirement for connecting to ISTS be reduced to 25 MW

Draft Language	Proposed Change	Rationale
<p><b>4. Eligibility for Connectivity to ISTS</b></p> <p>...</p> <p>(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS;</p> <p>(b) Captive generating plant with capacity for injection to ISTS of 50 MW and above;</p> <p>(c) Standalone ESS with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead ESS or Lead Generator;</p> <p>...</p> <p><b>17. Eligibility for GNA</b></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>(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;</p>	<p><b>4. Eligibility for Connectivity to ISTS</b></p> <p>...</p> <p>(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of <del>50</del> <b>25</b> MW and above through a Lead Generator or a Lead ESS;</p> <p>(b) Captive generating plant with capacity for injection to ISTS of <del>50</del> <b>25</b> MW and above;</p> <p>(c) Standalone ESS with an installed capacity of <del>50</del> <b>25</b> MW and above individually or with an aggregate installed capacity of <del>50</del> <b>25</b> MW and above through a Lead ESS or Lead Generator;</p> <p>...</p> <p><b>17. Eligibility for GNA</b></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>(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of <del>50</del> <b>25</b> MW and above;</p>	<p>MoP notified amendment to Electricity Rules, on 10.01.2024, allowing a generating company or captive generating plant or energy storage system or consumer to connect to inter-state transmission system with loads of 25 MW and above:</p> <p>It is suggested that <b>50 MW minimum connectivity requirement for inter-state transmission networks should be reduced to 25 MW.</b></p>

# Acceptance of Insurance Surety Bonds instead of BGs

Draft Language	Proposed Change	Rationale
<p><b>5.8</b>                      (vii) (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 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;                      ...                      (xi) (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 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><b>5.8</b>                      (vii) (c) For a capacity up to <del>1000MW</del> <b>100MW</b>- Bank Guarantee <b>or Insurance Surety Bonds</b> of Rs. 10 lakh/ MW and for a capacity more than <del>1000MW</del> <b>100MW</b>- Bank Guarantee <b>or Insurance Surety Bonds</b> of Rs. <del>100</del> <b>10</b> Crore plus Rs. 5 lakh/ MW for capacity over and above <del>1000MW</del> <b>100MW</b>, 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;                      ...                      (xi) (c) For a capacity up to <del>1000MW</del> <b>100MW</b>- Bank Guarantee <b>or Insurance Surety Bonds</b> of Rs. 10 lakh/ MW and for a capacity more than <del>1000MW</del> <b>100MW</b>- Bank Guarantee <b>or Insurance Surety Bonds</b> of Rs. <del>100</del> <b>10</b> Crore plus Rs. 5 lakh/ MW for capacity over and above <del>1000MW</del> <b>100MW</b>, 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>In bids issued by various REIAs, RE Developers are required to submit significant amount of PBG. To satisfy the requirements, developers have to keep bank limits locked to meet these conditions. <b>To ease up the financial burden on the developers, it is requested to revise the land route BG as provided here.</b></p> <p>Further, payment security mode of “Insurance Surety Bonds” should also be assessed. The issuance of BGs exerts pressure on working capital limits, as banking credit becomes immobilized, which are often tied to working capital. Moreover, incidental costs of BGs further compound the financial burden.</p> <p>It is submitted that <b>instead of BGs, Insurance Surety bonds should be also acceptable.</b> This approach will unlock private capital, reduce reliance on foreign investment, and providing new avenues to the insurance sector.</p>

# Demonstrating required land in name of Project SPV instead of Parent Company

Draft Language	Proposed Change	Rationale
<p><b>11A. Conditions subsequent to be satisfied by the Connectivity Grantee</b></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>	<p><b>11A. Conditions subsequent to be satisfied by the Connectivity Grantee</b></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, <del>within 18 months of issuance of an in-principle grant of Connectivity or</del> 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> <p><b>Provided that such documents for land can be in name of the applicant or its parent company and/ or subsidiary company(ies).</b></p>	<p>Final grant of connectivity is issued once the Grid substation and entire common transmission infrastructure has been bid out. Till that time, there is uncertainty in terms of location and it is difficult for developers to commit to a particular site. Hence, <b>land requirement may be from 12 months of final grant.</b></p> <p>Further, once the said Connectivity is granted to an applicant company, the freedom of choice comes in for which specific Subsidiary Company (or Project SPV) will actually develop the project. At the same time, it is still mandated that land be acquired in the name of the entity, which is the Connectivity grantee, i.e. the Holding/ Parent Company.</p> <p>It is requested that <b>demonstrating land in the Project SPV against connectivity granted to Holding/ Parent Company should be allowed.</b></p>

## Optimising timelines and process for GNA grant to bulk consumers

Draft Language	Proposed Change	Rationale
<p><b>20. Application for Grant of GNA by entities other than STU</b></p> <p>20.1. Entities covered under clauses (ii) and (iii) of Regulation 17.1 of these regulations, may apply for GNA indicating bifurcation of GNA within the region and outside the region, from a specified date, for a specified quantum, and for a specified period of more than eleven months.</p> <p>Provided that the entities covered under clause (ii) of Regulation 17.1 of these regulations shall furnish consent of the concerned STU in terms of availability of transmission capacity in intra-State transmission system for such quantum and period of GNA.</p>	-	<p><b>STU concurrence may not be kept a prerequisite for filing GNA application by a Bulk Consumers</b> and subsequent consideration in CMETS meetings. If Bulk Consumer's GNA application is discussed in CMETS meeting, it can mean that:</p> <ul style="list-style-type: none"> <li>(a) STU/ Discoms would be required to give timeline for issuing concurrence.</li> <li>(b) In the absence of above, CTUIL can always give conditional GNA.</li> </ul> <p><b>Introduction of definitive timeline is essential, as without this the Bulk Consumer is left in ambiguity</b> without knowing whether they can proceed for development works or not.</p> <p>Further, concurrence from STU can be linked to application in NSW portal itself, or some suitable system of tracking be built like NOAR for long-term standing clearance, so that the status can be tracked in the central portal. This will promote transparency of process and ease of doing business.</p>

# Thank You

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