



Our purpose is... **“to accelerate the transition to clean and affordable energy for all”**



Public Hearing on Draft CGNA Regulation (2nd Amendment) Regulations, 2024

21st March 2024

Regulation 3.5 of the Draft Amendment

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 **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

Our Submission

Stretching the timeline to 18 days will entail to delay the entire process for grant of connectivity. Further It is also requested to provide equivalent time to applicant to rectify the deficiency as well.

Regulation 5.8 (xi) (c) of the Draft Amendment

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;

Our Submission

Most of the RE bids are of capacity of 300 MW. We request hon'ble Commission kindly consider BGs of Rs. 5 lakh/MW upto 300 MW capacity instead of 1000 MW.

Regulation 10.1 of the principal Regulation

An entity which has been intimated the final grant of Connectivity, shall furnish technical connection data, inter alia, generator data for fault studies, dynamic simulation data, details of data and voice communication, to the Nodal Agency as stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1:

Provided that in case the entity is not in possession of the final technical connection data, it may furnish tentative data to form part of the Connectivity Agreement and furnish the final data at **least 1 (one) year** prior to the physical connection. Such final technical connection data shall be appended with the Connectivity Agreement.

Our Submission

It is difficult for developers to arrange final data 1 year prior to Physical connection. Hon'ble Commission is requested to kindly relax this timeline as 6 Months.

Regulation 11 (A) (2) Regulation 3.5 of the Draft Amendment

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.

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.

Our Submission

We submit that equity is high cost of capital when compared to debt and is brought later in the project. The the cost of land varies between 3%-5% of the total project cost. Its difficult for developers to ensure 10% equity infusion at initial stages. We request hon'ble commission to delete this condition as there is already a condition to meet FC.

Regulation 11 (A) (3) of the draft Amendment

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 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, **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.**

Our Submission

Delays in project due to delays beyond reasonable control of developer and its developer's interest to complete project in time. Hon'ble Commission may be requested to delete portion red highlighted above.

Regulation 11 (A) (5) of the draft Amendment

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.**

Our Submission

We appreciate that Hon'ble Commission has considered the conversion of connectivity from LoA to Land route in case PPA/LoA has been terminated. However, Developer may be given liberty to change the connectivity date. As termination of PPA/LoA is beyond the control of developers. Developers unable to plan their projects in the state of uncertainty. Further, it is also requested that transfer from one LOA/PPA to another LOA/PPA may be allowed.

Regulation 16.2 of Principal Regulation

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. Provided that in case of declaration of commercial operation of part capacity by the Connectivity grantee in a financial year, total quantum of such capacity declared under commercial operation within a financial year shall be considered while returning the Conn-BG2 and Conn-BG3 at the end of the financial year

Our Submission

We Request Hon'ble Commission to return the proportionate BGs within 2 months of the COD. As keeping the BGs for longer duration will entails to stuck funds which can be utilised for addition of further RE capacity.



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