

Date: 17.09.2024

The Secretary
Central Electricity Regulatory Commission
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Sub: Submission of comments and suggestions on the proposed Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.

Ref: Draft notification no. L-1/261/2021/CERC Dated: 31.07.2024

Dear Sir,

This has reference to the proposed Draft Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024 published for stakeholder consultation vide notification no. No. L-1/261/2021/CERC Dated: 31.07.2024.

On behalf of Adani Green Energy Ltd, we are pleased to submit comments and suggestions on the aforesaid draft regulation are being submitted herewith (as per enclosed **Annexure**) for kind consideration please.

Thanking you,

Yours faithfully,

For & Behalf of Adani Green Energy Limited



Ravi Sinha
Sr. Manager- Regulatory Affairs

Encl. As above

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

Following comments/ suggestions are being submitted additionally for kind consideration which are not the part of current proposal of amendment no.3:

Sl. No.	Clause	Existing Provision	Proposed Suggestion	AGEL Comments
1.	Clause 8.1 (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. ...	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 and <i>have filed the connectivity application after the date of coming in to effect of this regulation (i.e. after 15.07.2024)</i> , 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.	CERC vide notification no. L-1/261/2021/CERC dated 19-June-2024 had issued 2nd amendment to CERC GNA regulation, wherein sub-clause (c) of clause (vii) and (xi) of the Regulation 5.8 is amended. <ul style="list-style-type: none"> Any retrospective application of this provision if extended to the connectivity applications filed before 15-July-2024, would provide additional 12 months to non-serious developers who would block the connectivity without implementing the project for this additional period. Keeping/Blocking/idling of any connectivity, without implementing any project is a wastage of limited or critical national resource and akin to squatting on connectivity which is against the optimum utilization of ISTS. Therefore, it is requested to kindly consider the suggested modification under the said provision with suitable clarification that the provisions under 2nd amendment shall apply prospectively on all the new connectivity application filed after the date of coming into effect of such regulation i.e. after 15-July-2024.
2.	Clause (vii) and (xi) of Regulation 5.8	(c) For a capacity up to 1000MW - Bank Guarantee of Rs. 10 lakh/ MW and for a capacity	-To be removed	Requested to remove sub-clause (c) of clauses (vii) and (xi) of Regulation 5.8 i.e. land BG route as one of eligible route for applying

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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		<p>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: or</p>		<p>connectivity, because of the reason as stated below:</p> <p>Squatting of connectivity:</p> <ul style="list-style-type: none"> • Post issuance of amendment no.1 (effective from 05-Apr-2023), wherein land BG route was allowed as one of a connectivity route, following would be noteworthy: <ul style="list-style-type: none"> ○ 15.3 GW connectivity has been granted on land BG route i.e. whopping ~54% of entire quantum. ○ An additional ~12 GW has been applied on land BG route. • ~27 GW of scarce and costly national resource has been squatted/blocked by developers. 67% of the connectivity granted in Gujarat (Outside Khavda Park) and 47 % in Rajasthan is on Land BG route alone. Such relaxation will further encourage this trend of blocking connectivity and would lead to a roadblock for a serious developer who is having a valid LOA/ PPA/ adequate land. Connectivity on land BG route is causing hinderance for serious developers, by pushing them to wait little longer for the transmission system availability as per their application priority. Ultimately it is resulting in a situation wherein projects which may come up for sure as per their PPA timeline however, it will not have the transmission facility to evacuate its power as the connectivity and respective priority would be available with the

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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				<p>players who do not have any projects in hand or on ground.</p> <ul style="list-style-type: none"> This route is also an impediment to national renewable energy target of 2030 as no future connectivity capacity is available up to 2030 in NR and WR. Because of such squatting of connectivity, capacities at all upcoming CTU substations are exhausted already, even prior to commencement of construction of such evacuation system. Project economics/ competitiveness gets impacted as securing timely connectivity as per PPA/RfS condition is very critical for any project, any delay can be detrimental to project economics and its viability, leading to scenario when certain projects suspended/abandoned. <p>Thus, it is requested that the Land BG route should be removed through the proposed 3rd amendment or through subsequent amendment.</p>
3.	<p>Clause (vii) of Regulation 5.8</p> <p>Clause (xi) of Regulation 5.8</p>	<p>(b) Registered Title Deed as proof of Ownership or <u>lease rights or land use rights</u> for 50% of the land required for the capacity for which Connectivity is sought:</p> <p>(b) Registered Title Deed as a proof of Ownership or</p>	<p>(b) Registered Title Deed as a proof of Ownership or <u>lease rights or sub-lease or land use rights</u> for 50% of the land required for the capacity for which Connectivity is sought.</p> <p>(b) Registered Title Deed as a proof of Ownership or <u>lease rights or sub-lease or land use rights</u> for 50% of the land required for the capacity for which Connectivity is sought;</p>	<p>As per the clauses (vii) and (xi) of Reg 5.8, in case of connectivity sought based on land, renewable energy generating companies/ renewable power park developers are required to submit documents related to ownership of land such as lease rights or land use rights for 50% of the land required for the capacity for which connectivity is sought.</p> <p>In regard to requirement of submission of documents related to ownership of land, it is</p>

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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		<p><u>lease rights or land use rights</u> for 50% of the land required for the capacity for which Connectivity is sought;</p>		<p>submitted that many times taking over land/ ownership of land happens in the form of sub-leasing of the land i.e. leasing of land by an allottee to a sub-allottee where sub-lessor represents that under the aforesaid sub-lease, it has the right to construct power projects on the said land.</p> <p>This kind of arrangement usually happens in case of large corporate group wherein a particular group company might be having the required land and extending/subleasing same to other group company for setting up the RE project.</p> <p>You may appreciate the fact that the sub-lease document is co-terminus with the lease deed agreement, which is also registered with appropriate stamp duty as of lease agreement.</p> <p>Therefore, sub-lease is also one of the documents for representing ownership of land in addition to lease or right to use documents wherein sub-lessor is the owner of the particular land granted by allottee of land for certain period as per the sub-lease document.</p> <p>In view of the above, it is requested to add "sub-lease" along with lease or right to use documents as a proof of ownership of land required for the capacity for which connectivity is sought.</p>

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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4.	15.1	<p>Transfer of Connectivity Provided that Connectivity granted to a parent company may be utilized by its subsidiary companies and Connectivity granted to a subsidiary may be utilized by its parent company. ...</p>		<p>As we understand that Regulation 15 of the GNA Regulations provides that connectivity granted to a parent company may be utilized by its subsidiary companies and vice versa, in case of renewable energy generating stations (REGS).</p> <p>As you are aware, various generating companies create different subsidiary companies below the parent company in order to have better management control and for better channelizing of funds in between the various generating power projects. In the case of renewable park developers also, MNRE/ competent authority has granted various renewable energy parks to various developers and such developers may at a later stage, have to create subsidiary companies under the umbrella of the parent company for handling and operationalization of allocated renewable park or for any other corporate actions which may not be envisaged at the time of applying for the park. Under such an option, there is a need for allowing utilization of connectivity granted to renewable park developer by its subsidiary company.</p> <p>However, the plain reading of the current provisions may limit the application of regulation 15.1 to only the generating stations. Hence the same may be clarified that the provisions of transfer of connectivity are also applicable connectivity granted to the Renewable energy park developer.</p>

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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5.	4.3	A generating station, already connected to or intending to connect to intra-State transmission system shall also be eligible as an Applicant for Connectivity.	4.3. A generating station <u>or Captive Generating Plant or Energy Storage System</u> , already connected to or intending to connect to intra-State transmission system shall also be eligible as an Applicant for Connectivity.	The provision under 4.3 needs to be broadened to include Captive generating plant and Energy Storage. This would help CPP & ESS connected to Intra state system to migrate to CTU network based on feasibility or requirement
6.	17.1	The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA: (i) (vi) An injecting entity which is granted Connectivity to intra-State transmission system and seeking GNA for purpose of injection into ISTS.	A new sub-clause to be added for an Energy storage system connected to STU and seeking Access to CTU network for injecting and drawing power. <u>(vii) An Energy Storage System which is granted connectivity to intra state system and seeking GNA for purpose of injecting and drawing power into ISTS</u>	Existing provision is required to amended with the requirement of the energy storage system connected to intra-state network, which may be injecting power in ISTS network at one point, construed to be in affirmatory with the newly inserted clause 17.1.vi. As per existing provisions, the entity while drawing power from the ISTS network is required to file application under Clause 17.1.i or 17.1. ii. An ESS connected to the grid, using a single corridor would be required to take separate-separate GNA under Clause 17.1. i and clause 17.1.iv for drawl (charging) and Injection (discharging) respectively. In above circumstances, requirement of having two different GNA is illogical. ESS project will play a crucial role in power sector in coming days, Therefore, the above anomaly needs to be rectified for effective integration of ESS under GNA regulation.
7.	22.2	Grant of GNA to entities other than STU (a) Connectivity grantees covered under Regulation 4.1 of these regulations shall be deemed to have	22.2. Grant of GNA to entities other than STU (a) Connectivity grantees covered under Regulation 4.1 of these regulations shall be deemed to have been granted GNA, equal to the quantum of Connectivity	The current provision lacks in granting rights to an Energy Storage System to draw power from the grid for charging. As per the existing provision of GNA, generator is eligible to inject the power in the grid without being dependent on the availability of corridor

Comments and suggestions on draft CERC (Connectivity and GNA to ISTS) (Third Amendment) Regulations, 2024

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		been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity. In the event of split or transfer of Connectivity in terms of Regulation 15 of these regulations, the corresponding GNA shall be deemed to have been split or transferred, as the case may be.	<p>from the start date of Connectivity. In the event of split or transfer of Connectivity in terms of Regulation 15 of these regulations, the corresponding GNA shall be deemed to have been split or transferred, as the case may be.</p> <p><u>Provided if such connectivity grantee is an Energy Storage System in terms of clause 4.1 of these regulations, it shall be deemed to have been granted GNA for injection and drawl of power for a quantum of its proposed maximum injection to ISTS or proposed maximum drawal from ISTS, whichever is higher.</u></p>	however, the same provision undermines the requirement of an ESS, as the energy drawn from the grid may be scheduled from a generator within the region or outside the region. As GNA grantee covered under clause 17.1 are allowed to declare GNA within the region and GNA outside the region, same to be extended to ESS to have the requisite corridor to schedule power within and outside the region
8.	40. Payment of charges	40.1. The transmission charges and losses for use of the inter-State transmission system shall be shared among drawee DICs of ISTS including entities covered under Regulation 17.1(iii) of these regulations, in accordance with the Sharing Regulations	40.1. The transmission charges and losses for use of the inter-State transmission system shall be shared among drawee DICs of ISTS including entities covered under Regulation 17.1(iii) of these regulations, in accordance with the Sharing Regulations Notwithstanding anything contained in Clause 40.1, an Energy Storage System shall be excluded from payment of transmission charges for drawl of power for charging, in accordance with the Sharing Regulation.	<p>Sharing Regulation in terms of Reg. 13(2) provides for waiver of scheduling of power from ESS subject to meeting certain condition. However, it is not clear that whether waiver will apply in case of drawal schedule as well, while ESS is drawing power for charging.</p> <p>MoP order dt 23.11.2021 provide for waiver of such charges for the injection as well as drawal of power for Charging/discharging of ESS.</p> <p>Thus, proposed provision is very important to synchronize the provision under the GNA regulation and Sharing regulation on exemption of transmission charges for ESS for injections as well as drawing of power in terms of MoP order dt 23.11.2021.</p>