



Date: 17<sup>th</sup> Sep 2024

Ref No: ABREL/General/GOI/2024091701

**To**

**Sh. Harpreet Singh Pruthi**

Secretary, CERC

6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Floor,

World Trade Centre, Nauroji Nagar,

Safdarjung Enclave, New Delhi 110029

**Sub: Comments towards Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.**

Dear Sir,

This is with reference to comments/ suggestions/ objections solicited from the stakeholders on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.

We thank you for providing this opportunity and are pleased to furnish comments and suggestions on the draft amendment as enclosed herewith. We hope that you would find them useful and would consider appropriately while finalising.

Thanking you,

Yours faithfully,

For **Aditya Birla Renewables Limited**

A handwritten signature in blue ink, appearing to read 'Vaibhav Kapoor', is written over a circular purple stamp. The stamp contains the text 'Aditya Birla Renewables Limited' around the perimeter and a small star symbol at the bottom.

**Vaibhav Kapoor**

AVP – Strategy

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Enclosure: a/a

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Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
1	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.1</b></p> <p><i>3.7.1 If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, the Nodal Agency shall deal with such cases in the following manner:</i></p> <p><i>(a) 50% of the application fee shall be forfeited.</i></p> <p><i>(b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p><i>3.7.1 If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, the Nodal Agency shall deal with such cases in the following manner:</i></p> <p><i>(a) 50% of the application fee shall be forfeited.</i></p> <p><i>(b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application</i></p> <p><b><i>(c) For applicants covered under Clause (vii)(b) or Clause (xi)(b) of Regulation 5.8 these regulations, Nodal Agency shall release such documents which may be utilised to seek another Connectivity.</i></b></p>	<p>(a) The addition is requested to provision for conditions where Connectivity is sought basis submission of Registered Title Deed or lease rights or land use right for 50% of the land required for the capacity</p> <p>(b) Since Land BG is being returned 100% in the proposed sub-clause 3.7.1(b), similarly Land Documents shall also be returned to maintain a consistent approach</p> <p>(c) Such documents shall be allowed for being submitted through another Connectivity application by same/ different entity as no commitment for connection or project is created against such land.</p> <p>(d) The above provisions shall ensure that no application route has a distinct advantage or disadvantage over the other.</p>
2	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.3 (b)</b></p> <p><i>(b) 5% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 95% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</i></p>	<p>May kindly consider following changes as indicated in <b>bold</b> below:</p> <p><b><i>(b) 5% 2% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be returned to the Applicant within 15 days of withdrawal of the application.</i></b></p> <p><b><i>Provided, if owing to fulfilment of Conditions Subsequent specified in Clause 11A(1), such BG has been returned to applicant by Nodal Agency or if connectivity was sought under Clause (vii)(b) or Clause (xi)(b) of Regulation 5.8 these regulations, Nodal Agency shall release such documents which may be utilised to seek another Connectivity as specified in Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations</i></b></p>	<p>(a) Request to consider reduction in BG encashment to 2% as Land BG amounts are significantly high at Rs 10 Lacs/MW. This will not only ensure that there is reasonable demotivation to withdraw, however, in case of unavoidable circumstances leading to withdrawal, the amount should be capped.</p> <p>(b) The additional proviso is requested for conditions where BG is returned by furnishing 50% land documents or where Connectivity is sought basis submission of Registered Title Deed or lease rights or land use right for 50% of the land required for the capacity</p>

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3	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.4 (b)</b></p> <p><i>(b) 25% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 75% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p><i>(b) 10% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 90% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</i></p> <p><b>Provided, if owing to fulfilment of Conditions Subsequent specified in Clause 11A(1), such BG has been returned to applicant by Nodal Agency or if connectivity was sought under Clause (vii)(b) or Clause (xi)(b) of Regulation 5.8 these regulations, Nodal Agency shall release such documents which may be utilised to seek another Connectivity</b></p>	<p>(a) Request to consider reduction in BG encashment to 10% as Land BG amounts are significantly high at Rs 10 Lacs/MW. This will not only ensure that there is reasonable demotivation to withdraw, however, in case of unavoidable circumstances leading to withdrawal, the amount should be capped.</p> <p>(b) The additional proviso is requested for conditions where BG is returned by furnishing 50% land documents or where Connectivity is sought basis submission of Registered Title Deed or lease rights or land use right for 50% of the land required for the capacity</p>
4	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.5</b></p> <p><i>Any withdrawal of application for partial quantum shall only be permitted under Regulation 3.7.2 and shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation.</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p><i>Any withdrawal of application for partial quantum shall only be permitted under Regulation 3.7.2 and shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation, <b>for which provisions of 24.2(b) – relinquishment of Connectivity shall be applicable.</b></i></p>	<p>The addition is requested to address any ambiguity on applicable provisions and implications that may arise if partial quantum is withdrawn.</p>
5	<p><b>Amendment proposed in Clause 11A (4)</b></p> <p><i>“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p><i>“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued <b>in-principle grant of Connectivity or</b> final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</i></p>	<p>(a) The request for addition is made to allow for modification in case final grant of connectivity is not made.</p> <p>(b) As per valuable experience and datapoints gathered in last 1.5 years of implementation of GNA regulations, final grant of connectivity has often got delayed.</p> <p>(c) Such practical scenarios warrant that such conversion from Clause (xi)(b) or (xi)(c) to (xi)(a) need not wait for final grant as</p>

Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
	<i>Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</i>		implications for applicant/ grantee remain largely unchanged.
6	<p><b>Amendment proposed in Clause 11A (4) (d)</b></p> <p><i>d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such reconversion shall be allowed subject to the following conditions:</i></p>	<p>May kindly consider following modification as indicated in <b>bold</b> below:</p> <p><i>d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such reconversion shall be allowed subject to the following conditions:</i></p>	Proposed modification by removing “(i)” after words “for part or full capacity by CTU under subclause (c)” as such subclause is not referencing to any text. This might be an inadvertent typographical error.
7	<p><b>Amendment proposed in Clause 11A (4) (e)</b></p> <p><i>The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.”</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p><i>The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.; <b>unless the same has been replaced and modified in accordance with Clause 5.10”</b></i></p>	<p>(a) The provision is added to address the condition where land has been modified in accordance with Clause 5.10</p> <p>(b) In such scenarios, the original land through which Connectivity was sought has already been replaced by a new land and hence the original land must be allowed to seek connectivity</p> <p>(c) This is particularly important in view of limited land resources</p>
8	<p><b>Amendment proposed in Clause 11A (4)</b></p>	<p>Additional clause (4) (f) may be added as follows:</p> <p><i>(f) In such conversion and re-conversion, the point of interconnection to the ISTS cannot be changed</i></p>	The addition is requested to make the provision abundantly clear and proofing it against any possible misuse.

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9	<p><b>Proposed New Regulation 11C (1)(b)</b></p> <p><i>(b) An entity that has been issued a final grant of Connectivity at an ISTS substation located in the Complex of ISTS substations may seek reallocation of its Connectivity for another ISTS substation within the same ISTS complex where a bay has fallen vacant. Such reallocation shall be subject to commercial liabilities as per the Sharing Regulations 2020:</i></p> <p><b>As well as Proposed New regulation 11C(1)(c)(ii)</b></p> <p><i>ii. Applicants who have been issued a final grant of Connectivity in terms of these Regulations, as per the date and time stamp of the application made under these regulations.</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below for New Regulation 11C(1)(b):</p> <p><i>(b) An entity that has been issued <b>in-principle grant of Connectivity or</b> a final grant of Connectivity at an ISTS substation located in the Complex of ISTS substations may seek reallocation of its Connectivity for another ISTS substation within the same ISTS complex where a bay has fallen vacant. Such reallocation shall be subject to commercial liabilities as per the Sharing Regulations 2020:</i></p> <p>May kindly consider following addition as indicated in <b>bold</b> below for New Regulation 11C(1)(c)(ii):</p> <p><i>ii. Applicants who have been issued <b>in-principle grant of Connectivity or</b> a final grant of Connectivity in terms of these Regulations, as per the date and time stamp of the application made under these regulations.</i></p>	<p>(a) The request for addition is made to allow for modification in case final grant of connectivity is not made.</p> <p>(b) As per valuable experience and datapoints gathered in last 1.5 years of implementation of GNA regulations, final grant of connectivity has often got delayed.</p> <p>(c) Such practical scenarios warrant that such reallocation be allowed for in-principle grantees as well.</p> <p>(d) Further, waiting for final grant is detrimental for overall project development as reallocation may warrant change of locations within the same Complex which will have to be put on hold till final grant is made, thereby delaying the project</p> <p>(e) In any case the priority is getting decided based on time-stamp of applications, thus filtering out in-principle grantees may actually lead to reallocation being less conducive since final grantees may not be keen to reallocate, having transcended ahead in their respective projects</p> <p>(f) Moreover, the proviso to clause 11C(1)(b) has recognised that reallocation is eligible till 18 months from in-principle grant and thus provision to limit the reallocation to final grantees only seems to be inadvertently placed.</p>

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10	<p><b>Proposed modification in Clause 15.3</b></p> <p><i>“15.3 Any entity which acquires or holds 51% or more shareholding of the Company or its subsidiary owning the REGS, may, after COD of full capacity or such split part in terms of Regulation 15.2 of these regulations, apply to the Nodal Agency for transfer of Connectivity for the full capacity or the spilt capacity, as the case may be. The Nodal Agency shall issue a revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such entity. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On the issue of a revised grant of Connectivity, such entity shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations.”</i></p>	<p>Request to kindly revert to original clause of Principle Regulation including the <b>transfer of Connectivity to affiliate companies(subsidiary to subsidiary with common parent company)</b> which has been excluded from the modified provision. To bring better clarity, minor punctuation marks and elaboration on affiliate company are suggested in existing regulation 15.3 to avoid ambiguity as well as relevant addition <b>“for the full capacity or the spilt capacity, as the case may be.”</b> In the proposed in the proposed amendment to clause 15.3 has been retained</p> <p><i>“15.3 Any entity, <b>(a)</b> which acquires/holds 51% or more shareholding of the company or <b>(b)</b> its subsidiary or <b>(c)</b> affiliate <b>(subsidiary to subsidiary with common parent company)</b> of company owning REGS or part thereof, in terms of Regulation 15.2, may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity <b>for the full capacity or the spilt capacity, as the case may be.</b> The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such entity. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations”</i></p>	<p>(a) The provision for transfer to affiliate companies is existing since the Principle Regulations were published in 2022.</p> <p>(b) These provisions for transferring the Connectivity to affiliate companies (subsidiaries of a common parent) founded basis for many organisation to apply connectivity through affiliate companies with an envisaged transfer after achieving CoD of the Project – <b>retrospectively rolling back such provisions will have cascading impact on all such projects</b></p> <p>(c) Further, Principle regulation did not allow for demonstration of conditions warranted through regulation 11A by Subsidiary Company in case the Connectivity is sought by Parent company and project being planned for development by subsidiary company and hence applicants were rightly guided by CTU to apply from specific SPV only – now that such provisions are introduced in 3<sup>rd</sup> amendment through addition of Clause 11A(5), applicants that abided by existing provisions of that time are left disadvantaged.</p> <p>(d) Further, in allowing the transfer of connectivity between affiliate companies, the risk of squatting or possible premium selling of connectivity is non-existent as the management control of affiliate companies rests with a common management/ group</p>

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			<p>which does not have any financial incentive for transfer – they seek transfer only in support of ease of doing business</p> <p>(e) Strongly suggest keeping the provisions of transfer of connectivity amongst affiliates and structure it to facilitate utilisation and transfer of Connectivity amongst affiliate companies with common control as has been done in case of Parent and Subsidiary companies.</p> <p>(f) Since for all practical purposes, utilisation is a pre-step of transfer, utilisation shall be allowed between affiliates also.</p>
11	<p><b>Suggested New proviso to Clause 15.1 after first proviso</b></p> <p><i>15.1 A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations.,</i></p> <p><i>Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company.</i></p> <p><i>“Provided further that where a bulk consumer has been granted GNA under</i></p>	<p>Request addition of new proviso in Clause 15.1 as indicated in <b>bold</b> text below</p> <p><i>A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations.,</i></p> <p><i>Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company .</i></p> <p><b><i>Provided further that Connectivity granted to a Company can be utilised by its affiliate Company (subsidiary to subsidiary with common parent company), in parts or full.</i></b></p>	<p>(a) While Clause 15.1 enables the utilisation of connectivity among parent and subsidiary companies, and <b>existing</b> Clause 15.3 permits the transfer among subsidiaries as well as affiliates, it would be appropriate to include affiliate companies for the utilisation of connectivity to ensure alignment and consistency across regulations.</p> <p>(b) It is pertinent to mention that affiliate companies are regarded as those under common control by a parent company. For instance, Companies "A" and "B" are affiliates if a common parent company, say "C," holds the controlling stake and majority shareholding in both.</p>

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	<p><i>Regulation 17.1(iii), GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries or vice versa, if such bulk consumer and its subsidiaries are connected at the same connection point of ISTS."</i></p>	<p><i>Provided further that where a bulk consumer has been granted GNA under Regulation 17.1(iii), GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries or vice versa, if such bulk consumer and its subsidiaries are connected at the same connection point of ISTS."</i></p>	<p>(c) It appears that for this reason of common control that transfer of connectivity among affiliate companies is recognised in the <b>existing</b> regulation and rightly so. Transfer amongst affiliates ensures that there is no squatting or misutilisation of provisions to transfer the connectivity, since controlling stakes of both companies remains with single entity.</p> <p><b>(d) May also kindly refer the strong justification provided in S.No 10 to retain this provision for transfer of connectivity amongst affiliate companies.</b></p> <p>(e) Such transfers enable convenience amongst affiliate companies as they operate under the same umbrella and often share multiple resources such as management, personnel, premise, assets, common services, etc. Therefore, excluding affiliates from the utilisation of connectivity, especially when transfer is allowed post-CoD, limits the scope of such transfers and appears inconsistent.</p> <p>(f) In parent-subsidary transfers, the preceding step is utilisation, followed by the transfer after achieving CoD. Similarly, the transfer of connectivity among affiliate companies <b>requires a utilisation provision</b> to provide certainty for affiliates wishing to build and commission assets with the support of connectivity obtained by their affiliate.</p>



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12	<p>Existing regulation 24.6 (ii)</p> <p><i>24.6 Revocation of Connectivity</i></p> <p><i>(1) (a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA has been made effective in terms of Clause (a) of Regulation 22.4 of these regulations and the Connectivity grantee fails to achieve COD either in full or in parts on or before,</i></p> <p><i>(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8.</i></p>	<p>Request modification as indicated in <b>bold</b> text below</p> <p><i>24.6 Revocation of Connectivity</i></p> <p><i>(1) (a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA has been made effective in terms of Clause (a) of Regulation 22.4 of these regulations and the Connectivity grantee fails to achieve COD either in full or in parts on or before,</i></p> <p><b><i>(ii) six twelve months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity Start date of Connectivity</i></b> as intimated by CTUIL in final grant, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8.</p>	<p>When connectivity is granted by Nodal Agency, the date of effectiveness of connectivity is later than the date of connectivity requested in application due to time for developing ATS which the applicant is not aware of. Hence, rarely where a network is being newly built is connectivity date granted as applied by applicant.</p> <p>Further, for projects supplying power to C&amp;I consumers, the extension in scheduled commercial operation date granted by end buyer for Force Majeure etc under the power purchase agreement would also result in delayed COD. It may be noted that C&amp;I supply projects do not get connectivity under Regulation 5.8.(xi).(a) as this provision only applies to REIA LoA/PPAs. Application by C&amp;I customers is under regulations 5.8.(xi).(b) or 5.8.(xi).(c), hence the benefit of extension in SCOD to applicants under 5.8(xi).(a) is not available to C&amp;I applicants. None of the project developer setting up generation plant for supplying to C&amp;I customers would be interested forfeiting connectivity if project progress has been made and fund invested.</p> <p>Hence, the time period for forfeiting connectivity should be 12 months from date of effectiveness of connectivity or start date of connectivity instead of commercial operation intimated at the time of making application.</p>