



AEVIPL/CERC/005/2024-25

Date: 13.09.2024

To,
The Secretary,
Central Electricity Regulatory Commission (CERC)
Chanderlok Building, 36, Janpath, New Delhi- 110001

Dear Sir,

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

With reference to the comments invited by the Hon'ble Central Electricity Regulatory Commission on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024, we hereby submit our comments on the same for your kind consideration.

Thanking you for your understanding and thoughtful consideration of our views.

Yours sincerely
For Axis Energy Ventures India Private Limited



Authorised Signatory



Comments on GNA 3rd Amendment - Draft

S.No	Regulation	Regulation as per 3rd Draft Amendment	Suggestions	Proposed Change in the Regulation
1	<i>Regulation 3.7.3 Sub-clause (b)</i>	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.	The change from a 5% BG forfeiture to a 100% return reflects a more developer-friendly approach, eliminating any financial penalty upon withdrawal. This revision aims to fully support project flexibility by returning the entire BG, encouraging risk-taking and participation in renewable energy projects without fear of monetary loss while maintaining regulatory efficiency.	100% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be returned to the Applicant within 15 days of withdrawal of the application, without forfeiting any percentage of the BG. Additionally, Conn. BG 2 shall also be returned within the same period.
2	<i>Regulation 3.7.4 Sub-clause (b)</i>	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.	The change in the clause from a 25% BG forfeiture to a 10% is aimed at reducing the financial burden on developers while still maintaining regulatory discipline. By lowering the forfeiture, the regulation encourages investment and mitigates undue penalties, particularly in cases influenced by external factors, while ensuring a quicker return of funds to support project reinvestment.	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. Additionally, Conn. BG 2 shall also be returned within the same period.
3	<i>Regulation 5.5</i>	Provided that Renewable Power Park Developer which is authorized for a quantum of more than 500 MW, shall be eligible to apply for a grant of Connectivity in phases where in the first phase the application for Connectivity shall not be less than 500 MW, and the application for balance authorized quantum shall be in phases, subject to a minimum quantum of 50 MW in each phase.	The minimum capacity requirement of 500 MW in the first phase for application of connectivity is not reasonable and hence may be amended to 250 MW. For example, as per the proposed amendment, a RPPD who is authorised for a capacity of 1 GW who wishes to develop the project in 4 phases of 250 MW each will not be able to apply for connectivity for the development of the first phase.	Provided that Renewable Power Park Developer, which is authorized for a quantum of more than 500 MW, shall be eligible to apply for a grant of Connectivity in phases, wherein the minimum quantum for the application for Connectivity in each phase shall not be less than 250 MW. Reasoning: <i>As per the proposed amendment, a Renewable Power Park Developer (RPPD) who is authorized for a capacity of 1 GW and wishes to develop the project in 4 phases of 250 MW each will not be able to apply for connectivity for the development of the first phase under the current regulation. Therefore, the minimum capacity requirement for the first phase should be reduced from 500 MW to 250 MW to accommodate phased development.</i>

4	<p><i>Sub-clause (a)(ii) to Clause (xi) of Regulation 5.8</i></p>	<p>(ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible to seek the Connectivity up to the Installed capacity at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at each location shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause.</p>	<p>We understand that the intent of this Hon'ble Commission is to limit connectivity vide PPA route is to the contracted capacity irrespective of single location or multi location. However, present draft appears to suggest that in cases of the multi-location, developers will be entitled for connectivity equal to the contracted capacity at each location. We understand this is not the intent, however this clause should be suitably modified to reflect the intent. The following illustrates the impact of non-clarity on that issue:</p> <p>Example 1: If Connectivity is granted as per the proposed amendment</p> <p>The contracted capacity awarded to REGS as per the LoA is 400 MW.</p> <p>The project has two locations; Loc A & Loc B Installed Capacity at Loc A: 600 MW ; Installed Capacity at Loc B: 400 MW</p> <p>Application for Connectivity at Loc A: At Loc A, the REGS can apply for connectivity through the LOA or PPA route for a capacity of 400 MW and the for the balance 200 MW capacity at Loc A, the REGS has to apply for connectivity either through submission of Land proof documents or through submission of Land BGs</p> <p>Application for Connectivity at Loc B: Since the installed capacity at Loc B (400 MW) which is equal to the contracted capacity (400 MW) as specified in the LoA, the REGS can apply for connectivity at Loc B through the LoA/PPA route</p> <p>As seen from the above example, since the amendment is allowing for connectivity equal to the LOA or PPA quantum at each location through the LOA/PPA</p>	<p>(ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible to seek the Connectivity up to the Installed capacity at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at all locations shall be limited to the LOA or PPA quantum (i.e, contracted capacity). For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause.</p> <p>Illustration:</p> <p>The contracted capacity awarded to REGS as per the LoA is 400 MW. The project has two locations; Loc A & Loc B, Installed Capacity at Loc A: 600 MW; Installed Capacity at Loc B: 400 MW</p> <p>Application for Connectivity at Loc A: At Loc A, the REGS has applied for connectivity through the LOA or PPA route for a capacity of 400 MW and the for the balance 200 MW capacity at Loc A, the REGS has to apply for connectivity either through submission of Land proof documents or through submission of Land BGs</p> <p>Application for Connectivity at Loc B: Since the REGS has already utilized the connectivity equal to the LOA or PPA quantum through the LOA or PPA route at Loc A, for the connectivity for Loc B for 400 MW, the REGS has to apply for connectivity either through submission of Land proof documents or through submission of Land BGs.</p> <p>This above scenario ensures that no additional capacity beyond the LOA or PPA quantum is secured through the LOA or PPA route.</p>
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5	<i>Regulation 8.3</i>	For cases covered under Regulation 7.2 of these regulations, where augmentation with ATS is required, the entity that has been intimated in-principle grant of Connectivity shall submit Conn-BG1 for Rs 50 lakhs and Conn-BG2 equal to the estimated cost of ATS and terminal bay(s), within one month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.	To address the potential delays in the issuance of Bank Guarantees by financial institutions, we kindly request that the timeline for the submission of Conn BG 1 and Conn BG 2 be extended to 60 days.	For cases covered under Regulation 7.2 of these regulations, where augmentation with ATS is required, the entity that has been intimated in principle grant of Connectivity shall submit Conn-BG1 for Rs 50 lakhs and Conn-BG2 equal to the estimated cost of ATS and terminal bay(s), within 60 days of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.
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6	<i>Regulation 10.5</i>	Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency shall confirm the final coordinates within 2 months of award of contract for construction of such ISTS substation.	As per the existing regulations, the coordinates of the ISTS substation to which connectivity is granted will be within a 5km radius of the tentative coordinates already intimated. However, the proposed amendment does not offer any such guarantee regarding the final location coordinates of the ISTS sub-station and proposed regulation also brings uncertainty by linking to "award of the contract". We suggest to not make any changes in existing regulation. If a tentative radius is mentioned within which the final coordinates of the substation will be located, then it will help the developers in identifying the land for their PSS and if the final coordinates are farther the PSS from the ISTS substation, the higher will be the transmission line cost to be borne by the developers impacting the tariff as the uncertainty of the substation location will lead to the REGS factoring in additional cost for any ISTS substation falling beyond 5 km radius.Hence it is requested to retain the condition that the final coordinates of the substation will be located within a radius of 5 km from the tentative coordinates already mentionedIn this regard, it is requested to retain the existing clause as per the principal regulation	Retain the existing principal regulations which is as follows:Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency, shall confirm the final coordinates within 2 months after the receipt of the final grant such coordinates shall not be outside the radius of 5 km of the tentative coordinates already intimated.
7	<i>Sub-clause (d)(i) to Clause 4 of Regulation 11 A</i>	The application for conversion of Connectivity shall be accompanied by a non-refundable conversion fee of Rs 50,000/MW for the capacity to be converted. Such fees are payable for each such conversion sought by the entity.	Since the developers are paying all the necessary BGs as stipulated by CTUIL for securing the connectivity, the requirement for paying the conversion fee is an additional financial burden on the developer and hence may be removed	REMOVE: Sub-clause (d)(i) to Clause 4 of Regulation 11A

8	<i>Sub-clause (b) to Clause (1) of Regulation 11C</i>	<p>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:</p> <p>Provided that an entity shall not be eligible for reallocation of Connectivity after a period of 18 months of issuance of an in-principle grant of Connectivity or 12 months of issuance of a final grant of Connectivity, whichever is earlier.</p> <p>Provided further that an entity which had already exercised the option of reallocation and is once reallocated shall not be eligible for subsequent reallocation of Connectivity.</p>	<p>Amendment to the 1st Proviso in this Regulation The word "earlier" should be substituted with the word "later" in the proviso to Sub-clause (b) to Clause (1) of Regulation 11C.</p>	<p>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:</p> <p>Provided that an entity shall not be eligible for reallocation of Connectivity after a period of 18 months of issuance of an in-principle grant of Connectivity or 12 months of issuance of a final grant of Connectivity, whichever is later;</p> <p>Provided further that an entity which had already exercised the option of reallocation and is once reallocated shall not be eligible for subsequent reallocation of Connectivity.</p>
9	<i>Regulation 16.2</i>	<p>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.</p> <p>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.</p>	<p>Retaining Bank Guarantees (BGs) for a period of five years would significantly constrain developers' access to substantial financial resources. Consequently, developers would be compelled to deplete their existing bank limits in order to secure funding for future projects. Considering the aggressive bidding strategy outlined by the Central Government to meet the nation's climate targets, it is imperative that developers have unimpeded access to the necessary capital to advance the RE projects in the country.</p> <p>The unnecessary retention of BGs would, therefore, have severe implications for the timely commissioning of renewable energy (RE) projects. This delay could hinder the achievement of the country's climate goals. To avoid such detrimental outcomes, it is requested that the Bank Guarantees be returned within 60 days from the date of the declaration of commercial operation.</p>	<p>Conn - BG2 and Conn - BG3 shall be returned within 60 days from the date of SCOD of the project.</p>

10	<i>Clause (d) of Regulation 22.2</i>	Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. one lakh per MW for the quantum of GNA one month prior to the effective date of GNA. In case, such charges are not furnished by the entity within the specified timeline, the same shall be recovered by encashment of ConnBG1, Conn-BG2 and Conn-BG3 as required. The proceeds of such one- time GNA charge shall be used for reducing Monthly Transmission Charges under the Sharing Regulations.	The removal of the one-time GNA charge reduces the financial burden on applicants, who have already submitted multiple bank guarantees for the project. This prevents unnecessary cost duplication and provides relief to developers while ensuring that outstanding charges can still be recovered through existing BG mechanisms.	REMOVE: Clause (d) of Regulation 22.2
11	<i>Clause (a) & (b) of Regulation 24.3A</i>	<p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 50% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, corresponding to relinquished quantum shall be encashed, and the balance shall be returned;</p> <p>(b) If the Connectivity is relinquished after six months of the final grant of Connectivity, 100% of the subsisting Bank Guarantee submitted under subclause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed</p>	<p>The reduction from 50% to 10% in Clause (a) and from 100% to 25% in Clause (b) is aimed at easing the financial penalties associated with the relinquishment of Connectivity.</p> <p>Applicants typically submit substantial Bank Guarantees (BGs) for their projects, and imposing such high forfeitures creates an undue financial burden, especially in scenarios where relinquishment is necessary due to external factors. Lowering the encashment percentages provides relief to developers, promoting greater flexibility and encouraging continued participation in the renewable energy sector without compromising project seriousness.</p>	<p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 10% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, corresponding to relinquished quantum shall be encashed, and the balance shall be returned;</p> <p>(b) If the Connectivity is relinquished after six months of the final grant of Connectivity, 25% of the subsisting Bank Guarantee submitted under subclause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed.</p>

12	<i>Regulation 40.2</i>	One time GNA charges shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.	Since the developers are already paying BGs, the additional GNA charges of Rs 1 Lakh/MW will be an additional financial burden on them. Hence it is requested to waive off the GNA charges	REMOVE: Regulation 40.2
13	Addition of word REPD in Regulation 15.1 ,15.2 and Regulation 15.3		As per the existing regulations, only REGS is allowed to transfer connectivity. Similar treatment meted out to REPD as well allowing a level playing field for both REGS and REPD to be implemented through their subsidiaries	
14	Regulation 15.1	<p>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:</p> <p>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:</p> <p>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.</p>		<p>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:</p> <p>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 in parts or full;</p> <p>Provided further in such case of utilisation of Connectivity by Parent or Subsidiary Company, Conditions subsequent as specified in Clause 11 A can be fulfilled by company that is utilising the connectivity:</p> <p>Provided further that Connectivity granted to a Company can be utilised by its affiliate company in parts or full:</p> <p>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.</p>

15	<i>Regulation 15.2</i>	<p>Where the Connectivity grantee is an REGS, it may split its Connectivity in parts, after COD of such part, subject to the minimum capacity in accordance with Regulation 4.1 of these regulations and submit the installed capacity of each part to the Nodal Agency. In such an event, the Connectivity shall be deemed to have been split in proportion to installed capacity of each such part:</p> <p>Provided that all liabilities and obligations in accordance with these regulations shall continue to remain with the Connectivity grantee for each part.</p>		<p>Where the Connectivity grantee is an REGS and REPD, it may split its Connectivity in parts, after COD of such part, subject to the minimum capacity in accordance with Regulation 4.1 of these regulations and submit the installed capacity of each part to the Nodal Agency. In such an event, the Connectivity shall be deemed to have been split in proportion to installed capacity of each such part:</p> <p>Provided that all liabilities and obligations in accordance with these regulations shall continue to remain with the Connectivity grantee for each part.</p>
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16	<i>Regulation 15.3</i>	<p>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:</p>	<p>Reasoning:</p> <p>The Renewable Energy Park Developer (REPD) maintains full control over the park, which impacts the individual Renewable Energy Generating Stations (REGS) developers operating within the park:</p> <ul style="list-style-type: none"> • The internal subletting agreement imposes various restrictions on the REGS developers, limiting their ability to fully utilize the development land, resources, and connectivity. • REGS developers within the park also face financial challenges when seeking investors or lenders for project financing. These challenges arise because REGS developers do not hold connectivity rights in their own name, leading to concerns among investors about revenue generation, as the developers are dependent on the REPD for connectivity. • The transfer of connectivity to the SPV is critical for the successful implementation of the project. This transfer is essential because the funding structure for the SPV relies on non-recourse financing, where lenders base their decision primarily on the project's cash flow and connectivity rights. Without direct connectivity rights, SPV developers may struggle to secure necessary funding, further complicating the project's financial viability 	<p>Any person / entity which, (a) acquires 51% or more shareholding of the company or (b) is its subsidiary or (c) is its SPV or (d) is affiliate of the company owning REGS or REPD 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 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:</p>
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Additional Suggestions to the Principal regulations

17	<i>Sub-clause (c) to Clause (vii) and Sub-clause (c) to Clause (xi) of Regulation 5.8</i>	<p>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>In the recent bids issued by various REIAs, developers are required to submit huge Performance Bank Guarantees In order to satisfy the huge financial requirements specified in these bids like the PBG requirement, developers have to keep aside a lion share of their capital to meet these conditions. This scenario leads to a blockage of huge amount of capital which is prolonging the COD of many projects.</p> <p>Hence to ease up the financial burden on the developers and to expedite the RE capacity addition in the country, it is requested to revise the Land route BG as suggested.</p> <p>Further to the above, we submit that the 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 due to the collateral requirements associated with BGs, which are often tied to working capital. Moreover, incidental costs of BGs (ranging from 0.5% to 1% of the guaranteed amount in terms of annual charges) further compound the financial burden.</p> <p>Developers should not be forced to go in for a substantial capital lockup, especially in view of the project implementation requirements</p> <p>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.</p>	<p>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 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>
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			<p>The Ministry of Road Transport & Highways has already started accepting Insurance Surety Bonds in their bidding processes, as seen in the recent TOT bundle 14 bidding conducted by NHAI. It is submitted that instead of BGs, Insurance Surety bonds should be also acceptable. This approach will unlock private capital thereby accelerating RE development, reducing reliance on foreign investment, and providing new avenues to the insurance sector to contribute to the growth of power infrastructure.</p>	
18	<p>Additional sub-clause (d) shall be added to the Regulation 5.8 (vii) and 5.8 (xi) of the Principal regulations</p>	<p>The agreements executed with Central/State Governments or Government Agencies for the development of RE projects are executed after consultation and deliberations with all the stakeholders and the developers are also obligated to follow the timelines and other conditions stipulated by the government in such agreements.</p> <p>In this regard it is requested to consider such agreements executed with Central/State Governments or Government Agencies to be considered for applying for grant of connectivity</p>	<p>Agreements executed with the Central/State Governments or Government Agencies for the development of renewable energy projects</p>	

19	An additional clause shall be added to Regulation 5.8 vii (c) and 5.8 xi (c)	<p>Government Financial Institutions, like PFC, REC and IREDA, are actively involved in financing renewable energy projects. Major contribution towards financing these projects, comes from these institutions, as renewable energy power projects are typical and different from that of other regular Infrastructure projects. The Ministry of New and Renewable Energy (MNRE) has also issued specific guidelines/instructions, to all RE implementing Agencies to accept Payment on Order Instrument (POI) issued by the above Financial Institutions (FIs) in lieu of the Bank guarantees towards meeting the requirements of EMD and Performance Guarantees. All the REIAs have successfully implemented this and this has been a successful way of meeting the requirements as a substitute for the Bank guarantees as the Payment on Order Instrument will also have terms and conditions similar to that of a Bank Guarantee given by any public sector bank and would promise to pay the procurer on demand within the stipulated time thus meeting the requirements of the security to be submitted towards specific requirements and timelines. We would like to state, as said the FIs have certain specific financial schemes to sanction and disburse Loans and financial comforts. These come as regular loan sanctions with minimum expenditure of resources and time, as these Institutions understand the nature of renewable energy projects. Banks do give guarantees generally on a 100% margin or on the issuance of Counter Guarantees by the aforesaid Financial Institutions. When Banks themselves give Guarantee, on the counter Guarantees of FIs, there is no reason for refusing to have the payment orders by these FIs, as commitment Guarantees under GNA regulations. Promoters have difficulty in providing Bank guarantees from the Banks alone, as the Commission has to be paid twice, first for FI issuing a counter Guarantee and second for the Bank to</p>	<p>As an alternative form of submission, for the Bank Guarantee 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, the applicant has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as “Payment on Order Instrument” (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the PBG would be liable to be encashed by the Nodal Agency within the provisions of these regulations</p>
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			issue BG. Further proposals for these have to be appraised at two separate institutions which apart from the additional cost also add up to the additional time required for the bank and FIs to process. Hence, it is requested to consider the provision for acceptance of POIs issued by FIs like IREDA, PFC and REC also as an acceptable format for submission of all applicable BGs (Conn BG 1,2 &3 and Land route BGs).	
20	An additional sub-clause (a) shall be added to regulation 8.4 of the Principal regulations			As an alternative form of submission, Conn-BG1, Conn-BG2 and Conn-BG3, the applicant has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as “Payment on Order Instrument” (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the PBG would be liable to be encashed by the Nodal Agency within the provisions of these regulations