



Ref: APIPL/CERC/17092024

Date: 17th September 2024

To

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

Subject- Suggestion / Comments on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024 vide notice dated 31st July 2024

Dear Sir,

We wish to introduce Azure Power India Private Limited (“**Azure Power**”) which is among the top growing renewable IPPs and sustainable development company in the country. Azure is in the business of setting up Renewable energy projects and has more than 4 GW+ of operational and under construction projects spread over multiple states across India.

We are writing in reference to the aforementioned subject. As a concerned party and stakeholder, we have some comments and suggestions regarding the 'Draft Regulation' published by hon'ble CERC.

We appreciate the efforts of the Hon'ble CERC in soliciting public input on this crucial matter. We are confident that with collaborative efforts, we can develop a framework that not only meets the present needs but also paves the way for a sustainable and reliable energy future in India.

Thank you for considering our comments as represented in **Annexure -1**. We look forward to seeing the final version of the said procedure, which we hope will reflect the collective wisdom and aspirations of all stakeholders.

Thanking you!

Yours sincerely,

For Azure Power India Private Limited
Abhinav Saraswat (AGM – BD & Commercial)

Azure Power India Private Limited

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Annexure -1
Azure Power Comments on Draft 3rd Amendment of CERC GNA regulations

Sr. No.	Regulation No.	Proposed Clause	Comments
1	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.2</p> <p><i>3.7.2 If any application is withdrawn for partial quantum based on the availability of evacuation capacity at the substation at which Connectivity has been sought before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations, such cases shall be dealt with by the Nodal Agency in the following manner:</i></p> <p><i>(i) 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 to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn.</i></p> <p><i>(ii) For applicants covered under sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations or sub-clause (b) of Clause (xi) of Regulation 5.8 of these regulations, the applicant shall intimate the details of the land documents corresponding to the quantum withdrawn and the Nodal Agency shall release such documents.</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>3.7.2 If any application is withdrawn for partial quantum based on the availability of evacuation capacity at the substation at which Connectivity has been sought before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations, such cases shall be dealt with by the Nodal Agency in the following manner:</i></p> <p><i>(i) Balance 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 to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn.</i></p> <p><i>(ii) For applicants covered under sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations or sub-clause (b) of Clause (xi) of Regulation 5.8 of these regulations, the applicant shall intimate the details of the land documents corresponding to the quantum withdrawn and the Nodal Agency shall release such documents.</i></p>	<p>The addition is requested to provision for conditions where withdrawal of application shall be on account of non-availability of evacuation capacity at the substation where connectivity is sought.</p> <p>The above cause is beyond the control of applicant at the time of application. Hence application fee to the subsequent capacity shall be returned.</p>
2	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.5</p> <p><i>Any withdrawal of application for partial quantum shall only be permitted under Regulation 3.7.2 and</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>Any withdrawal of application for partial quantum shall only be permitted under Regulation 3.7.2 and</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>

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	shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation.	shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation, for which existing provisions of 24.2(b) – relinquishment of Connectivity shall be applicable.	
3	<p>Amendment proposed in Clause 5.5 by addition of new proviso</p> <p><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.</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><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, wherein the minimum quantum for the application for Connectivity in each phase shall not be less than 500 MW and more than 1000 MW, and the application for balance authorized quantum shall be in phases, subject to a minimum quantum of 50 MW in each phase.</i></p>	Capacity ceiling shall be maintained to provide level field to all serious developers and avoid blocking of connectivity by an single entity.
4	<p>Amendment proposed in Clause 5 by addition of new Clause 5.10</p> <p><i>Applicants covered under Clause (vii) of Regulation 5.8 of these regulations or subclauses (b) to (c) of Clause (xi) of Regulation 5.8 of these regulations may implement its project at a land parcel different (partly or fully) than as submitted while seeking Connectivity, under intimation to the Nodal Agency, with no change in the point of Connectivity with ISTS and the start date of Connectivity due to such implementation of project at a different land parcel.”</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>Applicants covered under Clause (vii) of Regulation 5.8 of these regulations or subclauses (b) to (c) of Clause (xi) of Regulation 5.8 of these regulations may implement its project at a land parcel different (partly or fully) than as submitted while seeking Connectivity, under intimation to the Nodal Agency, with no change in the point of Connectivity with ISTS and the start date of Connectivity due to such implementation of project at a different land parcel.”</i></p> <p><i>Provided further applicant can also opt to change the land parcel (partly or fully) post obtaining in-principle grant of connectivity. Nodal Agency shall issue revised In-principle grant/Final Grant, as the</i></p>	<p>While the present amendment allows change in source of generation on in-principle connectivity grant but change in land is not permitted.</p> <p>We request Hon’ble Commission to allow change in land after in principle grant.</p> <p>Further sole intimation to Nodal Agency may not suffice the purpose of Applicant and necessary amendment from Nodal Agency is required to seek relevant changes in other associated approvals like Sec 68.</p>

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		<p><i>case may be as acceptance of the change of location/land and shall release documents which was submitted initially for obtaining connectivity as specified in Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, to the Applicant within 30 days of issuance of intimation by Applicant.</i></p>	
5	<p>Amendment to Regulation 9 by addition of new Clause 9.3</p> <p><i>The Applicants who have been issued an in-principle grant of Connectivity or final grant of Connectivity to ISTS, for the generation projects based on particular renewable energy source(s) (with or without ESS) may, for the same connectivity quantum, change to another renewable energy source(s) (with or without ESS) or ESS in part or full, by making an application to the Nodal Agency for approval for such change within 18 months from the in-principal grant of Connectivity. The Nodal Agency may carry out system studies, as required, and approve or reject the change in energy source within 30 days of application by the Applicant. On approval of such change of renewable source(s), the entity shall submit the technical data for changed renewable energy source(s), and CTU shall incorporate the necessary change in connectivity agreement, if already signed.</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>The Applicants who have been issued an in-principle grant of Connectivity or final grant of Connectivity to ISTS, for the generation projects based on particular renewable energy source(s) (with or without ESS) may, for the same connectivity quantum, change to another renewable energy source(s) (with or without ESS) or ESS in part or full or may change location of their land upon furnishing land document as per new configuration, by making an application to the Nodal Agency for approval for such change within 18 months from the in-principal grant of Connectivity. The Nodal Agency may carry out system studies, as required, and approve or reject the change in energy source within 30 days of application by the Applicant.</i></p> <p><i>On approval of such change of renewable source(s), the entity shall submit the technical data for changed renewable energy source(s), and CTU shall incorporate the necessary change in connectivity agreement, if already signed.</i></p>	<p>We request Hon'ble Commission to allow change in land/location after In-principle grant to sync with the current amendment of this clause as change in source will trigger change in land/location as well.</p>
6	<p>Amendment to Regulation 10.5</p>	<p>May kindly consider following addition as indicated in bold below:</p>	<p>Intimation location of substation play a vital role in factoring project planning and land acquisition</p>

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	<p>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.</p>	<p>Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency shall confirm the final coordinates within 2 months of signing of connectivity or award of contract for construction of such ISTS substation whichever is earlier.</p> <p>Provided such coordinates shall not be outside the radius of 5 km of the tentative coordinates already intimated.</p>	<p>thus we request commission to kindly consider timely intimation of proposed ISTS substation.</p> <p>Below proviso gives a lot more clarity to the developers, by removing the existing clause may lead to commercial implication due to higher distance of transmission.</p>
7	<p>Amendment proposed in Clause 11A (4)</p> <p>“(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 Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</p>	<p>May kindly consider following addition as indicated in bold below:</p> <p>“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued in-principle grant of Connectivity or 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:</p>	<p>The request for addition is made to allow for modification in case final grant of connectivity is not made.</p> <p>Such practical scenarios warrant that such conversion from Clause (xi)(b) or (xi)(c) to (xi)(a) need not wait for final grant as implications for applicant/ grantee remain largely unchanged.</p>
8	<p>Sub-clause (d)(i) to Clause 4 of Regulation 11 A</p> <p>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.</p>	<p>REMOVE: Sub-clause (d)(i) to Clause 4 of Regulation 11A</p>	<p>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.</p>
9	<p>Amendment proposed in Clause 11A (4) (d)</p> <p>d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted</p>	<p>May kindly consider following modification as indicated in bold below:</p>	<p>Proposed modification by removing “(i)” after words “for part or full capacity by CTU under subclause (c)” as such subclause is not</p>

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	<p>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:</p>	<p>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 by either party reason what so ever, 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:</p>	<p>referencing to any text. This might be an inadvertent typographical error.</p>
10	<p>Amendment proposed in Clause 11A (4) (e)</p> <p>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.”</p>	<p>May kindly consider following addition as indicated in bold below:</p> <p>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.; unless the same has been replaced and modified in accordance with Clause 5.10”</p>	<p>The provision is added to address the condition where land has been modified in accordance with Clause 5.10</p> <p>In such scenarios, the original land through which Connectivity was sought has already been replaced (partially or fully) by a new land and hence the original land must be allowed to seek connectivity</p> <p>This is particularly important in view of limited land resource availability.</p>
11	<p>New Regulation may be added in Regulation 11 (A) (4) (f) & (g)</p>	<p>May kindly consider for additional clauses as indicated in bold below:</p> <p>(f) In case of part/full conversion under clause (xi)(b) to Clause (xi)(a) of Regulation 5.8, the land documents shall be released within 15 days of such request for conversion.</p> <p>(g) In case of part/full conversion under Clause (xi)(c) to Clause (xi)(a) of Regulation 5.8,</p>	<p>Hon’ble Commission is requested to add new provision related to release of land documents / refund of BG for conversion from land/land BG route to LoA route.</p>

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		proportionate Land BGs submitted to be returned within 15 days of such request for conversion.	
12	<p>Proposed New Regulation 11C (1)(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: 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. 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.</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>(b) An entity that has been issued in-principle grant of Connectivity or 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: 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; 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.</i></p>	<p>The request for addition is made to allow for modification in case final grant of connectivity is not made.</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>
13	<p>As well as Proposed New regulation 11C(1)(c)(ii)</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 bold below:</p> <p><i>ii. Applicants who have been issued in-principle grant of Connectivity or 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>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>

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14	<p>Proposed New regulation Clause 15.3</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>May kindly consider following addition as indicated in bold below:</p> <p><i>“15.3 Any entity, (a) which acquires/holds 51% or more shareholding of the company or (b) its subsidiary or (c) affiliate (subsidiary to subsidiary with common parent company) 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 for the full capacity or the spilt capacity, as the case may be. 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>The provision for transfer to affiliate companies is existing since the Principle Regulations were published in 2022.</p> <p>These provisions for transferring the Connectivity to affiliate companies (subsidiaries of a common parent) founded basis for many organisations to apply connectivity through affiliate companies with an envisaged transfer after achieving CoD of the Project – retrospectively rolling back such provisions will have cascading impact on all such projects</p>
15	<p>New Clause addition suggested 8.8</p>	<p><i>Applicant shall be allowed for replacement of furnished Bank Guarantee due to change in bank, upon furnishing a request letter.</i></p> <p><i>Provided the amount of Bank Guarantee and validity shall be as per earlier furnished Bank Guarantee to be replaced. Terms and conditions of the new Bank Guarantee shall be as per latest applicable norms.</i></p>	<p>Currently there is no such framework been outlined in the regulation, however the requirement of the same is outgrowing due to change in banking norms and charges for creation of BG.</p>

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		<i>Provided further the nodal agency upon vetting of new Bank Guarantee shall return the original Old Bank Guarantee to the applicant within 10 days.</i>	

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