

DISTRIBUTED SOLAR POWER ASSOCIATION



Ref: DiSPA/CERC/GNA/2024-25/1609

Date: 16.09.2024

To
The Secretary
Hon'ble Central Electricity Regulatory Commission
6th, 7th and 8th Floor, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi – 110029

Ref: Public Notice Vide Notice No: L-1/261/2021/CERC, dated: 31st July 2024 and 30th August 2024

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

Dear Sir,

To introduce Distributed Solar Power Developers Association “DiSPA” is a registered association of leading Renewable Energy developers and Sustainability Partners for the Commercial & Industrial consumers in the country, who are working actively in development of the Renewable Energy projects with Solar, Wind and Wind Solar Hybrid on both off-site and on-site mode.

The members are also active in investment and development of other initiatives for attaining decarbonization / carbon neutrality like Hybrid Technologies, Green Hydrogen, Green Ammonia, Pumped Hydro and Energy Storage Solutions etc.

Most humbly and respectfully the undersigned would like to make following comments and suggestions annexed under Annexure-I:

Thanks and Best Regards
For Distributed Solar Power Association

A handwritten signature in black ink, appearing to read 'Vidisha Dubey', is written over a light blue circular stamp.

Vidisha Dubey Srivastava
Authorised Signatory – DiSPA
Ph: +91 7200615824
Email: contact@dispa.co.in; dubey.vidisha@gmail.com

DISPA Comments on Draft CERC (Connectivity and General Network Access to the inter-State transmission System) (Third Amendment) Regulations, 2024

Annexure-I

Sr No.	Regulation/Clause	Comments and Suggestions
1	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.3 (b) <i>If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:</i></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>(i) It is strongly opposed that the Commission has proposed a 5% BG (LAND BG) encashment penalty when applicants opt to submit a Land BG instead of land documents. This clause is overly stringent and unfair, especially at the In-Principle grant stage when the firm start date for connectivity is still unknown.</p> <p>(ii) Moreover, it is to be noted that Regulations stipulate that the Final Grant of Connectivity should be issued by CTUIL within 15 days of submitting CONN BG-1 and CONN BG-2. However, delays of up to 5-6 months or more have been observed post implementation of GNA Regulations, significantly affecting developers and leading to application withdrawals. With no recourse provided to developer to protect their interest.</p> <p>(iii) Hon'ble commission is requested to remove this penalty and restrict it only to the extent of forfeiture of 100% application fee to ensure a more balanced and equitable approach towards the developer and transmission system provider/CTUIL.</p>
2	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.3 (c) <i>If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:</i></p> <p><i>(c) Conn BG1, Conn-BG2, Conn-BG3, as applicable, have been furnished, Conn BG-1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned by the Nodal Agency:</i></p>	<p>(i) It is requested that the clause mandating the encashment of CONN BG-1 and CONN BG-2 upon submission be removed.</p> <p>(ii) It should be noted that there is no differentiation or special provisions for grantees who have received the In-Principal Grant of Connectivity, whether or not they have submitted CONN BGs. The regulatory framework treats both scenarios identically.</p> <p>(iii) Furthermore, enforcing this stringent condition solely because CONN BGs have been submitted appears to be overly harsh and unjustified.</p> <p>(iv) Moreover, given that the essential conditions and obligations of the grantee remains same, applying this penalty is disproportionate and does not align with principles of equity and fairness.</p> <p>(v) Therefore, it is recommended that this clause be reevaluated and removed to ensure that regulatory requirements are both reasonable and just.</p>

Sr No.	Regulation/Clause	Comments and Suggestions
3	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.4 (b) <i>3.7.4 If any application is withdrawn after the final grant of Connectivity and before the signing of the Connectivity Agreement, the Nodal Agency shall deal with such cases in the following manner:</i> <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>It is requested to the Hon’ble commission to amend the clause of penalties for proposed or new substations, taking into account the following considerations:</p> <ul style="list-style-type: none"> (i) It is important to note that the primary intent behind such penalties is to prevent and compensate the transmission system from remaining idle due to application withdrawals. (ii) However, In the case of proposed and planned substations, timelines are often uncertain and subject to delays. Given the high demand from generators for connectivity, it is unlikely that the system will remain idle if connectivity is granted at a proposed substation. (iii) Moreover, generators undertake significant risks by participating in tenders and bids for Govt, particularly for C&I consumers, which involves heavy penalties for delays beyond 6 months. (iv) There have been substantial delays in issuing the Final Grant of Connectivity by CTUIL, complicating accurate timeline predictions and meeting their side of obligations. Given these delays, it is recommended to include the provision for proposed or under-implementation substations where the timeline in start date of connectivity in and between the In-Principal and Final Grant of Connectivity is deferred by more than 6 months, grantees should be allowed to withdraw their applications without incurring penalties or forfeiture of the Bank Guarantee.
4.	<p>Amendment to Regulation 5.5 of the Principal Regulations:</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>	<ul style="list-style-type: none"> (i) It is submitted that Park Registration / Authorization of a RE park in itself is a long time consuming task where authorization of the renewable energy park is done by the state nodal agency or the central nodal agency. These parks enable small-scale Commercial & Industrial users to develop cost-effective renewable projects. Imposing restrictions on this model could undermine its benefits and flexibility, as also highlighted by Ministry of Power in its later dated 3.7.2023 for effectiveness and success of this model. (ii) Moreover, at times due to various regulatory and commercial issues including non-availability of capacities in a substation the developer / applicant is constrained to file grant of connectivity application Lesser than the authorised capacity for the RE park. In such conditions if the applicant is asked to go back to the nodal agency for the reduction of the authorisation capacity, it’s a time consuming effort and the applicant may lose the opportunity to secure connectivity in the substation. (iii) Therefore, we respectfully request that the proposed limitation be removed and the current provision be retained. We acknowledge CTUIL’s concerns but believe

Sr No.	Regulation/Clause	Comments and Suggestions
		that these operational constraints can be resolved through detailed discussion and stakeholders consultation, rather than imposing restrictive changes.
5.	<p>Amendment in 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>(i) It is requested to modify or amend this revocation clause from existing 6 months timeline to twelve months, from the start date of connectivity.</p> <p>(ii) Especially, in the present scenario where substations are under construction and often observed are delayed from the connectivity date sought by the applicant.</p> <p>(iii) To construct the switchyard, Bay and Interconnect with newly built Substation, technically 6 months is not practically feasible or achievable for a huge capacity of 220 kV/400 KV network.</p> <p>(iv) The Hon'ble Commission would likely not want generators to bear significant IDC charges while waiting for a delayed transmission system. The list of the SCOD of the substation and actual commissioning timelines may be produced for assessment on requirement.</p> <p>(v) It is worthwhile mentioning that the generators or developers constructing plants to supply power to C&I consumers, demonstrating seriousness by achieving all the milestone, without extensions or recourse, unlike REIA cases. Forfeiting connectivity within 6 months can have a substantial impact on their investments and national interests.</p> <p>(vi) Hence, it is urged that an equitable approach may be adopted to extend the forfeiture period to 12 months from the date of effectiveness of connectivity or the start date of connectivity, rather than the commercial operation date intimated at the time of application.</p>