

Ref: HFE/CERC/GNA&C24/R&C/FY24-25/02

17 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: Suggestions/comments on draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.**

Dear Sir,

At the outset, we extend our gratitude to the Hon'ble Central Electricity Regulatory Commission for issuing the draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024 and seeking stakeholder's comments on the same.

We would like to introduce 'Hero Future Energies Private Limited' (HFEPL), the renewable energy arm of Hero group and an Independent Power Producer (IPP) primarily focusing on investment in developing the generating capacities based on solar and wind resources across the country. The HFEPL portfolio is having around 1.8 GW of commissioned capacity and around 2.6 GW under various stages of development.

Hero Future Energies Private Limited hereby submits its suggestions/comments on 'Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024' and same are attached as **Annexure-I** to this letter. We humbly request CERC to consider our suggestions while finalising the amendments to the mentioned Regulations.

This letter is signed digitally, we request you to consider this communication as formally signed and submitted.

Thanking you.

**For Hero Future Energies Pvt. Ltd.**



The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text 'Hero Future Energies Pvt. Ltd.' around the perimeter and 'New Delhi' in the center, with a small star at the bottom.

Authorised Signatory

Enclosure: As above.

**HERO FUTURE ENERGIES PVT. LTD.**

CIN: U40101DL2012PTC243852

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## Annexure I

### Clause wise suggestions/ comments are mentioned in table below

Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
1	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.3 (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 addition as indicated in <b>bold</b> below:</p> <p><b><i>(b) 100% 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. Additionally, Conn. BG 2 shall also be returned within the same period.</i></b></p>	<p>(a) The shift from a 5% BG forfeiture to a 100% return demonstrates a more developer-friendly approach by removing any financial penalty upon withdrawal. This revision promotes project flexibility by ensuring the full return of the BG, encouraging risk-taking and participation in renewable energy projects without the concern of monetary loss, while still upholding regulatory efficiency.</p>
2	<p><b>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.4 (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 addition as indicated in <b>bold</b> below:</p> <p><b><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% 95% of BG 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</i></b></p>	<p>(a) We request consideration of a reduction in BG encashment to 10%, as the Land BG amounts are substantially high at Rs 10 Lacs/MW. This adjustment would provide reasonable discouragement against withdrawal, while ensuring that, in cases of unavoidable circumstances leading to withdrawal, the encashment amount is capped at a fair level.</p> <p>(b) An additional proviso is requested for situations where the BG is returned upon furnishing 50% of the land documents, or when Connectivity is sought based on the submission of a Registered Title Deed, lease</p>

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			rights, or land use rights for 50% of the land required for the project capacity.
3	<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>	The addition is requested to address any ambiguity on applicable provisions and implications that may arise if partial quantum is withdrawn.
4	<p>Regulation 8.3</p> <p><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.</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p>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 <b>60</b> days of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited</p>	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.
5	<p><b>Regulation 10.5</b></p> <p><i>Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency shall</i></p>	<p>Retain the existing principal regulations which is as follows:</p> <p>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</p>	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

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	<p><i>confirm the final coordinates within 2 months of award of contract for construction of such ISTS substation.</i></p>	<p>outside the radius of 5 km of the tentative coordinates already intimated.</p>	<p>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 mentioned in this regard, it is requested to retain the existing clause as per the principal regulation</p>
6	<p><b>Regulation 9.3</b> <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</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p>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</p>	<p>Applicant should be given a fair opportunity to address any issues before the application is rejected.</p>

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	<p>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</p>	<p>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.</p> <p><b><u>Provided that, if any difficulty arises in approving such a request, the Nodal Agency shall inform the applicant in writing. The applicant will be given 7 working days to respond or rectify the issue. If the applicant fails to address the difficulties within this timeframe, the application will be rejected.</u></b></p> <p>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</p>	
7	<p><b>Amendment proposed in Clause 11A (4)</b></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 <b>bold</b> 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 <b>in-principle grant of Connectivity or final grant of Connectivity</b>, 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>(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 implications for applicant/ grantee remain largely unchanged.</p>

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8	<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 <b>(c)(i)</b> 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 <b>(c)</b> 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>Typographical error.</p>
9	<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>
10	<p><b>Amendment proposed in Clause 11A (4)</b></p>	<p>Additional clause (4) (f) may be added as follows:</p>	<p>The addition is requested to make the provision abundantly clear and proofing it against any possible misuse.</p>



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		<i>(f) In such conversion and re-conversion, the point of interconnection to the ISTS cannot be changed</i>	
11	<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>



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			(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.
12	<p>14.1.A new Regulation 9.3 shall be inserted below Regulation 9.2 of the Principal Regulations as under:</p> <p>“9.3 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-principle 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</p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p>“9.3 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 <b>or may change location of their land</b>, by making an application to the Nodal Agency for approval for such change within 18 months from the in-principle 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.”</p>	<p>View in CTUIL is that change in fuel or land is only possible to a connectivity grantee post final connectivity grant and execution of connectivity agreement. While the present amendment allows fuel mix change on in-principle connectivity grant, but change in land is not permitted. We request Hon’ble Commission may clarify change in land also possible basis in principle grant and accordingly change made.</p>

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	CTU shall incorporate the necessary change in connectivity agreement, if already signed."		
13	<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>May kindly consider following addition as indicated in <b>bold</b> below:</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 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 51% or more shareholding of the company or <b>(b)</b> its subsidiary or <b>(c)</b> affiliate 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 founded basis for many organisation 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> <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>

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			<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 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>
14	<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</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>(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</p>

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	<p><i>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 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 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 and transfer of connectivity amongst subsidiaries of the same 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><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>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> <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,</p>

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			<p>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>
15	<p><b>Clause (a) &amp; (b) of Regulation 24.3A</b>  <i>(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;</i>  <i>(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)</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, <b>10%</b> 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, <b>25%</b> 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. 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>

Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
	<p><i>or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed</i></p>		
	<p>Existing regulation 24.6 (ii)</p> <p><i>24.6 Revocation of Connectivity</i>  <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>  <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>  <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>  <i>(ii) <b>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 as intimated by CTUIL in final grant, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8.</b></i></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>



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			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.
16	<p>Additional provisions proposed under Regulation 26.2</p> <p><i>“Provided that the entity covered under clause (ii) of Regulation 26.1(a) may seek T-GNA maximum up to 30% of the GNA granted.”</i></p>	<p>May kindly consider following addition as indicated in <b>bold</b> below:</p> <p>“35.1 Provided that the entity covered under clause (ii) of Regulation 26.1(a) may seek T-GNA maximum up to 30% of the GNA granted.</p> <p><b>Provided that till such time the GNA granted is operationalised, the entity may take T-GNA without any restriction in quantum</b></p> <p><b>Provided further that where the entity has captive generating plant within its premises, would be allowed to take T-GNA of any amount irrespective of quantum of GNA granted in case of shutdown of captive generation plant.”</b></p>	<p>Bulk Consumers are allowed under section 26.1(a) of the GNA regulations to take T-GNA. However, any restriction of 30% would adversely impact their open access drawl when GNA is not operationalised. No restriction on quantum of T-GNA should apply till GNA is not operationalised. Further, many Bulk Consumers have captive generating plants within their premise. They take GNA only for open access capacity to optimise energy procurement cost or meet green energy. In case their captive thermal plant ends up in forced outage it would be required to schedule substantial power through T-GNA (higher than 30% of GNA) to avoid factory closure. Hence, the amendments suggested.</p>