

NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

भारतीय सौर ऊर्जा महासंघ

पंजीकरण नं 362 / IV - 8 मई, 2013

Ref: NSEFI/CERC/2024-25/0027

Date: 17/09/2024

To,

The Secretary

Central Electricity Regulatory Commission,
36, 1st Floor, Chander Lok Building
New Delhi-110001

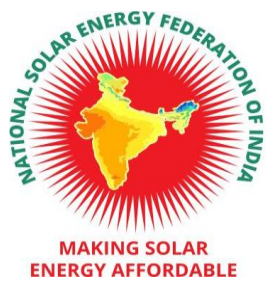
Subject: Collated comments/suggestions on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

Respected Sir,

Greetings from the National Solar Energy Federation of India (NSEFI)!

NSEFI is a non-profit organization with the objective of advocating for renewable power development. It is an umbrella organization representing Renewable energy companies active along the whole photovoltaic value chain: project developers, manufacturers, engineering companies, financing institutions and other stakeholders. NSEFI was founded in 2013 by solar energy industry leaders with the vision to promote solar energy, NSEFI is a public trust based in New Delhi. Our members have executed Solar as well as Wind power projects across the country, under the State and Central Schemes across India.

We are writing to submit the comments we have received from our members on Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.



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PFB the same:

Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
1	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.1</p> <p><i>3.7.1 If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, the Nodal Agency shall deal with such cases in the following manner:</i></p> <p><i>(a) 50% of the application fee shall be forfeited.</i></p> <p><i>(b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>3.7.1 If any application for grant of Connectivity or grant of GNA is withdrawn before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations or grant of GNA in terms of Regulation 22 of these regulations, the Nodal Agency shall deal with such cases in the following manner:</i></p> <p><i>(a) 50% of the application fee shall be forfeited.</i></p> <p><i>(b) Balance 50% of the application fee, BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application</i></p> <p><i>(c) For applicants covered under Clause (vii)(b) or Clause (xi)(b) of Regulation 5.8 these regulations, Nodal Agency shall release such documents which may be utilised to seek another Connectivity.</i></p>	<p>(a) The addition is requested to provision for conditions where Connectivity is sought basis submission of Registered Title Deed or lease rights or land use right for 50% of the land required for the capacity</p> <p>(b) Since Land BG is being returned 100% in the proposed sub-clause 3.7.1(b), similarly Land Documents shall also be returned to maintain a consistent approach</p> <p>(c) Such documents shall be allowed for being submitted through another Connectivity application by same/ different entity as no commitment for connection or project is created against such land.</p> <p>(d) The above provisions shall ensure that no application route has a distinct advantage or disadvantage over the other.</p>
2	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.3 (b)</p>	<p>May kindly consider following changes as indicated in bold below:</p>	<p>The change from a 5% BG forfeiture to a 100% return reflects a more developer-</p>



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	<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>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.</p> <p>Further in case In-Principle grant is revoked due to non submission of Conn BG 1, 2 & 3, then also 2% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 98% shall be returned to the Applicant within 15 days of withdrawal of the application.</p>	<p>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.</p> <p>Additional clarity is inserted for treatment of BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 in case application is revoked post in-principle grant due to non-submission of Conn-BGs.</p>
3	<p>Amendment proposed in Clause 3.7 by addition of sub-clause 3.7.4 (b)</p> <p><i>(b) 25% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 75% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>(b) 10% of the BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations, as the case may be, shall be forfeited and balance 90% of BG shall be returned to the Applicant within 15 days of withdrawal of the application. (Additionally, Conn. BG 2 shall also be returned within the same period.)</i></p> <p>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</p>	<p>(a) Request to consider reduction in BG encashment to 10% as Land BG amounts are significantly high at Rs 10 Lacs/MW. This will not only ensure that there is reasonable demotivation to withdraw, however, in case of unavoidable circumstances leading to withdrawal, the amount should be capped.</p> <p>(b) The additional proviso is requested for conditions where BG is returned by furnishing 50% land documents or where Connectivity is sought basis submission of</p>



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		<i>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>	Registered Title Deed or lease rights or land use right for 50% of the land required for the capacity
4	<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 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 bold 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, for which provisions of 24.2(b) – relinquishment of Connectivity shall be applicable.</i></p>	The addition is requested to address any ambiguity on applicable provisions and implications that may arise if partial quantum is withdrawn.
5	<p>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.</i></p>	<p>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.</p> <p>Reasoning: 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.</p>	<p>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.</p> <p>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.</p>



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6	<p>Regulation 9.3 <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>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.</p> <p><u>Provided, any difficulty arises upon approving such request, Nodal Agency shall inform applicant in writing. Applicant will be given 7 working days to revert/rectify such difficulty. In case applicant fails to remove difficulties then application get rejected</u></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>	<p>Hon'ble Commission is requested to provide a fair chance to applicant before rejection</p>
7	<p>Sub-clause (d)(i) to Clause 4 of Regulation 11 A</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</p>



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Sr. No.	Regulation No.	Proposed Clause	Comments with Justification
	<p><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.</i></p>		<p>for paying the conversion fee is an additional financial burden on the developer and hence may be removed.</p>
8	<p>Amendment proposed in Clause 11A (4) <i>“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</i></p>	<p>May kindly consider following addition as indicated in bold below: <i>“(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued 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 upto 18 months prior to Effective Date of GNA for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</i></p>	<p>(a)The request for addition is made to allow for modification in case final grant of connectivity is not made. (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. (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. (d)Considering practical scenario, Effective Date of GNA may extend upto 6-7 years from In-Principle Grant therefore it is imperative to consider timelines by which Applicant can</p>



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			exercise conversion right from Land/land BG route to LoA
9	<p>Amendment proposed in Clause 11A (4) (d)</p> <p><i>d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such reconversion shall be allowed subject to the following conditions:</i></p>	<p>May kindly consider following modification as indicated in bold below:</p> <p><i>d) After the Connectivity of an entity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entity seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such reconversion shall be allowed subject to the following conditions:</i></p>	<p>Proposed modification by removing “(i)” after words “for part or full capacity by CTU under subclause (c)” as such subclause is not referencing to any text. This might be an inadvertent typographical error.</p>
10	<p>Amendment proposed in Clause 11A (4) (e)</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</i></p>	<p>May kindly consider following addition as indicated in bold 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</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</p>



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	<p><i>converted to Clause (xi)(a) of the Regulation 5.8.”</i></p>	<p><i>Regulation 5.8.; unless the same has been replaced and modified in accordance with Clause 5.10”</i></p> <p><i>Provided that the applicant can change land and use the said land for implementing any project.</i></p>	<p>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> <p>(d) The proposed regulation is silent upon the aspect that the said land can be used for a new project implementation as change in land is allowed. Please clarify the same so as to avoid any possible dispute later on.</p>
11	<p>New Regulation may be added in Regulation 11 (A) (4)</p>	<p>Regulation 11 (A) (4)</p> <ul style="list-style-type: none"> • <u>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.</u> • <u>In case of part/full conversion under Clause (xi)(c) to Clause (xi)(a) of Regulation 5.8, proportionate Land BGs submitted to be returned within 15 days of such request for conversion.</u> 	<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>
12	<p>Amendment proposed in Clause 11A (4)</p>	<p>Additional clause (4) (f) may be added as follows:</p> <p><i>(f) In such conversion and re-conversion, the point of interconnection to the ISTS cannot be changed</i></p>	<p>The addition is requested to make the provision abundantly clear and proofing it against any possible misuse.</p>



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13	<p>Proposed New Regulation 11C (1)(b) <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 for New Regulation 11C(1)(b):</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>May kindly consider following addition as indicated in bold below for New Regulation 11C(1)(c)(ii):</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>(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>1. 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>(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</p>



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	<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>applications, thus filtering out in-principle grantees may actually lead to reallocation being less conducive since final grantees may not be keen to reallocate, having transcended ahead in their respective projects</p> <p>(f) Moreover, the proviso to clause 11C(1)(b) has recognised that reallocation is eligible till 18 months from in-principle grant and thus provision to limit the reallocation to final grantees only seems to be inadvertently placed.</p>
14	<p>14.1.A new Regulation 9.3 shall be inserted below Regulation 9.2 of the Principal Regulations as under:</p> <p><i>“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</i></p>	<p>May kindly consider following addition as indicated in bold below:</p> <p><i>“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 or may change location of their land, by making an application to the Nodal Agency for approval for such change upto 18 months prior to effective date of GNA,. 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</i></p>	<p>View in Nodal Agency 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. The addition is requested to address the issue for connectivity wherein effective date of GNA is 36 to 60 months away from the In-</p>



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	<p><i>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."</i></p>	<p>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>Principle Grant. There will be scenario where applicant shall participate in the future bids and may get capacity and source same or other than the Connectivity quantum/source opted while making application to Nodal agency for connectivity. The issue of mismatch in quantum has suitably addressed in clause 11 A however restriction of source change within 18 months of in-principle grant will restrict connectivity grantee to come up with better technology configuration for upcoming tenders.</p>
15	<p>Proposed modification in Clause 5.10</p> <p>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</p>	<p>May kindly consider following addition as below:</p> <p>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."</p> <p>Provided Applicant can opt to change the land parcel (partly or fully) only post obtaining in-principle grant of connectivity and Nodal Agency shall issue amendment to In-principle</p>	<p>View of Nodal Agency is that change in 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. Further sole intimation to Nodal Agency may not suffice the purpose of Applicant and necessary amendment from Nodal Agency is required in order to seek</p>



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	implementation of project at a different land parcel.”	grant/Final Grant, as the case may be, accepting the change of location and shall release previous land location and 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.	relevant changes in other associated approvals like Sec 68.
16	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	
17	<p>Proposed modification in 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</i></p>	<p>Request to kindly revert to original clause of Principle Regulation including the transfer of Connectivity to affiliate companies(subsidiary to subsidiary with common parent company) which has been excluded from the modified provision. To bring better clarity, minor punctuation marks and elaboration on affiliate company are suggested in existing regulation 15.3 to avoid ambiguity as well as relevant addition “for the full capacity or the spilt capacity, as the case may be.” In the proposed in the proposed amendment to clause 15.3 has been retained</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</i></p>	<p>(a) The provision for transfer to affiliate companies is existing since the Principle Regulations were published in 2022.</p> <p>(b) These provisions for transferring the Connectivity to affiliate companies (subsidiaries of a common parent) founded basis for many organisation to apply connectivity through affiliate companies with an envisaged transfer after achieving CoD of the Project – 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</p>



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	<p><i>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><i>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>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 3rd amendment through addition of Clause 11A(5), applicants that abided by existing provisions of that time are left disadvantaged.</p> <p>(d) Further, in allowing the transfer of connectivity between affiliate companies, the risk of squatting or possible premium selling of connectivity is non-existent as the management control of affiliate companies rests with a common management/ group 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</p>



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			<p>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>
18	<p>Suggested New proviso to Clause 15.1 after first proviso</p> <p><i>15.1 A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations.,</i></p> <p><i>Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company.</i></p>	<p>Request addition of new proviso in Clause 15.1 as below:</p> <p><i>A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations.,</i></p> <p><i>Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company</i></p> <p><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></p> <p><i>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:</i></p>	<p>(a) While Clause 15.1 enables the utilisation of connectivity among parent and subsidiary companies, and existing Clause 15.3 permits the transfer among subsidiaries as well as affiliates, it would be appropriate to include affiliate companies for the utilisation of connectivity to ensure alignment and consistency across regulations.</p> <p>(b) It is pertinent to mention that affiliate companies are regarded as those under common control by a parent company. For instance, Companies "A" and "B" are affiliates if a common parent company, say "C," holds the controlling</p>



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	<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 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>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 existing 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>(d) May also kindly refer the strong justification provided in S.No 10 to retain this provision for transfer of connectivity amongst affiliate companies.</p> <p>(e) Such transfers enable convenience amongst affiliate companies as they operate under the same umbrella and often share multiple resources such as management, personnel, premise, assets, common services, etc. Therefore, excluding affiliates from the utilisation of connectivity, especially when transfer is allowed post-CoD,</p>



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			<p>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 <u>requires a utilisation provision</u> to provide certainty for affiliates wishing to build and commission assets with the support of connectivity obtained by their affiliate.</p>
19	<p>Regulation 15.2 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: Provided that all liabilities and obligations in accordance with these regulations shall</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: 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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	continue to remain with the Connectivity grantee for each part.		
20	<p>Regulation 15.3 <i>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 split 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 ConnBG2 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>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 split 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: 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



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			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
21	<p>Regulation 16.2 <i>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.</i> <i>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 ConnBG2 and Conn-BG3 at the end of the financial year.</i></p>	Conn - BG2 and Conn - BG3 shall be returned within 60 days from the date of SCOD of the project.	<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</p>



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			returned within 60 days from the date of the declaration of commercial operation.
22	<p>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.</i></p>	REMOVE: Clause (d) of Regulation 22.2	<p>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.</p> <p>It is humbly submitted that Regulation 22.2(d) and 40.2 provides that the entities covered under regulations 4.1 and 17.1 (iii) of GNA regulations shall pay one-time GNA charges of Rs. 1 lakh/MW and these would be utilized for reducing Monthly Transmission Charges under the Sharing Regulations. However, the sharing regulations provide exemption from payment of transmission charges by solar and wind projects which are being commissioned prior to 30.06.2025. Therefore, once the transmission charges are waived off under the regulations, then other charges to reduce the impact of transmission charges should not be made applicable.</p>



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			<p>Further, CERC Sharing Regulations provides components of transmission charges which doesn't include One-time GNA charges. Hence, these one-time GNA charges are not in consistent with transmission charges provided in Sharing Regulations.</p> <p>Section 38(2)(d)(1) of Electricity Act CTU shall provide non-discriminatory open access to any licensee or generating company on payment of the transmission charges. As explained above, the transmission charges for Renewable Energy projects are already exempted by Central Government and CERC under Sharing Regulations and further One-time GNA charges are not component of transmission charges, therefore, levy of transmission charges is against Section 38(2)(d)(1) of Electricity Act.</p> <p>Therefore, it is requested that Hon'ble CERC should remove the applicability of one-time GNA charges for RE projects.</p>
23	Clause (a) & (b) of Regulation 24.3A	(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 10% of the	The reduction from 50% to 10% in Clause (a) and from 100% to 25% in Clause (b) is



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	<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>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> <p>Provided further that where ATS or terminal bays have not been awarded for implementation as on the date of withdrawal, Conn-BG2 shall be returned to the Applicant within 15 days of such withdrawal of the application.</p>	<p>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>It is further submitted that Regulation 24.3A is silent on the aspect related to Conn BGs. Since, the scenario is similar it is suggested that a clause dealing with return of Conn BGs should be inserted.</p>
24	<p>Existing regulation 24.6 (ii)</p> <p>24.6 Revocation of Connectivity</p> <p>(1) (a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA</p>	<p>Request modification as indicated in bold text below</p> <p>24.6 Revocation of Connectivity</p> <p>(1) (a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA has been</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</p>



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	<p><i>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>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 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.</i></p>	<p>where a network is being newly built is connectivity date granted as applied by applicant.</p> <p>Further, for projects supplying power to C&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&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&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&I applicants. None of the project developer setting up generation plant for supplying to C&I customers would be interested forfeiting connectivity if project progress has been made and fund invested.</p> <p>Hence, the time period for forfeiting connectivity should be 12 months from date of effectiveness of connectivity or start date of connectivity instead of</p>



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25	<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>Request additional provisos as indicated in bold text below</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><i>Provided further that till such time the GNA granted is operationalised, the entity may take any amount of T-GNA</i></p> <p><i>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.”</i></p>	<p>commercial operation intimated at the time of making application.</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.</p> <p>Hence, the amendments suggested.</p>
26	<p><i>Sub-clause (a)(ii) to Clause (xi) of Regulation 5.8</i></p> <p><i>(ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the</i></p>		<p>We understand that the Hon'ble Commission's intent is to limit connectivity under the PPA route to the contracted capacity, whether the project is at a single location or multiple locations. However, the current draft seems to imply that for multi-location projects, developers</p>



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	<p><i>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.</i></p> <p><i>For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause.</i></p>		<p>may be entitled to connectivity equal to the contracted capacity at each location.</p> <p>Kindly provide clarification on the following query:</p> <p>1. If an applicant/REGS (Renewable Energy Generating Station) is awarded connectivity via a Letter of Award (LoA) or Power Purchase Agreement (PPA) for a multi-location project, can they apply for connectivity at each location equal to the full quantum of the LoA or PPA? This could result in the total connectivity across both locations being double the contracted capacity.</p> <p>Example:</p> <ul style="list-style-type: none"> - Contracted Capacity as per LoA: 400 MW - Location A (Installed Capacity): 600 MW - Location B (Installed Capacity): 400 MW <p>Application for Connectivity:</p> <ul style="list-style-type: none"> - At Location A: The REGS can apply for 400 MW of connectivity through the LoA/PPA route. For the additional 200 MW, the REGS would need to apply separately, either by submitting land



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			<p>ownership documents or a land bank guarantee (BG).</p> <p>- At Location B: Since the installed capacity is 400 MW, which matches the contracted capacity specified in the LoA, the REGS can apply for the full 400 MW of connectivity via the LoA/PPA route.</p> <p>Under the amended regulation 5.8(a)(ii), which allows connectivity equal to the LoA or PPA quantum at each location, the applicant could secure a total connectivity of 800 MW (400 MW at each location), despite the actual LoA/PPA quantum being only 400 MW.</p> <p>This raises the concern that the combined connectivity may exceed the contracted capacity, and we seek clarification on this interpretation Or An applicant can seek connectivity as per the above situation?</p>
27	<p>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</i></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 60 days of intimation of in-principle grant of Connectivity, failing which</p>	<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.</p>



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	<p><i>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>the application for Connectivity shall be closed and application fee shall be forfeited</p>	
28	<p>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.</i></p>	<p>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.</p>	<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 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</p>



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			<p>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>
29	<p>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.</i></p>	<p><i>REMOVE: Regulation 40.2</i></p>	<p><i>Since the developers are already paying BGs, the additional GNA charges of Rs 1 Lakh/MW will be an additional financial burden on them.</i></p> <p><i>Hence it is requested to waive off the GNA charges</i></p>
30	<p>Sub-clause (c) to Clause (vii) and Subclause (c) to Clause (xi) of Regulation 5.8</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</p>	<p><i>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</i></p>



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	<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>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><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>Developers should not be forced to go in for a substantial capital lockup, especially</i></p>



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			<p><i>in view of the project implementation requirements</i></p> <p><i>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.</i></p> <p><i>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</i></p> <p><i>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</i></p>



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31	<i>Additional sub-clause (d) shall be added to the Regulation 5.8 (vii) and 5.8 (xi) of the Principal regulations</i>	Agreements executed with the Central/State Governments or Government Agencies for the development of renewable energy projects	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. 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
32	<i>An additional clause shall be added to Regulation 5.8 vii (c) and 5.8 xi (c)</i>	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	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



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			<p>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</p>



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			<p>reason for refusing to have the payment orders by these FIs, as commitment</p> <p>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 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 issue BG. Further proposals for these have to be appraise dat</p>



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			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).
33	An additional sub-clause (a) shall be added to regulation 8.4 of the Principal regulations	As an alternative form of submission, Conn-BG1, ConnBG2 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.	
34	Amendment to Regulation 8.6 Conn-BG1, Conn-BG2, Conn-BG3, and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour	8.6 Conn-BG1, Conn-BG2, Conn-BG3, and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1 of these regulations.	It is submitted that Insurance Surety Bonds (ISB) are accepted as per General Finance Rules (GFR), 2017 issued by Department of Expenditure Procurement Policy Division, Ministry of Finance, Government of India, vide Office Memorandum dated 02.02.2022. The



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	<p>of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1 of these regulations.</p>	<p>Provided that the applicants/grantees can submit Letter of Undertaking (LOU) in place of above BGs, issued by govt financial institutions like PFC, REC and IREDA. These LOUs shall be issued as “Payment on Order Instrument” (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the liable to be encashed by CTUIL in accordance with the applicable regulations.</p> <p>Provided further that the applicants/grantees can also submit Insurance Surety Bond in place of above BGs, from an Insurer as per the guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI). The Surety Bond issuing organization undertakes to pay in all scenarios under which the liable to be encashed by CTUIL in accordance with the applicable regulations.</p>	<p>relevant office memorandum is attached herewith for your consideration. These ISBs are acceptable by Central Govt agencies like NHAI, SECI, NHPC, SJVN etc in their tenders.</p> <p>It is further submitted that Ministry of Power has also allowed Letter of Undertaking issued by PFC, REC and IREDA as alternate instrument other than BG for the purpose of submission of EMD and PBG in the tenders issued by bidding agencies. Accordingly, all REIAs accept LOUs in their respective Tenders.</p> <p>These two alternate instruments are at par with BGs and are encashable in case of any default of entity.</p> <p>These options will provide much relief and also provide flexibility in their BG limits. BG can be issued by banks only thereby restricting the ability of developers to arrange BG, however, LOUs are issued by PFC/REC/IREDA which are over and</p>



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			<p>above BG limits which helps developers in participating multiple bids and in the present case it will help in submitting security towards connectivity in the similar manner as to BG. Surety bonds are equally enforceable and are issued by insurer under IRDAI guidelines.</p> <p>It is humbly requested that the Hon'ble Commission takes a practical view in this regards.</p>
01	<p>Additional Comments Existing Clause 24.1 (1)(a)(ii) “(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.”</p>	<p>Request to append the clause (after revising as suggested in S.No 8 above)</p> <p>“(ii) six months after the scheduled date of commercial operation as intimated at time of making application for grant of Connectivity or 12 months after the GNA has been made effective, whichever is later, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8. An extension of further six months to be provided if project has acquired more than 80% land and released more than 50% of project cost through equity, duly certified by an Auditor”</p>	<p>Rationale for appending the clause:</p> <p>(a) Given the extreme uncontrollable challenges such as land acquisition, RoWs, geopolitical factors, combined with shorter development cycles of renewable energy projects, revoking connectivity with a grace of only six months' is an extreme punitive action that can result in significant loss of capital invested in the project.</p> <p>(b) Further, it may be noted that unlike connectivity sought under regulation 5.8 (a), the other routes do not have a provision of extension in SCOD, making them vulnerable to delay.</p>



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			<p>(c) Therefore, we request to establish additional safeguards that offer motivation for timely project completion while avoiding overly restrictive measures that could jeopardize the entire investment and undermine investor confidence.</p> <p>(d) A further leeway of 6 months can be provided if project has acquired say 80% land and released more than 50% equity.</p> <p>Alternatively, delay charges which are specified as Rs 3000/MW/month in “CERC Sharing of inter-State Transmission Charges and Losses Regulations, 2020” can be enhanced for period crossing six months so that developers face the heat of delay but at the same time do not lose the connectivity.</p>
02	<p>Additional Comments Clause 11 A (1)</p> <p>An applicant which is REGS (other than Hydro generating station) or ESS excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer</p>	<p>Request modification as indicated in bold text below</p> <p>An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under sub-clause (vii) of Clause (c) of</p>	<p>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 as SS coordinates and firm date of connectivity is required which allows time upto 18 months from In-Principle Grant to furnish land documents. With the 3rd</p>



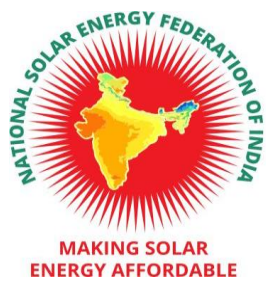
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	<p>covered under sub-clause (vii) of Clause (c) of Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as a proof of Ownership or lease rights or land use rights.</p>	<p>Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of final grant of Connectivity, whichever is earlier later. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of submission of stipulated documents as a proof of Ownership or lease rights or land use rights.</p>	<p>amendment, it is expected that there will be timeline reduction for issuance of Final Grant as firm SS coordinates shall be separately provided post award of work. Therefore timeline for submission of land documents will be curtailed than 18 months as stipulated in the current regulation.</p>



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With Best Regards,



Subrahmanyam Pulipaka
Chief Executive Officer
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Copy To:

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