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Date: 17.09.2024

To,

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

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

Dear Sir,

We sincerely appreciate the Central Electricity Regulatory Commission's effort in promoting renewable energy in the country. We are grateful for your continued guidance, and assurance you have offered, in helping the renewable sector progress by enabling a robust and healthy environment to thrive in the country. We would like to thank you for the opportunity to raise our key concerns & suggestions on the "Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State transmission System) (Third Amendment) Regulations, 2024."

We have enclosed our comments / suggestions on the Draft Regulations for kind consideration of the Hon'ble Commission.

Yours sincerely,

For O2 Power Private Limited

Dharmendra Gupta

Authorized Signatory

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

Sr. No.	Proposed in the Draft	Proposal by O2 Power	Rationale
1.	<p>Clause 3.7.3 If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:</p> <p>(a) 100% of the application fee shall be forfeited;</p> <p>(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.</p>	<p>Clause 3.7.3 If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner:</p> <p>(a) 100% of the application fee shall be forfeited;</p> <p>(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.</p>	<p>The proposed regulations suggest a deduction of 5% from the Land Bank Guarantee (Land BG). However, in many cases, after receiving in-principle approval, the grantee may choose to withdraw the application due to delays in the transmission award process.</p> <p>In such instances, applying this penalty to the Land BG is unreasonable, especially since the location of the substation is sometimes not communicated even after six months.</p> <p>Additionally, the Construction Bank Guarantees (CON BG 1 and CON BG 2) are already being encashed, with CON BG 2 specifically subject to encashment upon the award of the terminal bay. Given these provisions, the encashment of the Land BG should not be enforced.</p>

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2.	<p>Clause 3.7.4</p> <p>3.7.4 If any application is withdrawn after the final grant of Connectivity and before the signing of the Connectivity Agreement, the Nodal Agency shall deal with such cases in the following manner:</p> <p>(a) 100% of the application fee shall be forfeited;</p> <p>(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.</p>	<p>3.7.4 If any application is withdrawn after the final grant of Connectivity and before the signing of the Connectivity Agreement, the Nodal Agency shall deal with such cases in the following manner:</p> <p>(a) 100% of the application fee shall be forfeited;</p> <p>(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.</p>	<p>Once final connectivity is granted, the timelines for implementing the transmission system may not align with the grantee's project schedule. As a result, the grantee might decide to withdraw the application. In such cases, penalizing the Land Bank Guarantee (Land BG) is not justified.</p> <p>Additionally, Construction Bank Guarantees (CON BG 1 and CON BG 2) are already being encashed, with the provision for encashing CON BG 2 upon the award of the terminal bay. Therefore, the Land BG should not be subject to encashment.</p>
3.	<p>"Clause 3.7.5: 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"</p>	<p>Clause 3.7.5: Withdrawal of application for partial quantum shall only be permitted at any stage upto 3.7.4 with levy of penalties as indicated in clauses 3.7.1, 3.7.2, 3.7.3 and 3.7.4 under Regulation 3.7.2 and shall not be permitted under Clauses 3.7.3 and 3.7.4 of this Regulation"</p>	<p>Partial quantum reduction should be permitted even after the final grant and prior to the signing of the Connectivity Agreement. This flexibility is necessary because the timelines at the time of the final grant may not align with the grantee's project implementation schedule.</p> <p>Therefore, the grantee should be provided the opportunity to reduce or fully withdraw the quantum, allowing for better alignment with their project timelines.</p>

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4.	<p>Clause 6 Regulation 5.1</p> <p>“Provided also that an REGS making an application based on LOA or PPA under Regulation 5.8(xi) may apply for a grant of Connectivity for a quantum equal to the quantum of LOA or PPA, which may be less than the installed capacity.”</p>	<p>Clause 6 Regulation 5.1</p> <p>“Provided also that an REGS making an application based on LOA or PPA under Regulation 5.8(xi) may apply for a grant of Connectivity for a quantum equal to the quantum of LOA or PPA, which may be less than the installed capacity. the installed capacity as certified by REIA.”</p>	<p>Connectivity based on Letter of Award (LOA) or Power Purchase Agreement (PPA) should be permitted up to the installed capacity to account for the complexity involved in bidding processes. If this is not allowed, situations may arise where, due to the unavailability of land or Bank Guarantees (BG), the grantee is unable to file the application in time. When the application is eventually submitted, there may no longer be sufficient capacity available at the substation.</p> <p>This scenario would impose a double penalty on the grantee. First, the grantee would face limitations in securing the required connectivity. Second, the grantee may fail to meet the power supply conditions under the Renewable Energy Implementation Agreement (REIA), leading to penalties for generation shortfalls once commissioning and revenue billing commence.</p> <p>To avoid such double penalties, it is essential to allow connectivity based on LOA/PPA up to the full installed capacity.</p>
5.	<p>Clause 7 Regulation 5.5</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 where in the first phase the application for</p>	<p>Clause 7 Regulation 5.5</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 where in the first phase the application for Connectivity shall not be less than 500 MW (under multiple applications), and the application for balance authorized quantum</p>	<p>Multiple applications within a 500 MW capacity should be allowed to ensure that project timelines are met in accordance with Renewable Energy Generation System (REGS) requirements, particularly for projects being implemented within a Renewable Energy Park.</p> <p>This flexibility would enable developers to phase their projects efficiently and align completion with the stipulated timelines, while also accounting for the complexities involved in large-scale renewable energy projects.</p>

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	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.	shall be in phases, subject to a minimum quantum of 50 MW in each phase.	Allowing multiple applications ensures that grantees can manage risks, without jeopardizing the overall project or facing penalties for non-compliance with regulatory timelines.
6.	<p>Clause 8.1 Regulation 5.6</p> <p>5.6 An Applicant may apply for grant of Connectivity at (i) a terminal bay of an ISTS sub- station already allocated to another Connectivity grantee or (ii) switchyard of a generating station having Connectivity to ISTS, or (iii) switchyard of an entity covered under Regulation 17.1(iii) of these regulations with an agreement duly signed between the Applicant and the.....The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by such Applicant:</p>	<p>Clause 8.1 Regulation 5.6</p> <p>5.6 An Applicant may apply for grant of Connectivity at (i) a terminal bay of an ISTS sub- station already allocated to another grantee of connectivity or (ii) switchyard of a generating station having Connectivity to ISTS, or (iii) switchyard of an entity covered under Regulation 17.1(iii) of these regulations with an agreement duly signed between the Applicant and the.....</p> <p>The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by such Applicant:</p>	<p>The draft mentioned "Connectivity Grantee" in Clause 10.3, which currently identifies the grantee as the entity that signs the Connectivity Agreement after the final grant of connectivity, should be amended. The clause should also account for applications that have received in-principle approval during the CMETS meeting for the grant of a terminal bay.</p> <p>To ensure consistency with the procedural framework, the language should be modified to reflect that a grantee is defined not only by the signing of the Connectivity Agreement but also by the approval of the terminal bay allocation in the CMETS meeting. This change will recognize the grantee's commitment and status at an earlier stage, providing greater flexibility in project planning and execution.</p> <p>Suggested revision that "The Connectivity Grantee is defined as the entity that signs the Connectivity Agreement after the final grant of connectivity, or, alternatively, upon receiving in-principle approval for the grant of the terminal bay in the CMETS meeting."</p>

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7.	<p>Clause 9.1 Regulation 5.8 xi a</p> <p>“(a) Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, LOA issued by a Central Government approved third party which is acting as an authorized representative of a generating station other than REGS replacing its scheduled generation by power supplied from REGS, consequent to tariff based competitive bidding, as the case may be:</p>	<p>Clause 9.1 Regulation 5.8 xi a</p> <p>“(a) Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, LOA issued by a Central/State Government approved third party which is acting as an authorized representative of a generating station other than REGS replacing its scheduled generation by power supplied from REGS, consequent to tariff based competitive bidding, as the case may be:</p>	<p>A provision should be included to allow state governments to appoint an authorized representative for the replacement of their scheduled generation. This flexibility ensures that state governments can manage their power generation commitments efficiently, especially in cases where replacements or adjustments are needed due to operational or strategic reasons.</p> <p>This modification would allow for smoother coordination and compliance with scheduling requirements.</p>
8.	<p>"Clause 9.1 Regulation 5.8 xi a (i) and (ii)"</p>	<p>Clause 9.1 Regulation 5.8 xi a (i) and (ii) should be deleted or revised to accommodate full connectivity as per the installed capacity and bifurcation mentioned in the LOA/PPA.</p>	<p>Connectivity based on the Letter of Award (LOA) or Power Purchase Agreement (PPA) should be permitted up to the installed capacity to accommodate the complexities of the bidding process.</p> <p>If this is not allowed, grantees may face situations where, due to the unavailability of land or Bank Guarantees (BG), they are unable to file the application on time. When the application is eventually</p>

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			<p>submitted, there may no longer be available capacity at the substation.</p> <p>This scenario results in a double penalty for the grantee:</p> <ul style="list-style-type: none"> a) Loss of connectivity capacity – The grantee may miss out on securing substation capacity, which delays project development. b) Non-compliance with REIA conditions – Without the necessary connectivity, the grantee may not meet the power supply obligations outlined in the Renewable Energy Implementation Agreement (REIA), leading to penalties for generation shortfalls once commissioning and revenue billing start. <p>To avoid these issues, connectivity based on LOA/PPA should be allowed up to the full installed capacity. This will ensure grantees can meet their project and power supply commitments without facing penalties.</p>
9.	<p>Clause 11.1 Regulation 7.2</p> <p>11.1. The word “firm” in the second proviso under Regulation 7.2 of the Principal Regulations shall be deleted.</p>	<p>Clause 11.1 Regulation 7.2</p> <p>11.1. The word “firm” in the second proviso under Regulation 7.2 of the Principal Regulations shall be deleted.</p>	<p>The word "firm" should not be removed from the current regulations as it provides critical clarity and assurance to the Connectivity Grantee regarding the start date of their connectivity. Removing this term could result in delays in the award of transmission system, as there would no longer be a guaranteed timeline. This uncertainty would make it difficult for generators to plan their project implementation effectively.</p>

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			<p>Furthermore, removing the "firm" date could lead to increased mismatches between the generator's commissioning schedule and the readiness of the transmission system.</p> <p>Therefore, retaining the term "firm" ensures a synchronized schedule between the transmission system and the generator's project timeline, providing certainty and facilitating smoother execution.</p>
10.	<p>Clause 12.1 Regulation 8.3</p> <p>8.3. 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.</p>	<p>Clause 12.1 Regulation 8.3</p> <p>8.3. 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.</p>	<p>The requirement to provide CON BG 2 at the stage of in-principle grant, where the Associated Transmission System (ATS) is required, should be removed. CON BG 2 should instead be requested only after a six-month period, when the exact details of the ATS are communicated. This would ensure that the grantee is not burdened with financial guarantees prematurely, particularly when critical project details are still pending.</p> <p>Additionally, a provision should be introduced allowing for the withdrawal of connectivity if the project's timelines do not align with the generator's implementation schedule. This would provide the generator with flexibility in adjusting to delays or changes in circumstances, preventing unnecessary financial penalties or complications due to mismatched timelines.</p> <p>CON BG 2 should only be requested after a six-month period, once the exact details of the ATS have been communicated to the grantee. Furthermore, a provision should be included allowing the grantee to</p>

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			<p>withdraw connectivity if project timelines are misaligned with the generator's schedule.</p> <p>This adjustment would provide both flexibility and financial relief to generators, while ensuring a more practical and synchronized approach to connectivity commitments.</p>
11.	<p>Clause 12.1 Regulation 8.4</p> <p>For applicants, where Connectivity is granted with augmentation (with ATS or without ATS), the Nodal Agency, within 6 (six) months of furnishing of Conn-BG1, Conn-BG2, and Conn-BG3, as applicable, as per Regulation 8.2 or Regulation 8.3 of these regulations, shall intimate to such entity the timeline for completion of augmentation, ATS, terminal bay(s), and firm date of start of Connectivity based on scheduled date of commercial operation of such elements</p>	<p>Clause 12.1 Regulation 8.4</p> <p>For applicants, where Connectivity is granted with augmentation (with ATS or without ATS), the Nodal Agency, within 6 (six) months of furnishing of Conn-BG1, Conn-BG2, and Conn-BG3, as applicable, as per Regulation 8.2 or Regulation 8.3 of these regulations, shall intimate to such entity the timeline for completion of augmentation, ATS, terminal bay(s), and firm date of start of Connectivity based on scheduled date of commercial operation of such elements. After intimation Conn-BG2 equal to the estimated cost of ATS and terminal bay(s) shall be submitted within 1 month of such intimation.</p>	<p>The requirement to take CON BG 2 for augmentation with the Associated Transmission System (ATS) should be maintained at the stage specified under Clause 8.4, as previously applied. This is essential because, after the grant of connectivity, circumstances may change—such as multiple applications being submitted in the following months, which may lead to the area being declared a Renewable Energy Zone (REZ). In such cases, the scheme may transition to an augmentation without the need for ATS.</p> <p>Retaining the requirement to submit CON BG 2 at this stage ensures that there is financial security in place, allowing for adjustments if the area is later classified as an REZ. This provides the necessary flexibility to accommodate evolving infrastructure needs while still safeguarding the financial and operational interests of the transmission system.</p> <p>This approach ensures that the system remains adaptable to changing conditions, while still maintaining the financial commitment needed for the initial stages of the project.</p>

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12.	<p>Clause 13.3 Regulation 9.1</p> <p>The words “, if available” shall be inserted at the end of Clause (d) of Regulation 9.1 of the Principal Regulations."</p>	<p>Clause 13.3 Regulation 9.1</p> <p>The words “, if available” shall be inserted at the end of Clause (d) of Regulation 9.1 of the Principal Regulations."</p>	<p>For applications made under Clauses 5.8 VII(c) and 5.8 XI(c), providing tentative coordinates is crucial for finalizing land parcels for the project. Without these tentative coordinates, it becomes impossible for a generator to secure and finalize the necessary land for project development. As land acquisition is a critical and often time-sensitive step in project planning, having accurate and preliminary information on the location is essential for moving forward.</p> <p>Therefore, it is imperative that the provision of tentative coordinates is considered mandatory, rather than optional, in these applications. This requirement ensures that the generator has the essential information to align land acquisition and project planning with the broader infrastructure and connectivity needs.</p> <p>This amendment would provide generators with the necessary certainty and information to plan their projects effectively and within the required timelines.</p>
13.	<p>Clause 14.1 Regulation 9.3</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)</p>	<p>Clause 14.1 Regulation 9.3</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</p>	<p>The current timelines for transmission schemes extend up to 3-4 years. Given this long lead time, the grantee should be permitted to change the source at least three months before the start date of connectivity. Since the final interconnection takes place only after the receipt of CON 5, the signing of the agreement, and the clearance of the Final Test Certificate (FTC), allowing a change of source during this window would have no negative impact on the grid.</p>

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	<p>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.....</p>	<p>ESS) or ESS in part or full, by making an application to the Nodal Agency for approval for such change within 18 before the 3 months from the in-principle grant start date of Connectivity.....</p>	<p>Moreover, changes in the source do not affect the grid because the necessary studies and FTC clearance are completed before any element is energized. As a result, permitting the change of source would provide flexibility to the grantee without compromising the stability or functionality of the transmission network.</p> <p>Therefore, "The grantee should be allowed to change the source at least three months before the start date of connectivity. Since the final interconnection is dependent on receiving CON 5, signing the agreement, and obtaining FTC clearance, the change of source will not impact the grid. Additionally, as grid studies and FTC clearance are completed before energizing any element, such changes should be permitted."</p> <p>This provision would offer grantees greater flexibility to adapt their projects to evolving circumstances while ensuring the grid remains unaffected.</p>
14.	<p>"Clause 16.1 Regulation 10.5</p> <p>Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency shall confirm the final coordinates within 2 months of award of</p>	<p>Clause 16.1 Regulation 10.5</p> <p>Where Connectivity is granted at a proposed ISTS sub-station, the Nodal Agency shall confirm the final coordinates along with final grant of Connectivity award of contract for construction of such ISTS substation."</p>	<p>To maintain strict adherence to timelines, it is crucial to provide the final coordinates of the substation at the time of the final grant. This information allows generators to clearly understand the substation's location. A significant portion of land acquisition and other preparatory activities depends on the availability of these coordinates.</p> <p>Therefore, compliance with connectivity requirements should be linked to the receipt of the final coordinates. This ensures that all</p>

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	contract for construction of such ISTS substation.”		<p>project activities align with the actual location of the substation, facilitating smoother planning and execution.</p> <p>In view of that to ensure strict adherence to timelines, the final coordinates of the substation must be provided at the time of the final grant. This will enable generators to make informed decisions about their projects, including the possibility of relinquishing if the substation location renders dedicated line construction unviable. Major activities, such as land acquisition, should be planned based on these coordinates, and compliance with connectivity requirements should be linked to the receipt of the final coordinates.</p> <p>This approach ensures clarity and alignment with project planning and execution processes.</p>
15.	<p>Clause 20.1 Regulation 4 of 11 (A)</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</p>	<p>Clause 20.1 Regulation 4 of 11 (A)</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 In Principle 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>To streamline project management and reduce administrative burdens, the following provisions should be implemented:</p> <ol style="list-style-type: none"> 1. Change of Conversion: Allow changes of conversion after the in-principle grant of connectivity. This is necessary as all Bank Guarantees (BGs) are already committed by the generator at this stage. 2. Combined Change Requests: Permit changes in both source and applicant category mode to be processed together. This approach will minimize repetitive work and streamline the

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	<p>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) If LOA or PPA is for a renewable source(s) (with or without storage) other than the renewable source(s) (with or without storage) provided in the Connectivity application applied under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such an entity shall be required to first get approval of change of configuration from CTU prior to seeking conversion of Connectivity under Clause (xi)(a) of the Regulation 5.</p> <p>8.....</p>	<p>a) If LOA or PPA is for a renewable source(s) (with or without storage) other than the renewable source(s) (with or without storage) provided in the Connectivity application applied under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such an entity shall be required to first get approval of change of configuration from CTU prior to seeking conversion of Connectivity under Clause (xi)(a) of the Regulation 5.</p> <p>However LOA/PPA awarded to the parent or subsidiary companies will be allowed for the purpose of conversion as per current clause</p>	<p>application process. A unified application format should be developed to handle these combined requests efficiently.</p> <p>3. LOA/PPA for Connectivity Usage: Since connectivity usage is permitted, allow for the Letter of Award (LOA) or Power Purchase Agreement (PPA) of parent or subsidiary companies to be used for conversion based on the usage pattern. This flexibility will accommodate various organizational structures and usage arrangements.</p> <p>Therefore, Changes of conversion should be allowed after the in-principle grant of connectivity, as all BGs are already committed by the generator at this stage. Additionally, changes in source and applicant category mode should be permitted together to avoid repetitive work. A consolidated application format should be developed to process these requests efficiently. Furthermore, since connectivity usage is allowed, LOAs or PPAs from parent or subsidiary companies should be accepted for conversion in accordance with the usage pattern."</p> <p>These provisions will enhance operational efficiency and accommodate various project and organizational scenarios.</p>
16.	<p>Clause 20.1 Regulation 4 (d) (i) of 11 (A)</p> <p>i. The application for conversion of</p>	<p>Clause 20.1 Regulation 4 (d) (i) of 11 (A)</p> <p>i. The application for conversion of Connectivity shall be accompanied by a non-refundable</p>	<p>To address the administrative workload and ensure fairness, a cap on conversion fees should be established. This cap will help manage costs associated with processing changes and conversions, making the process more predictable and manageable for generators.</p>

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	<p>Connectivity shall be accompanied by a non-refundable conversion fee of Rs 50,000/MW for the capacity to be converted. Such fees are payable for each such conversion sought by the entity.</p>	<p>conversion fee of 50,000/MW for the capacity to be converted Rs 5000/MW or 5,00,000/application whichever is lower for the capacity to be converted. Such fees are payable for each such conversion sought by the entity.</p>	<p>Therefore, A cap on conversion fees should be implemented to account for the administrative work involved in processing such conversions. This cap will help manage costs effectively and ensure a fair and transparent fee structure for generators.</p> <p>Setting a maximum fee limit will help reduce financial uncertainty and streamline the conversion process, making it more efficient and equitable for all parties involved.</p>
17.	<p>Clause 21 New Regulation 11 (C) (1) b</p> <p>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:</p> <p>Provided that an entity shall not be eligible for reallocation of Connectivity after a period of 18</p>	<p>Clause 21 New Regulation 11 (C) (1) b</p> <p>b) An entity that has been issued a final In Principle grant of Connectivity at an ISTS substation located in the Complex of ISTS substations may seek reallocation of its Connectivity for another ISTS substation within the same ISTS complex where a bay has fallen vacant. Such reallocation shall be subject to commercial liabilities as per the Sharing Regulations 2020:</p> <p>Provided that an entity shall not be eligible for reallocation of Connectivity if its start date of actual connectivity operationalisation starts within 6 months of date of reallocation meeting after a period of 18 months of issuance of an in-principle grant of Connectivity or 12 months of</p>	<p>Generators should be eligible for reallocation after receiving the in-principle grant of connectivity, given that all Bank Guarantees (BGs) are submitted immediately upon issuance of the in-principle grant.</p> <p>This adjustment is necessary because the start date for some substations can be 4-5 years from the date of the intimation. Considering the typically shorter gestation period for construction timelines, generators should be allowed reallocation based on their application priority within the complex.</p> <p>In view of that Generators should be considered for reallocation after receiving the in-principle grant of connectivity, as all BGs are submitted immediately upon issuance. The eligibility criteria for reallocation should be linked to the start date of connectivity rather than the in-principle grant date. This is due to the fact that some substation start dates can be 4-5 years from the intimation date. Given the shorter construction timelines, generators should be</p>

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	months of issuance of an in-principle grant of Connectivity or 12 months of issuance of a final grant of Connectivity, whichever is earlier;	issuance of a final grant of Connectivity, whichever is earlier;	permitted reallocation based on their application priority within the complex. This approach ensures a fairer and more practical allocation process, aligning with actual project timelines and priorities.
18.	<p>Clause 30 New Regulation 24.3 A 24.3A</p> <p>For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations: (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; (b) If the Connectivity is relinquished after six months of the final grant of Connectivity,</p>	<p>Clause 30 New Regulation 24.3 A 24.3A</p> <p>For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations: (a) In case full or part of Connectivity is relinquished within upto six nine months prior to the start date of connectivity 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; (b) If the Connectivity is relinquished after in between nine six months and prior to start date connectivity of the final grant of Connectivity, 100% of the subsisting Bank Guarantee submitted under subclause (c) of Clause (vii) or</p>	<p>Given that the Commercial Operation Date (COD) for transmission schemes often extends to 4-5 years, applicants should be allowed sufficient time for land acquisition. Frequently, the substation location is not finalized early, which can delay land availability in the surrounding area.</p> <p>Since financial closure is permitted up to 6 months before the COD start date, applicants should be granted the option to relinquish their connectivity at least 9 months prior to the COD start date.</p> <p>This provision would accommodate the time needed for land acquisition and mitigate the impact of any delays in finalizing the substation location.</p>

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	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.”	sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed.”	
19.	Additional	<p>Interconnection Points</p> <p>Developers shall have an option to shift their connectivity from one substation to another substation (subjected to the availability of vacant capacity) within the same state without paying any additional charges. Alternatively nodal agency shall facilitate such change given the request from the connectivity grantee</p>	<p>Currently, substations are opened in a stepwise manner, which can result in situations where an applicant might need to choose a substation that is farther from their location, while later-planned substations are closer to their site. To address this issue, there should be a provision for the interchange of connectivity substations, provided that there is a vacant bay available and if another grantee is also seeking a shift.</p> <p>The nodal agency should be responsible for processing these interchange requests upon receiving formal applications from connectivity grantees. This approach would allow for more efficient use of infrastructure and better alignment of substations with the generators' locations.</p> <p>This provision ensures that connectivity arrangements can be adjusted to better suit the generators' needs, improving overall efficiency and alignment with project locations.</p>