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Subject: Tata Power_ Comments_ 3rd Amendment (GNA Regulation)

Dear Sir

Please find enclosed Tata Power's comments on the 3rd Amendment (GNA Regulation)

Regards,
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Comments from Tata Power on 3rd Amendment of GNA Regulations 2022

S. No.	Clause No & Details	Suggested/Modified Clause	Comments/Remarks
1.	<p>Proposed Regulation 5.8 (xi) (a), Proviso First and Second:</p> <p>Provided that:</p> <p>(i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause.</p> <p>(ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the 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. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity</p>	<p>Regulation 5.8 (xi) (a) Proviso First and Second: Provided that:</p> <p>(i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible for grant of to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause.</p> <p>(ii) In case of Applicant being multi-located REGS, or RHGS where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible for grant of to seek the Connectivity up to the Installed capacity as certified by REIA or Discom 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. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause."</p>	<p>It may be noted that the new bids i.e. FDRE, hybrid etc. require higher CUF and firm power supply during peak hours which would require installation of project capacity higher than the contracted capacity. The higher installed capacity is certified by REIAs in the LOA and the same is also a part of PPA and it is the obligation under PPA to install such higher capacity mentioned in PPA failing which LDs are applicable. It may also be noted that PBGs to be submitted by a successful bidder is linked to the installed capacity, in such bids.</p> <p>Therefore, it is crucial to have connectivity for such installed capacity which may be higher than contracted capacity at a single substation.</p> <p>If developers are not allowed to obtain LOA based capacity for installed capacity higher than contracted capacity, then they will have to opt for BG route for incremental connectivity which will be additional burden on developers as developers are already submitting huge BGs to REIAs and CTU.</p> <p>Further the compliances of both connectivity will be different, which again will create multiple issues.</p>

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	based on sub-clauses (b) or (c) of this Clause.”		
2.	<p>Proposed Clauses (4) of Regulation 11A “(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following: </p>	<p>Proposed Clauses (4) of Regulation 11A “(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: a. Provided that the Bank Guarantee submitted under Regulation 5.8(xi)(c) shall be returned after the conversion.</p>	<p>It is submitted that the final grant is issued approximately after 14 months from the date an applicant applies for connectivity by submitting BG under Reg 5.8(xi)(c). Therefore, such high amount BGs are getting stuck for more than 12 months’ period which could otherwise be use for participating in new bids or meeting project expenses.</p> <p>Once in-principle grant is issued, certain rights are accrued to developers and thereafter CTU takes time for award of bay after which it issues final grant. There is no reason to wait for issuance of final grant of connectivity to return such BGs to the developers which were submitted under Reg 5.8(xi)(c) when the developer has a valid LOA from REIA/Discom.</p> <p>Hon’ble CERC has also allowed source (wind or solar) conversion after in-principle grant. Therefore, BG submitted under Reg 5.8(xi)(c) must be allowed to return after in-principle grant of connectivity.</p> <p>It is also pertinent to note that as per provision 11 (A) (1) of these regulations, the Bank guarantee submitted under Reg 5.8(xi)(c) is allowed to return within 07 days from date of submission of 50% land documents, however, similar treatment is</p>

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			not extended to LOA. It is submitted that LOA and land document ought to be given similar treatment and treated at par for return of BG.
3.	<p>Sub-clause (d)(i) to Clause 4 of Regulation 11 A <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>	REMOVE: Sub-clause (d)(i) to Clause 4 of Regulation 11A	Since the developers are paying all the necessary BGs as stipulated by CTUIL for securing the connectivity, the requirement for paying the conversion fee is an additional financial burden on the developer and hence may be removed.
4.	<p>Amendment proposed in Clause 11A (4) (e) <i>The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8. ”</i></p>	<p>May kindly consider following addition as indicated below: <i>The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.; unless the same has been replaced and modified in accordance with Clause 5.10”</i></p>	<p>(a) The provision is added to address the condition where land has been modified in accordance with Clause 5.10 (b) In such scenarios, the original land through which Connectivity was sought has already been replaced by a new land and hence the original land must be allowed to seek connectivity (c) This is particularly important in view of limited land resources</p>
5.	<p>New Regulation may be added in Regulation 11 (A) (4)</p>	<p>Regulation 11 (A) (4) <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> </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.

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		<ul style="list-style-type: none"> 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. 	
6.	<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: <i>"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."</i></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 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</p>

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			existing clause as per the principal regulation
7.	<p>3.7.</p> <p>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, 50% of the application fee shall be forfeited. Balance 50% of the application fee shall be refunded by the Nodal Agency to the Applicant within 15 days of withdrawal of the application:</p> <p>Provided that if any application is withdrawn after the in-principle grant of Connectivity or grant of GNA, such application shall be closed by the Nodal Agency within a period of 15 days from the date of withdrawal and 100% of the application fee shall be forfeited.</p>	<p>Regulation 3.7 of the Principal Regulations shall be substituted as under:</p> <p>“3.7 Withdrawal of Application for Connectivity or GNA and treatment of Bank Guarantees: -</p> <p>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:</p> <p>(a) 50% of the application fee shall be forfeited.</p> <p>(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:</p> <p>3.7.2 If any application is withdrawn for partial quantum based on the availability of evacuation capacity at the substation at which Connectivity has been sought before the in-principle grant of Connectivity in terms of Regulation 7 of these regulations, such cases shall be dealt with by the Nodal Agency in the following manner:</p> <p>(i) BG submitted in terms of Clause (vii) (c) or Clause (xi) (c) of Regulation 5.8 of these regulations, as the case may be, shall be refunded to the Applicant within 15 days of withdrawal of the application for the proportionate quantum which is withdrawn.</p>	<p>If the application is withdrawn for full quantum based on the non-availability of the evacuation at the sub-station 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, such cases shall be dealt with the nodal agency in the following manner:</p> <p>(a) 20% of the application fee shall be forfeited.</p> <p>(b) Balance 80% 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:</p>

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		<p>(ii) For applicants covered under sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations or sub-clause (b) of Clause (xi) of Regulation 5.8 of these regulations, the applicant shall intimate the details of the land documents corresponding to the quantum withdrawn and the Nodal Agency shall release such documents.</p> <p>.....</p>	