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Sent: Fri, 13 Sep 2024 16:43:21 +0530 (IST)
Subject: Zelestra's Comments on CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

Dear Sir/Mam,

Hon'ble Commission has published draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024 and has invited comments from stakeholders on the draft Regulation.

In this regard, please find the enclosed comments from Zelestra for your kind consideration.

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Comments in Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024

Clause No.	Draft Amended Regulation	Change suggested	Rationale
Regulation 3.7.3	<p>If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner: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>(c) If Conn BG1, Conn-BG2, Conn-BG3, as applicable, have been furnished, Conn BG-1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned by the Nodal Agency.</p> <p>Provided that where ATS or terminal bays have not been</p>	<p>If any application is withdrawn after the in-principle grant of Connectivity and before the final grant of Connectivity, the Nodal Agency shall deal with such cases in the following manner: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% 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 95% 98% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</p> <p>(c) If Conn BG1, Conn-BG2, Conn-BG3, as applicable, have been furnished, Conn BG-1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned by the Nodal Agency.</p> <p>Provided that where ATS or terminal bays have not been awarded for implementation as on</p>	<p>Request to consider reduction in BG encashment to 2% 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>

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	<p>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>(d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant</p>	<p>the date of withdrawal, Conn-BG2 shall be returned to the Applicant within 15 days of such withdrawal of the application.</p> <p>(d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant</p>	
Regulation 3.7.4	<p>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>(c) Conn BG1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned to the Applicant:</p>	<p>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 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 75 90% of BG shall be returned to the Applicant within 15 days of withdrawal of the application.</p> <p>(c) Conn BG1, Conn-BG2 shall be encashed and Conn-BG3 shall be returned to the Applicant:</p>	<p>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>

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	<p>Provided 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>(d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant;</p>	<p>Provided 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>(d) Application shall be closed within a period of 15 days from the date of withdrawal under intimation to the Applicant;</p>	
Regulation 5.1	<p>.....</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>May be deleted</p>	<p>Limiting the grant of connectivity to the quantum of LOA or PPA will create an impediment for RTC projects in installing higher capacities for ensuring continuous supply of power during peak and non-peak hours and adversely impact the project costs.</p>
Regulation 9.3	<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</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</p>	<p>Hon'ble Commission is requested to provide a fair chance to applicant before rejection</p>

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	<p>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</p>	<p>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. <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> 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>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 contract for construction of such ISTS substation</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 contract for construction of such ISTS substation.</p>	<p>The underlined provision must be retained. Certainty in-terms of location is required as developers are acquiring land accordingly.</p>

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		<u>Provided such coordinates shall not be outside the radius of 5 km of the tentative coordinates already intimated</u>	
Regulation 11C (1)(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.	An entity that has been issued <u>in-principle grant of connectivity or</u> 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.	In any case the priority is getting decided based on time-stamp of applications, thus filtering out in-principle grantees may actually lead to reallocation being less conducive since final grantees may not be keen to reallocate, having transcended ahead in their respective projects
Regulation 11 (A) (4) (a)	(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)	(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	The applicants are applying connectivity in advance. It is welcome step by Hon'ble Commission that change in

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	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 5.8	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 5.8. <u>Provided such change of configuration may also be sought for change in installed capacity viz-a-viz the installed capacity break-up while submitting the application and in the LOA/PPA, provided that overall connectivity injection quantum cannot exceed the connectivity capacity granted.</u>	configuration is allowed which are being decided at the time of bidding. A proviso is suggested to bring more clarity in this regard.
Regulation 11 (A) (4)	New Regulation (e) & (f) may be added in Regulation 11 (A) (4)	Regulation 11 (A) (4) ... <u>(f) 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>(g) 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>	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.
Regulation 24.3A	For Connectivity Grantees covered under sub-clause (c) of Clause	For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-	Applicant shall be given time to encash the Bank Guarantee.

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	<p>(vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations:</p> <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 sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed."</p>	<p>clause (c) of Clause (xi) of Regulation 5.8 of these regulations:</p> <p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 50 25% 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 three six months of the final grant of Connectivity, 100 25% 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, shall be encashed."</p> <p>(c) After another three months remaining 50% Bank Guarantee shall be encashed.</p>	<p>As Nodal Agency is intimating the timeline for completion of augmentation, ATS, terminal bay(s), and firm date of start of Connectivity after 5.5 months of final grant.</p>
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