



Suggestions on Draft Amendment 3 to CERC GNA and Connectivity Regulations

CERC Public hearing on 4 October 2024

Key Issues

- 1. Land Documents** : Land documents issued under state policies to a RE Park Developer should be allowed as valid documents for RE developer
- 2. Constraint on T-GNA quantum** : there shall not be any limitation on T-GNA quantum; the draft proposes maximum T-GNA can be sought only upto 30% GNA granted.
- 3. Dedicated Transmission Lines** : If a connectivity grantee is parent company, then subsidiary should be allowed to construct and maintain the lines and vice a versa

Key Issues

4. Transfer of GNA : to be allowed without requirement of approval, processing time to be reduced from existing 45 days to 7 days

5. Relinquishment of GNA – to be allowed one month (instead of existing 6 months) prior to effectiveness of GNA without forfeiture of Con BGs

6. Connectivity Application for RE Park Developer : Min. quantum requirement for first phase application to be reduced to 50 MW from proposed 500 MW

7. GNA Application: the criteria of Min. 50 MW for GNA application for entities under 17 (iii) should be allowed to meet on aggregate basis instead of a single entity

1. Land Docuemnts

Current Provision : Regulation 5.8 (xi) (b)

Registered Title Deed as proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought:

Proposal :

The land documents issued to RE park developers shall also be valid land documents for the purpose of this regulation provided that the RE park developer and RE developer is same entity and such RE park developer is allowed to develop RE project under the government policy.

1. Land Documents

Rationale :

In many states land is allotted to RE park Developer for development of RE park.

Such policies allow that:

- i) The RE park developer can also be RE developer for part of full allocated capacity.
- ii) The RE park developer can develop RE project for captive consumption or self-use.

The land will be allotted to an entity for RE Park development and same entity can also become RE Developer (self-consumption / third party/DISCOM sale). In such cases, RE Developer should also be able to apply for CTU connectivity under relevant provisions pertaining to RE developer and the land documents, which are issued for the purpose of RE Park Development should also be considered as valid documents for the purpose of this Regulation.

2. Constraint on T-GNA quantum

Current Provision : Regulation 26 (2)

A GNA grantee shall be eligible to apply for T-GNA over and above the GNA granted to it, as per eligibility under clause (a) of Regulation 26.1 this Regulation.

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.”

Proposal :

there shall not be any limitation on T-GNA application quantum except transmission constraint

2. Constraint on T-GNA quantum



Rationale :

- The bulk consumer may have the varying power requirements which may depend on the time of the day/ month/ season. The bulk consumer may also have inhouse generation and partly meeting load using GNA. There are large captive consumers who are member of our association and have plan to set up co-located RE plants.
- In case in house generation (including RE) is not available due to planned / forced outages or due to intermittency of RE generation, such bulk consumer can utilize CTU connectivity to procure power for short during using T-GNA. It is not feasible commercially nor desirable from perspective of utilisation scarce resource (transmission system) to take GNA for such short term and exigency requirements.
- The purpose of T-GNA is to meet short term / exigency requirements and addition of such clause will defeat the purpose of T-GNA.
- T-GNA is granted based on available system margins only and hence no consumer would risk their main requirement using T-GNA, but it will be used only for short term and exigency requirements.

3. Dedicated Transmission Lines



Current Provision : Regulation 12.5

In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained **either by the entity itself or** by a licensee at the cost of such entity

Proposal :

In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained either by the entity itself or **its subsidiary company or its parent company** or by a licensee at the cost of such entity

4. Transfer of GNA



Current Provision : Regulation 23(1)

An entity covered under clauses (i) to (v) of Regulation 17.1 which is a GNA grantee, may authorise other entities covered under clauses (i) to (v) of Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 3 (three) years at a time on mutually agreed terms and conditions:

Proposal : GNA grantees should be allowed to authorise other entities to use its GNA irrespective of such entities are GNA grantees or not, with prior approval of the Nodal Agency.

Rationale : Once a GNA has been granted to an entity, such grantee is liable to pay monthly transmission charges as applicable under CERC Sharing regulations. This regulation allows GNA grantee to authorise other entities to use its GNA by having an internal agreement for use of GNA, in such cases it is not rational to restrict the GNA transfer to a particular set of entities only.

5. Relinquishment of GNA



Current Provision : Regulation 25 (1) (b)

Provided further that for the entity covered under clause (iii) of Regulation 17.1 of these regulations, the notice period shall be **six months**, and if GNA is relinquished at least **six months** prior to the date of effectiveness of GNA, only Conn-BG1 and Conn-BG3 shall be encashed corresponding to the relinquished quantum as relinquishment charges.”

Proposal :

The notice period time to be reduced to one month form existing 6 months

6. Connectivity Application - RE Park First Phase



Current Provision : Regulation 5.5

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.

Proposal :

Provided that Renewable Power Park Developer shall be eligible to apply for a grant of Connectivity in phases subject to a minimum quantum **of 50 MW** in each phase

6. Connectivity Application - RE Park First Phase



Rationale :

- In case of RE with Storage, the RE capacity would be more but the connectivity requirements will come down due to storage. Hence in such cases, the project developer cannot meet any requirement to apply for full quantum of authorised capacity.
- RE Park Developer may set up RE plant for captive use and in such case part of capacity may be consumed by dedicated line and only part capacity may require CTU connectivity. Hence RE Developer will never require CTU connectivity for quantum equal to authorised capacity.
- Most State policies lay down certain conditions such as completion of park development for full capacity within certain years. Hence, State policy provides sufficient flexibility and timeline to Park Developer, the CTU connectivity requirements should be aligned to such policy provisions.

7. GNA Application - Criteria



Current Provision : Regulation 17.1 (iii)

17.1 The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA: (iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;

Proposal :

Subsidiary / Parent / Affiliate Company of a GNA grantee seeking GNA under Regulation 17.3 (iii) and direct Connectivity to ISTS through the electrical system of a GNA Grantee shall be eligible to get GNA without limit of 50

Limit of 50 MW for a Bulk consumer seeking GNA under 17.1 (iii) shall be applicable on aggregate basis subject to all the applying entities are related parties such as subsidiary/affiliate/parent and applying for GNA and direct ISTS connectivity together at same ISTS substation

7. GNA Application - Criteria



Rationale :

- Many of large industries, set up various units within same complex and sometimes such units are set up by a subsidiary / affiliate company. Even under PLI and such other schemes of Government of India, it is mandatory to set up the units under new SPV to get benefits under such schemes.
- Many a times, such subsidiary/affiliate unit may not meet the 50 MW minimum load requirement and hence will not be able to meet eligibility requirement and get connected ISTS.
- In any case the entities together will meet minimum load of 50 MW. Such provision is allowed for generating companies hence the same may be allowed for bulk consumer also.