



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 no: NSEFI/CERC/2024-25/0031

Date: 11.11.2024

To,

The Secretary,
Central Electricity Regulatory Commission (CERC),
7th Floor, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Subject: Comments on the 'Draft Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024.'

Ref: L-1/250/2019/CERC

Respected Sir,

Greetings from National Solar Energy Federation of India!

National Solar Energy Federation of India (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 in reference to the comments invited by The Honorable CERC regarding the **Draft Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2024.**

As directed, we're submitting the comments and suggestions on the proposed modifications after an extensive consultation with our members.

S. No	Provision/Clause No.	Suggested Change in Provision/Clause No	Rationale/Comments
01	(7) A new sub-clause (h) shall be inserted after sub-clause (g) under Clause (2) of Regulation 13 of the Principal Regulations as under: “(h) Any REGS based on wind or solar source which is eligible for a waiver of	(7) A new sub-clause (h) shall be inserted after sub-clause (g) under Clause (2) of Regulation 13 of the Principal Regulations as under: “(h) Any REGS based on wind or solar source which is eligible for a waiver of inter state transmission	1. The definition of eligible REGS for wavier of ISTS charges is not very clearly provided in the regulations. If we refer to the MoP notification dated 09.06.2023, 21.11.2021 & 30.11.2021, projects that get commissioned before 30.06.2025 are eligible for ISTS charges wavier. However, the present amendment is

<p>inter-state transmission charges under Regulation 13(2) of these regulations and is having its scheduled date of commissioning on or before 30th June 2025 is granted extension of time to achieve COD by the competent authority in terms of the Power Purchase Agreements (where PPA has been entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, consequent to tariff based competitive bidding) or the Commission (for cases other than specified PPA, on an appropriate application made by the entity), on account of any Force Majeure event including non-availability of transmission or for reasons not attributable to the REGS, and the project achieves COD before the extended date, it shall be eligible for a waiver of inter-state transmission charges as if the said REGS had achieved COD on 30.6.2025:</p> <p>Provided that, for the purpose of this Clause, such extension shall not exceed a period of six months at a time and not more than two times.”</p>	<p>charges under Regulation 13(2) of these regulations and is having its scheduled date of commissioning on or before 30th June 2025 is granted extension of time to achieve COD by the competent authority in terms of the Power Purchase Agreements (where PPA has been entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee, consequent to tariff based competitive bidding) or the Commission (for cases other than specified PPA, on an appropriate application made by the entity), on account of any Force Majeure event including non-availability of transmission or for reasons not attributable to the REGS, and the project achieves COD before the extended date, it shall be eligible for a waiver of inter-state transmission charges as if the said REGS had achieved COD on 30.6.2025</p> <p>Provided that REGS who had applied for connectivity to CTU for a connectivity operationalisation date on or before 30th June 2025 and that such application was filed considering reasonable time for construction of project, are subsequently granted final connectivity by CTU bearing connectivity effective date after 30th June 2025, shall be eligible for extension in COD and corresponding ISTS charge</p>	<p>to cater to specifically those scenarios where on account of FM and delay in transmission or government approval the project can't come before 30.06.2025. Hence, we have suggested the deletion of sentence dealing of eligibility of REGS for wavier of ISTS charges to align with the intent of the order.</p> <p>We propose any REGS who has applied for connectivity to the Central Transmission Utility (CTU) with a connectivity operationalization date on or before 30th June 2025—and whose applications considered a reasonable construction period for solar, wind, or REHS projects (normal timelines which are adopted under standard bidding guidelines issued by MoP)—are encountering delays due to prolonged connectivity finalisation processes by CTUIL.</p> <p>The delay in granting the final connectivity start date by CTUIL is primarily due to time taken in bidding out the transmission scheme and acquisition of the Special Purpose Vehicle (SPV) responsible for developing the transmission network essential for power evacuation. Further the transition from Connectivity Regulations to GNA Regulations in 2023 also cause approval delays. This network is critical to enabling connectivity for applicants yet delays in SPV acquisition have disrupted the planned timeline and impacted the final connectivity schedule CTUIL can commit to for these projects.</p> <p>These projects should thus be eligible for an extension in the Commercial Operation Date (COD) and a corresponding waiver on ISTS (Inter-State Transmission System) charges for the delay period beyond</p>
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		<p>waiver extension on account of transmission delay for the period beyond 30th June 2025 and till connectivity effective date. The CTU shall share within 30 days from notification of this regulation details of all such projects to the commission for extension in ISTS charge waver.</p> <p>Similarly, REGS which is eligible for a waiver of inter-state transmission charges under Regulation 13(2) of these regulations and is having its scheduled date of commissioning on or before 30th June 2026 or 30th June 2027 or 30th June 2028 respectively, is granted extension of time to achieve COD by the competent authority, it shall be eligible for applicable waiver of inter-state transmission charges as if the said REGS had achieved COD on 30.6.2026, 30.6.2027 or 30.6.2028.</p> <p>Provided that REGS who had applied for connectivity to CTU for a connectivity operationalization date on or before 30th June 2025, 30th June 2026, 30th Jun 2027 or 30th Jun 2028 and that such application was filed considering reasonable time for</p>	<p>30th June 2025 until the date when connectivity is effectively provided. To streamline the implementation of this amendment, the CTU (or CTUIL) should be mandated to provide a list of all affected projects eligible for COD extension due to delay in transmission network and subsequent ISTS charge waiver, to the commission within 30 days from the notification of this regulation. This proactive reporting by CTU/CTUIL will facilitate transparency, accountability, and timely review by the commission for waiver approvals, expediting project commissioning.</p> <p>Furthermore, this approval for COD extensions and ISTS waivers is requested for qualifying projects will reduce the need for individual case-by-case assessments. This approach is backed by the precedent set by the Central Electricity Regulatory Commission (CERC) in the 13/SM/2018 order, where a blanket approval was provided for CIL projects impacted by the imposition of GST, in lieu of VAT and other taxes by the Government of India. This regulatory adjustment reflects an understanding of policy shifts and delays affecting energy projects at scale and aims to prevent undue administrative delays that could impede renewable project commissioning.</p> <p>Providing this waiver and extension for affected projects would mitigate risks associated with transmission delays, thereby safeguarding project viability, preserving investor confidence, and supporting India's renewable energy targets. This forward-looking measure would ensure renewable projects facing transmission delays remain</p>
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		<p>construction of the project, 18 months for solar project and 24 months for wind project, are subsequently is granted final connectivity by CTU with final connectivity start date after 30th June 2025, 30th June 2026, 30th Jun 2027 or 30th Jun 2028 shall be eligible for extension in COD and corresponding waiver of inter-state transmission charges on account of delayed connectivity start date granted.</p> <p>Provided that, for the purpose of this Clause, such extension shall not exceed a period of six months at a time and not more than two times.”</p> <p>Remarks: - We also suggest that the proviso regarding two extensions of 6 months on account of FM, Delay in Transmission & Delay in government approval is restrictive, delays can be more than 1 year and should be granted.</p>	<p>financially viable and are brought online in a manner that aligns with national clean energy objectives.</p> <p>2. The term “Competent Authority” is not defined and may be defined appropriately to include REIAs/ Discoms providing extension in SCOD in accordance to the PPA provisions.</p> <p>The proposed amendment provides clarification for waiver for the projects having COD on or before 30.06.2025 and granted extensions in SCOD due force majeure and related reasons by Competent Authority.</p> <p>Similar, clarification and providing waiver for the projects having COD before next threshold date for transmission charge wavier timelines of 30.06.2026, 30.06.2027 and 30.06.2028 respectively and granted extensions due force majeure and related reasons beyond 30.06.2026, 30.06.2027 and 30.06.2028 respectively, by the Competent Authority need to be provided.</p> <p>We request Hon’ble Commission to kindly consider similar treatment for the projects having COD before next threshold timelines.</p> <p>REGS developers apply for connectivity with a target connectivity start date considering the time needed to commission the REGS, usually 18 months for solar projects and 24 months for wind projects. However, there is delay in grant of final connectivity start date by CTUIL, primarily due to time taken in obtaining the transmission scheme approvals, bidding out the transmission scheme and acquisition</p>
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			<p>of the Special Purpose Vehicle (SPV). The REGS developer has no control on these timelines and is at the mercy of the closure of the transmission bidding process. These projects should thus be eligible for availing the corresponding waiver on ISTS (Inter-State Transmission System) charges for the delay period beyond 30th June 2025, 30th June 2026, 30th Jun 2027 or 30th Jun 2028 until the date when connectivity is effective.</p> <p>It is submitted that Force Majeure (FM) is normally invoked as last resort by the Parties under any contract. Given that there are multitude of clearance and approval required from different state and central government ministries/ agencies/ dept including PPA/PSA approval from CERC/SERCs, the project faces delays on various account and multiple times. Hence it is submitted that the number of extensions should not be restricted to two times (12 months extension) and the clause be removed.</p>
	<p>(13) Availability of the Transmission System</p> <p>Notwithstanding any provisions to the contrary in the Transmission Service Agreement, the Availability of a transmission system or an element thereof shall be calculated as specified in the Tariff Regulations.</p>		<p>There is an already existing clause numbered 13 (13), which is as below: (13) An intra-State transmission system for which tariff is approved by the Commission shall be included for sharing of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations, only for the period for which such tariff has been approved. The proposed clause may kindly be renumbered as (14).</p>

Thank you for your kind attention to this matter. We are sure that these feedback from our members would be invaluable in refining these regulations and ensuring they meet the sector's evolving needs.



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With Best Regards,



Subrahmanyam Pulipaka
Chief Executive Officer
National Solar Energy Federation of India

Copy to:

1. The Joint Chief, Central Electricity Regulatory Commission (CERC), 7th Floor, Tower B, World Trade Centre, Nauroji Nagar, New Delhi- 110029