Dated: December 29, 2025

Reference: Apraava/ Regulatory & Policy/Comments/2025/25

To,
Shri Harpreet Singh Purthi,
Secretary, Central Electricity Regulatory Commission,
8th Floor, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi, 110029

Subject: Comments on "**Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed**" (hereinafter referred to as **"Staff Paper"**)

Respected Sir,

By way of an introduction, Apraava Energy Private Limited (Apraava) is a diversified power company in India, owning and operating multiple renewable energy project, transmission assets and Advanced Metering Infrastructure projects.

The Hon'ble Commission vide public notice (No. L-1/261/2021/CERC) dated 25.11.2025 invited comments / suggestions / Objections on the subject Staff Paper. Our comments on the same has been enclosed as **Annexure I**.

We request the Hon'ble Commission to take our views on record.

Thanking you
Yours Sincerely,



Jogendra Behera
Head - Regulatory Affairs and Policy Advocacy

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Annexure I

We welcome the Hon'ble Commissions initiative to address the issue of Connectivity granted under the LoA route where signing of PPA/PSA has been delayed. The proposed framework is timely and necessary in view of the challenges being faced for obtaining the Connectivity. Our comments on the **Staff Paper** are provided below:

Proposal No	**Suggestion in the Staff Paper**	**Comment/Suggestion**
1	**Where developers have been granted connectivity through an LoA but their PPAs are still pending**	
(i)	**Convert to Land Route:** Exit from LoA route and change the connectivity basis to a land-based system.	CERC staff Paper proposes that such entity shall furnish a Performance Bank Guarantee for Rs 10 lacs/MW to avail this option, which shall be returned on achieving COD for the corresponding capacity. Further, the entity must commission the project within 18 months of conversion, with no change to the connectivity start date, and will continue to pay mismatch charges until commissioning. **Comment:** No Additional PBG should be mandated for this conversion. In the existing regulation CERC has allowed conversion from merchant route to LoA route without any additional BG or PBG (**sub clause (3) of clause 11A of Regulation 11**) hence in reverse, same approach may be followed. It should also be considered that **reason of pending PPA is not attributable to any generator**. Further mismatch charges for generators should be seen after 18 months from the date of conversion to

		land route. Any liability due to mismatch should be either recovered from REIA or added to the POC Pool. Rationale of recovery of mismatch charges from REIA for the cases where PPA got delay: In the previous connectivity Regulation 2009 which was applicable before GNA Regulations REIA was allowed as applicant of connectivity and allowed to apply for connectivity on behalf of generators and hence was liable to bear liability charges also as per sharing regulation. This was allowed under 7th Amendment of connectivity based on the SECI's request vide letter dated 21.4.2018 and following explanation was recorded in the EM: *"Further, gestation period in case of renewable generating station is very less but planning transmission evacuation related to these generating stations from conceptualization to commissioning takes more time (36-56 months under TBCB and 30-50 months under compressed time schedule). Therefore, it essential to plan and start implementation of transmission system required for evacuation of renewable generating station in advance to avoid bottling up of generation and consequential financial loss. However, the nodal agency cannot proceed for planning and implementation of transmission system without LTA application indicating source of generation and beneficiary (either firm or target). Also, it will be difficult for the Implementing Agency or Designated Agency to indicate firm beneficiary/target beneficiary in the application for LTA prior to completion of bid. Keeping in view the low gestation period of renewable generating station and necessity of transmission system for evacuation of power from renewable source of energy, it is proposed that the Central Government nominated Implementing Agency or Designated Agency can apply for LTA without indicating any beneficiary/region, if not available at the time of filing of application for grant of LTA. Further, it will be mandatory for the Implementing Agency or Designated Agency to intimate the name of beneficiary to the nodal agency within a week after signing PPA. The nodal agency may undertake revision in planned transmission system, if required, to transmit power from renewable generating station to the beneficiaries."*

		Rationale of adding mismatch charges in the POC Pool: As India accelerates towards its ambitious RE goals, there is an urgent need for a rapid transmission build-out. Therefore, the transmission assets should not be seen through the narrow prism of their immediate utilization during the initial years but need to be assessed over the entire life cycle of the assets. ➢ **Concept of socialising the impact of uncontrollable events is not new**. In fact, it has been applied by the Hon'ble Commission for transmission projects in the case of Biswanath Chariali line. ➢ **Case in point:** The HVDC bipole (800kV Biswanath Chariali) line was planned for Evacuation of Hydro Power from NER, Sikkim and Bhutan. It is worth to note POSOCO's comment recorded in order dated 8.1.2016 in Petition No 67/TT/2015, "Importance of the subject transmission assets should not be seen in the narrow prism of its immediate utilization during the initial years but needs to be assessed over the entire life cycle of the assets which will carry the hydro power from the huge potential in North East for the benefit by the entire country". ➢ **Redundancy has to be built**: As we understand, Singapore has derived the Required Reserve Margin (RRM) as 27% in order to maintain a reliable electricity supply and even CERC in its 2015 Report of the committee on Spinning Reserve dated 17.09.2015 has referred to the NEP mandate of India to maintain spinning reserve of at least 5% of the installed capacity. ➢ In order to have reliable power supply, the consumers do pay for such redundancy and the same principle can also be applied for developing large transmission network where big investment are expected.
(ii)	**Substitution** of the LoA with a PPA signed under another LoA	Substitution should also be allowed across any entities regardless of parent-subsidiary relationship on a mutually agreeable basis. Entities after mutual agreement shall inform to CTUIL and CTUIL may regularize the same.

(iii)	**Surrender & Auction:** Surrender the capacity back to the system for auction.	CERC staff Paper proposes that, under such cases, CTU shall encash Conn-BG1 and return Conn-BG2 and Conn-BG3. Further, such entity shall be liable to pay the applicable charges under the Sharing Regulations until the date of surrender of the Connectivity is allowed by the CTUIL. **Suggestion:** Here it may please be noted that the non-signing of PPA is due to failure of REIAs by calling bids without firm request from DISCOM. In such a case all BG shall be returned to generators who are surrendering LoA based connectivity due to non-signing of PPA. Staff paper further suggests that an entity may apply to surrender Connectivity (where developers have been granted connectivity through an LoA but their PPAs are still pending) to CTUIL, within one month. After surrender of the Connectivity, CTUIL shall open such Connectivity for auction based on the increasing price bids. The entity that quotes the highest premium above the base price shall win the auction and shall be awarded the corresponding Connectivity. **Suggestion**: After surrender of the Connectivity, CTUIL shall reallocate the connectivity based on priority order of connectivity application already being followed as per CTUIL Detailed Procedure. Further, minimum 18 months shall be allowed to complete the project, and mis-match charges for generators should be considered 18 months after the date of grant of connectivity. **Rationale:** Allowing auction would only escalate connectivity costs, eventually leading to higher energy prices or financial losses for generators, negatively affecting the power sector. The three routes for seeking connectivity by a RE developer was to ensure seriousness of the generation. By auctioning the connectivity, it won't expedite the project commissioning in any manner. So, the auction proposal may be

		dropped. Further, the developers put lot of efforts and cost to secure connectivity that also include expenditure towards obtaining various approvals, and clearances from CEA, CTU, PTCC, Grid-India, GoI etc. So, if a developer is being given chance to exit due to failure of REIAs, they should be allowed to recover their cost.
2	**Grant of fresh connectivity in the future**	
(i)	Only specified PPA as an eligible condition in place of LoA	Connectivity should not be granted for more than 3 years in advance except the cases where connectivity system (ATS/CTS) includes HVDC Transmission system. Further, priority need to be decided as below: 1. PPA should be given highest priority, including the private PPAs with C&I customers and captive generation (Either LoA of any REIA's bid along with PPA, or land plus any private PPA (C&I mode). Further, entity with private PPA must complete the financial closure within 6 months from the date of grant of connectivity else connectivity may be revoked. 2. Land route should be given 2nd priority. Further, generators should furnish PPA within 6 months along with FC within 12 months and achieve CoD within 18 months from grant of connectivity. Else grant of connectivity shall stand revoked. 3. Land BG route may be discontinued or may be considered as in-principal grant of connectivity (similar to pre GNA Regulation era) till the time generator enters into the PPA. In-principal grant of connectivity should not be allowed for more than 6-12 months.
(ii)	only through the Auction mechanism	Allowing this would only escalate connectivity costs, eventually leading to higher energy prices or financial losses for generators, negatively affecting the power sector. Hence, this should not be considered as valid option. The three routes for seeking connectivity by a RE developer was to ensure seriousness of the generation.

		Further, auctioning will not expedite project commissioning in any manner. So, the auction proposal may be dropped
Additional Suggestions		1) Connectivity may be granted only to the LoA for which REIAs has signed PSA or agreement to bear all the liabilities. It may be mandated that REIAs should call bid only after signing PSA else should sign agreement to bear all the liabilities with generators while awarding LoAs for the liabilities arises due to non-signing of PPA. 2) There should not be any liabilities on the generators due to delay in PPA as developers has no control over this. Either this should be considered as Force Majeure event, or liabilities should be recovered from REIAs for the concerned connectivity considering failure of REIAs in signing PPA.