Date: 26-12-2025

To
The Secretary
Central Electricity Regulatory Commission
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar,
New Delhi

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

Ref:- CERC notification **L-1/261/2021/CERC** dated 25-11-2025

Dear Sir,

BluPine Energy private Ltd (www.blupineenergy.com) is the third cleantech platform of ACTIS (https://www.act.is), a UK based global investment firm focused on the private equity, energy, infrastructure, and real estate asset classes. ACTIS' energy infrastructure team has invested in over 70 renewable energy projects worldwide, to date generating approximately 11GW of power globally. This makes ACTIS one of the world's largest owner-operator of renewable power assets. In India, ACTIS has already developed their first and second platforms Ostro and Sprng energy successfully (over 3 GW renewable capacity) and has a proven track record of executing and commissioning renewable projects over the last 10 years.

This is in context of the CERC notification dated 25-11-2025, wherein CERC has sought Comments on Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed.

We hereby submit our Comments on Comments on Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed as Annexure 1 for kind consideration of the Hon'ble Commission.

Thanking You

For Blupine Energy Pvt Ltd

Authorised Signatory

Enclosures:

Annexure 1: Blupine Comments on Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed.

Annexure 1

S.No.	Cl./para no.	Staff Paper Proposal	Comment / Recommendation	Rationale / Justification
1	5.4	Option III – Exit from connectivity: Conn-BG1 (Rs 50 lakh) to be encashed	Conn-BG1 should not be encashed when PSA is not signed due to failure of REIA to execute PSA with the DISCOM or PSA has been rejected by State Regulator	Connectivity under the LoA route is granted based on participation in a tender issued by the Renewable Energy Implementing Agency (REIA). The developer's obligations arise **only after the PSA is successfully executed** between the REIA and the DISCOM, followed by execution of a back-to-back PPA with the developer. Where the PSA is not signed or is rejected by the State Commission, the developer is **contractually and commercially incapable of proceeding**, and therefore cannot be treated as being in default. The purpose of CONN- BG1 is to deter non serious player and not to penalise the developers in scenario which is out of control of the developer. Encashment of Conn-BG1 in situations beyond the developer's control, such as non-finalization or rejection of PSA, would dilute the original regulatory intent of the Bank Guarantee mechanism. If Conn-BG1 is encashed even when PSA non-execution is attributable to REIA , the entire commercial risk is **unilaterally transferred to the developer**, resulting in an inequitable risk allocation.

2	5.4	Auction mechanism for vacated connectivity under option III	The auction of surrendered connectivity proposed under option III should only be exercised as option of last resort after the due procedure of re allocation of connectivity under Regulation 11C of CERC GNA Regulation 2022 has been followed and exhausted.	Regulatin 11C recognizes that vacant connectivity is best re-utilized first through reallocation, rather than immediately resorting to auction. The vacated connectivity should first be offered to eligible applicants as per the priority determined by time-stamp, in accordance with the reallocation process under the GNA Regulations 2022. Only after the reallocation queue is fully exhausted, and if any balance capacity still remains unutilized, should such capacity be considered for auction. Hence, Auctions should therefore be positioned as a residual mechanism, to be used only when No eligible applicant is available under the reallocation process, or the reallocation queue has been fully exhausted and margins are still available.
3	5.5	Option II Future connectivity only through auction	This option should be removed.	Auctions should not be the only route for new connectivity. Land based and Land BG based connectivity option should be retained as this is the only possible way for the RE developers for developing projects for C&I consumers. Connectivity obtained under the LoA route already follows a competitive bidding process, wherein REIAs conduct tariff-based auctions for power procurement and Developers compete on price and technical parameters, and Successful bidders are issued LoAs through an auction mechanism. Introducing a separate auction for connectivity effectively results in repeating the same competitive process twice once for power procurement and again for connectivity allocation.

				In addition, it creates and additional layer of cost. The Staff Paper explicitly proposes multiple cost components for connectivity auctions, including • Base price of Rs 3 lakh/MW • Bid processing fee of Rs 5 lakh (non-refundable) • Earnest Money Deposit (5% of base price) • Performance Bank Guarantee (10% of base price). These costs are over and above the costs already incurred by developers for Participating in REIA bidding processes, payment towards procurement of RFS document and submission of EMD for participation in the bid. Any premium paid for securing connectivity through auction, along with associated bidding fees and guarantees, will ultimately be recovered through tariff by passing the same to the end consumer defeating the objective of cost effective renewable energy. Further, an auction only framework would also structurally disadvantage small and mid-sized developers, particularly for C&I projects, and would favour the larger player with deep pockets to secure connectivity leading to market concentration and reduced competition.

4	Additional Submission	Connectivity with start date with later years such as 2028,2029, 2030 or beyond; Revocation under LoA route	Connectivity granted to developer having later start date i.e from 2028 onwards should not be revoked in case on non signing of the PSA. The developers should be permitted to retain it.	In cases where connectivity has been granted with a firm start date several years in the future, developers have adequate time to participate in future REIA tenders, and Can realistically execute PPAs closer to the connectivity start date. As a practise, the Project Development Timelines are generally 24 Months from PPA. Under majority of REIA tenders, the RE projects generally provided around 24 months from signing of PPA to commissioning. So If a developer holds connectivity with a firm start date in **2029** and participates in an REIA tender in early 2026, with PPA executed by mid 2026, the project can be comfortably commissioned by **mid 2028**, well in advance of the connectivity start date. Accordingly, the absence of a PPA immediately after LoA issuance does not indicate non execution of project in cases of future dated connectivity. Therefore, revocation of connectivity should also be linked to failure in achieving Financial Closure within the timeline prescribed under Regulation 11A(2) of the GNA Regulations 2022, rather than being triggered solely due to non signing of PSA within one year of LoA.