CONTINUUM

CONTINUUM GREEN ENERGY LIMITED

(formerly known as Continuum Green Energy Private Limited and Continuum Green Energy (India) Private Limited)

To,
The Secretary,
CERC, 6th, 7th and 8th Floor, Tower B,
World Trade Centre, Nauroji Nagar,
New Delhi-110029.

Date: - 15.12.2025

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

Respected Sir,

We are thankful for providing an opportunity for us to share suggestions and comments on the Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed.

In this regard, please find our comments provided in Annexure A, enclosed along with this letter.

We request you to kindly consider our submissions, as may be considered appropriate.

Yours Sincerely,

For Continuum Green Energy Limited.



Authorized Signatory

Comments and Suggestions on Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed			
Sr. No	**Existing Clause as per the Draft Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed**	**Clause suggested by CGEL in Existing Clause of the Draft Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed**	**Comments/Rationale**
1	**5.4 Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed** (a) An entity that has been granted Connectivity on the basis of LoA, where the signing of the PPA is delayed for more than 12 months, shall be considered under the proposal. (b) Such entity shall be allowed to opt for either of the following options: **Option – I: Exit from LoA route without surrendering Connectivity** i. Within one month, such an entity may seek to exit from the LoA route, along with the NoC regarding non-signing of the PPA from the concerned REIA. Such LoA, basis which the Connectivity was granted, shall become an invalid document to obtain any other Connectivity or the LOA may be terminated by REIA. ii. The Conn-BGs (Conn-BG1, Conn-BG2, Conn-BG3) as already furnished shall continue to remain valid. 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…….. …….. …… **Option-II: Substitution of the LoA with a PPA signed under another LoA**	**5.4 Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed** (a) An entity that has been granted Connectivity on the basis of LoA, where the signing of the PPA is delayed for more than 12 months, shall be considered under the proposal. (b) Such entity shall be allowed to opt for either of the following options: **Option – I: Exit from LoA route without surrendering Connectivity subject to compliance with condition precedent** i. Within one month, such an entity may seek to exit from the LoA route, along with the NoC regarding non-signing of the PPA from the concerned REIA. Such LoA, basis which the Connectivity was granted, shall become an invalid document to obtain any other Connectivity or the LOA may be terminated by REIA. ii. The Conn-BGs (Conn-BG1, Conn-BG2, Conn-BG3) as already furnished shall continue to remain valid. 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…….. …….. …… ***Provided further that the option of exit from the Letter of Award (LoA) route without surrendering***	In this regard, we respectfully submit that the primary objective of the Staff Paper is to ensure optimum utilization of connectivity. However, the proposal in its present form does not fully achieve this purpose. Connectivity granted on the basis of a Letter of Award (LoA) cannot be permitted to be converted through alternate land or bank guarantee routes except for the applicants who have achieved substantial progress in their projects. In this regard stringent condition shall need to be made applicable for them to avail such option due to following reasons, 1) The aforesaid unconditional permission will undermine the sanctity of the terms and conditions under which connectivity was originally granted, as well as the procedures envisaged under the Regulations, which will result in to effectively alter the terms and condition of connectivity already issued on the basis of original LoAs and also will result in preferential treatment toward certain applicants, who has failed to show the substantial progress in their project. Provided further the application for the Connectivity and granting of the same in the ISTS (Inter-State Transmission

	i. An entity may opt for substitution of the LoA1, with a PPA signed under another LoA2, with the condition that the firm date of start of connectivity of LOA2 is at least 6 months later than the firm start date of connectivity of LOA1. This option is proposed to address situations where a PPA under LoA2 requires connectivity earlier than the Connectivity's firm start date, but due to non-availability of connectivity, Connectivity was granted with a later firm start date…… ……. …… **Option-III – Exit from Connectivity** i. An entity may apply to surrender such Connectivity to CTUIL, within one month. In such a case, CTU shall encash Conn-BG1 and return Conn-BG2 and Conn-BG3. 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. **Case-I for sub-clause (c)(i) - Connectivity is granted at the substation which has achieved COD or under construction and with anticipated date of commissioning within 12 months of the surrender of the Connectivity.** Auction of such surrendered Connectivity shall be done in terms of the following…….. …….. **Case-II for sub-clause (c)(ii) – Auction of the surrendered Connectivity for the future substation (either in construction stage or under planning stage), or at the existing substation for which the firm start date of Connectivity is more than 12 months, shall be done in terms of the following**	***connectivity shall be extended only to those applicants who have demonstrated substantial progress in their project to ensure that interests of all stakeholders have been protect ed.*** ***Such applicants shall be permitted to retain connectivity subject to the following conditions, ensuring that only genuine applicants exercise the aforesaid option:*** 1. ***Land Possession: The entity must have secured at least 70% of the total land requirement for the project in its possession.*** 2. ***Financial Closure: The entity must have achieved financial closure of the project, duly certified by the lending institutions.*** **Option-II: Substitution of the LoA with a PPA signed under another LoA** i. An entity may opt for substitution of the LoA1, with a PPA signed under another LoA2, with the condition that the firm date of start of connectivity of LOA2 is at least 6 months later than the firm start date of connectivity of LOA1. This option is proposed to address situations where a PPA under LoA2 requires connectivity earlier than the Connectivity's firm start date, but due to non-availability of connectivity, Connectivity was granted with a later firm start date…… ……. …… **Option-III – Exit from Connectivity**	System) is governed by the CERC Connectivity and GNA Regulations, 2022 and its amendment from time to time.These regulations lay down the framework for surrender, and relinquishment of connectivity and they have the force of law and shall need to be followed by CTUIL and applicants. Notwithstanding aforesaid paragraphs, the Hon'ble CERC has inherent powers under Section 178 and Section 79 of the Electricity Act, 2003 to frame, amend, or relax provisions of its regulations. Provided further Regulation 111 of the CERC Conduct of Business Regulations also empowers the Hon'ble Commission to relax provisions in specific cases to remove hardship or to meet the ends of justice. Provided further the Hon'ble Commission is duty-bound, pursuant to the Act and the **National Tariff Policy, 2016**, to safeguard the interests of all stakeholders within the electricity sector in a transparent, fair, and non-discriminatory manner. **Therefore the Hon'ble** Commission wherever deems it necessary, in the interest of efficient utilization of scarce transmission resources, to ensure that only such applicants whose PPA signing is delayed and who demonstrating a substantive commitment to project implementation are permitted to exist from route, ,

	:…… ……	i. An entity may apply to surrender such Connectivity to CTUIL, within one month. In such a case, CTU shall encash Conn-BG1 ***and return Conn-BG2 and Conn-BG3 as per Applicable Regulations.*** 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. ***In case the entity does not exercise any option from the aforesaid option, the entity shall be liable to pay Transmission Charges after commissioning of the ATS allocated under the Connectivity until commissioning of its Project pursuant to the signing of the PPA as per the timelines stipulated under the PPA.*** ***Provided further, at a later stage, if the entity opts for relinquishment of its connectivity, the entity shall be liable to pay relinquishment charges along with encashment of Conn BG 1, Conn BG 2, and Conn BG 3 in accordance with the applicable Regulations.*** ***The capacity made available due to surrender or relinquishment of the aforesaid connectivity from option I and option III shall be allocated in the following manner:*** ***I. First, to applicants who have already been granted connectivity with augmentation at the same substation.*** ***II. Thereafter, allocation shall be considered for applicants who have applied for connectivity at the same substation.*** ***III. Subsequently, reallocation shall be made to other applicants who have been***	without the surrender of the **Connectivity**; **The Hon'ble Commission** shall have the inherent power to permit an applicant to exit **from the LoA Route** while concurrently **Retaining the Granted Connectivity** subject to the compliance of stringent **Conditions Precedent like,** 1. **Possession of Land:** The applicant entity shall furnish documentary evidence, certified by a competent authority, confirming that it has secured and possesses, in its name or the name of a Project Company, **at least seventy percent (70%)** of the total land area required for the physical establishment of the Generating Station, as detailed in the original Connectivity application. 2. **Achievement of Financial Closure:** The applicant entity shall submit a certificate, issued and authenticated by the Lead Lending Institution or a scheduled commercial bank, confirming that the project has attained **Financial Closure**, in accordance with the terms and timelines specified in the relevant agreements, or as otherwise accepted by the Commission.

		granted connectivity at ISTS substations within the same cluster. *IV.* ***Finally, allocation shall be undertaken through auctioning of the said capacity, if required. Notwithstanding anything stated hereinabove, auctioning shall remain the last option to ensure full utilization of available capacity. The capping of bid price for availing connectivity through auction shall be determined by the Hon'ble CERC.*** ~~***Case-I for sub-clause (c)(i) – Connectivity is granted at the substation which has achieved COD or under construction and with anticipated date of commissioning within 12 months of the surrender of the Connectivity.***~~ ~~***Auction of such surrendered Connectivity shall be done in terms of the following……..***~~ ***……..*** ~~***Case-II for sub-clause (c)(ii) – Auction of the surrendered Connectivity for the future substation (either in construction stage or under planning stage), or at the existing substation for which the firm start date of Connectivity is more than 12 months, shall be done in terms of the following***~~ ***:……..*** ***……..***	Accordingly, it is submitted that where an entity has been granted connectivity on the basis of an LoA, and the signing of the Power Purchase Agreement (PPA) is delayed for more than 12 months, such entity shall be provided the following option a) Option to surrender the connectivity within one month from the date of notification of this Staff Paper. b) Option to exist from LOA Route without surrendering the connectivity provided they have complied with condition precedent which has been mentioned above. This surrender of the connectivity shall be subject to encashment of Conn BG 1, and return Conn BG 2, and Conn BG 3 as per the applicable Regulations. In such cases, relinquishment charges shall not apply, since the LoA on the basis of which connectivity was issued has ceased to be valid document. If the entity does not exercise any option out of the options as stated above, it shall be liable to pay transmission charges after commissioning of the ATS allocated under the connectivity until commissioning of its Project as per the PPA. At a later stage, if the entity opts for relinquishment of its connectivity due to non-signing of the PPA, it shall then be liable to pay relinquishment charges

			along with encashment of Conn BG 1, Conn BG 2, and Conn BG 3 as per the applicable Regulations. The capacity made available due to surrender or relinquishment of such connectivity from Option I and Option III shall be allocated in the following order: • First, to applicants who have already been granted connectivity with augmentation at the same substation. • Next, to applicants who have applied for connectivity at the same substation. • Subsequently, to applicants who have been granted connectivity at other ISTS substations within the same cluster. • Finally, if required, through auctioning of the said capacity. Provided auctioning of the Connectivity shall remain the last resort to ensure full utilization of available capacity, with the capping of bid price for availing connectivity through auction as determined by the Hon'ble CERC.

2	**5.5 Proposal No.2 – Grant of fresh connectivity in the future.** In light of the above discussions, the following two options are proposed for future applications for the grant of Connectivity: **Option-I – Only specified PPA as an eligible condition in place of LoA** …… …….. **Option-II – In Future grant Connectivity only though the Auction mechanism** ……. ……..	**5.5 Proposal No.2 – Grant of fresh connectivity in the future.** In light of the above discussions, the following two options are proposed for future applications for the grant of Connectivity: **Option-I –** **a) Only specified PPA as an eligible condition in place of LoA** **b) Land or BG Route** …… …….. **Option-II – In Future grant Connectivity ~~only~~ though ~~the~~ Auction mechanism** ***–as per existing CERC GNA Regulation and its amendment from time to time.*** ……. ……..	In this regard, it is respectfully submitted that clarity shall be provided as to whether, under **Option I**, a Power Purchase Agreement (PPA) executed with a Commercial and Industrial (C&I) Consumer shall be considered a valid PPA. Provided further, **Option I** shall also be structured on the **Land/Bank Guarantee (BG) Route** rather than the only PPA route , as Projects who will be developed for sale of power in merchant markets or to C&I Consumers and don't have PPA, shall be provided the option to obtain connectivity through the Land/BG Route. This approach shall ensure equitable treatment among all developers—both those with specified PPAs and those intending to sell power in the future without a PPA under merchant option or to C&I Consumers. Provided further it has been observed that connectivity granted through the Land/BG Route has been optimally utilized by the concerned entities. **Provided further** that **Option II** shall be exercised only after the exhaustion of the aforesaid option, so as to ensure that no stranded capacity arises. The rationale for this sequencing is as follows: 1. **Auctioning of Connectivity**: Auctioning of connectivity has the potential to increase

			costs and introduce uncertainty in allocation. 2. **Project Development Risk**: There is no guarantee that the applicant will actually develop the project under the connectivity secured through auction. 3. **Impact on Tariffs**: The cost incurred in securing connectivity through the auction process will ultimately fall on the developer, thereby increasing the overall project cost. This, in turn, may raise the tariffs discovered through competitive bidding, creating a hindrance for Renewable Energy Implementing Agencies (REIAs) in securing buyers. 4. **Tariff Mismatch**: Bidders without connectivity are likely to quote lower tariffs compared to those who secure connectivity through auction. This will result in a mismatch as the entity who has of connectivity will not be able to secure the PPA due to high quote of tariff in the bidding as compared to the entity who are not able to secure the connectivity through auction.

			5. **Optimal Utilization of Land/BG Route**: It has been observed that connectivity granted through the Land/BG Route has been optimally utilized by the concerned entities.