Manish K. Singh
Secretary General

No. InWEA//2023-24

9th June, 2023

Shri J P Gupta
Principal Secretary
Finance Department
Government of Gujarat
Sachivalaya , Gandhinagar.

Subject: Inputs for proposed new Wind Power Policy

Respected Sir,

Indian Wind Energy Association (InWEA) is an association registered at New Delhi to represent the interest of various stakeholders in the wind energy sector across various states in India. InWEA has been working for more than 2 decades now, and has an active members in excess of 300 in different states of India. InWEA not only has expertise and experience in the wind energy sector, but very much keen towards the development and growth of the sector in accordance with the legislative policy enshrined in the Electricity Act, 2003. Through the present letter we would like to draw your kind attention to the problems the wind industry is facing in the State of Gujarat that can be addressed in the proposed new wind power policy.

2. Gujarat as you are aware has the highest wind energy potential across India. However, there is an urgent need to resolve the issues faced by the sector. InWEA has looked into all the issues and has identified the most critical for your look into (annexed)

3. The promising resolution of these issues/concerns by the Hon'ble Ministry, will not only give support to the struggling wind energy retail energy sector in the state of Gujarat but also bring investment in the State of Gujarat.

Thank You!

Yours sincerely,

(Manish K. Singh)

Encl: a/a

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

Proposal	Rationale	Suggestions/ Comments
Manufacturing Lead Time constraints		
24-30 Month Implementation Window for Tier 1 Allocation	OEM equipment manufacturing lead time is 14-20 months from order confirmation to factory delivery, plus 5-8 months pre-order phase (feasibility studies, financing approval, design confirmation). Current Regulation 11A(2) assumes 6-month land document submission, 15-month FC, and 18-month SCOD. This compressed timeline is incompatible with global OEM manufacturing practice and India's import-dependent wind equipment supply chain (70% power electronics imported). Realistic timeline accommodates: Month 0-3 (land/FC closure post-connectivity conversion), Month 4-8 (equipment order confirmation and initial manufacturing), Month 8-22 (main manufacturing cycle and component integration), Month 22-26 (transportation, port clearance, customs, and site commissioning). This aligns with global OEM manufacturing practice and India's equipment supply chain realities.	InWEA strongly recommends the Hon'ble Commission consider the following realistic timeline in amended Regulation 5.8(xi)(d) and Clause 11A: (a) Land Milestones: 18-21 months from connectivity conversion date for land document submission per Regulation 5.8(xi)(b). (b) Financial Closure: 21-24 months from connectivity conversion date, with interim FC compliance via binding lender term sheets (RBI-aligned project finance norms per Regulation 11A(2)). (c) Scheduled Commercial Operation Date (SCOD): 24-30 months from connectivity conversion date. These milestones provide realistic equipment, procurement windows and align with CEA Grid Integration Guidelines. Retain performance BG and other provisions per Regulation 24.2-24.3 to ensure project seriousness and timely utilization of ISTS infrastructure.
Why Compressed Timeline Creates Supply Chain Bottleneck	Current 18-month SCOD proposal (per Option I of Staff Paper) forces: (a) Expedited manufacturing cycles (normal 16-20 week manufacturing compressed to 8-12 weeks), compromising Factory Acceptance Testing (FAT) per RWEA standards; (b)	InWEA proposes to include the following: (a) Phased COD Option: Allow developers to commit to phased CODs (e.g., 100 MW by Month 24, 100 MW by Month 28, 100 MW by

	Emergency/expedited component procurement (blades, gearboxes, power electronics from global suppliers), increasing costs 8-12% above normal rates; (c) Reduction or elimination of type certification testing protocols (normally 6-12 weeks), creating quality/safety risks and non-compliance with Indian wind turbine standards. These pressures increase equipment costs 8-12%, create warranty/safety risks, and are passed to developers and ultimately consumers through higher tariffs.	Month 30) instead of single 18-month target. Phased approach aligns with cascading OEM equipment procurement schedules and enables realistic timelines for multi-tranch projects. (b) Quality Assurance Buffer: Mandatory 4-week quality assurance and certification buffer embedded before final COD (Months 21-24 in 24–30 month window). Non-negotiable certification requirement: Equipment must be delivered with complete RWEA Type Certification and Factory Acceptance Testing documentation per Regulation 10.1 of GNA Regulations.
Project Finance & Compliance		
Financial Closure Timeline Aligned with RBI Project Finance Norms	RBI-regulated long-tenor project financing for wind energy projects (10-15year loan tenure) requires signed PPAs or equivalent contracted revenues as pre-condition for debt approval. This is mandated by: a. RBI Master Circular on Large Exposure Framework. b. Individual lender Credit Risk Management Policies; c. Project Finance Guidelines from Indian Banks Association. Developers cannot secure lender approval for FC if PPA is unsigned, they would need alternative collateral or expensive equity bridging, increasing project IRR burden by 3-5%. Current Regulation 11A(2) ignores this banking reality. PPA signing is often delayed due to: i. REIA capacity for PPA processing (CEA Secretariat	InWEA respectfully requests the Hon'ble Commission amend Regulation 11A(2) to explicitly recognize that Financial Closure timelines should be calibrated to RBI project finance norms. a. Regulatory Recognition: Amended Regulation 11A(2) should state: "Financial Closure timelines for renewable energy generation projects shall be calibrated to RBI-regulated project finance norms, recognizing that long-tenor lending (10-15 years) requires signed PPAs or equivalent contracted revenues as

	handles PPA approvals; typical timeline 3-6 months); ii. Government approvals (Ministry of Power, State Government clearances = 2-4 months); iii. Tariff discovery processes under CEA guidelines. Developers cannot control PPA timing but face FC deadlines.	pre-condition for lender approval." b. Interim FC Compliance: Allow submission of binding term sheets or conditional sanction letters from RBI-regulated lenders as interim compliance for FC milestone, with final FC documentation linked to PPA execution and realistic COD schedules acceptable to lenders. This aligns regulations with standard banking practice across Indian renewable energy sector. c. Lender Term Sheet Specifications: Interim FC compliance documents should include: i. Loan amount committed, ii. Tenors in number of years, iii. Interest rate band, iv. Disbursement conditions depend upon PPA execution. Lender term sheet acceptable as proof of financial closure (interim) per RBI guidelines.
RBI-Aligned Finance Practice Reality in India	Long-tenor debt for Indian wind projects typically requires 10-15 year financing terms (per RBI Project Finance Guidelines). RBI-regulated lenders (ICICI, HDFC, Axis, SBI, etc.) require signed PPA (or equivalent contracted revenue) to approve such long tenors. PPA signing in India often	InWEA proposes specific regulatory amendment language: a. Interim FC Compliance: Amended Regulation 11A(2) should permit: "Developer may submit 'Binding Term Sheet from

	delayed due to: (a) REIA capacity constraints (SECI, NTPC, NHPC, SJVNL process PPAs serially; typical timeline 3-6 months per PPA); (b) Government approvals (Ministry of Power, State Government, CEA technical clearances); (c) Competitive tariff discovery processes under CEA Tariff Guidelines (2-4 months). Developers cannot control PPA timing but face FC deadlines per current regulations. Non-PPA financing (equity bridges, mezzanine debt) carries higher cost (15-20% vs. 8-10% for PPA-backed debt), reducing project IRR by 3-5%.	RBI-Regulated Lender' or 'Conditional Sanction Letter (contingent on PPA execution)' as interim proof of financial closure. Term sheet should indicate: i. Loan amount, ii. Tenor, iii. Interest rate, iv. Condition = upon PPA execution. Lender term sheet acceptable as proof of financial closure (interim) for Milestone Extension purposes." b. Final Closure Linkage: "Final FC (full documentation of deployed funds) linked to PPA signing. Timeline: If PPA signed by Month 36, final FC documentation due by Month 38 (within 2 months post-PPA signing for fund deployment). If PPA delayed beyond Month 36, FC deadline extended day-for-day without penalty." c. Lender Service Level Agreement (SLA): "Lenders should provide term sheets within 30 days of application. If lender SLA exceeded, developer can submit interim term sheet request to CTUIL as evidence of financial closure without delay penalty."
Supply Chain Volatility & Infrastructure Constraints		

Recognition of Global Supply Chain Infrastructure Constraints	Global supply chain constraints directly impact equipment delivery timelines for Indian wind projects: Blade Manufacturing: Current import lead time 16-20 weeks (from Denmark, Germany, Spain OEM facilities); global supply chain volatility adds 2-4 weeks; (b) Power Electronics: Permanent magnet materials (8-12 weeks from China), power converters (10-14 weeks from European suppliers); (c) Customs Clearance: Indian port clearance 2-4 weeks, GST/duty classification disputes 2-8 weeks. Critical Indian Infrastructure Constraint: Current port capacity for wind equipment imports = 370 MW/month (Mundra 150 MW/month + Kandla 120 MW/month + Vizag 100 MW/month). National installation target (2030) = 833 MW/month equipment import requirement. Capacity shortfall = 463 MW/month (55% below requirement). Port congestion is regularly documented: October-November (peak auction season) = 4-6 week delays; June-September (monsoon) = 4-6 week delays due to weather restrictions. Developers facing strict COD deadlines with penalties cannot accommodate these logistics delays without incurring severe financial penalties (Rs 5000/MW/day per Regulation 24.6).	InWEA respectfully recommends the Hon'ble Commission introduce Force Majeure provisions in amended Regulations 11A and 24.6: (a) Force Majeure Clause: "Allow COD extensions (30-60 days without some penalty per Regulation 24.6) if equipment delivery is delayed due to documented, component supplier delays, or logistics constraints beyond developer/OEM control. Delays must be certified by the designated Authorities notification." (b) Coordinate with different Ministries on infrastructure investment to reduce delays. Annual capacity forecast from Ministry should inform CTUIL allocation planning." InWEA proposes specific amendments to Regulations 11A(3) and 24.6: (a) Force Majeure Documentation: "If developer provides certified evidence from designated Authorities for COD extension without penalty and Extension up to 60-180 days may be provided
Source Configuration Change Limits		
Limit Source Configuration Changes to Preserve ISTS System Planning	System planning and Inter-State Transmission System (ISTS) development (per CTUIL framework and CEA guidelines) was originally undertaken on technology-specific assumptions . Unconstrained changes in renewable energy source configuration undermine original system planning and create inefficiencies in transmission asset	InWEA recommends the Hon'ble Commission amend Option II (Regulation 5.8(xi)(c)) to include: (a) Regulatory Constraint: "Require CTUIL technical clearance and system studies before allowing significant technology share changes at any ISTS node.

	utilization. Changes in technology mix affect ISTS planning assumptions for: (a) Voltage regulation (wind vs. solar generation characteristics differ); (b) Frequency control and grid stability (c) Transmission corridor capacity requirements (seasonal wind patterns vs. solar patterns); (d) Grid support systems (reactive power requirements differ by technology). Configuration changes after ISTS planning undermine these design assumptions and reduce transmission system efficiency.	System studies must evaluate: Grid stability impact; voltage regulation adequacy; frequency control capability with new technology mix; reactive power requirements." (b) Technology Share Mandate: "For ISTS nodes designated for specific technology (e.g., 'Wind-Priority' nodes in Rajasthan, Gujarat corridors), mandate minimum 60-70% technology share maintenance. Configuration changes reducing technology share below minimum require CTUIL approval + CEA system impact study (4-6 weeks)." (c) Substitution System Study Process: "Before allowing part-capacity substitution to different technology, CTUIL must conduct system impact study confirming: Does new technology mix compromise grid stability vs. original ISTS planning assumption? If grid impact identified (voltage, frequency, stability), configuration change restricted."
ISTS System Planning Impact	System planning and ISTS asset design assume specific technology mix. Example: Rajasthan-Gujarat wind corridor designed for 80% wind generation (high capacity factors 30-35%, predictable seasonal patterns), 20% solar (capacity factors 15-18%, diurnal patterns). Shifting to 50% wind + 50% solar creates misalignment: (a) ISTS corridors capacity calculated for wind	InWEA proposes specific regulatory language for amended Regulation 5.8(xi)(c): (a) Technology Share Minimums for Wind-Priority Nodes: "For ISTS nodes and corridors planned for wind-heavy generation (Rajasthan-Jaisalmer, Gujarat-Kutch, Tamil Nadu-

	generation patterns (continuous winter/summer generation); solar injects peak at midday only; (b) Grid support systems (synchronous condensers, STATCOM) designed for wind generation characteristics; solar requires different reactive power support; (c) System stability margins calculated for wind generation assumptions (inertia, damping); solar has neither, increasing grid stability risk. Configuration changes after ISTS planning undermine design assumptions and reduce transmission system efficiency. Per CEA Grid Integration Standards: Different technology requires different ISTS design and operational protocols.	Tirunelveli corridors), maintain minimum 60-70% wind share. Configuration changes from wind-heavy (80%+) to mixed (50%+ solar) require: (i) CTUIL technical clearance, (ii) CEA system impact study, (iii) Transmission operator (POSOCO) confirmation of grid stability maintenance." (b) Substitution Process: "Before allowing technology configuration change reducing primary technology share below 50%, CTUIL must: (i) Commission system impact study (4-6 weeks), (ii) Evaluate voltage regulation impact, (iii) Evaluate frequency control impact, (iv) Confirm grid stability maintenance vs. original planning. If negative grid impact identified, configuration change denied." (c) OEM Supply Chain Protection: "For equipment manufacturers (OEMs), include contractual clause in connectivity allocation: 'If developer shifts technology configuration reducing original technology share below 50%, OEM has termination right for corresponding equipment orders with penalty waived.' Protects OEM supply chain investments."
Phased Buyer Aggregation & Partial Capacity Deployment		
Flexibility for Phased Deployment &	Large wind projects (500+ MW) in India often require aggregating multiple offtakers under different PPA structures: (a) State Electricity Boards	InWEA respectfully proposes amendments to Regulation 5.8(xi)(c) and 11A(3) to allow:

Multi-Buyer Projects	(SEBs): Power purchase agreements for state renewable procurement (3-6 months negotiation per Regulation 15 of GNA); (b) Open-Access Buyers: Renewable energy traders, merchant developers under Indian Electricity Grid Code (3-6 months negotiation); (c) Central Sector Allocation: Ministry of Power/MNRE renewable energy schemes (2-6 months allocation); (d) Green Power Certificate (GPC) trading: Optional for partial capacity (2-4 months). Developers require 24-30 months to aggregate 500+ MW across multiple buyers and secure coordinated PPAs. Current Option II (partial substitution) requires strict treatment of uncontracted part capacity, forcing premature relinquishment and Performance BG encashment per Regulation 24.2 even when developers demonstrate serious aggregation efforts. This creates unnecessary project failures and supply chain disruptions.	(a) Phased COD Framework: "Allow connectivity deployment in tranches: Tranche 1 (for SEB allocation fully secured): COD by Month 24; Tranche 2 (for open-access buyer negotiation completing): COD by Month 28; Tranche 3 (for remaining offtaker finalizing): COD by Month 30. Each tranche has separate Financial Closure and COD milestones proportionate to secured offtakers." (b) LOI-Based Interim Credit: "If developer has Letter of Intent (LOI) from additional offtaker (even if long-term PPA not finalized), that capacity receives 'interim credit' toward aggregation target. Example: 300 MW allocated; 250 MW with signed PPAs + 50 MW with LOI from buyer = developer meets >80% aggregation target; no BG encashment triggered." (c) Proportionate BG Encashment: "BG encashment only on genuinely unallocated capacity (not entire allocation). Example: Original BG = Rs 3 crore (300 MW × Rs 10 lac/MW); if 250 MW deployed with PPAs = 50 MW unallocated = Rs 50 lac (16.7%) encashed; Rs 2.5 crore returned."
Multi-Buyer Project Reality in India	Typical Indian multi-offtaker aggregation requires: (a) State SEB allocation (negotiation + board approval) = 3-6 months; (b) Open-	InWEA proposes specific amendments per GNA Regulation 11A(3): (a) Phased Milestone

	access buyer (trading company) = 3-6 months (Green Energy Trading Company for merchant sales); (c) Renewable Energy Certificate (REC) trading = 2-4 months if applicable; (d) Central sector allocation (MNRE schemes) = 2-6 months. Total = 10-22 months for multi-offtaker assembly. Coordination across 3-5 different offtakers with different PPA terms, payment schedules, grid injection schedules, inspections = 24-30 months realistic timeline for full aggregation. Example: 500 MW project might be structured as: 200 MW to SEB (power purchase at Rs 4/kWh), 150 MW to renewable trader (Rs 3.5/kWh), 100 MW to open-access buyer (Rs 3.8/kWh), 50 MW under green tariff scheme. Aggregating across 4 different revenue streams = 24-30 month process.	Alignment: "Separate Financial Closure and COD milestones for each offtaker tranche. Example: 300 MW total allocation = 100 MW Tranche 1 (SEB secured by Month 15, COD Month 24), 100 MW Tranche 2 (open-access by Month 20, COD Month 28), 100 MW Tranche 3 (remaining buyer by Month 25, COD Month 30). Allows realistic offtaker aggregation timeline." (b) Developer Substitution Rights: "If original offtaker (e.g., SEB) drops allocation or reduces offtake, developer can substitute with alternative offtaker (same capacity) without triggering relinquishment penalty. Substitution allowed up to Month 30 to accommodate market dynamics." (c) BG Proportionality Calculation: "Original BG = Total allocation (MW) × Rs 10 lac/MW per Regulation 24.2. Encashment = Unallocated MW only. Example: 300 MW allocation, Rs 3 crore BG; if 250 MW deployed with PPAs, 50 MW unallocated = Rs 50 lac (16.7% of BG) encashed; Rs 2.5 crore (83.3%) returned per Regulation 24.2(b)."
Auction Framework with Demand Stability Mechanisms		
Auction Framework with Demand Stability Safeguards	Treating connectivity as scarce public resource and reallocating surrendered capacity through transparent auction (per Option III of Staff Paper) can improve ISTS utilization. However, pure auction	InWEA respectfully proposes the Hon'ble Commission amend Option III (Regulation 24.1-24.6) to include: (a) Demand Baseline Floor: "Minimum 40-50% of annual

	models create demand volatility that discourages manufacturing investment and enables speculative bidding. This is critical for India because: Equipment manufacturers require demand predictability to justify facility expansion (Rs 500+ crore capex for nacelle assembly, blade manufacturing, gearbox production). Uncertain demand from pure auctions deters manufacturing investment, forcing India to rely on imports (100% blade imports currently). Demand predictability is essential to justify OEM manufacturing facility capex in India. Current renewable energy auctions (SECI, NTPC auctions 2024-2025) show 30-50% auction winner failure rates (8-12 GW auctioned, <6 GW genuinely executed). Pure price-based auctions allocate to highest bidders without regard to project readiness or execution capability.	ISTS connectivity allocated through stable LOA/PPA routes (non-auction per Regulation 5.8(xi)(a)). Remaining 50-60% can be auctioned. This statutory floor ensures baseline demand visibility for manufacturing facility planning (minimum 1.2-1.5 GW/year demand certainty)." (b) Auction Winner Discipline: "Within 30 days of auction award, winner must: (i) Place equipment order with OEM, (ii) Provide OEM Letter of Intent (LOI) to CTUIL. Failure = bid deposit (5-10% of bid value) encashed; connectivity reallocated to next-best bidder . This filters speculative bidders; genuine bidders have equipment orders ready." (c) Public Transparency Reporting: "CTUIL publishes quarterly transparency report on: (i) Auction allocation vs. genuine execution rates (percentage of awarded capacity achieving FC/COD), (ii) Speculative bidder identification (bidders not placing equipment orders within 30 days), (iii) Equipment order placement compliance rates. Public reporting creates reputational accountability."
Alternative Proposal	InWEA would also like to propose that **Transferability Provision** upon winning auction connectivity, the bid winner obtains the right to: • Retain and execute the project themselves, OR	This transferability framework offers several strategic advantages: **a. Unlocks Market Efficiency:** Connectivity moves from less-

	• Transfer the connectivity to any other eligible generator who demonstrates superior project readiness across the following dimensions: ○ **Land:** Proof of land acquisition, possession certificates, or long-term lease agreements ○ **Equipment:** Evidence of equipment orders placed, OEM confirmations, or supply chain arrangements ○ **Infrastructure:** Details of grid interconnection infrastructure, substation readiness, or transmission line arrangements ○ **Technical Readiness:** Project design documents, environmental and grid impact studies, financing arrangements, or power purchase agreements (PPAs) ○ **Execution Capacity:** Demonstrated experience, financial strength, and project execution track record **3. Transfer Process and Validation** • Connectivity transfer requests must be submitted to CTUIL with comprehensive documentation of the transferee's project readiness • CTUIL validates the transferee's credentials against pre-defined readiness criteria within 15 days • Upon validation, the connectivity allocation is formally reassigned to the transferee • The original bid winner retains no further obligations or rights to the connectivity slot **4. Eligibility for Transfer** • Meeting CTUIL's eligibility criteria and grid connection standards are permitted to receive transferred connectivity	prepared to better-prepared generators, accelerating actual capacity deployment without requiring additional regulatory allocations. **b. Maintains Auction Discipline:** The auction mechanism still governs initial allocation and price discovery, preserving competitive market principles and revenue generation for the grid operator. **c. Filters Speculative Bidding:** Bidders aware that connectivity must ultimately rest with genuinely prepared generators face reduced incentive to participate speculatively, as transferability requires demonstrating genuine project readiness. **d. Reduces Stranded Allocations:** Instead of connectivity remaining unused with unprepared winners, the transfer mechanism ensures allocation to developers with actual capacity and readiness to execute. **e. Flexibility in Project Structure:** Allows auction winners who secure financing or partnerships to reallocate connectivity to better-positioned co-investors or specialized developers, enabling

	• Transferees must demonstrate greater project maturity than the original bid winner • No cascading transfers permitted, once transferred, connectivity is locked to the transferee.	project consortium arrangements. **f. Accelerated Timeline to COD:** By redirecting connectivity to project-ready generators, the transfer mechanism reduces development timelines and accelerates achievement of Commercial Operation Dates (COD).
Supply Chain Demand Volatility Risk in India	If 2 GW connectivity auctioned (typical SECI/NTPC auction size) and only 1.2 GW genuine projects materialize (rest speculative bidders failing to execute), equipment manufacturer demand drops 40% unexpectedly. Facility utilization drops from target 70% to actual 42%. Manufacturing costs per unit increases 20-30%. Example: OEM plans 1.5 GW/year nacelle assembly facility. If auction results in only 0.9 GW demand (60% of plan), facility utilization = 60%; per-unit cost increases 20-25%; Indian manufacturing becomes uncompetitive vs. Vietnam/Brazil hubs. Speculative bidding in recent SECI/NTPC auctions resulted in 30-50% non-execution rates. Uncertain demand forecast deters Rs 500+ crore manufacturing facility capex.	InWEA proposes amendments to Regulation 24.1: (a) Allocation Split Statutory Minimum: "Amended Regulation 24.1 should mandate: 'At least 40-50% of annual ISTS connectivity shall be allocated through LOA/PPA routes (non-auction) per Regulation 5.8(xi)(a). Auction allocation shall not exceed 50-60% of annual ISTS allocation.' This provides statutory regulatory floor for supply chain planning; protects OEM manufacturing investment ROI." (b) Auction Winner Accountability per Regulation 24.6: "'Within 30 days of auction award, winner must place equipment order with OEM and provide OEM Letter of Intent (LOI) to CTUIL. Failure to place LOI within 30 days = bid deposit (5-10% of bid value) encashed per Regulation 24.6; connectivity reallocated to next-best bidder.'

		Enforcement mechanism filters speculative bidders." (c) Transparency Reporting per GNA Regulation 9.1: "CTUIL publishes quarterly compliance report: (i) Auction allocation (MW awarded), (ii) Genuine execution (MW with equipment orders placed within 30 days, % with FC commenced), (iii) Speculative failure rate (% of awarded capacity not placing equipment orders), (iv) Re-reallocation (MW taken back from non-compliant bidders)."
Fairness for Project Abandonment Scenarios		
Fairness for Projects Facing External Delays	Projects experiencing delays beyond developer control face full financial burden under current Regulation 24.2-24.3: (a) Security deposit (Conn-BG1) encashed; (b) Sunk development costs (feasibility studies, land acquisition, environmental approvals) unrecovered; (c) Financial charges during delay period (carrying costs, opportunity loss). External delays in India include: (i) REIA PPA processing delays (SECI/NTPC handle PPA sequentially; typical 3-6 months); (ii) Government approval delays (Ministry of Power, State Government clearances); (iii) Policy changes (tariff revisions, grid code changes affecting project viability); (iv) Force majeure (pandemic, extreme weather). When projects abandoned due to unfair penalty structures, supply chain partners (OEMs, component suppliers, contractors) absorb collateral costs: stranded inventory, unutilized manufacturing capacity, supply chain optimization losses.	InWEA respectfully proposes amendments to Regulation 24.2-24.3 to include: (a) External Delay Recognition: "Developers with >80% of delays attributable to external factors (REIA PPA delays, Government approval delays, policy changes per documented evidence) = eligible for penalty waiver or reduction. Requires CTUIL review and Ministry of Power approval." (b) Auction Premium Sharing Mechanism: "If original developer relinquishes connectivity and connectivity subsequently auctioned per Option III: Premium above base price (if auction bid price >base price) = 30-40% of premium shared with original developer to offset sunk costs. Example: 500 MW

	These costs increase overall renewable energy economics and are passed to consumers through higher tariffs.	auctioned at Rs 4 lac/MW (Rs 1 lac premium over Rs 3 lac base) = Rs 50 crore premium; 35% to original developer = Rs 17.5 crore partial recovery for feasibility studies, land acquisition, environmental approvals." (c) Supply Chain Loss Offset Mechanism: "Supply chain partners (OEMs, contractors, consultants) with documented stranded inventory/capacity losses from abandoned projects can claim 'equipment inventory offset credit' against future allocations. Reduces individual entity exposure and fairness across supply chain."
External Factors Impact on Project Viability	Project abandonment scenarios in India: (a) REIA PPA delays: SECI/NTPC PPA processing queues result in 3-12 months delays outside developer control; (b) Government approval delays: Environmental clearance (2-4 months), land permits (1-3 months), grid code compliance reviews; (c) Policy changes: Tariff revision impacting project IRR, grid code changes affecting interconnection requirements, renewable purchase obligation (RPO) changes; (d) Force majeure: Pandemic restrictions (2020-2021), extreme weather events. In these scenarios, developers face penalties per Regulation 24.6 despite circumstances beyond control. Equipment suppliers (OEMs, component manufacturers) absorb inventory/capacity losses: Blade inventory obsolescence (Rs 3-5 crores per 100 MW), gearbox production shutdowns (Rs 1-2 crores per 100	InWEA proposes specific regulatory amendments: (a) Documentation Requirements for Penalty Waiver: "Developers seeking penalty waiver must document external delays: (i) REIA letter confirming PPA delay (from SECI/NTPC), (ii) Government approval letter/denial (from Ministry/State), (iii) Policy gazette (for policy change-related delays). CTUIL reviews documentation; if ≥80% of delay attributed to external factors, penalty waived per amended Regulation 24.6." (b) Proportionate Penalty Reduction: "If 50% of delay external (REIA/Government factors), 50% internal (developer execution delays)

	MW), manufacturing facility redundancy costs.	= proportionate penalty reduction. Developer pays 50% of calculated penalty; 50% waived. Fairness mechanism for shared responsibility." (c) Auction Premium Sharing per Regulation 24.1: "If original developer relinquishes after external delay-driven abandonment, and connectivity auctioned at premium: '30-40% of auction proceeds above base price (Rs 3 lac/MW) shall be shared with original developer to offset sunk development costs and OEM supply chain losses.' Mechanism: CTUIL collects auction premium; deposits 35% portion with Grid Development Fund but designated for original developer compensation."