RAYS POWER INFRA
Think Green Think Better

RAYS POWER INFRA LIMITED
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To ,

The Central Electricity Regulatory Commission
6th – 8th Floor, World Trade Centre, Tower B
Nouroji Nagar, New Delhi – 110029

Subject: Comments/Suggestions on the Staff Paper – Proposal for Allocation of Connectivity

We Rays Power Infra thank the Commission for the opportunity to submit our comments on the Staff Paper regarding the future framework for grant of Connectivity under the GNA Regulations.

RAYS Power Infra submits the following comments on the Auction-Based Allocation of Connectivity proposal contained in the Staff Paper (November 2025) regarding the allocation and reallocation of connectivity under the GNA Regulations.

A. Concerns related to Auction-Based Allocation of Connectivity:

1. Auction of connectivity will increase the cost of renewable power and burden consumers. Introducing a connectivity auction will lead to avoidable upward pressure on tariffs. Developers will be compelled to factor the premium paid for connectivity into the final tariff quoted to DISCOMs. This will increase the cost of electricity and defeat the purpose of competitive bidding.

2. No additional system benefits from collecting auction premiums. Auction premiums do not create any operational or technical benefit for the transmission system. The aim of connectivity allocation is optimal utilisation of the ISTS—not revenue collection. The proposed auction only increases capital cost without solving the underlying implementation issues and timely commissioning of projects.

3. Potential mismatch between PPA winners and connectivity winners. A big risk is structural mismatch:
a. Developers who win PPAs may lose in the connectivity auction, leaving awarded PPAs stranded.
b. Developers who win connectivity through auction may fail to secure PPAs due to increased project cost on account of auction price.

This revives the same inefficiency that the GNA Regulations intended to eliminate—entities holding connectivity without PPAs and others holding PPAs without connectivity. This results in under-utilisation of transmission infrastructure and delays in project execution.

4. Auction contradicts the objective of accelerating renewable capacity addition. Introducing a second competitive layer complicates the development cycle and may slow down the pace of RE installations. The staff paper itself recognises that the responsibility for delays in PPAs is not solely on developers; hence penalising them through connectivity auction is not justified.

For these reasons, RAYS Power Infra strongly recommends that the proposal for auctioning connectivity—both for vacated and future capacity—should be dropped.

B. Support for PPA-Based and Land-Based Connectivity Routes:

1. Removing the LOA route is a welcome reform. We agree that the LOA route has led to large-scale blocking of connectivity without tangible project progress. Therefore, removing the LOA route for future connectivity applications is appropriate.

2. Connectivity should be granted through only two serious and credible routes:

a. PPA Route
i. A signed PPA is the strongest indicator of commercial readiness.

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ii. Developers begin investment only after PPA execution; hence the PPA route ensures that connectivity goes to committed players.

b. Land Route

i. Requiring ownership/lease documents for at least 50% of the required land ensures genuine commitment.
ii. Land acquisition involves significant efforts, investment and demonstrates seriousness similar to PPA execution.
iii. Removing this route would unfairly deprive developers who have invested early in land and are progressing towards PPAs or merchant projects.

3. No other route (including auction or bank guarantee) should be permitted. Limiting connectivity grant to only PPA and Land routes will ensure:
a. Serious developers with real investments towards project completion receive connectivity
b. Transmission system is optimally utilised
c. Alignment between PPA award timelines and project timelines
d. Avoidance of speculative or non-serious applications

C. Recommendations

Based on the above, we recommend:

1. The proposed auction mechanism for both vacated connectivity and future connectivity should not be implemented
2. Limit connectivity grant (for re-allocation and future) strictly to:
a. PPA Route
b. Land Route
3. Delete the LOA route prospectively.
4. Provide a time-bound voluntary exit mechanism for legacy LOA holders without penalty.

D. Conclusion

Rays Power Infra is committed to supporting the rapid expansion of renewable energy in India. The proposed reforms should prioritise reducing project uncertainty, lowering power tariffs, and streamlining approvals. Any mechanism—like connectivity auction—that increases project cost or distorts market alignment should be avoided.

We appreciate the opportunity to submit our comments.

Sincerely

RAYS POWER INFRA LIMITED

Vaibhav Roongta
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Rays Power Infra Limited