Ref no: SIL/CERC/2025-26/001 **Date**: 27.12 .2025

To,

The Secretary,
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B,
World Trade Centre, Nauroji Nagar,
New Delhi- 110029

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

Ref: No. *L-1/261/2021/CERC*

Respected Sir,

Greetings from SAEL Industries Limited!

We, SAEL Industries Limited, an integrated and diversified renewable energy company, are committed to advancing access to sustainable and clean energy. Our efforts are directed toward facilitating India's transition to affordable renewable energy solutions, with operations spanning solar power generation, waste-to-energy, module manufacturing, and solar cell production.

At the outset, we extend our sincere gratitude to the Hon'ble Commission for initiating the proposal on the allocation of connectivity granted through the LOA route, particularly in cases where the signing of PPA/PSA has been delayed.

In response to the public consultation issued by the Hon'ble Commission, we are pleased to submit our comments and observations. For ease of review, our inputs have been descripted in Annexure-I, incorporating proposed recommendations, supporting rationale, and anticipated sectoral implications.

We deeply appreciate the Commission's continued efforts to strengthen the renewable energy compliance framework and look forward to constructive engagement in this important process.

Your Sincerely,

For SAEL Industries Ltd.

Sudhanshu Vishwakarma
(Dy. Manager – Business Development)

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Annexure-I

Comments/Suggestion of M/s SAEL Industries Ltd. on "Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed"

Clause No.	Proposed Clauses under GNA Regulations	Comments/ Suggestions/ Observations
Option – I: Exit from LoA route without surrendering Connectivity **Proposal 1**– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed		
(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.	**Comments:** Under the existing mechanism specified in Clause (3) of Regulation 11A of the GNA Regulations, entities have the option to convert their connectivity from the LOA route to the Land-BG route in the event of termination of the LOA or PPA. **Suggestions:** The existing regulation of 11A. (3). may be revised to include a provision allowing conversion of connectivity granted under the LOA route without requiring surrender of such connectivity. The same mechanism prescribed for conversion from the LOA route to the Land-BG route or the Land route shall be applicable, without the need for submission of Performance Bank Guarantees (PBGs).
(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.	
(iii)	The scheduled date of commercial operation (SCOD) of such entity from the date of conversion shall not be later than 18 months.	**Comments:** The prescribed timeline of 18 months for project completion is considered challenging and shall be extended to 24 months from the date of conversion.
(v)	Entity shall submit the land documents in terms of Clause 5.8(xi)(b) of the GNA Regulations for the converted capacity within 12 months and shall achieve the financial closure within 15 months from the date of conversion.	**Comments:** Considering practical challenges encountered in the land acquisition process is time consuming which requires time to acquire the land for the project execution therefore the submission of land documents within 12 months of conversion might be challenging. **Suggestions:** The prescribed timeline for submission of land documents shall be 18 months from the date of such conversion. Furthermore, the timeline for achieving financial closure shall follow the general requirement of six months prior to the Scheduled

		Commercial Operation Date (SCOD) or the Extended SCOD, as determined by the REIA, as applicable.
(vi)	In case of conversion of part quantum of Connectivity, the balance quantum of Connectivity shall be revoked and shall be governed in terms of Regulation 24.6 of the GNA Regulations. In the event of revocation of the Connectivity, the corresponding Conn-BGs shall be treated in accordance with Regulations 24.2 and 24.3 of the GNA Regulations.	**Comments:** In the case of partial conversion of connectivity, the CONN-BGs submitted should not be encashed and shall instead be returned to the applicant in a proportionate manner. Furthermore, conversion of connectivity under the LOA route without surrendering connectivity shall be permitted where the PPA has not been signed with the REIA. Accordingly, the obligations relating to BG encashment should be relaxed under this provision.
(ix)	Delay in commissioning or to meet the milestones (furnishing of land document or to Financial Closure) **a)** If the entity fails to furnish the required land documents or the Financial Closure document within the stipulated timeline, such entity shall be permitted to seek additional time of up to three months with payment of Milestone Extension Charges (MEC) @ Rs 1500/MW/per day for each such milestone. Such charges shall be paid on a per-day basis and 15 days in advance for the next 30 days. **b)** If the entity fails to achieve the COD of the project within the stipulated timeline, such entity shall be permitted to seek additional time of up to six months with payment of MEC @ Rs 5000/MW/day. Such charges shall be paid on a per-day basis and 15 days in advance for the next 30 days.	**Comments & Suggestions:** 1. The Milestone Extension Charges (MEC) charges applicable for extensions sought due to failure in submission of land documents, achievement of financial closure, or failure to achieve COD should be uniform, at the rate of ₹1,000/MW/day. 2. The Milestone Extension Charges (MEC) charges prescribed under Clause (b) for delay in achieving COD are presently very high. These may be restructured in a graded manner, with charges levied at ₹1,000/MW/day for the first three months of non-compliance, followed by an incremental increase of ₹500/MW/day for each subsequent quarter, so as to ensure reasonable payment obligations for the affected entities. 3. The Milestone Extension Charges (MEC) charges should be governed in accordance with the terms and conditions of the PPA executed by the entity. 4. The Milestone Extension Charges (MEC) should not apply in cases where delay is due to force majeure or reasons not attributable to the developer.
(x)	In case Land Documents or financial closure is not furnished by the extended timeline or COD is not achieved within the stipulated timeline or the extended timeline, connectivity for the proportionate quantum shall be revoked and Conn-BG shall be treated in terms of Regulations	**Comments:** The present clause is inconsistent with Clause (x) under Option-I of Proposal-I, as the former already defines the mechanism for extending timelines through payment of the applicable MECs for each milestone. Consequently, revocation during the

	24.3 and 24.4 of the GNA Regulations. The Performance Bank Guarantee shall also be encashed.	extended timeline becomes redundant and inadvertent.
Option-III – Exit from Connectivity **Proposal 1**– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed		
(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.	**Comments:** Where an entity surrenders its connectivity quantum due to non-signing of the PPA, arising from delays attributable to the REIA, the applicant should not be liable for charges under the sharing regulations, as such obligations would impose an additional burden. However, in cases of voluntary surrender of connectivity quantum, the applicable charges under the sharing regulations may apply.
(iii). d. (i).	In case the auction of the Connectivity is done at the substation which has achieved COD or is under construction with an anticipated date of commissioning within 12 months of the surrender of the Connectivity, the following modalities of auction shall be applicable. It is assumed that GNA would be effective upon commissioning such a substation.	**Comments:** The commissioning timeline for awarded projects should be a minimum of 24 months from the date of award, or as specified under the applicable bidding guidelines or the terms and conditions of the PPA executed by the entity.
	The commissioning timeline of the project for such awarded connectivity shall be up to 12 months.	
	The successful bidder shall furnish technical connection data as under Regulation 10.1 of the GNA Regulations, within three months of the signing of the Connectivity agreement or two months prior to the firm start date of Connectivity, whichever is earlier, after that Regulations 10.2 and 10.3 of the GNA Regulations shall be followed.	**Comments:** The compliances defined under this clause, subsequent to the award of bidding, should be governed in the same manner as the obligations applicable to a fresh applicant, rather than through the introduction of additional timelines for specific conditions. This approach will help avoid confusion in the implementation of compliances.
	Such entity shall furnish documents of land and Financial Closure, nine months and six months before the COD respectively.	**Comments:** The compliances proposed under this clause shall be uniform for both the submission of land documents and the achievement of financial closure, with the timeline set at six months prior to the Scheduled Commercial Operation Date (SCOD) or the Extended SCOD, as applicable.
(iv)	After the bidding process is concluded, the successful bidder shall deposit the bid amount within 3 days. The bidding agency shall release the Bank Guarantees towards EMD of the	**Comments & Suggestions:** The requirement to furnish a Performance Bank Guarantee (PBG) is redundant, as the applicant has already submitted CONN-BGs to demonstrate

	unsuccessful Bidders within 15 days after the award of the Connectivity to the Successful Bidder. The Bank Guarantees towards EMD of the successful Bidder shall be released within 15 days of the submission of the PBG by such Bidder to CTUIL. The PBG shall be returned after successful commissioning of the Project in five equal instalments over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.	financial capability for project execution. The financial commitments of the applicant can be adequately assessed on the basis of the CONN-BGs already furnished. Furthermore, where PBGs are submitted, they should be returned within fifteen days of achieving COD, rather than being released in five equal installments over a period of five years.
(iii). h. (i).	Delay in commissioning or to meet the milestones (furnishing of land document or financial Closure) If the entity covered under above clause (c)(ii), fails to furnish the land document or Financial Closure within the stipulated timeline, such entity can seek additional time upto three months, subject to the payment of Milestone Extension Charges (MEC) @ Rs 1500/MW/per day. Such charges shall be paid on per day basis and 15 days in advance for next 30 days. Extension of timeline for submission of Land Documents or to achieve Financial Closure –	**<u>Comments & Suggestions:</u>** 1. The Milestone Extension Charges (MEC) charges applicable for extensions sought due to failure in submission of land documents, achievement of financial closure, or failure to achieve COD should be uniform, at the rate of ₹1,000/MW/day. 2. The Milestone Extension Charges (MEC) charges prescribed under Clause (b) for delay in achieving COD are presently very high. These may be restructured in a graded manner, with charges levied at ₹1,000/MW/day for the first three months of non-compliance, followed by an incremental increase of ₹500/MW/day for each subsequent quarter, so as to ensure reasonable payment obligations for the affected entities. 3. The Milestone Extension Charges (MEC) charges should be governed in accordance with the terms and conditions of the PPA executed by the entity. 4. The Milestone Extension Charges (MEC) should not apply in cases where delay is due to force majeure or reasons not attributable to the developer.
(iii). h. (ii).	If the entity, covered under the above clauses (c)(i) and (ii), fails to achieve the COD of the project within the stipulated timeline, such entity may seek additional time up to six months, subject to the payment of MEC @ Rs 5000/MW/day. Such charges shall be paid on a per-day basis and 15 days in advance.	