========== Forwarded message ==========
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Date: Wed, 24 Dec 2025 15:31:15 +0530
Subject: FW: CERC: Staff Paper on Proposal for allocation of Connectivity granted (on LOA route) where the signing of the PPA/PSA is getting delayed
========== Forwarded message ==========

Dear Ma' am,

It is requested that a time-extension of 15 days may kindly be granted for submission of responses/inputs on the subject.

Regards,

Anindita Nandy
Sr. Manager (CP)
Solar Energy Corporation of India Ltd.

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

Reference clause in staff paper	Issue	Suggestions/Comments from SECI	Remarks/ Justification
Clause 5.4, Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed Option-III – Exit from Connectivity (para iii)	Proposal to auction vacated connectivity based on highest premium offered.	Allocation should be based on priority basis in National interest particular based on readiness of the project (land, FC, % physical progress on site viz., Module / WTG delivery status, COD timeline) rather than financial bidding / auctioning.	Connectivity is a regulatory right, not a tradable commodity. Premium-based auctions could favor financially stronger players, undermining smaller developers and distorting competition. Also, Government entities have specific procedures and regulations governing their participation in auctions, which can limit their flexibility. Since, it is apparent that larger numbers of players may get connectivity through auctioning, it may adversely affect the RE tariff in the upcoming REIA bids.
Clause 5.4, Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed Option – I: Exit from LoA route without surrendering Connectivity (para iii).	Option I requires COD within 18 months of conversion. In Option II, COD is determined by the SCODa/extended SCOD in the substituted PPA, but any extension in SCOD under PPA cannot exceed 12 months beyond the initial SCOD. Option III gives 12 months to new grantee where S/s is	Timeline for commissioning of the project can be matched with new PPA timelines for REIA projects.	Project development cycles (land acquisition, permits, financing, equipment supply) are considered as 24 months typically in SECI's PPAs.

Reference clause in staff paper	Issue	Suggestions/Comments from SECI	Remarks/ Justification
	commissioned or proposed within 12 months.		
Clause 5.4, Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed Option-III – Exit from Connectivity (para i)	No REIA NoC is required when developers surrender connectivity after 12 months of PPA delay.	Mandate REIA NoC before CTUIL accepts surrender.	This bypasses REIA oversight and weakens accountability, as exits occur without REIA confirmation.
Clause 5.4, Proposal 1– Connectivity has been granted on the basis of LoA, but the signing of the PPA is delayed Option – I: Exit from LoA route without surrendering Connectivity (para ix (a)).	Milestone Extension Charges (MEC) @ Rs 1500/MW/per day for each such milestone	The extension charges may be made commensurate with REIA PPA. For eg. In SECI PPAs, FC extension chares are being kept in the range of Rs. 100/MW/day. In case of FC being intermediate milestone these charges may be returned on successful completion of project within SCD.	The extension charges appear to be very high. If a 300 MW project delays for 30 days, the extension charges would be Rs. 1.35 Cr. Developers will eventually build this in project cost/tariff, hence may cause higher tariff of the projects.

Additional Comments

Proposal 2: Framework for Future Grant of Connectivity in which it is proposed that

- Connectivity to be granted only against signed PPAs

Issue: 1) Without knowing the connectivity location and land location there off, project costing and project timelines can not be arrived and participation in bids may be subdued

2) Discoms also would always want to know the project timelines before signing a PSA - a suitable mechanism may be worked out to overcome these difficulties