

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 147/MP/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 15.03.2025

In the matter of:

Petition under Section 79 and Section 94 of the Electricity act, 2003 read with applicable provisions of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 along with Regulation 65-68 of the CERC (Conduct of Business) Regulations, 2023 seeking issuance of appropriate order(s) / direction(s) in relation to 2x300 MW connectivity at Kurnool – III Pooling Sub-station, State of Andhra Pradesh granted in favour of M/S Sael Industries Limited and consequent order(s).

And

In the matter of:

1. M/S Sael Industries Limited Petitioner No.1
3rd Floor, Tower A,
Worldmark 1, Aerocity,
New Delhi - 110037
2. Sael Solar Mhp1 Private Limited Petitioner No.2
3rd Floor, Tower A,
Worldmark 1, Aerocity,
New Delhi - 110037
3. Sael Solar Mhp2 Private Limited Petitioner No.3
3rd Floor, Tower A,
Worldmark 1, Aerocity,
New Delhi - 110037

Versus

1. Central Transmission Utility of India Limited
First Floor, Saudamini, Plot No.2, Sector 29,
Gurugram, Haryana-122001 Respondent



Parties Present:

Ms. Molshree Bhatnagar, Advocate, SAEL
Shri Punyam Bhutani, Advocate, SAEL
Ms. Kanya Sharma, Advocate, SAEL
Ms. Poorva Saigal, Advocate, CTUIL
Ms. Pallavi Saigal, Advocate, CTUIL
Ms. Tanya Singh, Advocate, CTUIL
Shri Rishabh Saxena, Advocate, CTUIL
Ms. Kavya Bharadwaj, CTUIL
Shri Ranjeet Rajput, CTUIL

ORDER

The petitioner has filed the instant Petition under Section 79 and Section 94 of the Electricity Act, 2003, read with applicable provisions of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022, along with Regulation 65-68 of the CERC (Conduct of Business) Regulations, 2023 with following prayers:

- (a) *Allow the present petition;*
- (b) *Exercise powers conferred under Regulations 41 and 42 of the GNA Regulations 2022, thereby relaxing the provisions of Regulation 11A and allowing financial closure to be achieved by the two SPVs i.e., Petitioner No. 2 and Petitioner No. 3 as a valid and permissible compliance of milestone for achieving financial closure under Regulation 11 A of the GNA Regulations, in place of the Petitioner No. 1, i.e., the parent company, who is the connectivity grantee under the GNA Regulations, 2022;*
- (c) *Issue appropriate order(s) / direction(s) to the Central Transmission Utility of India Limited to take necessary steps to process the documents already submitted by the Petitioners demonstrating completion of the financial closure by Petitioner No. 2 and Petitioner No. 3 on behalf of the Petitioner No. 1, parent company, who is the connectivity grantee under the GNA Regulations, 2022;*
- (d) *Issue appropriate order(s) / direction(s) allowing the Petitioners to retain and utilise the 2x300 MW Connectivity granted at Kurnool – III Pooling Sub-Station, State of Andhra Pradesh in terms of the Connectivity Agreements dated 12.07.2024 executed between the Petitioner No. 1 and the Central Transmission Utility of India Limited;*
- (e) *Pass such other and further orders that this Hon'ble Commission may deem it appropriate in view of justice, equity and circumstances of the present case.*

Interim Reliefs

- (a) *Issue ex-parte, ad interim order(s) / direction(s) to the Central Transmission Utility of India Limited to not give effect to consequences provisioned under Regulation 11 B (2) of the GNA Regulations, 2022 including but not limited to invoking and/or encashing*



and/or forfeiting the CONG BGs – 1, CON BGs – 2 and CONBGs – 3 submitted by the Petitioner No. 1 in favour of the Central Transmission Utility of India Limited, till the final adjudication of the present petition.

- (b) *Issue ex-parte, ad interim order(s) / directions (s) to the Central Transmission Utility of India Limited to not take any coercive and / or precipitative steps detrimental to the interest of the Petitioners including but not limited to the revocation of Connectivity granted to Petitioner No. 1 vide letters dated 14.06.2024 till the final adjudication of the present Petition.*

Submissions of Petitioner

2. Petitioner has made the following submissions:
- a) Petitioner No.1 - M/s SAEL Industries Limited (hereinafter referred to as the “Petitioner No. 1/Parent Company”) is a final connectivity grantee for 2x300 MW at Kurnool – III PS, State of Andhra Pradesh. Petitioner No.1 is the parent company of the two subsidiaries, i.e., Petitioner No. 2 - SAEL Solar MHP1 Private Limited and Petitioner No. 3 - SAEL Solar MHP2 Private Limited, who are establishing 300 MW each Solar Power Projects at Kadapa, State of Andhra Pradesh.
- b) As per Regulation 11 A (3) of the as amended vide First Amendment to the GNA Regulations, Petitioner No. 1, who is a Connectivity Grantee under the GNA Regulations w.e.f. 12.07.2024 (i.e., the date of execution of the Connectivity Agreement) is required to achieve financial closure within 12 months from the grant of final connectivity, i.e., by 14.06.2025. Regulation 11 A (3) stands substituted by the Second Amendment to GNA Regulations w.e.f. 15.07.2024, which now requires that the Applicant achieves financial closure at the latest by 06 (six) months prior to the Scheduled Date of Commercial Operation or start date of connectivity, whichever is later, i.e., by 30.12.2024.
- c) On 15.11.2024, Petitioner No. 1 submitted the relevant documents to CTUIL to demonstrate that it has achieved financial closure in the name of the two subsidiaries, implementing the Solar Power Projects in the State of Andhra Pradesh. However, on 22.11.2024, CTUIL raised certain concerns, one of which was in relation to the financing documents not being in the name of Petitioner No. 1 but in the name of SPVs, namely (a) Petitioner No. 2 - SAEL Solar MHP1 Private Limited and (b) Petitioner No. 3 - SAEL Solar MHP2 Private Limited.
- d) This Commission has categorically taken cognizance of the issue concerning compliance with the milestones by the subsidiary(ies) where the connectivity is granted to the parent company, while proposing the Third Amendment to GNA

Regulations and has also observed that under various schemes/RfS issued by renewable energy implementing agencies, the selected bidder is allowed to execute the project through their SPV, and, in such cases, PPA is being signed by the SPV.

- e) The RfS, which is based on the Section 63 Guidelines issued by the Ministry of Power (MoP) and the LOA issued thereunder both categorically record that the project company/SPV shall achieve the financial closure. In the present case, Petitioner No. 1 was awarded the LOA and thereafter incorporated the two SPVs – Petitioner No. 2 and Petitioner No. 3, to carry out the development and construction of the 2x300 MW Solar Power Project. Once the SPVs have been specifically incorporated for the purpose of fulfilment of the purpose of LOA granted to Petitioner No. 1, it has been Petitioner No. 2 and Petitioner No. 3 who have been fulfilling the conditions subsequent to the construction and development of the 300 MW each Solar Power Project, including:
- i. Acquisition of the land for the Project; and
 - ii. Achieving financial closure for the Project
- f) Petitioner No.1 is similarly placed as ACME Solar Holding Limited (Petition No.192/MP/2024 order dated 12.07.2024) and seeks a similar indulgence of this Commission to exercise powers conferred under Regulations 41 and 42 of the GNA Regulations, relax the provisions of Regulation 11A and allow the financial closure to be achieved by the two SPVs as valid and permissible compliance of milestones for achieving financial closure under Regulation 11 A of the GNA Regulations, in place of the Petitioner parent company, who is the connectivity grantee under the GNA Regulations. Petitioner No. 1 has already approached CTUIL to consider its case, but CTUIL has rejected such assertion made by Petitioner No. 1 by its email dated 30.12.2024.
- g) It is apprehended that CTUIL may take adverse action as stipulated under Regulation 11 B of the GNA Regulations, to the detriment of the Petitioners and the huge investments already made by the two SPVs. The Start Date of Connectivity is 30.04.2025; the SPVs implementing the (2x300 MW) Solar Power Project have already made investments of approx. INR 1322 Crores and any adverse action taken by CTUIL shall prejudice such investments gravely.

Hearing on 29.01.2025

3. The matter was heard on 29.01.2025, the extract of the RoP is as under:



“Learned counsel for the Petitioners submitted that the present Petition had been filed inter alia seeking the indulgence of this Commission to pass appropriate order(s)/ direction(s) to the Central Transmission Utility of India Limited to consider the compliance of the provisions of the GNA Regulations by the subsidiaries of the Petitioner No. 1, as the compliance made by the Petitioner itself and pass consequent order(s).

2. Learned counsel for the Respondent, CTUIL, accepted the notice and sought liberty to file a reply. Learned counsel further submitted that a similar issue has been dealt with by the Commission in the past, including in the recent order passed on 16.1.2025 in Petition No. 503/MP/2024 (Tata Power Renewable Energy Ltd. v. CTUIL) and in the above order the Commission has already relaxed the provisions and allowed the documents submitted by the subsidiaries to be considered for the financial closure of parent company. She further submitted that similar dispensation may be considered by this Commission in the instant case subject to compliance of other aspects. Learned counsel further submitted that a large number of similar applications/requests are also pending with CTUIL, and the Commission may consider issuing generic directions/practice directions to deal with such applications/requests.

*3. The Commission, considering the submissions of the learned counsel for the CTUIL, observed that the issue of submissions of documents of financial closure by the subsidiary is under consideration of the Commission for amendment in the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2024. **Accordingly, the Commission directed CTUIL to accept the documents of financial closure in this case and similar other cases, in terms of our direction dated 16.1.2025 in Petition No. 503/MP/2024, till the issuance of the amendment to the GNA Regulations. In view of the above, the Commission also directed the Petitioners to file an affidavit indicating the survival of any of their grievance(s), as raised in the instant case, within two weeks.***

4. Subject to the above, the matter will be listed for hearing, if required.”

Submission of Petitioner

4. Petitioner vide additional affidavit dated 17.02.2025 has submitted as below:
 - a) In view of the Commission direction vide RoP of hearing dated 29.01.2025, Petitioner No. 1 on 07.02.2025 re-submitted the documents demonstrating achievement of financial closure by the SPVs (Petitioner No. 2 and Petitioner No. 3) to CTUIL to be accepted in fulfilment of and compliance with requirements under Regulation 11A (2) of the GNA Regulations. No response regarding its receipt or otherwise has been received from CTUIL. Since these are time-sensitive issues, CTUIL’s acceptance and/or non-acceptance had a direct impact on the status of the connectivity of the Petitioners. The present affidavit is being filed as a matter of abundant caution to seek directions for processing of the request for compliance made by letter dated 07.02.2025 by CTUIL expeditiously.
 - b) The Petitioners pray before this Commission that the submissions as made by way of the present Affidavit may be considered by this Commission and, accordingly, issue appropriate order(s) / direction(s) to CTUIL to take necessary steps to accept

the documents demonstrating achievement of financial closure by the SPVs in compliance of RoP dated 29.01.2025 passed in the present Petition.

Analysis and Decision

5. We have considered the submission of the Petitioner and the submissions made by the Respondent during the hearing on 29.01.2025. The only issue, in this case, is the submission of documents of Financial Closure under Regulation 11A of the GNA Regulations in the name of the SPV/subsidiary where the Parent company is the Connectivity Grantee.
6. A similar issue has been dealt with in Order dated 16.01.2025 in Petition No. 503/MP/2024 quoted as under:

Issue No. 1 – Whether the Financial Closure document in the name of the subsidiary against the Connectivity granted to the Petitioner can be considered valid documents?

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22. Considering the above, we, in the exercise of our powers under Regulation 41 and Regulation 42 of the GNA Regulations, hereby relax the provision of Regulation 11A(2) of the GNA Regulations and allow the Petitioner, which is the Connectivity grantee, to submit the Financial Closure document in the name of its subsidiary, i.e., TPVSL, to meet the requirement under Regulation 11A(2) of the GNA Regulations. We also condone the delay of three days made by the Petitioner in the submission of these documents to CTUIL.

23. In terms of our directions in the above paragraph, CTUIL shall process the Financial Closure documents as per the law and provisions of the GNA Regulations and verify if TPVSL is a subsidiary of the Petitioner under the Company's Act.

As per the above, the Commission relaxed the provision of Regulation 11A (2) of the GNA Regulations and allowed the Petitioner, which is the Connectivity grantee, to submit the Financial Closure document in the name of its subsidiary, i.e., TPVSL, to meet the requirement under Regulation 11A (2) of the GNA Regulations. The Commission also held that CTUIL shall process the Financial Closure documents as per the law and provisions of the GNA Regulations and verify if TPVSL is a subsidiary of the Petitioner under the Company's Act.

7. The Commission, vide RoP of hearing dated 29.01.2025, has already directed the CTUIL to accept the documents of financial closure in this case and similar other cases, in terms of our direction dated 16.1.2025 in Petition No. 503/MP/2024, till the issuance of the amendment to the GNA Regulations. The Commission has also directed the Petitioners to file an affidavit indicating the survival of any of their grievance(s), as raised in the instant case.

8. Post the hearing held on 29.01.2025, Petitioners vide affidavit dated 17.02.2025 has submitted that CTUIL is yet to process their documents of Financial Closure and that the Commission may issue appropriate order(s) / direction(s) to CTUIL to take necessary steps to accept the documents demonstrating achievement of financial closure by the SPVs.
9. In light of the abovesaid prayer of the Petitioners, we direct that CTUIL shall expeditiously process the documents of financial closure as submitted by the Petitioners in terms of the Commission's direction dated 16.1.2025 in Petition No. 503/MP/2024.
10. Considering the above, we observe that the prayers under the instant Petition are addressed, and accordingly, the instant Petition is disposed of in terms of the above.

Sd/
(Harish Dudani)
Member

Sd/
(Ramesh Babu V.)
Member

Sd/
(Jishnu Barua)
Chairperson