# CENTRAL ELECTRICITY REGULATORY COMMISSION **NEW DELHI**

## Petition No.333/MP/2024 along with IA 82/2024

Coram:

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

Date of Order: 30.03.2025

#### In the Matter of:

Petition under Sections 79(1)(c) and (f) of Electricity Act, 2003 seeking quashing/setting aside of the letters dated 15.07.2024 issued by the Respondent whereby Petitioner's in-principle connectivity with respect to 50 MW & 150 MW capacity has been cancelled on the purported ground that the Petitioner has not furnished the requisite CONN-BG2 within the prescribed timelines.

#### AND

#### In the Matter of:

Avaada Energy Private Limited, 910, Surya Kiran Building, Kasturba Gandhi Marg, New Delhi-110001

..... Petitioner

#### Versus

# **Central Transmission Utility of India Limited**

First Floor, Saudamini, Plot No.2, Sector-29. Near IFFCO Chowk Metro Station, Gurgaon-122 001, Haryana

.....Respondent(s)

## **Parties Present:**

Shri Gopal Jain, Sr. Advocate, AEPL Shri Abhishek Kumar, Advocate, AEPL Shri Nived Veerapaneni, Advocate, AEPL Shri Karan Arora, Advocate, AEPL Shri Atulesh Parasar, AEPL Shri Abhinav Kapoor, AEPL

### Shri Akshayvat Kislay, CTUIL

#### ORDER

The instant Petition is filed by Avaada Energy Private Limited (Petitioner/AEPL), under Sections 79(1)(c) and 79(1)(f) of the Electricity Act, 2003 (in short, 'the Act'), seeking the quashing of letters dated 15.07.2024 issued by Central Transmission Utility of India Limited (Respondent/ CTUIL) whereby inprinciple connectivity for 50 MW & 150 MW capacity has been cancelled as the Petitioner did not furnish the requisite CONN-BG2 within the specified timelines.

- 2. The Petitioner has made the following prayers in the instant Petition:
  - (a) admit the instant petition and list it for an urgent hearing;
  - (b) quash the Impugned Letters dated 15.07.2024 issued by the Respondent;
  - (c) declare that the AEPL's connectivity at Rajgarh Powergrid (Existing) Substation area is augmentation without ATS involving common network expansion;
  - (d) any errors/omissions may kindly be condoned, and opportunity be kindly given to rectify the same and also submit additional pleadings at a suitable later date, if required; and
  - (e) grant such order, further relief(s) in facts and circumstances of the case as this Hon'ble Commission may deem just and equitable in favour of the Petitioner.
- 3. Further, the Petitioner has made the following Prayers vide IA 82/2024:
  - (a) Restrain the Respondent from acting upon or giving effect to the Impugned Letters and any consequential actions thereto;
  - (b) Direct the Respondent not to take any coercive action against the Petitioner of any kind whatsoever: and
  - (c) Grant such order, further relief(s) in facts and circumstances of this Hon'ble Commission may deem just and equitable in favour of the Petitioner.

#### **Submissions by the Petitioner:**

4. The Petitioner has made the following submissions:

(a) The Petitioner submitted an application seeking Connectivity for 50 MW on 26.05.2023. On 22.12.2023, CTUIL granted in-principle connectivity to the Petitioner at Tisgaon, Dhar, Madhya Pradesh, for 50 MW at 220kV Rajgarh PS. The Petitioner also applied for 150 MW Connectivity on 22.12.2023 at 220 kV Rajgarh PS, Madhya Pradesh.

On 12.07.2023, a meeting was convened between the Ministry of Power, Government of India (MOP), Central Electricity Authority, Government of India (CEA) & the Respondent in relation to the grant of connectivity under the GNA Regulations 2022, wherein it was inter alia agreed that the Respondent may adopt the following and expeditiously dispose of the pending applications.

- (b) The Petitioner, on 12.02.2024, wrote to the Ministry of Power (MOP), Ministry of New and Renewable Energy (MNRE), and Central Electricity Authority (CEA), highlighting the following issues:
  - (i) CTUIL had issued an in-principle grant of connectivity for the initial 50 MW part capacity for the 200 MW Project; the ATS component was identified as INR 76.16 crores. (tentatively) because the Rajgarh Powergrid (Existing) Substation had not been covered under the Renewable Energy Zone (REZ).
  - (ii) All the connectivity grantees in the Rajgarh Powergrid (Existing) Substation are renewable energy projects (approx. 1300 MW Wind Projects).

The Petitioner requested the Rajgarh Powergrid (Existing) inter-State transmission system Substation be declared as REZ so that the Respondent may take up the alleged augmentation under common network expansion and the renewable energy developer is not required to submit the additional CONN-BG2 being demanded by the Respondent.

(c) On 07.03.2024, CTUIL, vide its letter, demanded CONN-BG2 of INR 21.188 Crores with respect to its 50 MW wind capacity.

- (d) On 07.03.2024, CTUIL issued a communication granting in-principle connectivity to the Petitioner for 150 MW at Tisgaon, Dhar, Madhya Pradesh, at 220kV Rajgarh PS.
- (e) On 11.03.2024, the Petitioner wrote to the Ministry of Power (MOP), Ministry of New and Renewable Energy (MNRE), and Central Electricity Authority (CEA), reiterating that it is setting up a 200 MW wind project for which the Respondent has granted in-principle connectivity. The in-principle connectivity for the initial 50 MW part capacity required an ATS component tentatively identified as INR 76.16 crores, as the Rajgarh Powergrid (Existing) Substation was not covered under the REZ. CTUIL has demanded CONN-BG2, as the transmission system could only proceed with the BG in the absence of the Rajgarh region being declared as REZ. The Petitioner, vide the said letter, stated that all connectivity grantees at the Rajgarh Substation are renewable energy projects (approximately 1300 MW of wind projects) and that many other developers are likely to come up in the region, Rajgarh Substation be declared as REZ to enable augmentation under the common network expansion and avoid the need for additional CONN-BG2 submissions.
- (f) On 05.04.2024, the Petitioner, vide its letter, informed the Respondent regarding the CONN-BG2 issued by the State Bank of India for a quantum of Rs.3 Crores in relation to 50 MW capacity.
- (g) The list of generators envisaged to use the transmission system of the Respondent is listed below for ready reference. -

Name of Applicant (Organization)	Connectivity quantum (MW)
Veh Jayin Renewables Pvt. Ltd.	151.8
VEH Wind Energy Pvt. Ltd.	75
Sprng Vayu Vidyut Pvt. Ltd.	100
Sprng Vayu Vidyut Pvt. Ltd.	100.8
Avaada Energy Pvt. Ltd.	50
Sprng Akshaya Urja Pvt. Ltd.	67.2
Sprng Vayu Vidyut Pvt. Ltd.	82
Avaada Energy Pvt. Ltd.	150

- (h) Vide emails dated 14.05.2024 and 04.06.2024, the Respondent informed the Petitioner that Rs. 3 Crores as CONN-BG2 was not acceptable and that the Petitioner should collect the BG from their office. Subsequently, on 30.05.2024, the Respondent demanded CONN-BG2 of Rs. 27.564 Crores for the Petitioner's 150 MW wind capacity. In response, on 05.06.2024, the Petitioner reiterated that the BG of INR 3 Crores was submitted considering the Rajgarh Substation's anticipated declaration as REZ by MOP/MNRE and requested its acceptance.
- (i) On 15.07.2024, to the utter shock and dismay of the Petitioner, the Respondent, vide its separate letters with respect to 50 MW & 150 MW capacity, cancelled the in-principle connectivity granted on the purported ground that the Petitioner has not furnished the requisite CONN-BG2 within the specified timelines.
- (j) In the interregnum, since this Commission did not possess the requisite quorum to adjudicate Petition under Section 79(1)(f) of the Act on account of want of a legal member, the Petitioner on 18.07.2024 approached the Hon'ble Delhi High Court by way of W.P. (C) 9818/2024 challenging the Impugned Letters. The writ petition was listed on 19.07.2024 and was disposed of as withdrawn with liberty to approach the jurisdictional High Court, where the material, integral, and essential part of the cause of action has arisen. Further, the Hon'ble Delhi High Court kept the Impugned Letters under abeyance for a period of 10 days so that AEPL could approach the Hon'ble Madhya Pradesh High Court.
- (k) Thereafter, the Petitioner approached the Hon'ble Madhya Pradesh High Court by way of WP 20837/2024, challenging the Impugned Letters. The Hon'ble Madhya Pradesh High Court, vide its order dated 26.07.2024, issued notice in the matter and directed for the Impugned Letters to remain stayed till the next date of hearing.
- (I) The Respondent's actions are uninformed by reason impelled by mala-fides and contradict their acknowledgment of multiple renewable energy injecting entities connecting to the Rajgarh Powergrid (Existing) Substation, which ought

- to be declared as a REZ. The cost of augmenting the Respondent's system cannot be solely loaded onto the Petitioner due to the awaited ministerial declaration of Rajgarh as a REZ.
- (m)Under GNA Regulations 2022, the required BG for the common network expansion is Rs.3 crores for a 220kV terminal bay, but the Respondent has demanded an excessive Rs. 48.752 crores, contrary to Regulation 8.2 and the Detailed Procedure made thereunder.
- (n) There is no intelligible differentia between the renewable developers approaching for a grant of connectivity at Rajgarh Powergrid (Existing) Substation at any point in time. However, depending on when the Respondent receives such applications for a grant of connectivity at the same substation, the quantum of BGs demanded would differ depending on the stage of construction the substation is at. Such classification demonstrates the discrimination and arbitrariness of the Respondent.
- (o) The timeline of 1 month mentioned under Regulation 8.2(c) for furnishing CONN-BG2 pursuant to the intimation by the Respondent is not sacrosanct. While the Respondent intimated CONN-BG2 amount for 50 MW quantum as INR 21.188 Crores on 07.03.2024, to be payable within 30 days, i.e., by 07.04.2024, such timeline was extended by virtue of the Respondent's email dated 30.05.2024 by another month, i.e., till 30.06.2024. Therefore, as demonstrated by the Respondent's own conduct, the timeline for furnishing CONN-BG2 is flexible and can be extended for a just cause. However, the Respondent arbitrarily cancelled the Petitioner's connectivity without considering its ongoing representations to declare Rajgarh as a REZ.

## Submissions of Petitioner vide IA 82/2024 dated 29.08.2024:

5. The Petitioner had filed IA No. 82/2024 and has reiterated its submission in the main application and sought interim directions to restrain the Respondent from acting upon or giving effect to the Impugned Letters and not to take any coercive action against the Petitioner. If the Respondent is not restrained from acting upon the Impugned Letters, it would lead to a fait-accompli situation while the accompanying petition is pending adjudication before this Commission.

## Hearing dated 10.10.2024:

- 6. Learned senior counsel for the Petitioner submitted that the Petitioner approached the Hon'ble High Court of Delhi by way of WP (C) No. 9818/2024 challenging the said letters as the Commission did not possess the requisite Coram to adjudicate Petition under Section 79(1)(f) of the Electricity Act, 2003 on account of want of a legal member. Subsequently, the said WP was withdrawn with liberty to approach the jurisdictional High Court, i.e., Hon'ble High Court of Madhya Pradesh, by way of Writ Petition No. 20837/2024, challenging the said letters. The Hon'ble Madhya Pradesh High Court, vide order dated 26.7.2024, stayed the impugned letters till the next date of hearing, and thereafter, vide order dated 13.9.2024, the Hon'ble High Court of Madhya Pradesh permitted the Petitioner to withdraw the Petition with liberty to approach this Commission and till the consideration of application for interim relief, extended its interim order dated 26.7.2024.
- 7.Learned counsel for the Respondent, CTUIL, added that in the event that the connectivity granted through ATS is subsequently considered through the common transmission system, Conn-BG2 given by the developers towards the ATS is correspondingly reduced. However, in the present case, the Petitioner had failed to furnish the requisite Conn-BG2 in the first place.
- 8. Considering the submissions made by the learned senior counsel for the Petitioner and the learned counsel for CTUIL, the Commission admitted the Petition and directed CTUIL to file its reply and ordered that in the interregnum, as already held by the Hon'ble High Court of Madhya Pradesh, the operation of CTUIL's letters dated 15.7.2024 will remain stayed till the consideration of the Petitioner's application for interim relief by this Commission.

#### Submissions of Respondent (CTUIL):

9. CTUIL, vide affidavit dated 29.10.2024, has submitted as below:

- (a) Pursuant to the GNA Regulations, the Petitioner applied for the connectivity for 50 MW on 05.06.2023 and 150 MW on 30.11.2023 at Tisgaon, Dhar, Madhya Pradesh at 220kV Rajgarh PS.
- (b) On 22.12.2023, CTUIL granted in-principle approval for connectivity to the Petitioner pursuant to the 50 MW Application. The said communication clearly specified the associated transmission lines required for the connectivity. It was specifically provided that the quantum of Conn BG-2 would be intimated within 6 months of submission of Conn BG-1, and the same would have to be submitted within one month thereafter.
- (c) CTUIL, vide letter dated 07.03.2024, intimated to the Petitioner to submit a Conn-BG 2 of Rs. 21.18 crores in terms of the GNA Regulation for the 50 MW connectivity granted to it at Rajgarh PS. On the same date, the Petitioner was also granted in-principle approval for 150 MW. In contravention of the GNA Regulations, vide letter dated 05.04.2024, the Petitioner informed CTUIL that it had issued a Conn-BG2 for a quantum of only INR 3 Crores in relation to 50 MW. CTUIL, vide email dated 14.05.2024, informed the Petitioner that the Conn-BG 2 furnished by them pursuant to the 50 MW connectivity was not acceptable as it was deficient in terms of the GNA Regulations.
- (d) On 30.05.2024, CTUIL issued a letter to the Petitioner asking the Petitioner to submit a Conn-BG 2 of INR 27.56 Crores in terms of the GNA Regulations pursuant to the 150 MW connectivity granted to it at Rajgarh PS. Further, on 04.06.2024, CTUIL informed the Petitioner that no reply to an email dated 14.05.2024 had been received and requested that the BG of INR 3 crores be collected from the office of the Respondent. Thereafter, on 05.06.2024, the Petitioner, vide email, stated that the BG of INR 3 crores had been submitted as Conn-BG2.
- (e) On account of continued non-compliance with the terms of the GNA Regulations, CTUIL was compelled to issue letters dated 15.07.2024, vide which the in-principle connectivity granted to the Petitioner for 50 MW and 150 MW was cancelled. As averred hereunder, the said letter is squarely in terms

- of the GNA Regulations and was issued as the Petitioner did not furnish the requisite Conn BG-2 within the specified timelines.
- (f) The ATS and Conn-BG2 to be submitted were intimated to the Petitioner vide the Conn-BG2 Intimation Letters in terms of the GNA Regulations. The Petitioner was also informed that in case the Conn-BG2 was not submitted within the statutorily granted time of one month, the connectivity applications would be considered closed.
- (g) There is no basis for the Petitioner to allege that CTUIL has acted arbitrarily when faced with the consequences of non-compliance with the GNA Regulations.
- (h) The GNA Regulations clearly state that in case applicable Conn-BG2 is not submitted within one month of the letter of intimation, the application for connectivity is closed. CTUIL, being the nodal agency, therefore, had no choice but to act in terms of the GNA Regulations. The Petitioner is not the only generator who has been granted in-principle approval for connectivity at the Raigarh SS with ATS. Other generators proposing to connect at Raigarh SS, who furnished the required Conn-BG2 in terms of the GNA Regulations, are continuing to retain their connectivity table depicting the same has been produced hereunder for ready reference:

Name of	Intimation	Quantum	BG requiremen	t	BG		BG availability with CTUIL
Generat	no. with	of	as per ii	- 1	requirement	t	
or	date	Connectiv	principle grant intimation fo		as per revise intimation d		
		ity iii ivivv	ATS & BG2	•	03.09.2024	itu	
Veh	231300002	151.8	Conn-BG1:	₹	Conn-BG2:	₹	Conn-BG1:
Jayin	dt		0.5 Cr.		3 Cr.;		16340100020070 dt 22.04.2024
Renewa	06.11.2023				Conn-BG3:	₹	for Rs. 0.5 Cr.;
bles Pvt.	and		Conn-BG2:	₹	3.036 Cr.;		
Ltd	intimation for		30.2503 Cr.				Conn-BG2: 16340100019789 dt
	ATS & BG2						23.02.2024 for Rs. 3 Cr.;
	dt						
	08.01.2024						Conn-BG3: 1634FBG240292 dt
							26.09.2024 for Rs. 3.036 Cr.;
Veh	231300004	75	Conn-BG1:	₹	Conn-BG2:		Conn-BG1: 16340100019302 dt
Jayin	dt		0.5 Cr.		Nil; Con	ın-	14.11.2023 for Rs. 0.5 Cr.;
Renewa	06.11.2023				<b>BG3</b> : ₹ 1.5 C	۲.;	
bles Pvt.	and		Conn-BG2:	₹			Conn-BG3: 16340100019670 dt
Ltd	intimation for		10.8747 Cr.				02.02.2024 & its amendment dt
	ATS & BG2						30.09.2024 for Rs. 1.5 Cr.;
	dt						
	08.01.2024						

Sprng Vayu Vidyut Pvt. Ltd.	2200000022 dt 06.11.2023 and intimation for ATS & BG2 dt 08.01.2024	100	Conn-BG1: ₹ 0.5 Cr. Conn-BG2: ₹ 23.5 Cr.	Conn-BG2: ₹ 3 Cr.; Conn- BG3: ₹ 2 Cr.;	Conn-BG1: PEBBOM266721 dt 05.12.2023 for Rs. 0.5 Cr.;  Conn-BG2: PEBBOM271661 dt 31.01.2024 for Rs. 23.5 Cr.; [additional BG]  Conn-BG2: 5544610267 dt 20.09.2024 for Rs. 3 Cr.;  Conn-BG3: 5545610267 dt 20.09.2024 for Rs. 2 Cr.;
Sprng Vayu Vidyut Pvt. Ltd.	331300007 dt 06.11.2023 and intimation for ATS & BG2 dt 08.01.2024	100.8	Conn-BG1: ₹ 0.5 Cr. Conn-BG2: ₹ 14.6155 Cr.	Conn-BG2: Nil; Conn- BG3: ₹ 2.016 Cr.;	Conn-BG1: PEBBOM266649 dt 05.12.2023 for Rs. 0.5 Cr.;  Conn-BG2: PEBBOM271663 dt 31.01.2024 for Rs. 14.6155 Cr.; [additional BG]  Conn-BG3: 5544610268 dated 20.09.2024 for Rs. 2.016 Cr.;
Sprng Akshaya Urja Pvt. Ltd. (SAUPL	2200000133 dt 22.12.2023 and intimation for ATS & BG2 dt 07.03.2024	67.2	Conn-BG1: ₹ 0.5 Cr. Conn-BG2: ₹ 12.349 Cr.	Conn-BG2: Nil ; Conn-BG3: ₹ 1.344 Cr.;	Conn-BG1: PEBBOM270905 dt 17.01.2024 for Rs. 0.5 Cr.;  Conn-BG2: PEBBOM274749 dated 01.04.2024 for Rs. 12.349 Cr.; [additional BG]  Conn-BG3: 5545610274 dated 21.09.2024 for Rs. 1.344 Cr.;
Sprng Vayu Vidyut Pvt. Ltd.	2200000340 dt 22.12.2023 and intimation for ATS & BG2 dt 07.03.2024	82	Conn-BG1: ₹ 0.5 Cr.  Conn-BG2: ₹ 15.069 Cr.	Conn-BG2: Nil; Conn- BG3: ₹ 1.64 Cr.;	Conn-BG1: PEBBOM270780 dt 16.01.2024 for Rs. 0.5 Cr.;  Conn-BG2: PEBBOM274576 dated 01.04.2024 for Rs. 15.069 Cr.; [additional BG]  Conn-BG3: 5546610267 dated 20.09.2024 for Rs. 1.64 Cr.;

- (i) As per Regulation 8.3 of the GNA Regulations, it is clear that the closing of the connectivity application due to non-compliance was mandatory in nature. Not holding as such would lead to confusion and absurdity, and the same cannot be the intent of the regulation.
- (j) 400/220kV Rajagrh S/s with 2x500MVA, 400/220kV ICT-I & II is an existing substation implemented by POWERGRID through the RTM Route. 298.24 MW cumulative connectivity under GNA has been granted to M/s Sprng through the existing system at the 220kV level of Rajgarh S/s. Due to non-availability of margins for injection beyond 300MW from 220kV level of Rajgarh S/s, the 2x500MVA, 400/220kV ICT-III & IV was planned on extended 220kV bus (segregated from main bus through bus sectionaliser) so as to enable evacuation of RE power from various generation projects who have applied for connectivity under GNA at Rajgarh S/s directly to 400kV level of Rajgarh S/s.

(k) With the 3rd & 4th ICTs at Rajgarh, a total margin of about 950MW (considering 0.95 power factor) has been created at Rajgarh S/s against which cumulative connectivity of 793.6MW has been granted, and at present additional margins of 156.4MW (950-793.6) are left at the Rajgarh S/s after considering applications of AEPL [50MW (Appl. no. 2200000079) & 150MW (Appl. No. 2200000392)], as per the following details:

		_		
S1.	Name of Applicant	Energy source	Application	Connectivity
No.	(Organization)		number	Quantum
1	Veh Jayin Renewables Pvt.	Wind	231300002	151.8
	Ltd.			
2	VEH Wind Energy Pvt. Ltd.	Wind	231300004	75
3	Sprng Vayu Vidyut Pvt. Ltd.	Wind	331300007	100.8
	(Enhancement)			
4	Sprng Vayu Vidyut Pvt. Ltd.	Wind	2200000022	100
	Rajgarh 220kV GIS (ICT-III)			427.6
1	Avaada Energy Pvt. Ltd.	Wind	2200000079	50
2	Sprng Akshaya Urja Pvt. Ltd.	Wind	2200000133	67.2
	(SAUPL)			
3	Sprng Vayu Vidyut Pvt. Ltd.	Wind	2200000340	82
4	Avaada Energy Pvt. Ltd.	Wind	2200000392	150
5	Sprng Vayu Vidyut Pvt. Ltd.	Wind	2200000819	16.8
	Rajgarh 220kV GIS (ICT-IV)			366

#### Rejoinder by the Petitioner:

- 10. The petitioner, vide an affidavit dated 13.11.2024, has submitted as below:
  - (a) CTUIL's own admission that the connectivity granted to AEPL's 50 MW and 150 MW projects at Tisgaon, Dhar, Madhya Pradesh, can still be comfortably accommodated at Rajgarh as on date within the existing capacity of the substation. Even after accommodating AEPL's projects, an additional margin of 156.4 MW would be available. Therefore, if the present petition is allowed and AEPL's projects are accommodated, no prejudice is caused to any party, and on this short ground alone, the present petition deserves to be allowed.
  - (b) At the time of issuing the Impugned Letters, CTUIL was well aware that Rajgarh is located in a zone that was pending imminent declaration as REZ. In fact, AEPL specifically brought this fact to the notice of CTUIL by way of its email dated 05.07.2024. While CTUIL arbitrarily elected to cancel the connectivity granted to AEPL's projects on 15.07.2024, merely after 4 days, i.e., on

19.07.2024, the Ministry of New and Renewable Energy (MNRE) wrote to the Ministry of Power (MOP) stating that the zone in which Rajgarh is located is a REZ. As to why CTUIL elected to wait specifically for a period of 130 days qua AEPL's 50 MW project and 46 days qua AEPL's 150 MW project is still unknown.

- (c) If CTUIL was strictly complying with the GNA Regulations, the connectivity ought to have been cancelled within a month from the intimations i.e., within one month from 07.03.2024 and 30.05.2024 for the 50 MW and 150 MW projects of AEPL, respectively. However, as demonstrated by the Minutes of Meeting for the meeting dated 12.07.2023 held between CTUIL and CEA, CTUIL itself understood that its interpretation of GNA Regulations was leading to an anomaly. Moreover, CTUIL was made aware that the Rajgarh zone is pending imminent declaration as REZ. There is no reason forthcoming from CTUIL's submissions as to why it chose to wait specifically for a period of 130 days and 46 days qua AEPL's 50 MW and 150 MW projects, respectively, instead of 134 days and 50 days qua AEPL's 50 MW and 150 MW projects. Had CTUIL waited for 4 more days, there would not have been any dispute in the first place.
- (d) Even if Regulation 8.3 of the GNA Regulations is examined for the sake of argument, an application for connectivity has to be closed if a bank guarantee (Conn-BG2) is not furnished within a month from intimation. However, as the undisputed facts demonstrate, specifically the Minutes of Meeting for the meeting dated 12.07.2023, CTUIL was itself aware that the intimations being issued by it to generators such as AEPL were leading to anomalies and discrimination. At this stage, it is imperative to recall that under Section 38(2)(d) of the Electricity Act, 2003 (Act), CTUIL is under a statutory duty to provide nondiscriminatory open access to its transmission system. Moreover, the right to non-discriminatory open access is guaranteed to AEPL under Section 2(47) of the Act and the preamble of the GNA Regulations. Therefore, in view of the admitted lack of clarity prevailing with respect to the interpretation of the GNA Regulations, CTUIL consciously elected not to cancel the connectivity granted to AEPL within a month of the intimations. Having elected to act in such a

manner, it is inexplicable as to why CTUIL hastily cancelled the connectivity on 15.07.2024 when the entire issue stood resolved beyond any doubt as on 19.07.2024.

- (e) The Petitioner's connectivity applications were governed by Regulation 8.2 of the GNA Regulations, requiring augmentation without ATS and the furnishing of applicable bank guarantees (Conn-BG2). It argues that CTUIL's cancellation of its connectivity on 15.07.2024 was unwarranted, as AEPL had duly complied with the requirements. The connectivity granted to renewable energy projects at Rajgarh (~1300 MW), predominantly wind-based, should have been treated as common network expansion or augmentation without ATS. CTUIL's actions, as demonstrated through correspondence and its own documents, contradict its obligations under the GNA Regulations and are arbitrary.
- (f) CTUIL's past treatment of ISTS planned for multiple injecting entities, such as REZs identified by MNRE/SECI, as augmentation without ATS supports AEPL's position. Despite the presence of multiple injecting entities at Rajgarh at the time of cancellation, CTUIL failed to provide a valid justification for its decision and acted contrary to its established practices. AEPL emphasizes that CTUIL cannot rely on procedural requirements like ministerial declarations to override its regulatory obligations and insists that CTUIL's actions violate its own public commitments and the principles laid down by the Supreme Court in similar cases.
- (g) CTUIL's treatment of augmentation at Rajgarh as "without ATS/CTS" for other connectivity grantees, as evidenced by the Minutes of Meeting dated 20.08.2024, should equally apply to AEPL. However, AEPL is being excluded solely due to the pending proceedings, leading to discriminatory treatment contrary to Regulation 8.2 of the GNA Regulations. AEPL requests the Commission to exercise its powers under Regulation 42 of the GNA Regulations to address the admitted difficulties in implementation, as acknowledged by CTUIL in the meeting dated 12.07.2023, and to ensure nondiscriminatory open access. AEPL emphasizes that its connectivity is viable within Rajgarh's existing capacity, and CTUIL's inconsistent actions arise from

a flawed interpretation of the regulations, necessitating intervention to remove difficulties and uphold the objectives of the GNA Regulations.

## **Hearing dated 18.11.2024:**

- "3. In response to the specific query of the Commission regarding why the Petitioner did not pay the entire amount of Conn BG-II as sought by CTUIL vide letter dated 30.5.2024 and how the Petitioner chose to decide the amount of Conn-BG to be furnished on its own, the learned senior counsel for the Petitioner submitted that there are multiple injecting entities for the transmission system stated under ATS and the Petitioner's entire case is based on Regulation 7.2, read with Regulation 8.2 of the GNA Regulations, along with Minutes of the CEA Meeting held on 12.7.2023. Further, Regulation 8.3 of the GNA Regulations cannot be triggered and the Petitioner had furnished the bank guarantee of Rs. 3 crores as per the relevant laws. Learned senior counsel further submitted that in the CEA Meeting, it was agreed that the said RE Potential zone can be considered as augmentation without ATS, and CTUIL can take up the applications for the connectivity for multiple injecting entities accordingly. The area was declared RE potential zone on 19.7.2024.
- 4. In response to further query of the Commission regarding how many entities applied for connectivity at Rajgarh and whether other entities paid Conn-BG II as sought by CTUIL, the learned counsel for CTUIL submitted that there were various applications and all such entities have paid Conn BG-II under ATS. CTUIL displayed details of six applicants and submitted that if any other applicants were there, CTUIL shall confirm the same. He further submitted that after the area was declared REZ Potential zone, all those entities that have submitted Conn BG-II based on ATS have now been moved to a common transmission system with reduced Conn BG-II. Learned counsel further added that every other generating entity had paid Conn BG-II, which was later revised downward after the declaration of the RE Potential zone. He submitted that the Petitioner vide letter dated 11.3.2024 requested the MoP, MNRE, and CEA for declaration of Rajgarh PS as RE Potential zone. After the subject transmission system was declared REZ potential zone as CTS by the MNRE, Conn BG-II for all surviving applications was revised downward. The application of the Petitioner was closed on account of non-payment of BG as per the GNA Regulations.
- 5. In response to further query of the Commission regarding the timeline for furnishing the Conn-BG II by the Petitioner, learned counsel for the CTUIL submitted that the Petitioner was required to furnish Conn-BG II by 7.4.2024 after which there were communications between CTUIL and the Petitioner and finally CTUIL revoked connectivity of the Petitioner on 15.7.2024.
- 6. The Commission enquired regarding action not taken by CTUIL as on 7.4.2024 when the Petitioner did not furnish the required Conn BGs; learned counsel for the CTUIL submitted that CTUIL could not have exercised discretion in the matter. Learned counsel further submitted that all other utilities have paid the full amount of Conn BG-II.
- 7. The learned counsel for the Petitioner, referring to its note of argument, submitted that even prior to 19.7.2024, other similarly placed entities were treated differently by

CTUIL, having no intelligible differentia. He specifically referred to the case of 'Veh Jayin Renewables' who furnished Conn-BG II for Rs 3 crores on 23.2.2024, much before 19.7.2024, when Conn BG II sought from 'Veh Jayin Renewables' was Rs. 30.2503 crores. Learned senior counsel further referred the 'Veh Wind Energy', whose Conn BG II submission date was not appearing in the details furnished by CTUIL, submitted that the same yardstick must be applied by CTUIL in assessing all the connectivity applications. CTUIL's own conduct in cancelling the connectivity of the Petitioner after the lapse of almost four months indicates that CTUIL did not comply with Regulation 8.3(e) of the GNA Regulations. Therefore, the Petitioner now seeks CTUIL to accommodate the Petitioner and give connectivity at Rajgarh PS from the available quantum.

8. Considering the request of the learned senior counsel for the Petitioner, the Commission permitted the Petitioner to upload its note of arguments within three days. The Commission further directed the Respondent, CTUIL to furnish the following information/clarification, on an affidavit within a week with a copy to the other side:

(a) The following information for all applications considered at Rajgarh substation:

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	the entity and date of submission of	connectivity was	revised CONN	Date of submission of revised CONN BG-II

b) Reasons as to why CTUIL did not close the Petitioner's connectivity applications upon its failure to provide the Conn-BG 2 within the prescribed period of one month from the date of intimation?"

# **Written Submissions from Respondent (CTUIL):**

- 11. CTUIL, vide written submission dated 30.11.2024, has mainly submitted as below:
  - (a) Applications for the grant of connectivity were considered in accordance with extant laws, and in-principle connectivity was granted to the Petitioner. The inprinciple grant specified the Augmentation/ ATS that is required. As early as 21.12.2023 (Intimation of grant of 50 MW Connectivity), the petitioner was aware that the connectivity had been granted on an ATS basis, and it would be required to furnish CON-BG-2 in terms thereof. The ATS was again clearly

identified in the intimation of 150 MW Connectivity on 07.03.2024. The petitioner itself was aware that unless the area is declared REZ, augmentation for the grant of connectivity is required to be undertaken on an ATS basis. The extract from Petitioner's letter dated 11.03.2024 to the Ministry of Power, Government of India, is extracted hereunder for ready reference:

"Now, whereas, CTUIL has issued the In-principle Grant of Connectivity for the project, the Associated Transmission System (ATS) component is identified as INR 76.16 Crs. (tentatively) as Rajgarh PG (Existing) SS has not been covered under the Renewable Energy Zone (REZ) and therefore, augmentation requirement for the Connectivity cannot be taken up by CTUIL for Common Transmission System (CTS) / common network expansion as provided in Article 6.4 of the Detailed Procedure for GNA and Connectivity 2022 (CERC Order Dated 14th Oct 2022). CTUIL vide letter Ref No. CTU/W/5/INT-1B/2200000079 dated 07.03.2024 has demanded Conn BG-2 as the transmission system is required to be taken up on BG basis only in the absence of Rajgarh region being declared as RE Zone."

- (b) The Petitioner is part of a group that has been undertaking renewable energy projects for more than a decade, and their understanding of the obligation of CTUIL to grant connectivity on an ATS basis is well documented in their own letters; therefore, the submission now that the connectivity granted at the Rajgarh area should have been treated differently is purely an after-thought and a lame attempt to revive an application which has been closed in accordance with provisions of the applicable law.
- (c) There are two other generators who were intimated for ATS & Conn-BG2. Both generators provided the requisite Conn-BG2 as per the intimation. A table depicting the same has been produced hereunder for ready reference:

SI. No.	Entity	Application Number	Connectivity Quantum (MW)	Conn BG-2 Submitted (CR.)	Revised Conn BGs
1.	Veh Jayin Renewables Pvt. Ltd.	231300002	151.8	Rs. 30.2503	Conn BG-2: Rs. 3Cr. Conn BG-3: Rs. 3.036 Cr.
2.	Veh Wind Energy Pvt. Ltd.	231300004	75	Rs. 10.8747	Conn BG-2: N/A Conn BG-3: Rs. 1.5 Cr.
3.	Sprng Vayu Vidyut Pvt. Ltd. (Ench)	331300007	100.8	Rs. 14.6155	Conn BG-2: N/A Conn BG-3: Rs. 2.016 Cr.
4.	Sprng Vayu Vidyut Pvt. Ltd.	2200000022	100	Rs. 23.50	Conn BG-2: Rs. 3.0 Cr. Conn BG-3: Rs. 2.0 Cr.

(d) During the discussion of the 31st CMETS meeting of the Western Region held on 02.08.2024, it was agreed that the Associated Transmission System for

subject applications be changed to Common Transmission System augmentation/ Augmentation without ATS considering the declaration of RE zone by MOP/ MNRE in Dhar, Madhya Pradesh. The aforementioned entities were informed of the same vide letter dated 03.09.2024 and the earlier issued Conn-BG2 was returned, and it was requested that the new Conn-BG2 be furnished within a period of one month.

(e) Regulation 8.3 (e) of the GNA Regulations mandates that the entity required to submit CON-BG-2 must do it within one month of intimation by CTUIL. The provision cannot be interpreted to mean that immediately after the expiry of the prescribed period the application must be closed or else the right to terminate shall fall away. CTUIL, treating the Petitioner as a serious applicant interested in developing the RE project, sent emails to provide further opportunity to submit CON-BG-2 for the applications. It was only after its failure to submit the CON-BG-2 as required in terms of the in-principle connectivity granted that CTUIL issued the letter cancelling both the in-principle connectivity granted to the Petitioner.

# CTUIL submissions dated 13.12.2024:

- 12. CTUIL, in compliance with RoP dated 18.11.2024, has mainly submitted as under:
  - (a) The 400/220kV Rajgarh S/s with 2x500MVA, 400/220kV ICT-I & II is an existing substation implemented by POWERGRID through the RTM Route. 298.24 MW cumulative connectivity under GNA has been granted to M/s Sprng through the existing system at the 220kV level of Rajgarh S/s. Due to non-availability of margins for injection beyond 300MW from the 220kV level of Rajgarh S/s, the 2x500MVA, 400/220kV ICT-III & IV was planned on extended 220kV bus (segregated from main bus through bus sectionaliser) so as to enable evacuation of RE power from various generation projects who have applied for connectivity under GNA at Rajgarh S/s directly to 400kV level of Rajgarh S/s.
  - (b) With the 3rd & 4th ICTs at Rajgarh, a total margin of about 950MW (considering 0.95 power factor) has been created at Rajgarh S/s against which cumulative connectivity of 793.6MW have been granted under GNA to various RE projects

as per details given below at Rajgarh S/s considering 400/220kV ICTs (3rd &4th):

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	Amount of Conn BG-II submitted by the entity and date of submission of such Conn BG-II	Whether connectivity was cancelled if the amount of Conn BG II as intimated, was not furnished within the specified timeline as per the GNA Regulations	Amount of revised CONN BG-II	Date of submiss ion of revised CONN BG-II
	nectivity granted			3.24		
1.	Sprng Vayu Vidyut Pvt. Ltd. (1200003345)	55.44 8-Jul-21 (St-II)	NIL (Bay at ISTS under scope of applicant)		NA	
2.	Sprng Vayu Vidyut Pvt. Ltd. (1200003510)	50.4 9-Nov-21 (St-II)	NIL		NA	
3.	Sprng Vayu Vidyut Pvt. Ltd. (331300005)	50.4 31-Aug-22 (St-II)	NIL		NA	
4.	Sprng Vayu Vidyut Pvt. Ltd. (2200000028)	42 18-Apr-23 (GNA)	NIL		NA	
5.	Sprng Akshaya Urja Pvt. Ltd. (2200000039)	100 4-May-23 (GNA)	NIL		NA	
	nectivity granted ing 220kV bus t			400/220 kV (3rd &4	lth) (segreg	ated from
1.	Veh Jayin Renewables Pvt. Ltd. (231300002)	151.8 9-Jul-22 (St-II)	Conn-BG2 dated 23.02.2024 for Rs. 30.2503 Cr. (incl. terminal bay cost) w.r.t. Intimation dated 08.01.2024 for ATS & BG2.		Rs. 3 Cr.	Conn-BG2 amendm ent dated 30.09.20 24 w.r.t. revised intimatio n dated 03.09.20 24.
2.	Veh Jayin Renewables	38.4 29-Jul-22	Connectivity re	voked vide letter da n of Conn-BG1 w		

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	Amount of Conn BG-II submitted by the entity and date of submission of such Conn BG-II	intimated, was not furnished within the specified timeline as per the GNA Regulations	Amount of revised CONN BG-II	Date of submiss ion of revised CONN BG-II
	Pvt. Ltd.	(St-II)	issuance of Indated 06.11.20	i-principal grant is:	sued vide (	CTU letter
3.	(331300002)  VEH Wind  Energy Pvt.  Ltd. (231300004)	75 25-Mar-23	Conn-BG2 dated 23.02.2024 for Rs. 10.8747 Cr. w.r.t. revised Intimation dated 08.01.2024 for ATS & BG2.	23.	NIL (Bay shared with SI. No. 1)	
4.	Sprng Vayu Vidyut Pvt. Ltd. (331300007)	100.8 17-Mar-23	Conn-BG2 dated 31.01.2024 for Rs. 14.6155 Cr. w.r.t. intimation dated 08.01.2024 for ATS & BG2		NIL (Bay shared with SI. No. 1)	
5.	Sprng Vayu Vidyut Pvt. Ltd. (2200000022)	100 17-Apr-23	Conn-BG2 dated 31.01.2024 for Rs. 23.5 Cr. (incl. terminal bay cost) w.r.t. intimation dated 08.01.2024 for ATS & BG2.		3 Cr.	Conn-BG2 dated 20.09.20 24 w.r.t. revised intimatio n dated 03.09.20 24.
	arh 220kV GIS	427.6				
1.	Avaada Energy Pvt. Ltd. (2200000079)	50 5-Jun-23	Rs. 21.118Cr.* (incl. terminal bay cost) was to be submitted, however,	Yes		

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	Amount of Conn BG-II submitted by the entity and date of submission of such Conn BG-II	Whether connectivity was cancelled if the amount of Conn BG II as intimated, was not furnished within the specified timeline as per the GNA Regulations	Amount of revised CONN BG-II	Date of submiss ion of revised CONN BG-II
			AEPL has not submitted Conn-BG2 for Rs. 21.188 Cr.			
2.	Sprng Akshaya Urja Pvt. Ltd. (2200000133)	67.2 27-Jun-23	Conn-BG2 dated 01.04.2024 for Rs. 12.349 Cr. w.r.t. intimation dated 07.03.2024 for ATS & BG2		Nil (Bay shared with App No. 2200000 022)	
3.	Sprng Vayu Vidyut Pvt. Ltd. (2200000340)	82 30-Oct-23	Conn-BG2 dated 01.04.2024 for Rs. 15.069 Cr. w.r.t. intimation dated 07.03.2024 for ATS & BG2		Nil (Bay shared with App No. 2200000 022)	
4.	Avaada Energy Pvt. Ltd. (2200000392)	150 30-Nov-23	Rs. 27.564 Cr.* was to be submitted, however, AEPL has not submitted Conn-BG2 for Rs. 27.564 Cr.	Yes		
5.	Sprng Vayu Vidyut Pvt. Ltd. (2200000819)	16.8 20-May-24	Nil (Bay shared with App No. 2200000022 & granted with system considered with CTS as		NA	

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	of such		Date of submiss ion of revised CONN BG-II
			decided in 31 CMETS-WR meeting held on 02/08/2024.		
Rajg (ICT-	arh 220kV GIS -IV)	366			

<sup>\*</sup> AEPL has submitted Conn-BG2 dated 02.04.2024 for Rs. 3 Cr. towards intimation no. 2200000079 dated 07.03.2024. Vide emails dated 14.05.2024 & 04.06.2024, CTU has informed for non-acceptance of said Conn-BG2 of Rs. 3 Cr. and requested for submission of Conn-BG2 for Rs. 21.118 Cr. as per intimation. AEPL has not submitted the same.

- (c) CTUIL, vide letter dated 22.12.2023, granted in-principle approval for connectivity to the Petitioner for 50 MW. CTUIL, vide letter dated 07.03.2024, intimated to the Petitioner to submit a Conn-BG 2 of INR 21.18 crores in terms of the GNA Regulations pursuant to the 50 MW connectivity granted to it at Rajgarh PS. On the same date, the Petitioner was also granted in-principle approval for 150 MW.
- (d) Vide letter dated 05.04.2024, the Petitioner informed CTUIL that it had issued a Conn-BG2 for a quantum of only Rs. 3 crores in relation to 50 MW. CTUIL, vide email dated 14.05.2024, informed the Petitioner that the Conn-BG 2 furnished by them pursuant to the 50 MW connectivity was not acceptable as it was deficient in terms of the GNA Regulations.
- (e) In the meantime, based on the request of M/s Sprng vide email dated 11.03.2024 regarding swapping of the bay (Bay No. 209 (AIS) and 217(GIS) between their group companies, i.e., Sprng Akshaya Urja Private Limited (SAUPL): 67.2MW Connectivity (2200000133) and Sprng Vayu Vidyut Private Limited (SVVPL): 50.4MW Connectivity (1200003510), a meeting was held on 22.04.2024 to discuss swapping of Connectivity of Sprng Akshaya Urja Private

Limited 67.2MW (2200000133) who was allocated Bay No. 217 (GIS) on extended bus section (ATS as 4th ICT at Rajgarh) with Sprng Vayu Vidyut Pvt. Ltd. 50.4MW (1200003510) who was allocated Bay No. 209 (AIS) at Rajgarh S/s through the existing system. In the meeting, it was decided that a joint undertaking shall be submitted by Sprng Vayu Vidyut Pvt. Ltd. (SVVPL), Sprng Akshaya Urja Pvt. Ltd. (SAUPL), Veh Jayin Renewables Pvt. Ltd. (VJRPL), VEH Wind Energy Pvt. Ltd. (VWEPL) & Avaada Energy Pvt. Ltd. (AEPL).

(f) M/s Sprng vide email dated 21.05.2024 withdrew their request for connectivity swapping of Sprng Akshaya Urja Private Limited – 67.2MW (2200000133) with Sprng Vayu Vidyut Private Limited - 50.4MW (1200003510) at Rajgarh substation due to non-submission of Joint undertaking as M/s Avaada Energy Private Limited (AEPL) was not in agreement for signing the undertaking, considering commercial implication (additional Conn BG-2 amount) for them. Accordingly, as the request of Sprng was withdrawn, Conn-BG2 of the generators (Sprng & Avaada) associated with the 4th ICT (Sl. No. 1 to 4 in the above table) could not change. Considering the above, CTUIL, vide email dated 30.05.2024, informed the petitioner that with the above withdrawl of Sprng request, the associated BGs to be furnished by Sprng and Avaada shall remain the same. In the above email, CTU mentioned the following:

"Further, it may be noted that Intimation for ATS and CONN BG2 w.r.t M/s Avaada Energy Private Limited (AEPL) at Rajgarh SS for its proposed 50MW RE Plant at Dhar, Madhya Pradesh in application number-2200000079 has been forwarded on 07.03.2024. Accordingly, AEPL is requested to furnish requisite BGs (as mentioned in letter dated 07.03.2024) within one month from this communication failing which the respective application for Connectivity shall be closed"

Further, CTUIL vide letter dated 30.05.2024 asked the Petitioner to submit a Conn-BG 2 of INR 27.56 Crores in terms of the GNA Regulation pursuant to the 150 MW connectivity granted to it at Rajgarh PS.

(g) On 04.06.2024, CTUIL informed the Petitioner that no reply to an email dated 14.05.2024 had been received and requested that the BG of Rs. 3 crores be collected from the office of the Respondent. That thereafter, on 05.06.2024, the Petitioner, vide email, stated that BG of INR 3 crores had been submitted as Conn-BG2. Therefore, owing to continued non-compliance of the Petitioner in terms of the GNA Regulations, CTUIL vide letters dated 15.07.2024 cancelled the in-principle grant of Connectivity for 50MW & 150MW to M/s Avaada Energy Private Limited (AEPL) for its Wind project at Dhar, Madhya Pradesh on account of non-submission of requisite CONN-BG2 within specified timelines.

#### Written submissions of the Petitioner dated 21.01.2025:

13. The Petitioner, vide Written Submissions dated 21.01.2025, has mainly submitted as under:

- a) In terms of Clause 6.4 of the Detailed Procedure for Connectivity and GNA (Detailed Procedure), in cases where the augmentation requirement has been identified to be without ATS but for common network expansion, the BG amount will be as per Regulation 8.2 of the GNA Regulations. Since the power will be evacuated at a voltage level of 220/230 kV, the BG amount of Rs 3 crores is required to be furnished.
- b) Rajgarh S/s, where AEPL is to be connected, has been identified/planned for multiple injecting entities. Accordingly, in terms of the minutes of the meeting held on 12.07.2023, the Rajgarh S/s area ought to be considered as augmentation without ATS involving common network expansion.
- c) Pursuant to the grant of in-principle connectivity, AEPL was required to furnish a CONN-BG 2 for a quantum of Rs. 3 crores only, i.e., towards 220 kV terminal bay as per Regulation 8.2 of the GNA Regulations, as opposed to the BG for a sum total of INR 48.752 Crores (i.e., Rs 21.188 crores for 50 MW andRs. 27.564 crores for 150 MW) being demanded by CTUIL. AEPL has already furnished the applicable BG in terms of Regulation 8.2 of the GNA Regulations, i.e., Rs. 3 crores.
- d) Merely because a ministerial act of declaration of Rajgarh S/s area as REZ was awaited back then, it cannot change the nature of augmentation being done in terms of the applicable regulations. Applications filed by other entities were processed before AEPL's application. This makes it evident that CTUIL always knew that it was processing applications before AEPL's connectivity, and the Rajgarh S/s was required for multiple injecting entities requiring common network expansion. It is evident that the Rajgarh S/s, where AEPL is to be

connected, was identified/planned for multiple injecting entities. Accordingly, in terms of CTUIL's own minutes for the meeting held on 12.07.2023, the Rajgarh S/s area is to be considered an augmentation without ATS involving common network expansion. It is also relevant to note that in the minutes for the meeting held on 12.07.2023, it is observed that the ISTS identified/planned for multiple injecting entities can be considered as an augmentation without ATS, and, as an example, it is stated that augmentation in RE potential zone, (identified by MNRE/SECI) can be considered as being without ATS.

- e) If CTUIL was strictly complying with the GNA Regulations, the connectivity ought to have been cancelled within a month from the intimations, i.e., within one month from 07.03.2024 and 30.05.2024 for the 50 MW and 150 MW projects of AEPL, respectively. However, as demonstrated by the Minutes of Meeting for the meeting dated 12.07.2023 held between CTUIL and CEA, CTUIL itself understood that its interpretation of GNA Regulations was leading to an anomaly. Moreover, CTUIL was made aware that the Rajgarh zone is pending imminent declaration as REZ. There is no reason forthcoming from CTUIL's submissions as to why it chose to wait specifically for a period of 130 days and 46 days qua AEPL's 50 MW and 150 MW projects, respectively, instead of 134 days and 50 days qua AEPL's 50 MW and 150 MW projects. Had CTUIL waited for 4 more days, there would not have been any dispute in the first place. In effect, the entire action of CTUIL is based on a misplaced interpretation of the GNA Regulations and conduct in the present matter are not only arbitrary but also discriminatory in nature.
- f) As on date, CTUIL concedes that the augmentation required at Rajgarh S/s is augmentation without ATS, i.e., a common transmission system. CTUIL has also conceded that AEPL can be accommodated within the existing capacity of Rajgarh S/s, and, in fact, an additional margin of 156.4 MW would remain even after accommodating AEPL. Regulation 7.2, read with 8.2 of the GNA Regulations, is the enabling regulation for AEPL's connectivity and applicable bank guarantees. In fact, augmentation at Rajgarh S/s qua all the other connectivity grantees at Rajgarh S/s, who are on par with AEPL, is now being treated as augmentation without ATS, i.e., a common transmission system. In

such a scenario, it would be inappropriate at this stage for CTUIL to discriminate against AEPL merely because it chose to approach this Commission seeking directions to CTUIL for abiding by the GNA Regulations. Due to CTUIL's flawed interpretation of the GNA Regulations and on the basis of an admitted lack of clarity, a difficulty in giving effect to GNA Regulations has arisen today. Therefore, in line with settled principles of law, this Commission may exercise its power to remove difficulties and allow the present petition.

### **Analysis and Decision:**

14. The Petitioner, Avaada Energy Private Limited (AEPL) had been intimated about in-principle grant of Connectivity of 50MW and 150MW at 220 kV Rajgarh (PG) S/s for its projects by CTUIL. The details of in-principle Connectivity granted to the Petitioner is as under:

at 220KV	vity Application Rajghar PS at Dhar, Madhya	In principle, Connectivity granted	Intimation of Conn BG2 amount towards ATS & Terminal Bay(s)	Associated Transmission System (ATS) for connectivity
50MW	26.05.2023	22.12.2023	Rs. 21.188 Crs.  (ATS intimation date 07.03.2024)	ATS already awarded:  1. 220kV bus extension (GIS) of Rajgarh(PG) 400/220kV S/s along with 220kV Bus Coupler for extended bus (under ISTS scope)
				2.220kV bus sectionalizer bay (GIS) between existing & extended 220kV bus of Rajgarh S/s (under ISTS scope)
150MW	30.11.2023	07.03.2024	Rs. 27.564 Crs (ATS intimation date 30.05.2024)	ATS yet to be awarded:  1.1x500MVA, 400/ 220 kV ICT (4 <sup>th</sup> ) at Rajgarh S/s (on the sectionalized bus) along with associated bays at both ends (400kV AIS & 220kV GIS) (considered for costing of ATS)

As per the intimation letters for ATS and Conn BG2 dated 07.03.2024 and 30.05.2024, the Petitioner was required to furnish the Conn BG2 amounts of Rs.

- 21.88 Crores and Rs. 27.56 Crores within 1(one) month from the date of intimation, i.e., before 07.04.2024 and 30.06.2024 for connectivity of 50MW and 150MW, respectively.
- 15. The Petitioner, vide letter dated 05.04.2024, submitted ConnBG-2 of Rs. 3 crores as with respect to 50MW Connectivity, and no Conn BG-2 amount was submitted to CTUIL with respect to 150MW Connectivity. The Petitioner has submitted that it deposited Conn BG-2 of Rs 3 crores against almost Rs 22 crores purportedly on grounds that about 1300MW capacity was planned at Rajgarh S/s and, therefore, it was to be declared as a part of the Common Network Expansion with no ATS.
- 16.CTUIL, vide separate letters dated 15.07.2024, cancelled the in-principle grant of connectivity for both projects of 50MW and 150MW capacity, citing nonsubmissions of the requisite amount of Conn BG-2 by the Petitioner within the prescribed timeline in terms of Regulation 8.3(e) of the GNA Regulations, 2022. CTUIL, in a cancellation letter dated 15.07.2024 for 50MW Connectivity capacity, has recorded that initial intimation of ATS was provided on 07.03.2024; subsequently, Sprng Akshaya Urja Pvt. Ltd (SAUPL) requested for Bay swapping at Rajgarh S/s, which was discussed, and accordingly, the Conn BG-2 amount was anticipated to change; however, later on, SAUPL withdrew its request; thus, the Petitioner was given the last date as 30.06.2024 for furnishing Conn BG-2. The Petitioner did not furnish the requisite Conn BG-2, and accordingly, its connectivity was cancelled.
- 17. The Petitioner, being aggrieved by the cancellation of the in-principle grant of Connectivity(ies) by CTUIL, approached the Hon'ble High Court of Delhi, which by Order dated 19.07.2024 in WP No. 9818/2024 provided a stay on the application of CTUIL letter dated 15.07.2024 for 10 days, with direction to approach the jurisdictional High Court. Thereafter, the Petitioner approached the Hon'ble Madhya Pradesh High Court, which, by an Order dated 26.07.2024 in WP 20837/2024, stayed the operation of impugned letters till the next date of hearing, and thereafter, vide Order dated 13.9.2024, the Hon'ble High Court of Madhya Pradesh permitted the Petitioner to withdraw the Petition with liberty to approach this Commission and extended the stay granted by the interim Order dated 26.7.2024 till the consideration of application for interim relief by the Commission.

The Commission, vide RoP of the hearing dated 10.10.2024, extended the stay on CTUIL's letters dated 15.07.2024 till consideration of the Petitioner's application for interim relief.

18. After considering the submissions of the parties and perusal of the documents placed on record, the following issues arise for consideration:

> Issue No.1: Whether AEPL's connectivity at the Rajgarh Powergrid (Existing) Substation area's augmentation without ATS involving common network expansion? Whether Impugned Letters dated 15.07.2024 issued by the CTUIL are required to be quashed;

> Issue No. 2: Whether CTUIL followed the timelines required under the Regulations, and whether any directions are required to be issued to CTUIL in this light?

Both the issues are taken together as they involve common discussion of facts and law and are dealt with in subsequent paragraphs.

19. First let us peruse the provisions of the GNA Regulations quoted as follows:

# 6. Interconnection Study by the Nodal Agency and ATS

6.1. On receipt of applications for grant of Connectivity, the Nodal Agency shall carry out interconnection study as specified in the CEA Technical Standards for Connectivity along with requirement of augmentation to the existing ISTS, if any, for enabling transfer of power over ISTS under General Network Access:

Provided that the existing ISTS for the purpose of this Regulation shall include transmission system which has been awarded for implementation, as on the last day of the month in which application for grant of Connectivity complete in all respects, has been received:

Provided further that if any additional transmission system gets awarded for implementation before completion of interconnection study, such additional transmission system shall also be considered as existing ISTS.

6.2. Of the augmentation requirement as identified under Regulation 6.1 of these regulations, augmentation required for immediate evacuation of power of the Applicant (s), excluding terminal bay(s), shall be considered as the Associated Transmission System (ATS) for the Applicant(s)."

As per the above provisions, on receipt of the Connectivity Application, CTUIL is mandatorily required to carry out an interconnection study as per the provisions of the CEA Standards and identify the requirement of any augmentation to the ISTS for enabling the transfer of power over ISTS under General Network Access. Out of the identified augmentations, the augmentation for immediate evacuation is to be considered as ATS for the Applicant.

As per above, there are clear provisions for the identification of ATS on receipt of a Connectivity application. Regulations 7.2 and 8.3 cast an obligation on the Nodal Agency, CTUIL, to inform *inter-alia* such identified ATS to the Applicant for depositing Conn-BGs. The relevant provisions are extracted as under:

#### 7. In-principle Grant of Connectivity by the Nodal Agency

- **7.1.** In the event the Nodal Agency after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that no augmentation is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 60 days from the last day of the month in which the application had been received along with details such as terminal bay(s), already available or to be developed under ISTS through CTU, and minimum design features for dedicated transmission lines to be constructed by the Applicant.
- **7.2.** In case the Nodal Agency, after the interconnection study undertaken in accordance with Regulation 6.1 of these regulations, determines that augmentation (with ATS or without ATS) is required, the Nodal Agency shall intimate in-principle grant of Connectivity to the Applicant within 90 days from the last day of the month in which the application had been received:

Provided that intimation for in-principle grant of Connectivity shall mention the ATS and terminal bay(s), estimated cost of such ATS and terminal bay(s), minimum design features for dedicated transmission lines to be constructed by the Applicant and the likely date of start of Connectivity:

Provided further that the firm date of start of Connectivity shall be confirmed at the time of final grant of Connectivity.

- . . . .
- **8.3.** For cases covered under Regulation 7.2 of these regulations, the following procedure shall be followed:
- (a) The entity that has been intimated in-principle grant of Connectivity, shall submit its consent for execution of ATS and terminal bay(s), as intimated under Regulation 7.2 of these regulations, along with Conn-BG1, within one month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.
- (b) The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated under Regulation 7.2 of these regulations, (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity:

- Provided that if such ATS and terminal bay(s) are planned for more than one entity, Conn-BG2 shall be furnished in proportion to the quantum of Connectivity applied for by such entities:
- (c) In the event, the Nodal Agency does not intimate the details as per clause (b) of this Regulation within 6 (six) months, the Nodal Agency shall furnish the reasons for such non-intimation to the entity with a copy to the Central Commission within one month of expiry of such period of six months with a probable date by which the details of Conn-BG2 and such timeline shall be furnished:
  - Provided that in the event of non-intimation by Nodal Agency within six months, the entity shall have the option of withdrawing the application for Connectivity and in such a case, the Conn-BG1 shall be returned within one month of exercising option of withdrawal by the entity and application shall be closed.
- (b) The amount for which Conn-BG2 is to be furnished as per clause of this Regulation, shall be equal to estimated cost of ATS and terminal bay(s) and the timeline for completion of ATS and terminal bay(s) shall be based on the scheduled date of commercial operation for such ATS and terminal bay(s).
- (e)The entity that has been intimated in-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of intimation by the Nodal Agency under subclause (b) of this Regulation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be forfeited."
- 20.It is evident that that, specific timelines have been provided for the Nodal Agency to communicate the ATS to the Applicant and for the Applicant to furnish the communicated BGs, failing which in-principle intimation was to be revoked. As per Regulation 8.3(b), the Nodal Agency, within 6 (six) months of furnishing of Conn-BG1, shall intimate to the connectivity applicant the amount of Conn-BG2 to be furnished towards ATS and terminal bay(s). Further, Regulation 8.3(e) requires the entity that has been intimated of in-principle grant of connectivity to furnish Conn-BG2 within one month of intimation by the Nodal Agency.
- 21. Now, let us analyse whether the provisions of the above-quoted regulations were followed in the instant case.
- 22.CTUIL, vide intimation dated 22.12.2023, granted in-principle approval for the grant of connectivity to the Petitioner for a 50 MW Application. CTUIL, vide letter dated 07.03.2024, intimated to the Petitioner to submit a Conn-BG 2 of Rs. 21.18 crores in terms of the GNA Regulations pursuant to the 50 MW connectivity granted to it at Rajgarh PS. Similarly, for the 150 MW application, CTUIL granted in-principle

approval for 150 MW vide an intimation letter dated 7.3.2024. Further, vide the letter dated 30.05.2024, CTUIL intimated the Conn-BG 2 amount of Rs. 27.56 crores for the 150 MW connectivity. The Petitioner chose to furnish the Conn-BG2 of only Rs 3 crores against the 50 MW connectivity. The Petitioner did not submit Conn-BG2 for 150 MW connectivity. The Petitioner, vide its letters dated 12.02.2024 and 11.03,2024, wrote to the MOP/MNRE that the Petitioner had been asked to furnish the total Conn-BG2 of Rs. 76.16 crores and requested the MNRE/MOP to declare Rajgarh as a potential RE zone so that augmentation could be taken up under the common expansion system and Conn-BG would not be required to be furnished by the Petitioner.

23. According to the Petitioner, CTUIL, vide email dated 30.05.2024 for the 50 MW project and letter dated 30.5.2024 for the 150 MW project further granted one month to the Petitioner to furnish Conn-BG2 for the ATS, failing which Connectivity would be revoked by 30.06.2024. Since the Petitioner did not furnish the Conn-BGs for ATS, CTUIL revoked the Connectivity on 15.07.2024 for both 50 MW and 150 MW projects. The impugned revocation letters are quoted as under:

Ref: CTU/WR/5/2200000079-Canc

Shri Angshuman Deputy General Manager Avaada Energy Private Limited C-11, Sector-65, Noida, UP angshuman.rudra@avaada.com ashish.shukla@avaada.com

Subject: Cancellation of In-principle grant of Connectivity for 50MW to M/s Avaada Energy Private Limited (AEPL) for its Wind project at Dhar, Madhya Pradesh.

Date: 15.07.2024

#### Ref:

- CTU letter CTU/WR/CONN-INT-1A/2200000079 dated 22/12/2023, regarding In-principle grant of Connectivity for 50MW.
- CTU letter CTU/WR/CONN-INT-1B/2200000079 dated 07/03/2024, regarding intimation of ATS and CONN BG2.
- CTU e-mail dated 30/05/2024 regarding submission of requisite CONN BG2 within One month i.e by 30/06/2024.

#### Dear Sir,

CTU vide letter dated 22/12/2023 [Ref. i] has granted In-principle grant of Connectivity for 50MW to M/s Avaada Energy Private Limited (AEPL) for its Wind project in Dhar, Madhya Pradesh and intimation for ATS & CONN BG-2 was forwarded to AEPL vide letter dated 07.03.2024 [Ref. ii]. Subsequently, Sprng Akshaya Urja Private Limited (SAUPL) gave request for bay swapping at Rajgarh SS for which a meeting was held and the CONN BG2 amount was anticipated to change. SAUPL subsequently withdrew their request and e-mail dated 30.05.2024 [Ref. iii], was given to AEPL to furnish the requisite CONN BG-2 by 30.06.2024.

As per Regulation 8.3(e) of CERC GNA Regulations, 2022, the entity that has been intimated In-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of its intimation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be forfeited. However, AEPL has not furnished the requisite CONN BG2 within the specified timelines.

Accordingly, the subject In-principle grant of connectivity for 50MW is hereby cancelled in line with Regulation 8.3(e) of CERC GNA Regulations, 2022. Further, the treatment of BGs shall as per the extant Regulations/applicable CERC Orders in this respect.

Also, M/s AEPL shall be liable for all associated consequences in terms of applicable CERC Regulations/ Detailed Procedures and its amendments thereof. The above cancellation is without prejudice to the rights, contentions, receivables, etc. of CTUIL under the above grant.

Thanking you,

Ref: CTU/WR/5/2200000392-Canc

Shri Angshuman
Deputy General Manager
Avaada Energy Private Limited
C-11, Sector-65, Noida, UP
angshuman.rudra@avaada.com
ashish.shukla@avaada.com

Subject: Cancellation of In-principle grant of Connectivity for 150MW to M/s Avaada Energy Private Limited (AEPL) for its Wind project at Dhar, Madhya Pradesh.

Date: 15.07.2024

Ref:

 CTU letter CTU/WR/CONN-INT-1A/2200000392 dated 07/03/2024, regarding In-principle grant of Connectivity for 150MW.

 CTU letter CTU/WR/CONN-INT-1B/2200000392 dated 30/05/2024, regarding intimation of ATS and CONN BG2.

Dear Sir,

CTU vide letter dated 07/03/2024 [Ref. i] has granted In-principle grant of Connectivity for 150MW to M/s Avaada Energy Private Limited (AEPL) for its Wind project in Dhar, Madhya Pradesh. Subsequently, intimation for ATS and CONN BG-2 was forwarded to AEPL vide letter dated 30/05/2024 [Ref. ii].

As per Regulation 8.3(e) of CERC GNA Regulations, 2022, the entity that has been intimated In-principle grant of Connectivity shall furnish Conn-BG2 within 1 (one) month of its intimation, failing which application for Connectivity shall be closed, Conn-BG1 shall be encashed and application fee shall be forfeited. However, AEPL has not furnished the requisite CONN BG2 within the specified timelines.

Accordingly, the subject In-principle grant of connectivity for 150MW is hereby cancelled in line with Regulation 8.3(e) of CERC GNA Regulations, 2022. Further, the treatment of BGs shall be as per the extant Regulations/applicable CERC Orders in this respect.

Also, M/s AEPL shall be liable for all associated consequences in terms of applicable CERC Regulations/ Detailed Procedures and its amendments thereof. The above cancellation is without prejudice to the rights, contentions, receivables, etc. of CTUIL under the above grant.

Thanking you,

- 24. With regard to the non-submission of Conn-BG2, the Petitioner has mainly argued as under:
  - (a) The timeline of 1 month for furnishing the CONN-BG2 pursuant to intimation by the Respondent is not sacrosanct. While the Respondent intimated the CONN-BG2 amount for the 50 MW quantum as Rs. 21.188 crores on 07.03.2024, to be payable within 30 days, i.e., by 07.04.2024. However, this timeline was extended by another month, i.e., till 30.06.2024 by the Respondent vide its email dated 30.05.2024. Therefore, as demonstrated by the Respondent's own conduct, the timeline for furnishing the CONN-BG2 is flexible and can be extended for a just cause. If CTUIL was strictly complying with the GNA Regulations, the connectivity ought to have been cancelled within a month from the intimations, i.e., within one month from 07.03.2024 and 30.05.2024 for the 50 MW and 150 MW projects of AEPL, respectively.

While CTUIL arbitrarily elected to cancel the connectivity granted to AEPL's projects on 15.07.2024, after 4 days, i.e., on 19.07.2024, the Ministry of New and Renewable Energy (MNRE) informed the Ministry of Power (MOP) that the zone, in which Rajgarh is located, is a REZ. Had CTUIL waited for 4 more days, there would not have been any dispute in the first place.

- As to why CTUIL elected to wait specifically for a period of 130 days qua AEPL's 50 MW project and 46 days qua AEPL's 150 MW project is still unknown.
- The cost of augmenting the Respondent's system cannot be solely loaded onto (b) the Petitioner due to the awaited ministerial declaration of Rajgarh as a REZ.
- 25. We have carefully perused the submissions of the Petitioner. We observe that there is no provision in the GNA Regulations that allows any Connectivity Applicant to be relieved of submission of Conn-BG2 towards ATS on account of multiple RE projects at the same substation. The GNA Regulations strictly cast this responsibility of identification of augmentation and ATS out of such augmentation on CTUIL. In the instant case, CTUIL identified the required ATS and informed the Petitioner about his requirement to furnish the Conn-BG2 towards such ATS. The Petitioner himself chose not to furnish the Conn-BG2 and kept sending emails and letters to various forums to relieve himself of the requirement to submit the required Conn-BG2. In our opinion, CTUIL has rightly revoked the connectivity in accordance with the GNA Regulations, 2022 without taking into account such requests being made by the Petitioner to Gol. We are also of the considered view that even the alleged delay on the part of CTUIL in revoking the Petitioner's Connectivity upon his non-submission of Conn-BG2 within the stipulated time cannot absolve the Petitioner from meeting its compliance under the Regulations.
- 26. During the course of the hearing held on 18.11.2024, the Petitioner had brought to the notice of the Commission that in certain other cases at Rajgarh, the requirement of submission of Conn-BG2 for ATS has not been followed as per procedure. In this regard, CTUIL, vide submission dated 13.12.2024, has furnished the details of other applicants at Rajgarh whose Conn-BG2 is for ATS and the

status of submission of such Conn-BG2. The details of applicants granted connectivity with ATS at Rajgarh is as tabulated below:

S. No	Name of the Generator	Date of Submission of the connectivity application Quantum of connectivity sought (in MW)	Amount of Conn BG-II submitted by the entity and date of submission of such Conn BG-II
1	Veh Jayin Renewables Pvt. Ltd. (231300002)	151.8 9-Jul-22 (St-II)	Conn-BG2 dated 23.02.2024 for Rs. 30.2503 Cr. (incl. terminal bay cost) w.r.t. Intimation dated 08.01.2024 for ATS & BG2.
2.	VEH Wind Energy Pvt. Ltd. (231300004)	75 25-Mar-23	Conn-BG2 dated 23.02.2024 for Rs. 10.8747 Cr. w.r.t. revised Intimation dated 08.01.2024 for ATS & BG2.
3.	Sprng Vayu Vidyut Pvt. Ltd. (331300007)		Conn-BG2 dated 31.01.2024 for Rs. 14.6155 Cr. w.r.t. intimation dated 08.01.2024 for ATS & BG2
4.	Sprng Vayu Vidyut Pvt. Ltd. (2200000022)		Conn-BG2 dated 31.01.2024 for Rs. 23.5 Cr. (incl. terminal bay cost) w.r.t. intimation dated 08.01.2024 for ATS & BG2.
5.	Sprng Akshaya Urja Pvt. Ltd. (2200000133)	67.2 27-Jun-23	Conn-BG2 dated 01.04.2024 for Rs. 12.349 Cr. w.r.t. intimation dated 07.03.2024 for ATS & BG2
6.	Sprng Vayu Vidyut Pvt. Ltd. (2200000340)	82 30-Oct-23	Conn-BG2 dated 01.04.2024 for Rs. 15.069 Cr. w.r.t. intimation dated 07.03.2024 for ATS & BG2

Perusal of the above table reveals that all the Connectivity applicants except the Petitioner had submitted the requisite Conn-BG2 for ATS. Hence, the issue raised by the Petitioner regarding CTUIL not following the requirement of submission of Conn-BG2 for ATS in some other cases is not based on facts.

27. We express our displeasure at the conduct of the Petitioner for not furnishing the required Conn-BG2 despite being given additional time. We have noted in a number of our orders that Connectivity is a scarce resource. Therefore, the submission of Conn-BGs reflects the strong commitment on the part of the applicant to bring the project to fruition. Indeed, the Conn BGs are returned to every applicant in a phased manner upon commercial operation of the project. Any delay in the submission of Conn-BGs and negotiating with CTUIL not to submit such required Conn-BGs would be detrimental to the smooth functioning of the system. It is pertinent to mention that in the GNA Regulations, strict timelines have been

kept for submission of the Conn-BGs and achieving the milestones so that RE projects are commissioned on time, and applicants do not squat on ISTS bays and manipulate the system.

- 28. In our view, the Petitioner has failed in fulfil its obligations specified in the GNA Regulations regarding furnishing the Conn-BG2 within the stipulated time, and accordingly, its in-principle Connectivity has been rightly revoked by CTUIL. Accordingly, the request of the Petitioner to quash the letters dated 15.07.2024 issued by CTUIL is not acceded to.
- 29. With regard to the prayers of the Petitioner to declare Rajgarh as CTS or augmentation without ATS, we have already noted above that CTUIL has to identify ATS out of the augmentation under the provisions of the Regulations. We have also noted the submissions of the Petitioner about the lapse on the part of CTUIL in delaying the revocation of connectivity of the Petitioner, giving rise to the Petitioner's unwarranted confidence that it could delay the submission of Conn-BG2 further. We also convey our displeasure to CTUIL over the delay in revoking the Connectivity and direct it to comply with the regulations in letter and spirit to minimise avoidable disputes and raise unreal expectations among the Connectivity applicants.
- 30. The issues nos. 1 and 2 stand answered accordingly.
- 31.Petition No. 333/MP/2024 with IA 82/2024 is disposed of in terms of the above discussions and findings.

Sd/ (Harish Dudani) Member

Sd/ (Ramesh Babu V.) Member

Sd/ (Jishnu Barua) Chairperson