

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 503/MP/2024**

**Coram:**

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

**Date of Order: 16.01.2025**

**In the matter of:**

Petition under Section 79(1)(c) of the Electricity Act, 2003 read with Regulations 41 and 42 of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 inter alia seeking relaxation of the conditions stipulated for submission of documents pertaining to Financial Closure

**And**

**In the matter of:**

Tata Power Renewable Energy Limited  
Backbay Receiving Station, 148,  
Lt. Gen. J. Bhonsle Marg, Nariman Point,  
Mumbai, Maharashtra-400021

..... Petitioner

**Versus**

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

..... Respondent

**Parties Present:**

Shri Sanjay Sen, Advocate, TPREL  
Shri Suhael Buttan, Advocate, TPREL  
Shri Priya Dhankhar, Advocate, TPREL  
Shri Nikunj Bhatnagar, Advocate, TPREL  
Shri Shubham Arya, Advocate, CTUIL



Ms. Reeha Singh, Advocate, CTUIL

Ms. Tanya Singh, Advocate, CTUIL

## **ORDER**

Tata Power Renewable Energy Limited has filed the instant Petition under Section 79(1)(c) of the Electricity Act, 2003, read with Regulations 41 and 42 of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (hereinafter referred to as “GNA Regulations”) inter alia seeking relaxation of the conditions stipulated for submission of documents pertaining to Financial Closure.

2. The Petitioners have made the following prayers in the instant Petition:
- (a) *Allow the present Petition and grant relaxation of the timelines stipulated in Regulation 11A(2) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 for the Petitioner to submit documents demonstrating Financial Closure with respect to the 198MW wind capacity at Karur PS, Tamil Nadu;*
  - (b) *Consequently, condone the Petitioner’s delay of 3 days in submissions of the documents demonstrating Financial Closure with respect to the 198MW wind capacity at Karur PS, Tamil Nadu;*
  - (c) *Grant relaxation of the condition stipulated in Regulation 11A(2) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, by permitting the Petitioner to demonstrate Financial Closure with respect to the 198MW wind capacity at Karur PS, Tamil Nadu through sanction letter issued in the name of the Petitioner’s subsidiary, i.e., TP Vardhman Surya Limited, which is utilizing the connectivity granted to the Petitioner*
  - (d) *Restrain the Respondent from taking any coercive steps against the Petitioner under Regulation 11B of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, with respect to the 198MW wind capacity connectivity granted to the Petitioner at Karur PS, Tamil Nadu; and*
  - (e) *Pass such other or further order(s) as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the present case.*

### **Interim Reliefs**

- (a) *Grant ad-interim ex-parte relief to the Petitioner restraining the Respondent from taking any coercive action against the Petitioner with respect to the 198MW connectivity for*



- wind project granted to the Petitioner at Karur PS, Tamil Nadu, during pendency of the present Petition; and*
- (b) *Pass such other or further order(s) as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the present case.*

### **Submissions of Petitioner**

3. Petitioner has made the following submissions:
- a) Petitioner Tata Power Renewable Energy Limited (TPREL) is a generating company executing a 198 MW wind power project in Karur, Tamil Nadu (Project).
- b) Tata Steel Limited (TSL), on 01.06.2023, issued a letter of award (LoA) in favour of the Petitioner for the development of a 965.8MW wind-solar hybrid project for supply of power under a group captive arrangement. Out of the total quantum of 965.8MW, the Petitioner planned to set up a 198MW wind power generating station in Karur, Tamil Nadu. Petitioner, on 07.09.2023, submitted an application for a grant of connectivity for a quantum of 198MW at Karur Pooling Station in Tamil Nadu (Karur PS), in terms of Regulation 5 of the GNA Regulations. Respondent, vide its letter dated 30.11.2023, granted in-principle connectivity to the Petitioner for 198MW at Karur PS.
- c) The Petitioner on 28.12.2023 and 03.01.2024, has submitted the following bank guarantees cumulatively amounting to Rs. 7.46 Crore towards Conn-BG1, Conn-BG2, and Conn-BG3:

<b>S. No.</b>	<b>Bank Guarantee</b>	<b>BG No. and Date</b>	<b>Amount</b>	<b>Bank</b>
1.	Conn-BG1	0393NDLG00175924 dated 28-12-2023	Rs. 50 lakhs	ICICI Bank
2.	Conn-BG2	0393NDDG00178624 dated 03-01-2024	Rs. 3 Crore	ICICI Bank
3.	Conn-BG3	0393NDDG00178524 dated 03-01-2024	Rs. 3.96 Crore	ICICI Bank

- d) Petitioner planned to implement the wind-solar hybrid project (wind component of 198MW which was planned at Karur PS) through its subsidiary, namely TP Vardhman Surya Limited (TPVSL). Though the Petitioner had applied for a grant of connectivity, the said connectivity was envisaged to be used by the Petitioner's subsidiary TPVSL, which is permissible in terms of the Proviso to Regulation 15.1 of the GNA Regulations. TPVSL had planned to develop the Project by utilizing an amount of Rs. 1154.25 Crore out of Rs. 2500 Crore sanctioned by HDFC Bank vide

its letter dated 20.02.2024 and equity amount of Rs. 384.75 Crore to be funded by the Petitioner and TSL in the ratio of 74:26.

- e) Respondent, vide its letter dated 15.05.2024, granted final connectivity to the Petitioner for 198MW at Karur PS with the start date of connectivity as 01.06.2025. On 15.07.2024, the Petitioner and the Respondent entered into the Connectivity Agreement in accordance with Regulation 10.3 of the GNA Regulations.
- f) At the time of the grant of connectivity to the Petitioner, the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023 (hereinafter referred to as "First Amendment") was in force. In terms of the First Amendment, a renewable energy generating station was required to (i) achieve Financial Closure within 12 months from the date of the grant of final connectivity (considering the start of connectivity being within 2 years from the grant thereof), and (ii) submit documents substantiating the same within 15 days of achieving financial closure; However, subsequently, the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024 (hereinafter referred to as "Second Amendment") were notified, and in terms thereof, a renewable generating station which had been granted in-principle connectivity was required to: (i) achieve Financial Closure 6 months prior to the start date of connectivity and (ii) submit documents substantiating the same within 15 days; failing which such connectivity is liable to be revoked and Conn-BGs is liable to be invoked/encashed.
- g) Thus, the First Amendment imposed the requirement for achieving Financial Closure upon the final connectivity grantee; however, the Second Amendment imposed the said requirement on the in-principle connectivity grantee.
- h) As on the date of effectiveness of the Second Amendment, i.e., 15.07.2024, the Petitioner had become a connectivity grantee by virtue of execution of the Connectivity Agreement in terms of Regulation 10.3 of the GNA Regulations. After notification of the Second Amendment, there arose a lacuna with respect to the timeline for the Financial Closure of projects, which had been granted final connectivity prior to the notification of the Second Amendment. Meaning thereby, while in terms of the First Amendment, the Petitioner was obligated to achieve Financial Closure within 12 months from 15.05.2024, i.e., by 14.05.2025, whereas, by virtue of the Second Amendment, the Petitioner would become obligated to

achieve Financial Closure 6 months prior to the start date of connectivity, i.e., by 01.12.2024.

- i) The Petitioner was unclear on the requirement and timeline for submission of the documents pertaining to the same. Petitioner was under the reasonable and bonafide belief that in terms of the First Amendment, the Petitioner was obligated to achieve Financial Closure within 12 months from 15.05.2024, i.e., by 14.05.2025, and submit documents substantiating the same within a further period of 15 days.
- j) On 07.09.2024, this Commission issued the draft of the Third Amendment to the GNA Regulations proposed insertion of a new Regulation 11A(5) of the GNA Regulations, whereby subsidiary companies are being permitted to fulfil the conditions subsequently stipulated in Regulation 11A of the GNA Regulations.
- k) On 26.11.2024, the Respondent, vide its email, requested the Petitioner to submit the documents demonstrating the achievement of Financial Closure with respect to the 198MW wind component. Petitioner, vide its email dated 04.12.2024, duly furnished the documents sought by the Respondent, including an undertaking dated 04.12.2024 (in Format UD-FC) and the sanction letter dated 20.02.2024.
- l) Respondent, vide its email dated 05.12.2024, highlighted that there is a delay of 3 days in the submission of documents demonstrating Financial Closure by the Petitioner and objected to the submission of the sanction letter in the name of TPVSL as the connectivity was granted to the Petitioner. On 07.12.2024, the Petitioner, vide its letter, duly replied to the Respondent's email dated 05.12.2024, highlighting the uncertainty and ambiguity that led to the delay in submission of the documents demonstrating Financial Closure. Further, the Petitioner also requested the Respondent to accept the sanction letter in the name of TPVSL, considering that TPVSL is a subsidiary of the Petitioner and the Proviso to Regulation 15.1 of the GNA Regulations permits a subsidiary to utilize the connectivity of its parent.
- m) The purpose of financial closure, which is to ensure that projects have secured adequate financing for their completion, has already been achieved as more than 90% of the CAPEX has been booked, and all 198 MW of WTGs have been erected and are nearing completion. However, the Respondent has raised an objection over the delay of 3 days in the submission of the documents demonstrating Financial Closure and the sanction letter of the lender in the name of TPVSL, i.e., the Petitioner's subsidiary executing the project. This objection arose despite the GNA

Regulations permitting a subsidiary to utilize the connectivity granted to its parent entity.

- n) In order to assuage the concerns of the Respondent, the Petitioner also obtained a letter from HDFC Bank dated 07.12.2024, whereby they have recognized the Petitioner as the sponsor of the Project and granted a no objection to obtaining connectivity in the name of the Petitioner. The said letter was duly shared by the Petitioner with the Respondent by way of email dated 09.12.2024.
- o) The present case is a fit case for this Commission to exercise its powers under Regulations 41 and 42 of the GNA Regulations and remove the difficulty and hardship in implementing the GNA Regulations by relaxing the provision of Regulation 11A(2) of the GNA Regulations and directing the Respondent to accept the sanction letter dated 20.02.2024 issued by HDFC Bank in favour of TPVSL as compliance of the requirement under Regulation 11A of the GNA Regulations.

#### **Hearing on 26.12.2024**

4. The RoP of hearing dated 26.12.2024 is extracted below:

*“Learned senior counsel for the Petitioner submitted that the present Petition had been filed seeking relaxation of the timeline stipulated in proviso to Regulation 11A(2) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) to condone the delay of three days in submission of the documents evidencing Financial Closure with respect to the Petitioner’s 198 MW Wind Power Project in Karur, Tamil Nadu (Project). Learned senior counsel prayed to relax the requirement of submission of Financial Closure document in the name of the parent company, i.e., TPREL, and thus consider the Financial Closure with respect to its Project in the name of its subsidiary, i.e., TPVSL, which is utilizing the connectivity granted under the GNA Regulations. Learned senior counsel added that the Petitioner is executing the Project, which is a part of the 965.8 MW Wind-Solar Hybrid Project under a captive route awarded by Tata Steel Limited to TPREL’s subsidiary, i.e., TP Vardhman Surya Limited (TPVSL) in June 2023. The final connectivity was granted in May 2024, with a start date of June 2025, in accordance with the GNA Regulations. Learned senior counsel submitted that the Project is on the verge of completion.*

*2. Learned counsel for CTUIL acknowledged the delay of three days on the part of the Petitioner in submission of the documents relating to the Financial Closure relating to the Project. Learned counsel referred to the Order passed by the Commission in Petition No. 192/MP/2024 dated 12.7.2024 whereby the Commission has relaxed the provisions of Regulation 11A allowing the parent company (ACME Solar Holdings Pvt. Ltd.), which was the connectivity grantee, to submit the documents for fulfilling land requirements and subsequent milestones required under Regulations 11A and 26 of the GNA Regulations, in the name of subsidiary company (ACME Sikar Solar Pvt. Ltd). Learned counsel conveyed that CTUIL would not be taking any coercive action against the Petitioner.*

3. *Considering the submissions made by the learned senior counsel and learned counsel for the parties, the Commission admitted the Petition and permitted both sides to file their respective brief submissions, if any, within a week with a copy to the other side. The Commission directed CTUIL not to take any coercive action in connection with the Petitioners' connectivity application, which is the subject matter of the present case, till the outcome of the present matter.*

4. *Subject to the above, the Commission reserved the matter for order."*

### **Submission of Petitioner**

5. Petitioner vide written submission dated 06.01.2025 has reiterated its earlier submission.

### **Analysis and Decision**

6. Petitioner TPREL is setting up a 198MW wind power generating station in Karur, Tamil Nadu, through its subsidiary, namely TPVSL.
7. Petitioner has submitted that CTUIL vide letter dated 30.11.2023 and vide letter dated 15.05.2024 has issued an in-principle grant of Connectivity and final grant of Connectivity, respectively, for 198MW for its Wind power generating station at Karur PS.
8. Petitioner has submitted that he was unclear on the requirement and timeline for the submission of the documents pertaining to the Financial Closure. Petitioner was under the belief that in terms of the First Amendment the Petitioner was obligated to achieve Financial Closure within 12 months from 15.05.2024 (date of final grant of Connectivity), i.e., by 14.05.2025, and submit documents substantiating the same within a further period of 15 days, whereas, by virtue of the Second Amendment, the Petitioner would become obligated to achieve Financial Closure 6 months prior to the start date of connectivity, i.e., by 01.12.2024.
9. Petitioner has submitted that vide its email dated 04.12.2024, with a delay of three days, has furnished the documents to CTUIL, including an undertaking dated 04.12.2024 (in Format UD-FC) and the sanction letter dated 20.02.2024. Petitioner has submitted that CTUIL vide email dated 05.12.2024 has raised two objections: (i) a delay of 3 days in submission of documents demonstrating Financial Closure and (ii) The sanction letter is in the name of TPVSL, whereas the Connectivity was granted to the Petitioner.
10. Petitioner has submitted that 90% of the CAPEX has been booked, and all 198 MW of WTGs have been erected and are nearing completion. Petitioner also obtained a

letter from HDFC Bank dated 07.12.2024, whereby they have recognized the Petitioner as the sponsor of the Project and granted a no objection to obtaining connectivity in the name of the Petitioner.

11. Petitioner has submitted that the present case is a fit case for this Commission to exercise its powers under Regulations 41 and 42 of the GNA Regulations and requested the Commission to relax the provision of Regulation 11A(2) of the GNA Regulations and to direct CTUIL to accept the sanction letter dated 20.02.2024 issued by HDFC Bank in favour of TPVSL and condone the delay of three days in the submission of documents.
12. CTUIL, during the hearing on 26.12.2024, has submitted that the Commission, in Order dated 12.7.2024 in Petition No. 192/MP/2024, has relaxed the provisions of Regulation 11A, allowing the parent company, which was the connectivity grantee, to submit the documents for fulfilling land requirements and subsequent milestones required under Regulations 11A and 26 of the GNA Regulations, in the name of the subsidiary company.
13. We have considered the submissions of the Petitioner and the Respondent. The following issues arise for our consideration:

**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?**

**Issue No. 2 – Whether the delay of three days in the submission of the documents relating to the Financial Closure of the project can be condoned?**

Both the issues are dealt with together in the subsequent paragraphs.

14. Regulation 11A(2) of the GNA Regulations provides as under:

*“11A. Conditions subsequent to be satisfied by the Connectivity Grantee*

.....

*(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which an in-principle grant of connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity, latest by 6 months prior to the scheduled date of a commercial operation or start date of Connectivity of such applicant, whichever is later:*

*Provided that such an applicant shall submit proof of Financial Closure of the project (with a copy of the loan sanction letter or proof of first disbursement of the loan amount) or a*





*copy of board resolution (if internal funding is planned for 100% of the project cost) to CTU within 15 days of achieving the financial closure:*

.....”

As per the above, the applicant who has been issued an in-principle grant of Connectivity shall have to achieve Financial Closure 6 months prior to the scheduled date of a commercial operation or start date of Connectivity of such applicant, whichever is later. Further, the applicant shall have to submit proof of Financial Closure of the project to CTU within 15 days of achieving the Financial Closure. The above quoted amendment came into effect on 15.07.2024 and the timeline to achieve financial closure shall be as per the said regulations. Accordingly, there is a delay of three days in the submission of documents of financial closure by the Petitioner.

15. Petitioner has further submitted that a sanction letter in the name of TPVSL should be considered as a valid document under Regulation 15.1 of the GNA Regulations since TPVSL is a subsidiary of the Petitioner and the Proviso to Regulation 15.1 of the GNA Regulations permits a subsidiary to utilize the connectivity of its parent. We have perused Regulation 15.1 of the GNA Regulations, which provides as under:

*“15.1 A Connectivity grantee shall not transfer, assign or pledge its Connectivity and the associated rights and obligations, either in full or in parts, to any person except as provided under Regulations 15.2 and 15.3 of these regulations:*

*Provided that Connectivity granted to a parent company may be utilised by its subsidiary companies and Connectivity granted to a subsidiary may be utilised by its parent company:*

.....”

As per the above, utilization of the Connectivity granted to the Parent by its subsidiary and vice-versa is permitted. However, this Regulation does not allow the utilization of the document of a subsidiary by the Parent company or vice-versa..

The Commission vide Order dated 12.05.2024 in 9/MP/2024 has also clarified the same. The relevant portion of the Order dated 12.05.2024 in 9/MP/2024 is extracted below:

“.....

*28. We observe that Connectivity has been granted to ACME SUN. The project is also envisaged to be executed by the ACME SUN, which will enter into PPA with SJVN (LOA issuing authority). We are of the view that “utilization of Connectivity” in the above-quoted Regulations implies injection or drawl of power by the project. For example, if “A” company (Parent) has been granted Connectivity, but “A” executes the project through its subsidiary “B,” then “B” needs Connectivity for the purpose of injection of power, and under Regulation 15.1, “B” can utilize connectivity granted to “A” till the time Connectivity*

*granted to “A” is transferred to “B.” In the instant case, Petitioner ACME SUN wishes to utilize the LOA granted to its Parent ACME CLEANTECH to convert the route of Connectivity granted to ACME SUN. This is not the case with the utilization of Connectivity. This is a case of utilization of document with Parent by its subsidiary to fulfil certain conditions under the Regulations, which is not allowed under Regulation 11A(4) or Regulation 15 of the GNA Regulations.*

.....”

16. Petitioner has prayed that the Commission may exercise its powers under Regulation 41 and Regulation 42 of the GNA Regulations to relax the provision of Regulation 11A(2) of the GNA Regulations and to direct CTUIL to accept the sanction letter dated 20.02.2024 issued by HDFC Bank in favour of TPVSL which is a subsidiary of the Petitioner.
17. We have perused the Commission Order dated 12.07.2024 in Petition No. 192/MP/2024. The relevant extract of the Commission Order dated 12.07.2024 in Petition No. 192/MP/2024 is as under:

“.....

*28. We have taken note of Petitioner’s submission that ASSPL has taken several positive steps for furthering the commissioning of the Project, - after acquiring 100% of the land and arranging the required finance as a loan for execution of the project, ASSPL has also awarded the Engineering, Procurement, and Construction (EPC) agreement for supply and services and have placed orders for major equipment like Power Transformer, and Switchyard, etc. Thus, considering the substantive progress made towards implementation of the project, the approach of the Petitioners, and the policy objectives of promoting renewables, we are of the view that the project in question, which is almost on the verge of commissioning, should be allowed to be commissioned so that the connectivity granted to ASHPL is utilized.*

*29. Accordingly, we, in the exercise of the powers conferred under Regulations 41 and 42 of the 2022 GNA Regulations, relax the provisions of Regulation 11A and allow ASHPL, which is the connectivity grantee, to submit the documents for fulfilling land requirements under Regulation 5.8(xi)(b) and subsequent milestones required under Regulations 11A and 26 of the 2022 GNA Regulations, in the name of ASSPL, subsidiary of ASHPL, subject to the following conditions:*

.....”

As per the above, the Commission, considering the substantive progress made towards implementation of the project and the project is almost on the verge of commissioning, relaxed the provision of Regulation 11A of the GNA Regulations and allowed the submission of documents for fulfilling the requirement under Regulation 11A of the GNA Regulations in the name of the subsidiary of the Petitioner (i.e., the Connectivity grantee).

18. We note from the submissions of the Petitioner that 90% of the CAPEX has been booked, and all 198 MW of WTGs have been erected and are nearing completion.

19. Considering the substantive steps taken towards implementation of the project and the project is nearer to completion, we find the case of the Petitioner a fit case to be considered for relaxation under our powers to relax and powers to remove difficulty and further invoke our regulatory power in order to safeguard the interests of the sector.

20. Regulation 41 of the GNA Regulations vests the Commission with the power to relax any of the provisions of the GNA Regulations to remove the hardship in operation of the GNA Regulations. Regulation 41 of the GNA Regulations is extracted as under:

*“41. Power to Relax*

*The Central Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an affected party to remove the hardship arising out of the operation of these regulations.”*

21. Further, Regulation 42 of the GNA Regulations vests the Commission with the power to remove difficulty under certain circumstances. Regulation 42 of the GNA Regulations is extracted as under:

*“42. Power to Remove Difficulty*

*If any difficulty arises in giving effect to the provisions of these regulations, the Central Commission may, on its own motion or on an application made before it by affected party by order, make such provision not inconsistent with the provisions of the Act or provisions of other regulations specified by the Central Commission, as may appear to be necessary for removing the difficulty in giving effect to the objectives of these regulations.”*

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.
24. The issues are answered accordingly.
25. Accordingly, Petition No. 503/MP/2024 is disposed of in terms of the above.

Sd/  
**(Harish Dudani)**  
**Member**

Sd/  
**(Ramesh Babu V.)**  
**Member**

Sd/  
**(Jishnu Barua)**  
**Chairperson**