

**CENTRAL ELECTRICITY REGULATORY COMMISSION NEW
DELHI**

Petition No. 11/SM/2023

Coram:

Shri Jishnu Barua, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P.K. Singh, Member

Date of Order: 22.09.2023

In the matter of:

Removal of Difficulties (First Order) in giving effect to certain provisions of Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

ORDER

The CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 were notified on 7th June 2022 and the first amendment to CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 was notified on 1st April 2023 (hereinafter collectively referred to as "GNA Regulations"). The provisions of the GNA Regulations were made effective from 05.04.2023, barring a few provisions. The remaining provisions of GNA Regulations have been notified to come into effect from 01.10.2023.

2. CTUIL vide letter dated 12.07.2023, 25.08.2023, 1.09.2023, 8.09.2023 and 13.09.2023 has submitted that it is facing certain difficulties in the implementation of GNA Regulations and requires clarification on a few aspects. It is observed that some of the issues raised by CTUIL require amendment to GNA Regulations while some of the difficulties in the implementation of the GNA Regulations have been removed through this Order. Each of such issues raised and its treatment are detailed herewith in subsequent paragraphs. Further, some clarificatory issues raised by RE developers through letters to CERC, have also been addressed in the instant



Order.

Issue No.1: Processing under CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 (hereinafter “2009 Connectivity Regulations”) post 5.4.2023:

3. CTUIL has submitted that since scheduling and billing pursuant to GNA are yet to start under the Grid Code and CERC (Sharing of inter-State transmission charges and losses) Regulations, 2020, CTUIL is addressing certain modalities under the 2009 Connectivity Regulations till billing and scheduling under GNA starts. CTUIL has submitted that activities like the firming up of allocation, the requirement of Section-68 for the dedicated line, and the operationalization of LTA, are being undertaken after 5.4.2023 under the 2009 Connectivity Regulations so that there is no interruption in the grant/operationalization/scheduling of the cases.
4. We have considered the submissions of CTUIL. We observe that the scheduling of power continued to be governed by the CERC (Indian Electricity Grid Code) Regulations 2010 as on 5.4.2023, under Long Term Access (LTA), Medium Term Open Access (MTOA) and Short-Term Open Access (STOA). Since CERC (Indian Electricity Grid Code) Regulations 2023, which govern scheduling under GNA, were notified only on 29.5.2023 and getting effective from 1.10.2023, there is a period from 5.4.2023 to 30.09.2023 where an entity which wishes to avail scheduling of power, may require effectiveness of LTA, MTOA or STOA. Considering the cited reasons and the fact that the 2009 Connectivity Regulations shall be repealed from 1.10.2023, we allow CTUIL to process the cited activities under the 2009 Connectivity Regulations, which are required to be given effect for the interim period from 5.4.2023 to 30.09.2023. After coming into effect of the Grid Code 2023 and the First Amendment to the Sharing Regulations 2020, all activities shall be carried out strictly as per the GNA Regulations.

Issue No.2: Retention of Bank Guarantee submitted under the 2009 Connectivity Regulations vs submission of Conn-BGs under GNA Regulations:

5. CTUIL has submitted that where two different Bank Guarantee (BG) amounts are required to be maintained under the 2009 Connectivity Regulations and



the GNA Regulations, the higher of the BG amounts is being kept with CTUIL till the scheduling, billing, and relinquishment start as per the GNA Regulations.

6. We observe that provisions with respect to relinquishment have not been made effective in the GNA Regulations as on 5.4.2023 and the same have not been repealed in the 2009 Connectivity Regulations till the date. The GNA Regulations mandate entities to submit Conn-BGs, and the Bank Guarantees submitted under the 2009 Connectivity Regulations are to be adjusted in accordance with the provisions of Regulation 37 of the GNA Regulations. Considering that the 2009 Connectivity Regulations shall be repealed from 1.10.2023, for the transition period from 5.4.2023 to 1.10.2023, we agree with the submissions of CTUIL and clarify that higher of the Bank Guarantees under the 2009 Connectivity Regulations or as required under the GNA Regulations shall be taken by CTUIL for consideration of compliance by entities under the 2009 Connectivity Regulations as well as the GNA Regulations. All such Bank guarantees shall be adjusted as per the GNA Regulations post repeal of the 2009 Connectivity Regulations as on 1.10.2023.

Issue No.3: Conn-BG1 for cases covered under Regulation 37.3(3) of the GNA Regulations:

7. CTUIL has submitted that entities covered under Regulation 37.3(3) (LTA not effective) are required to submit Conn-BG1 for Rs 50 lakh and Conn- BG3 @ 2 lakh/MW, where no Construction Bank Guarantee has been furnished for LTA under the 2009 Connectivity Regulations. However, if such an entity had already submitted Conn-BG1 for Connectivity under the 2009 Connectivity Regulations, there would be two Conn-BG1s, if another Conn-BG1 is also taken under Regulation 37.3(3) of the GNA Regulations. CTU has submitted that it is in receipt of a number of representations requesting the exemption from submission of new Conn-BG1 under the GNA Regulations, in case Conn-BG1 under the 2009 Connectivity Regulations has already been furnished.
8. We have considered submissions from CTUIL. Clause (d) of Regulation 37.3

(3) of the GNA Regulations provides as under:

“(d) In case, the entity exercises the option (i) of clause (a) of this Regulation to convert the Long-term Access granted under the Connectivity Regulations, 2009 as GNA deemed to have been granted under these regulations, the Construction Bank Guarantee already furnished shall be treated as Conn-BG1 for Rs 50 lakhs and balance as Conn-BG2 under these regulations. In case no construction bank guarantee has been furnished pursuant to signing of PPA and PSA, it shall furnish Conn-BG1 for Rs. 50 lakhs and Conn-BG3 @ Rs. 2 lakh/MW corresponding to such Long term access quantum within two (2) months of exercising the option (i) under clause (a) of this Regulation. In case any Conn-BG2 has been furnished under Connectivity Regulations, 2009, the same shall be treated as Conn-BG2 under these regulations.....”

As per the above, the Construction Bank Guarantee (CBG) furnished under the 2009 Connectivity Regulations has to be converted into Conn-BG1 and Conn-BG2 under Regulation 37.3(3) of the GNA Regulations. However, if an entity, has not furnished any CBG under the 2009 Connectivity Regulations to CTUIL, such entity shall be required to furnish Conn-BG1 for Rs. 50 lakhs and Conn-BG3 @ Rs. 2 lakh/MW. However, there may be a situation, where an entity has furnished Conn-BG1 for Rs 50 lakhs but has not furnished any CBG under the 2009 Connectivity Regulations. We are of the considered view that in such cases, no further Conn-BG1 shall be required to be furnished under Regulation 37.3(3) of the GNA Regulation. The Conn-BG1 already submitted under the 2009 Connectivity Regulations shall be treated as Conn-BG1 under the GNA Regulations without the need to furnish another Conn-BG1.

Further, if an entity has furnished both Conn-BG1 and Construction Bank Guarantee under the 2009 Connectivity Regulations, such Construction Bank Guarantee shall be treated as Conn-BG1 for Rs 50 lakhs and the balance as Conn-BG2 under the GNA regulations” and Conn-BG1 submitted under the 2009 Connectivity Regulations shall be returned.

Issue No.4: Conn-BG requirement for generating stations connected to intra-State transmission System, which are not covered under Regulation 4.1 of the GNA Regulations.

9. CTUIL has submitted that generating stations connected to the intra-State

transmission System, whose LTA was granted on a target basis and the same is effective as on 5.4.2023, may be required to submit Conn-BG3 at 2 lakh/MW in line with the requirement mentioned under Regulation 37.6(2) of the GNA Regulations for the generating stations connected to inter-State transmission System. This is in line with the treatment envisaged for such entities covered under Regulation 17.1(vi) at Regulation 22.2(b-ii). Accordingly, CTUIL has requested for clarifications in this regard.

10. Regulation 37.6(2) provides as under:

“(2) Entities covered under Regulation 4.1 of these regulations which have been granted Long Term Access to the target region, shall furnish Conn-BG3 @ Rs. 2 lakh/MW. On furnishing such Conn-BG3, these entities shall be treated as Connectivity grantee under these regulations having GNA corresponding to such Long term access.”

As per the above, the entities covered under Regulation 4.1 of the GNA Regulations and who have been granted Long Term Access (LTA) to the target region basis, shall furnish Conn-BG3 for transition into the GNA Regulations. Further Regulation 17.1(vi) and Regulation 22.2(b-ii) of GNA Regulations provides as follows:

“17.1 The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:

.....

(vi) An injecting entity which is granted Connectivity to intra-State transmission system and seeking GNA for purpose of injection into ISTS.”

“22.2 Grant of GNA to entities other than STU.

.....

(b-ii) Entities covered under clause (vi) of Regulation 17.1 and applying GNA for injection into the ISTS shall comply with all requirements as applicable to entities under Regulation 4.1. For such entities Conn-BG1, Conn-BG2 and Conn-BG3 shall be returned in accordance with Regulation 16 of these regulations or on expiry of period of GNA, whichever is earlier.”

Regulation 22.2(b-ii) as quoted above deals with Conn-BG requirement for injecting entities which are granted Connectivity to the intra-State transmission system and seeking GNA for the purpose of injection into ISTS, post the effective date of the GNA Regulations. As per the above, an injecting entity connected to an intra-state transmission system is required to submit Conn-BG1, Conn-BG2 and Conn-BG3 as applicable for the entities covered under Regulation 4.1 of the GNA Regulations.

However, an intra-State entity having Connectivity to intra-State transmission system which has LTA to target region in ISTS is not explicitly covered in the transition clause in Regulation 37 of the GNA Regulations.

11. We observe that the transition clause of entities covered under Regulation 4.1 of the GNA Regulations (which has connectivity to ISTS), where LTA to target region is effective as on date of transition, is covered under Regulation 37.6(2) of the GNA Regulations. Considering submissions of CTUIL and above quoted provisions of the GNA Regulations, we are of the considered view that entities covered under Regulation 17.1(vi) of the GNA Regulations where LTA to target region was effective as on date of transition, shall also be treated in terms of Regulation 37.6(2) of the GNA Regulations.

Issue No.5: Transition by entities covered under Regulation 17.1 (iii) of the GNA Regulations

12. CTUIL has submitted that as per Regulation 37.2 (d) of the GNA Regulations, if the option for transition is exercised by entities covered under Regulation 17.1 (iii) of the GNA Regulations then Conn-BGs are being intimated as per Regulation 22.2 (b-i) of the GNA Regulations instead of as per Regulation 8 of the GNA Regulations which is referred to in Regulation 37.2 (d) of the GNA Regulations.
13. CTUIL has also submitted that for transition of an entity covered under Regulation 17.1(iii) whose connectivity is effective, may be included under Regulation 37.6(1) of the GNA Regulations for converting such Connectivity into GNA.
14. We have considered the submissions of the CTUIL. There are two types of cases emerging in transition for entities covered under Regulation 17.1(iii) of the GNA Regulations, which are mainly bulk consumers having direct Connectivity with ISTS. For such entities, the requirement of Conn-BG for cases where Connectivity to ISTS is effective and cases where Connectivity is not effective as on the date of coming into effect of the GNA Regulations

needs to be clarified, to facilitate the transition of such entities from 2009 Connectivity Regulations to the GNA Regulations.

15. Regulation 17.1 (iii) and Clause (b-i) of Regulation 22.2 provides as under:

“17.1 The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:

.....
(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS,
directly, with a load of 50 MW and above;
.....”

“22.2 Grant of GNA to entities other than STU

.....
(b-i) Entities covered under clause (iii) of Regulation 17.1 shall furnish ConnBG1 for Rs 50 lakhs per application and Conn-BG3 for Rs 2 lakh/MW.
.....

Regulation 22.2(b-i) as quoted above deals with Conn-BG requirement for entities, covered under Regulation 17.1(iii) of the GNA regulations, which apply for GNA to ISTS, post the effective date of the GNA Regulations. For transitioning such entities covered under Regulation 17.1(iii) of the GNA regulations from the 2009 Connectivity Regulations to the GNA Regulations, Regulation 37.2 of the GNA Regulations provides as under:

37.2 If Connectivity has been granted but Long Term Access has not been granted in accordance with the Connectivity Regulations, 2009 and Connectivity is yet to become effective as on the date of coming into effect of these regulations, the same shall be treated as under:

.....
(d) In case, the entity exercises the option to convert the Connectivity granted under the Connectivity Regulations, 2009 as Connectivity under these Regulations in terms of option (i) of clause (a) of this regulation, the Nodal Agency shall, within next 30 days, intimate the amount of Conn-BG1, Conn-BG2 and Conn-BG3, to be paid by such entity in terms of Regulation 8 of these regulations, after adjusting bank guarantee, if any, paid by such entity under the Connectivity Regulations, 2009.”

The above-quoted regulations provide Conn-BG requirement in terms of Regulation 8 of the GNA Regulations for cases where Connectivity is yet to become effective as on the date of coming into effect of these regulations. Regulation 8 of the GNA Regulations is mainly for entities covered under Regulation 4.1, i.e. generating stations.

16. Considering Regulation 22.2(b-i) of the GNA Regulations, which provides Conn-BG requirements for entities covered under Regulation 17.1(iii), we are of the considered view that for entities covered under Regulation 17.1 (iii), the transition of Connectivity to GNA under Regulation 37.2 of the GNA Regulations shall require submission of the Conn-BGs as per the Regulation 22.2 (b-i).
17. The cases, where Connectivity is effective and Long term access is not granted, are covered by Regulation 37.6(1) of GNA Regulations which provides as follows:

37.6. *If Connectivity granted in accordance with the Connectivity Regulations, 2009 is effective and Long term Access has either not been granted for any capacity or has been granted for full/part capacity which has become effective as on the date of coming into effect of these Regulations, the following shall apply:*

- (1) *Entities covered under Regulation 4.1 of these regulations, which have not been granted Long Term Access for any capacity or granted Long term access for part of the capacity qua the Connectivity quantum under the Connectivity Regulations, 2009 may apply for additional GNA for balance quantum of Connectivity under Regulation 17.2 of these regulations. The same shall be processed by the Nodal Agency as under:*

(a) In case additional GNA as applied for under Regulation 17.2 can be granted on existing transmission system, the Nodal Agency shall grant such additional GNA on furnishing Conn-BG3 @ Rs.2 lakh/MW. Conn-BG3 shall be returned in five equal parts over the next five years starting from the year when such GNA becomes effective or in accordance with Regulation 16.2 of these regulations, whichever is later.

Provided that in case connectivity is relinquished in terms of Regulation 24.1 of these regulations, subsisting Conn-BG3 shall be encashed.

(b) In case ATS is required for granting such additional GNA, the application shall be processed in accordance with Regulation 8.3 of these regulations. Such additional GNA shall be granted on furnishing of Conn-BG2. The Conn-BG1 shall be returned within 30 days of declaration of commercial operation of capacity for which additional GNA has been granted. Conn-BG2 shall be returned in five equal parts over five years starting from the year when such GNA becomes effective or in accordance with Regulation 16.2 of these regulations, whichever is later.

Provided that where only some of the transmission elements of the ATS have achieved COD before the COD of the ATS and the Connectivity grantee seeks

part effectiveness of its GNA, the Nodal Agency shall make such part GNA effective, subject to availability of transmission system.

Provided also that after the GNA has been granted by the Nodal Agency but yet to become effective, such entity shall be eligible to get its power scheduled partly or fully of the quantum of GNA sought for, subject to availability of transmission system by treating such access as deemed T-GNA and shall not be required to pay T-GNA charges.

Provided that in case connectivity is relinquished in terms of Regulation 24.1, subsisting Conn-BG2 shall be encashed in terms of Regulation 24.2 of these regulations.

....”

The above-quoted Regulations only cover entities covered under Regulation 4.1 i.e. injecting entities. The entities covered under Regulation 17.1(iii) of the GNA Regulations where Connectivity is effective and long term access is not granted as on date of coming into effect of these regulations are not explicitly provided for in above-quoted Regulation 37.6(1).

18. Considering CTUIL suggestions, we are of the considered view that the entities covered under Regulation 17.1(iii) where Connectivity granted in accordance with the 2009 Connectivity Regulations is effective and Long term Access has not been granted, shall be allowed to transition such Connectivity into GNA as per clause 37.6(1). Such an entity may apply for additional GNA for such quantum of Connectivity under Regulation 17.2 of these regulations. Where additional GNA, as applied for can be granted on the existing transmission system, such an entity shall furnish Conn-BG3 @Rs 2 lakh/MW. In case augmentation is required in terms of Regulation 12.5 of the GNA Regulations to convert the Connectivity of such entity into GNA, it shall be constructed and maintained by a licensee at the cost of such entity.

Issue No.6: Advancement of the terminal bay for start-up power or injection of infirm power

19. CTUIL has submitted that Regulation 10.8 of the GNA Regulations provides that elements of ATS can be identified for early commissioning for the requirement of start-up power/injection of infirm power. Apart from ATS, a bay at ISTS end etc. may also be required. Accordingly, the same needs to be incorporated in the Regulations i.e. ATS/bay/transmission element.



20. We have considered the submission of CTUIL. Regulation 10.8. of the GNA Regulations provides as follows:

“The entity, may, for drawal of Start-up power or injection of infirm power, identify elements in the ATS and seek COD of those elements prior to the Start date of Connectivity as agreed in the Connectivity Agreement. A separate agreement shall be signed between the Nodal Agency and the entity for the same covering the commercial terms and conditions. Such entity shall be liable to pay transmission charges as per Regulation 13 of the Sharing Regulations.”

21. We observe that an entity may need some or all of the elements in ATS prior to the Start date of Connectivity as agreed in the Connectivity Agreement. Without the terminal bay, an entity would not be able to connect to ISTS and hence it may need terminal bay(s) at a date prior to the Start date of the Connectivity as agreed in the Connectivity Agreement. Accordingly, we agree to CTUIL’s suggestions that for drawal of start-up power or injection of infirm power, an entity may seek COD of terminal bay prior to the Start date of Connectivity as agreed in the Connectivity Agreement. All other terms and conditions for such terminal bay (s) shall be governed as per Regulation 10.8 of the GNA Regulations.

Issue No.7: Bifurcation of GNA as “within the region” and “from outside the region” under application of GNA by entities covered under Regulation 17.1 (iii) of the GNA Regulations

22. CTUIL has suggested that in the case of entities under Regulation 17.1(iii), GNA is to be applied, indicating bifurcation ‘within region’ and ‘from outside the region’ as per Regulation 20.1. However, entities applying GNA for drawal of Round the Clock power have expressed difficulty in indicating the within and outside region GNA at the application stage due to scheduling of RE power from different sources located in different regions during various points in time. Accordingly, for such entities ‘within region’ & ‘from outside the region’ GNA may be used only for planning purposes.

23. We have considered the submissions of CTUIL. Explanatory Memorandum

issued along with the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 provided as follows:

“6.5 Concept of “within the region” and ‘outside the region’

(a) Under the Connectivity Regulations, LTA and MTOA along with the identified PPA is used to schedule power from injection point to drawal point. While allocating the corridors on day-ahead basis, scheduling of power for contracts under LTA is carried out first, then for contracts under MTOA and thereafter STOA transactions already scheduled are allocated the corridors. STOA can be granted 3(three) months before the transaction date. NLDC and RLDC keep the corridor booked for LTA and MTOA based on identified PPA and release the balance corridor for STOA.

(b) Under the proposed GNA framework, a GNA grantee has the flexibility, within its GNA, to request schedule from any entity which will be scheduled subject to availability of transmission system.

(c) However, due to the inherent limitations in the existing transmission system availability especially in the inter-regional system, it has been proposed to segregate GNA into ‘within the region’ and ‘outside the region’.

(d) The following illustration may be seen:

Suppose State ‘A’ located in NR has GNA for ‘X’ MW. It can schedule power from any injecting entity within NR as presently there is more or less adequate capacity within the region. Now, suppose State ‘A’ places scheduling request for the entire ‘X’ MW from WR. If other States in NR having GNA also place scheduling request from WR, there may be a situation when the demand for WR-NR corridor could be more than the available capacity of the transmission system between NR and WR.

(e) To address situations as given in the above illustration, it has been proposed that there shall be indicative bifurcation of GNA as ‘within the region’ and ‘outside the region’. Though a GNA grantee shall be eligible to schedule power from any region within its GNA, such indicative GNA shall be applied where demand for a corridor is higher than availability. Additional GNA sought by the entities, if any, shall also have indicative bifurcation of ‘within the region’ and ‘outside the region’.

(f) The requirement of such indicative bifurcation of GNA as ‘within the region’ and ‘outside the region’ shall be reviewed by the Commission periodically.

.....

15. Transmission Corridor allocation

15.1 Once a State has GNA quantum, it can request scheduling from injection point of its choice as per its contract. The methodology of scheduling and priority of transmission corridor allocation shall be covered under the Grid Code.

15.2 In case the scheduling request of the GNA Grantee cannot be accommodated by RLDC due to constrain in transmission corridor, RLDC shall allocate the available transmission corridor amongst the GNA grantees in proportion to their GNA within the region or from outside region and the GNA grantee shall be eligible to schedule power under any contract within such allocated transmission corridor. In case the revised schedule is not furnished by the GNA Grantee, RLDC shall finalise the schedule for such GNA Grantee by pro rata reduction of schedule under each contract for such constrained transmission corridor.”

As per the above, a Drawee DIC is entitled to schedule power from anywhere up to its GNA quantum. The bifurcation of “within the region” and “from outside the region” has been included to handle constraints in the transmission system, if any.

24. In light of difficulties brought to our notice by CTUIL, we clarify that a drawee DIC is eligible to request a schedule from anywhere in India up to its GNA quantum, where such injection point may be “within the region “ or “from outside the region”. Once such entity has placed a scheduling request with RLDC and there is a constraint in the transmission system due to which a full schedule as requested by all drawee DICs in the region cannot be accommodated, RLDC shall allocate the transmission corridor as follows:

(a) In case of constraint in the transmission system “from outside the region”, the transmission corridor shall be allocated in proportion to the “outside the region” bifurcation of all such drawee DICs.

(b) In case of constraint in the transmission system “within the region”, the transmission corridor shall be allocated in proportion to the total GNA quantum for such drawee DICs (sum of “within the region” and “from outside the region” bifurcation)

25. We also note that the requirement of such indicative bifurcation of GNA as ‘within the region’ and ‘from outside the region’ shall be reviewed by the Commission periodically after operationalization of scheduling under GNA starts w.e.f. 1.10.2023.

Issue No.8: Bifurcation of GNA as “within the region” and “from outside the region” for States.

26. CTUIL has submitted that bifurcation of GNA was done within and from outside the region as per Regulation 18.1 (d) of the GNA Regulations based on the ratio of existing within and outside LTA/MTOA contracts after stakeholders’ consultations and the same was published on CTUIL website on 30.09.2022. However, Kerala and Karnataka have requested to make the outside GNA as per their actual contracts by adjusting the GNA within the

region so that the total GNA remains the same.

27. CTUIL has submitted that while bifurcating the GNA deemed for each state, if the proportionate GNA “from outside region” is less than outside LTA/MTOA contracts of Sept 2022 billing month, then the GNA outside region may be made equal to outside LTA/MTOA contracts. CTUIL also furnished the results in regard to the above suggestions as follows:

State	GNA	Total LTA+MTOA	Within Region (LTA+MTOA)	Outside Region (LTA+MTOA)	Within region (GNA)	Outside Region (GNA)
Chandigarh	342	392	349	43	299	43
Delhi	4,810	5,064	2,913	2,151	2,659	2,151
Haryana	5,418	6,401	4,048	2,353	3,065	2,353
Haryana-Adani Power(Mundra)	1,495			1,495		1,495
Himachal pradesh	1,130	1,718	1,697	22	1,108	22
Jammu & Kashmir	1,977	2,305	2,075	230	1,747	230
Punjab	5,497	5,951	2,517	3,434	2,063	3,434
Rajasthan	5,755	4,177	2,684	1,493	3,698	2,057
Uttar Pradesh	10,165	13,740	8,757	4,984	5,181	4,984
Uttarakhand	1,402	1,361	1,098	263	1,131	271
Railways-NR-ISTS-UP	130	257	-	257	-	130
PG-HVDC-NR	8	9	9	-	8	-
Chattisgarh	2,149	2,900	2,630	270	1,879	270
DD & DNH	1,126	1,481	1,476	5	1,121	5
Goa	548	645	643	2	546	2
Gujarat	6,434	9,727	7,981	1,745	4,689	1,745
Madhya Pradesh	7,361	9,406	8,126	1,279	6,082	1,279
Maharashtra	8,496	8,122	6,991	1,132	7,312	1,184
Essar-Steel	563				200	363
PG-HVDC-WR	5	7	7	-	5	-
BARC	5	9	9	-	5	-
Andhra Pradesh	4,516	3,146	3,126	20	4,487	29
Karnataka	4,376	5,913	5,414	499	3,877	499
Kerala	2,679	2,813	1,589	1,225	1,455	1,225
Puducherry	398	533	533	-	398	-
Tamil nadu	9,177	9,237	6,645	2,592	6,585	2,592
Telangana	6,140	4,806	3,134	1,672	4,004	2,136
PG-HVDC-SR	6	8	8	-	6	-
Bihar	5,043	7,265	6,268	997	4,046	997
DVC	956	680	650	30	914	42
Bangladesh	782	782	346	436	346	436
Jharkhand	1,110	1,218	661	556	554	556
Odisha	2,157	2,363	1,578	785	1,372	785
Sikkim	111	97	97	-	111	-
West Bengal	3,946	2,458	2,408	50	3,866	80
PG-HVDC-ER	2	2	2	-	2	-
Arunachal Pradesh	134	288	282	6	128	6
Assam	1,529	1,752	1,331	421	1,108	421
Manipur	204	210	210	-	204	-
Meghalaya	238	264	264	-	238	-
Mizoram	95	137	132	5	90	5
Nagaland	134	194	181	14	120	14
Tripura	311	302	302	-	311	-
PG-HVDC-NER	1	1	1	-	1	-

28. Clause (d) of Regulation 18.1 of the GNA Regulations, provides as under:

“(d) GNA deemed to have been granted to STU as per clause (c) of this Regulation, shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations, 2009.”

As per the above, the Nodal Agency i.e. CTUIL needs to segregate the quantum of deemed GNA granted to STU as “GNA within the region” and “GNA from outside the region”, in proportion to Long Term Access (LTA) and Medium Term Open Access (MTOA) obtained in terms of the 2009 Connectivity Regulations, from within the region or from outside the region.

29. Further, the ‘Detailed Procedure for Connectivity and GNA’ issued under Regulation 39.1 of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 dated 14.10.2022 provides as follows:

“18. Deemed Grant of GNA

Deemed Grant of GNA shall be in line with Regulation 18 of GNA Regulations. Towards this, following consideration shall be taken into account;

*i. For the purpose of segregation of GNA, within the region and outside the region as per Regulation 18(d), LTA and MTOA contracts along with central generating stations allocation effective **for billing month September 2022 under the Sharing Regulations 2020** shall be used. Further, LTA and MTOA contracts along with central generating stations allocation for any intra state entity shall also be included in respective STU’s contracts for the GNA bifurcation.”*

As per the above, the LTA and MTOA contracts along with central generating stations allocation effective for billing month September 2022 under the Sharing Regulations 2020 were to be used for the purpose of bifurcation.

30. We observe that calculations of deemed GNA for States have been carried out based on data of actual ISTS drawal for the years 2018-2021. We, further observe that there may be a situation where the GNA of a State is less than its LTA+MTOA depending on its actual ISTS drawal during 2018-2021. However, such a state may have more contracts under LTA+MTOA from outside the region, than within the region. A proportionate bifurcation in such cases may lead to less GNA “from outside the region” as compared to

contracts from outside the region under LTA+MTOA.

31. In light of the discussions above, we agree to CTUIL's suggestion that GNA bifurcation "from outside the region" equal to its 'from outside the region' contracts under LTA+MTOA as in September 2022, shall be done by CTUIL subject to availability of transmission. Further, necessary adjustments shall be made under the deemed GNA quantum within the region to keep the total deemed GNA quantum unchanged.

Issue No.9: Timeline for processing new applications till 1.10.2023

32. CTUIL has submitted that the transition process needs to be completed before the fresh applications under GNA Regulations are processed due to their higher priority as per their original date of application. Accordingly, relaxation for processing of new applications beyond the timelines specified in the GNA Regulations for an initial four months may be provided.
33. We have considered the submissions of CTUIL. We observe that the transition has been made effective from 5.4.2023 and new applications for Connectivity and GNA can be made under GNA Regulations w.e.f. 5.4.2023. Regulation 7 provides a timeline for processing new applications of Connectivity. The relevant extract of Regulation 7 of the GNA Regulations provides 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 30 days from the last day of the month in which the application had been received.....

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 60 days from the last day of the month in which the application had been received:

....."

As per the above, CTUIL shall grant in-principle Connectivity to the applicants within 30 days or within 60 days, as the case may be, from the last day of the month in which the application had been received.



34. We observe that there are multiple steps involved in the transition of existing Connectivity, LTA and MTOA applicants to GNA Regulations under Regulation 37 of the GNA Regulations. New applications can be processed after clearing the transition cases for smooth implementation of GNA Regulations. Since the transition itself may take 3-4 months, we agree to CTUIL's suggestions and relax the timeline of processing new applications received w.e.f. 5.4.2023 post completing transition latest by 1.10.2023. Post 1.10.2023, the new applications shall be processed as per the timeline provided in the GNA Regulations.

Issue No. 10: Deemed GNA for scheduling power from generating stations located in Bhutan

35. CTUIL has submitted that PTC is involved in the scheduling of Power from Bhutan HEPs (Tala-1020MW, Chukha- 270MW, Kurichu-60MW, and Mangdechu-720MW) based on MoP's allocation, accordingly deemed GNA may be provided to PTC for these generators, based on MoP allocation as on 31-03-2023 as follows:

- Bhutan-PTC-Tala: 1020MW
- Bhutan-PTC-Chukha: 270MW
- Bhutan-PTC-Kurichu: 60MW
- Bhutan-PTC-Mangdechu: 720MW

36. We have considered submissions of CTUIL. Explanatory Memorandum issued along with the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 provided as follows:

"8.7.....

(f) There are LTAs with eastern region constituents for obtaining power from Tala, Chukha and Kurichu generating stations in Bhutan. GNA for buying entities is already being considered based on ISTS drawl which shall subsume such LTAs. Further, at Indian border, for the purpose of injection into Indian grid, trading licensee shall have such GNA for which no charges are payable."

We observe that scheduling of power from Tala, Chukha, Kurichu and Mandechu, is being carried out based on deemed LTA as per allocation of power by the Government of India. Post 1.10.2023 for scheduling of power from such generating stations, GNA at the Indian border shall be required. It has been envisaged that GNA for the purpose of injection into the Indian grid needs to be provided to trading licensees while transitioning such cross-border generating stations from LTA to GNA. Accordingly, we are of the considered view that since PTC is the trading licensee involved in the stated projects in Bhutan, it shall be granted GNA for the purpose of injection into the Indian grid equal to Long term Access considered as on 4.4.2023 for these generating stations.

Issue No.11: GNA for entities whose LTA got operationalised post 7.6.2022 and which are not covered in Regulation 37 of the GNA Regulations covering transition cases.

37. CTUIL has submitted that due to the effectiveness of LTA involving ISTS-connected drawee entity (other than states) from April 2021 onwards, the corresponding LTA is also proposed to be considered as deemed GNA to the respective drawee entity.

A. East Central Railway

38. CTUIL has submitted that 20 MW of LTA for East Central Railway (ECR) has started from a new drawl point of ISTS at Durgauti TSS from Sasaram (POWERGRID) S/s] from 10.4.2023. Accordingly, such 20 MW of LTA may be converted into deemed GNA as Railway-ER-ISTS-Bihar: 20MW.
39. We have considered suggestions of CTUIL. We have the Minutes of the 17th Consultation Meeting for Evolving Transmission Schemes in Eastern Region (CMETS-ER) held on 29.03.2023 which notes as follows:

“ A. Application related matters in Eastern Region (ER)

2. LTA Applications of East Central Railways with injection in ER and drawl in SR, ER, and NR

....

2.2. 819MW of LTOA is already operational w.e.f 26-07-2017 for 25 years (viz. 25-07-2042) from Nabinagar-I generation project (4x250MW) of Bharatiya Rail Bijlee Company Ltd. (BRBCL) to ECR. Now, ECR vide above application had applied for redistribution of its existing 819MW LTOA as detailed below from Nabinagar-I TPP (4x250MW) of BRBCL in Bihar (ER) for supply of power w.e.f. 01-02-2023 as detailed below.



...

2.9. Application-2: CTU informed that following LTA application has been received from East Central Railway (ECR) in Feb 2023 under CERC Connectivity Regulations, 2022 with injection in ER and drawl in NR and ER

.....

2.11. The applicant has once again requested for redistribution of already operational 819MW LTOA w.e.f. 01-04-2023 as detailed below.

Region	State	Existing LTOA quantum (MW) w.e.f. 01-01-2022	Change sought (MW) in Dec 2022 appl.	Revised LTOA quantum proposed in appl. No. 1672316908 118 dtd. 29-12-2022	Change sought (MW) in Feb 2023 appl.	Revised LTOA quantum proposed in appl. No. 0440100003 dtd. 28-02-2023
ER	Bihar – STU	100	0	100	0	100
	Bihar – ISTS	0	0	0	+20	20
	DVC	110	0	110	0	110

Region	State	Existing LTOA quantum (MW) w.e.f. 01-01-2022	Change sought (MW) in Dec 2022 appl.	Revised LTOA quantum proposed in appl. No. 1672316908 118 dtd. 29-12-2022	Change sought (MW) in Feb 2023 appl.	Revised LTOA quantum proposed in appl. No. 0440100003 dtd. 28-02-2023
Sub-Total (ER)		210	0	210	+20	230
WR	Maharashtra	120	0	120	-25	95
	Madhya Pradesh	209	0	209	0	209
	Sub-Total (WR)	329	0	329	-25	304
NR	Uttar Pradesh: ISTS interconnection points with Railway network	55	-30	25	0	25
	Uttar Pradesh: ISTS interconnection points with UP-STU network	95	-20	75	0	75
	Haryana	55	0	55	0	55
	Punjab	35	0	35	0	35
	Rajasthan	10	0	10	0	10
	Delhi	15	0	15	+5	20
Sub-Total (NR)		265	-50	215	+5	220
SR	Karnataka	10	+50	60	0	60
Sub-Total (SR)		10	+50	60	0	60
NER	Assam	5	0	5	0	5
Sub-Total (NER)		5	0	5	0	5
Total		819	0	819	0	819

2.12. Regarding drawl from ISTS in Bihar, it was informed that Railways is connected

at Sasaram (POWERGRID) S/s at 220kV through 220kV D/c line.

2.13. The start date of LTA has been mentioned as 01-04-2023. Applicant mentioned

that new start date of LTA may be considered as 10-04-2023.

2.14. The operational LTA of 819MW is till 25-07-2042; however, with redistribution LTA, end date has been mentioned as 31-12-2045 for the instant 25MW. NoC of Delhi STU has been submitted along with the application for the 5MW LTA with validity till 31-08-2047. NoC of Bihar STU is not required, as drawl has been sought by ECR from ISTS connected points in Bihar. Railways is connected at Sasaram

(POWERGRID) S/s at 220kV through 220kV D/c line.

2.15. It was mentioned that from system studies it has been observed that adequate margin is available in the existing transmission system for power transfer under subject LTA.

2.16. In view of the above, it was agreed that the subject LTA may be granted with existing transmission system, with start date of LTA as 10-04-2023 and end date of LTA as per application.”

We observe from above said minutes that 819 MW of LTA from Nabinagar-1 is operational for Railways since 26.7.2017. Railways have requested CTUIL for redistribution of LTA at different drawl points and 20 MW of LTA for East Central Railway (ECR) at a new drawl point of ISTS at Durgauti TSS from Sasaram (POWERGRID) S/s which already started from 10.4.2023. Since LTA was already operational since 2017, and only redistribution of such LTA at Sasaram for 20 MW has been sought, and considering CTUIL's submissions to convert such LTA at Sasaram into GNA for 20 MW to enable scheduling of power by railways, we are of the considered view that 20 MW shall be considered as Railway-ER-ISTS-Bihar for purpose of drawl of 20 MW at ISTS points in Bihar including Sasaram.

B. Bangladesh

40. CTUIL has submitted that for Bangladesh, an additional 200 MW of LTA was operationalized w.e.f. 01-01-2023 which is applicable up to 31.05.2033 with billing to Sembcorp as they are the LTA grantee. For 200 MW, back-to-back PPAs are between Sembcorp & PTC and PTC & BPDB.

41. We have considered submissions of CTUIL. Regulation 43.3 of GNA Regulations provides as follows:

“43.3. Notwithstanding such repeal:

.....

(c) Long term Access for export to Bangladesh shall continue to be in effect as per the existing arrangement including, payment for transmission charges.”

42. We observe that GNA Regulations provide for deemed GNA for export to Bangladesh as 782 MW as noted in Annexure-I to the GNA Regulations. Grant of deemed GNA for export from Bangladesh has been explained under the Explanatory Memorandum issued along with the Draft CERC



(Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021, which are extracted as under:

“8.7 GNA for export to Bangladesh

(b) LTA granted to a trading licensee involved in cross border trade of electricity in terms of the Cross Border Regulations shall become deemed GNA granted to it and the liability of payment of transmission charges shall remain with the trading licensee. For example, NVVNL (NTPC Vidyut Vyapar Nigam Limited) has LTA for transfer of power from injection point in West Bengal (interconnection points of DVC with ISTS) to drawal point at Indian Border (400 kV Baharampur Switching Station in West Bengal) for onward transmission to Bangladesh Power Development Board (BPDB). For such LTA, NVVNL shall be liable to pay transmission charges. (c) 250 MW of power from a few Central Generating Stations has been allocated by MOP to BPDB. Allocation being considered as LTA, for which currently BPDB is making payment of transmission charges directly. Under GNA framework, CTUIL shall continue to bill BPDB under the Sharing Regulations for such 250 MW. (d) 232 MW of LTA has been obtained by Sembcorp till BPDB drawl point in Indian grid, for which Sembcorp is making payment of transmission charges. LTA of 232 MW shall be converted into GNA of 232 MW at Indian point for the purpose of drawl from Indian grid for which Sembcorp shall continue to make payment of transmission charges under the Sharing Regulations. Sembcorp shall also be granted deemed GNA at its injection point corresponding to LTA of 232 MW, for which no transmission charges is payable.”

As per the above, the explanation for considering a deemed GNA of 782 MW was provided for. We observe that 782 MW was considered as per data of LTA operational as on 7.6.2022. Further, we have perused “Notification of Transmission charges payable by DICs for Billing Month of September 2023” dated 25.08.2023 issued by NLDC whereby LTA for Bangladesh has been considered as 982MW (S. No. 55 of Annexure-III of the notification dated 25.08.2023 of NLDC).

43. Considering the above-quoted Regulation 43.3 of the GNA Regulations, submissions of CTUIL that LTA for 200 MW has been made operational since 1.1.2023, and billing details issued by NLDC where 200 MW has been added to the existing 782 MW making it 982 MW, we are of the considered view that additional deemed GNA for Bangladesh shall be considered as 982 MW (782 MW+ 200 MW).

Issue No.12: Connectivity by entities under Regulation 4.1 of the GNA Regulations which are REGS or Renewable power park developer



44. CTUIL has submitted that it is in receipt of a Connectivity application from a REGS based on Regulation 5.8(xi)(a) of GNA Regulations i.e. LOA route. The above LoA has been issued by RECPDCL to REGS as a Bid Process Coordinator, whereas per the RfP document, RECPDCL is the authorized representative of the procurer, i.e., NTPC Limited. Ministry of Power, Gol vide its Gazette Notification dated 27.08.2022, has notified "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid connected RE Power Projects for utilization under the scheme for flexibility in generation and scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage power". Thereafter, MOP has notified RECPDCL as one of the BPCs for conducting the bidding process on behalf of generators willing to bundle their conventional power with RE power. The said LOA has been issued under the stated bidding guidelines of the Ministry of Power.
45. CTUIL has submitted that RECPDCL is neither a REIA nor distribution licensee / authorized agency on behalf of the Distribution Licensee; therefore, the LOA issued by RECPDCL is not a valid document under Regulation 5.8(xi)(a) of GNA Regulations. However, RECPDCL has been appointed as BPC by MOP, and the said LOA has been issued consequent to tariff-based competitive bidding under the scheme for "Flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power' notified by MOP Gol, CTUIL is finding difficulty in granting Connectivity to M/s RSPPL under LOA route. Considering the above facts, the subject application of M/s RSPPL is being kept on hold, and therefore, it is requested that CERC review and advise us regarding the present application and treatment of similar applications in future.
46. We have perused the "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid connected RE Power Projects for utilization under the scheme for flexibility in generation and scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage power" issued on 27.8.2022. Some of the provisions of the said bidding guidelines is as follows:

"2.1.1. These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long term procurement of electricity by the 'Procurers', from grid-connected RE Power Projects ('Projects'), having individual size of 5 MW and above, through competitive bidding.

Explanation:

a) 'Procurer': The term 'Procurer', as the context may require, shall mean the thermal/ hydro generating company.

b) 'Authorised Representative' of the Procurer: In cases, where the Power Purchase Agreement (PPA) signing entity and the agency carrying out the tendering/bidding process are different, the agency carrying out the tendering / bidding process shall be deemed to be the Authorized Representative of the 'Procurer' and be responsible for carrying out the bidding process till the selection of the successful bidder, in accordance with these Guidelines. Authorised representative shall be a Central Govt. approved third party appointed by the Procurer. No trading margin shall be payable to Authorised Representative.

.....

11. GUARANTEES

The RE Power Generator shall provide the following guarantees to the Procurer in terms of the RfS and the PPA:

11.1. Earnest Money Deposit (EMD), to be fixed by the Procurer, [but not to be more than 2% (two per cent) of the estimated capital cost of the RE power project, as determined by CERC, if any, for the financial year in which the bids are invited or the estimated project cost], to be submitted along with response to RfS, in the form of:

a) Bank Guarantee(s);

OR

b) "Payment on Order instrument" / Letter of Undertaking, to pay in case situation of default of RE power generator in terms of tender condition arises, from Indian Renewable Energy Development Agency (IREDA)/ Power Finance Corporation Limited (PFC)/ REC Limited (REC).

"Payment on Order instrument" means Letter of Undertaking from Indian Renewable Energy Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC) [the three non-banking financial institutions under Ministry of New & Renewable Energy (MNRE)/ Ministry of Power (MoP)], to pay in case situation of default of RE power generator in terms of tender conditions/Power Purchase Agreement (PPA) arises. Such Letter(s) will have same effect as that of a Bank Guarantee issued by any public sector bank. Such "Payment on Order instrument" would have terms and conditions similar to that of any Bank Guarantee given by any public sector bank and would promise to pay the Procurer on demand within stipulated time. RE power generators can seek such Letters(s) by offering due security to the above mentioned three non-banking financial institutions mentioned above (IREDA, PFC & REC). Procurer(s) shall not accept the instrument of 'Letter of Undertaking' as described above or in any other form, from any other non-banking financial institutions or bank, except IREDA, PFC & REC.

11.2. Performance Bank Guarantee (PBG)/ Performance Guarantee (PG)

11.2.1. Performance Guarantee (PG), to be fixed by the Procurer [but not to be more than 4% (four per cent), in case of site specified by the Procurer, and 5% (five per cent), in case of site selected by the RE Power Generator, of the Project cost, as determined by CERC, if any, for the financial year in which the bids are invited or the estimated project cost] to be submitted at the time of signing of the PPA, in the form of:

a) Bank Guarantee(s);



OR

b) "Payment on Order instrument"/Letter of Undertaking to pay in case situation of default of RE power generator in terms of Power Purchase Agreement (PPA) arises, from Indian Renewable Energy Development Agency (IREDA)/Power Finance Corporation Limited (PFC) and REC Limited (REC);"

As per the above, the "procurer" who is a thermal/hydro generating company, can carry out bidding through its authorised representative, who is a Central Government approved third party appointed by the Procurer. Further, the provisions for EMD and Performance Bank Guarantees are similar to tariff-based competitive bidding carried out by REIA. We have also perused the "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid connected RE Power Projects for utilization under the scheme for flexibility in generation and scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage power" and observe that provisions of financial closure, land and other provisions are also similar to tariff based competitive bidding carried out by REIA.

47. In the instant case, the Procurer is NTPC Limited, and the Authorised representative is REC Limited, which had carried out the bidding.
48. Further, the "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid connected RE Power Projects for utilization under the scheme for flexibility in generation and scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage power" issued on 27.8.2022 provides as follows:

10. CONTRACT AWARD AND CONCLUSION

10.1. The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.

10.2. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

10.3. For the purpose of transparency, the Procurer or its authorised representatives shall, after the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.

10.4. Subject to provisions of the Act, the Procurer shall approach the Appropriate Commission for adoption of tariffs by the Appropriate Commission in terms of Section 63 of the Act.

10.5. LoA shall be issued to successful bidders after getting consent from beneficiaries or in accordance with rules notified by the Central Government under Electricity Act, 2003, and PPA shall be signed by the procurer with the

successful bidders after the adoption of tariff by the Appropriate Commission.

As per the above, LOA is to be issued after getting consent from beneficiaries or in accordance with rules notified by the Central Government under the Electricity Act 2003.

49. Regulation 5.8(xi) of the GNA Regulations provides as follows:

“In case of Applicants which are REGS (other than Hydro generating station or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:

(a) Letter of Award (LOA) by, or Power Purchase Agreement (PPA) entered into with, a Renewable Energy Implementing Agency or a distribution licensee or an authorized agency on behalf of distribution licensee consequent to tariff based competitive bidding, as the case may be:

Provided that in case of Applicants being multi-located REGS, the details of locations and capacity at each location, duly certified by the Renewable Energy Implementing Agency or the distribution licensee, as the case may be, shall be submitted.

Or

(b) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought;

Or

(c) Bank Guarantee of Rs. 10 lakh/ MW in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations.”

As per the above, LOA by, or PPA entered into with, a Renewable Energy Implementing Agency consequent to tariff-based competitive bidding is an eligible document to be submitted by an REGS.

50. We observe that there is a requirement to include other documents such as “consent of beneficiaries” or “Rules” or any other requirements in light of stated guidelines. However, since the PPA is to be signed by the procurer with the successful bidder/ project company or an SPV formed by the successful bidder, we consider it appropriate to consider the PPA entered into by the procurer as an eligible document under regulation 5.8(xi) of GNA Regulations. We direct staff of the Commission to process the amendment to GNA Regulations so that a considered view may be taken for projects covered under such guidelines. Till such time an REGS shall be eligible to



apply Connectivity on submission of PPA entered into with the procurer for such cases or any of the other two options of Land or BG.

Issue No.13: Time to furnish documents in terms of Regulation 11A of the GNA Regulations by entities covered under Regulation 4.1 of the GNA Regulations who were granted Connectivity under the 2009 Connectivity Regulations

51. Sembcorp India Private Limited vide letter dated 24.04.2023 has submitted as follows:

“There are many projects which have obtained connectivity under the 2009 Regulations, such projects are required to convert their existing connectivity under 2022 Regulations. As per the recent notice issued by CTUIL, last date for undertaking such transition is 4th May, 2023. Post transition, all existing connectivity shall be considered to have been awarded under 2022 Regulations and therefore have to adhere compliance as per the same. This includes release of 10% project cost through equity and undertake financial closure within 12 months from date of grant of connectivity.

As the existing connectivity had been granted some time back, many projects are very near or have already crossed such specified timeline of 12 months (from date of grant of connectivity). For such existing connectivity, the obligation for Equity infusion or Financial Closure (as the case may be) was 9 months prior to SCOD. Therefore, upon transition such entities would either have to immediately adhere to such obligation or would be considered under default.

In view of such practical issues, such entities may be provided some buffer time for adhering obligations under 2022 Regulations which were not there in 2009 Regulations.”

As per the above, Sembcorp has sought additional time to submit documents under Regulation 11 A of GNA Regulations for projects which have obtained connectivity under the 2009 Connectivity Regulations considering that such requirements were not there in the 2009 Connectivity Regulations.

52. We have considered the suggestions of Sembcorp India Private Limited. Clause (2) and Clause (3) of Regulations 11A of the GNA Regulations provide as under:

“(2) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of connectivity has been issued, shall submit Auditor’s certificate, certifying the release of at least 10% of the project cost including the land acquisition cost through equity within a period of 12 months from the date of issuance of final grant of connectivity.

(3) An applicant which is REGS (other than Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which final grant of

connectivity has been issued, shall have to achieve the financial closure for the capacity of such Connectivity, (a) within a period of 12 months from the date of issuance of final grant of connectivity, if the start date of Connectivity is within 2 years from date of issuance of final grant of connectivity or (b) a period equivalent to 50% time period between issue of final grant of Connectivity and start date of Connectivity, if the start date of Connectivity is more than 2 years from date of issuance of final grant of connectivity.”

As per the above, an applicant which is a REGS (other than a Hydro generating station), ESS (excluding PSP) or Renewable power park developer to which a final grant of connectivity has been issued, shall release at least 10% of the project cost including the land acquisition cost through equity within a period of 12 months from the date of issuance of a final grant of connectivity. Further, the entity shall also have to achieve the financial closure within a period of 12 months or a period equivalent to 50% time period between the issue of the final grant of Connectivity and the start date of Connectivity, as applicable, from the date of issuance of final grant of connectivity.

53. We observe that entities covered under Regulation 11A of the GNA Regulations which were granted Connectivity under the 2009 Connectivity Regulations, these intermediate milestones of release 10% equity and financial closure have been introduced in First amendment to GNA Regulations issued on 1.4.2023 and effective from 5.4.2023. Considering the difficulties pointed out, we are of the considered view that the timeline of submission of documents under Regulation 11 A of the GNA Regulations shall be counted from the date of “final grant of Connectivity” under the GNA Regulations, i.e. when such an entity transitions its Connectivity under the 2009 Connectivity Regulations to Connectivity /GNA under GNA Regulations and CTUIL grants such Connectivity as Connectivity granted under the GNA Regulations.

Issue No.14: Change in location by entities covered under Regulation 4.1 of the GNA Regulations, which are REGS or Renewable power park developer

54. CTUIL has submitted that the provision for submission of registered title deeds/land documents was introduced in the GNA Regulations vide the First Amendment effective from 05.04.2023. At present, the regulatory prescription



is for the submission of 50% of the land required for the project capacity for which Connectivity is sought. Under the GNA Regulations, the remainder of the land required for the project, is not required to be submitted to CTU at any stage post-grant of Connectivity. It has been reported to CTU in the past that certain Connectivity grantee(s) are acquiring different land parcels for the actual implementation of the project as against those which were submitted along with the Connectivity application. It has also been requested by some applicants that they may be allowed to change their land parcels for commercial and technical reasons such as reduction of the line length of the dedicated transmission line, change in location coordinates of the substation (under bidding or award), grant of connectivity upon a sub-station different from the one anticipated by the applicant, force majeure etc.

55. NSEFI, vide its letter dated 1.08.2023, has submitted that as per the 2009 Connectivity Regulations the change in location of the renewable energy plant while keeping the connecting substation unchanged, was permitted, and not considered as a material change. However, GNA Regulations 2022 are silent on this aspect. There have been instances in the past when due to unforeseen challenges in land acquisition at the specified location, the project developer has been forced to look for other land options in the vicinity of the substation. Sometimes the difficulties encountered are such that it becomes impractical to proceed at the location which was specified at the time of making the connectivity application. Thus, in the interest of project development and timelines, allowing project location change without impacting connectivity is imperative. It is important to note that this allowance (change in location) will not alter the project timelines. The project shall be developed within the timelines. Thus, a request has been made for CERC's consideration in the matter and clarification that a change in project location keeping the connectivity substation unchanged is not a material change, and the same shall not lead to any cancellation of connectivity.
56. Some other RE developers have raised similar requests to allow a change in the location of the land. RE Developers by citing the following reasons to allow flexibility to developers to change the land location keeping the Connectivity substation unchanged:

- a) RE Generators, especially in the case of wind projects, acquire a large site. The area initially taken often tends to change as better areas are discovered and acquired considering higher capacity utilisation factor and micro siting constraints. This time-consuming process of land acquisition is carried out in parallel while securing connectivity equal to the project size.
- b) Many times the coordinates of upcoming ISTS substations are not frozen while connectivity is taken, and once its location is confirmed, the RE Generator for optimised engineering of the power evacuation system acquires land nearer to the substation thereby resulting in land change.

57. We have considered the suggestions of CTUIL and various RE developers, including NSEFI. The relevant extract of clause (vii)(b) and clause (xi)(b) of Regulation 5.8 of the GNA Regulations are as under:

“(vii) In case of Renewable Power Park Developer, the documents shall be submitted in combination of clauses (a) and (b) or combination of clauses (a) and (c) as specified hereunder:

.....

(a) Authorisation by the Central Government or the State Government, as applicable, to undertake infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators;

(b) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought;

(c) Bank Guarantee of Rs. 10 lakh/ MW in lieu of ownership or lease rights or land use rights of land for 50% of the land required for the capacity for which Connectivity is sought subject to provisions of Regulations 11A and 11B of these regulations.

.....

(xi) In case of Applicants which are REGS (other than Hydro generating station) or ESS (excluding Pumped Storage Plant (PSP)) the following documents shall be submitted:

.....

(b) Registered Title Deed as a proof of Ownership or lease rights or land use rights for 50% of the land required for the capacity for which Connectivity is sought;

.....”

As per the above, an applicant who applies for Connectivity through the land route is required to submit the land document for 50% of the land required for the capacity for which Connectivity is sought, with the Connectivity

application. The Regulations do not have any specific provision on modalities for change in location of land post grant of Connectivity.

58. We observe that the requirement of submission of land documents was a condition under the 2009 Connectivity Regulations. Revised Procedure for “Grant of Connectivity to projects based on renewable sources to inter-State transmission system” dated 21.02.2021 issued under the 2009 Connectivity Regulations provided as follows:

“7.8 Change in the location of project keeping the connectivity with ISTS substation same shall not be construed as material change in location under first proviso to Regulation 8(1) of Connectivity Regulations. The grantee shall inform the CTU about the same.”

59. We observe from the submission of RE Developers that sometimes the location of the land for which Connectivity has been granted needs some changes based on changes in location coordinates of the substation (which was under bidding/yet to be awarded), proximity to the ISTS substation which reduces the length of dedicated transmission line, higher capacity utilisation factor at different land location as calculated at a later point in time and unseen practical difficulty in acquiring the complete land parcel near to the earlier land location. Considering the issues highlighted by the RE Developers, we direct that change in the location of the land parcel without any change in (a) the point of Connectivity with ISTS and (b) the start date of Connectivity shall be allowed and shall not lead to cancellation of the Connectivity.

Issue No.15: Transfer of Connectivity

60. CTUIL has submitted, it is understood that (i) Regulation 15.2 of the GNA Regulations provides that as a precursor to transferring of connectivity, a split of connectivity is required of such part which is desired to be split and has achieved COD, and (ii) Regulation 15.3 of the GNA Regulations provides that any person that acquires 51% or more shareholding (i.e. such shareholding which provides explicit ownership and control) may apply for transfer of connectivity to CTU. The corporate transfer would precede the regulatory

transfer of connectivity. Accordingly, CTUIL has requested to provide appropriate directions or clarifications, with respect to the modalities to be followed for the implementation of Regulation 15 of the GNA Regulations.

61. M/s Serentica vide its letter dated 10.01.2023 and 22.08.2023 has sought clarifications on the Transfer of Connectivity between Parent and Subsidiary. It has been requested as follows:

(a) In GNA Regulations, 2022. the language in Reg. 15.1, 15.2 and 15.3 falls short of clarity regarding the transfer of connectivity to a subsidiary by the parent company. Transfer under regulation 15.3 of split connectivity is provided to any person acquiring 51 % or more shareholding in the company owning REGS. As the parent company holds shares in the subsidiary and not vice versa, the subsidiary therefore cannot take benefit of transfer of connectivity under regulation. Transfer of connectivity of parent to subsidiary after COD of connectivity capacity in part or full may be allowed.

(b) From a plain reading of Reg 15.3, it appears that the person acquiring 51% or more shareholding in the company owning the REGS can only transfer a split MW of connectivity and not the entire connectivity in its name. As an illustration, say company XYZ Ltd has 300 MW Connectivity. 51% shares of XYZ Ltd are acquired by ABC Ltd. As per the plain reading of Reg 15.3, ABC Ltd would have to split the 300 MW connectivity into a lesser quantum (say 250 MW) which only can be transferred to its name post COD of 250 MW as reflected in the sentence ", may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity". Serentica has consulted reputed Law firms on the interpretation of the word 'split' in reg 15.3 and all of them are of the opinion that by using the word 'split' the entire connectivity quantum is precluded from the transfer. We understand that this might have inadvertently crept in as the intention of the Commission has always been to allow transfer of connectivity immediately after COD of any quantum. We, therefore, request the Commission to kindly issue clarification allowing the complete transfer of connectivity post COD to the acquirer.

62. We have considered the submissions of CTUIL and Serentica. The issue is, in the case where the Parent has obtained Connectivity for a project developed by its Subsidiary, and after COD of such project developed by the said subsidiary, needs the Connectivity obtained by the parent in its own name, whether the same is allowed under the Regulations. The issue has arisen since in such cases there is no action of acquiring 51% or more shareholding by the subsidiary since the parent continues to hold more than 51% in the subsidiary. Regulation 15 of the GNA Regulations dealing with the transfer of Connectivity provides as follows:

“15. Transfer of Connectivity

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:

Provided further that where a bulk consumer has been granted GNA under Regulation 17.1(iii), GNA granted to such Bulk consumer may be utilized in part or full by its subsidiaries or vice versa, if such bulk consumer and its subsidiaries are connected at the same connection point of ISTS.

15.2. Where the Connectivity grantee is an REGS, it may split its Connectivity in parts, after COD of such part, subject to the minimum capacity in accordance with Regulation 4.1 of these regulations, and submit the installed capacity of each part to the Nodal Agency. In such an event, the Connectivity shall be deemed to have been split in proportion to installed capacity of each such part:

Provided that all liabilities and obligations in accordance with these regulations shall continue to remain with the Connectivity grantee for each part.

15.3. Any person which acquires 51% or more shareholding of the company or its subsidiary or affiliate company owning REGS or part thereof in terms of Regulation 15.2, may after COD of such split part, apply to the Nodal Agency for transfer of Connectivity. The Nodal Agency shall issue revised grant of Connectivity on submission of applicable Conn-BG2 and Conn-BG3 by such person. The original grantee may substitute its Conn-BG2 and Conn-BG3 with revised Conn-BG2 and Conn-BG3, to be intimated by CTU. On issue of revised grant of Connectivity, such person shall enter into a fresh Connectivity Agreement and be responsible for compliance with all applicable regulations.

Provided that all liabilities and obligations in accordance with these regulations, for the Connectivity not transferred, shall continue to remain with the original Connectivity grantee.”

As per the above, transfer of Connectivity is allowed after the COD of the project subject to minimum capacity in accordance with Regulation 4.1 of

these regulations.

63. Considering the above quoted Regulations and clarifications sought by CTUIL and Serentica, we hereby clarify as follows:

(a) In case, the Connectivity grantee which is a REGS does not split its Connectivity into parts under Regulation 15.2, and wishes to transfer the full Connectivity, it shall be allowed to transfer Connectivity under Regulation 15.3 for the full Connectivity capacity, subject to terms and conditions of Regulation 15.3.

(b) A subsidiary, which has developed the REGS shall be eligible to take transfer of Connectivity (in part or full, subject to minimum capacity in accordance with Regulation 4.1 of these regulations) from Parent to said subsidiary, after COD of such REGS under Regulation 15.3. It is clarified that post COD of REGS, the Connectivity shall be allowed to be transferred to the entity who owns such REGS subject to minimum capacity in accordance with Regulation 4.1 of these regulations.

Issue No. 16: Treatment of BBMB Generating Stations and Sardar Sarovar hydroelectric project under the GNA Regulations

64. CTUIL has submitted that as per the CERC (IEGC) Regulations, 2023, the generating stations of the Bhakra Beas Management Board (BBMB) and Sardar Sarovar Project (SSP) shall be treated as regional entities and their generating units shall be scheduled and despatched by respective RLDC in coordination with BBMB or Narmada Control Authority.

BBMB

65. CTUIL has referred to Regulation 18.1 (g) of GNA regulations which covers only the Central generating stations and 18.1(f) which covers generating stations that were granted LTA. CTUIL has submitted that as generating stations of BBMB were neither granted LTA nor categorized as Central generating stations, they are not considered for grant of deemed GNA. However, as the scheduling of BBMB generating stations is to be carried out

by NRLDC, the treatment of BBMB generating stations under GNA regulation needs to be clarified.

66. We have considered the submissions of CTUIL. Regulation 18.1(f) and regulation 18.1(g) of GNA Regulations is quoted as follows:

“18.1(f) Entity(ies) covered under Regulation 4.1 of these regulations where Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations, 2009 has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations:

Provided that generating stations connected to the intra-State transmission system where Long Term Access granted to such entity or to its identified buyer, under the Connectivity Regulations, 2009 has become effective, shall be deemed to have been granted GNA equal to the quantum of such Long term Access, under these regulations.

18.1(g) The Central generating stations which are connected to the grid and have not been granted Long term Access under the Connectivity Regulations, 2009 but whose power is allocated by the Ministry of Power, shall be deemed to have been granted GNA equal to the installed capacity of such generating station(s).”

67. We observe that BBMB stations have been scheduled by NRLDC since 2016 in terms of our Order dated 12.11.2015 in Petition No. 251/GT/2013 which directed as follows:

“We also direct that from 1.6.2016, the process of scheduling, metering and accounting shall be followed by the generating stations of the petitioner in terms of the provisions of the Indian Electricity Grid Code (IEGC), 2010, as amended from time to time.”

68. Order dated 15.09.2011 in Petition No. 181/2011 noted as follows:

“6. It is evident from the provisions of 1966 Act that the BBMB is functioning under the control of the Central Government and has been vested with the responsibilities to supply power from the projects to the States of Punjab, Rajasthan, Haryana, Himachal Pradesh Delhi and Union Territory of Chandigarh through wide network of transmission lines and sub-stations. In other words, the functions assigned to BBMB under 1966 Act establishes beyond doubt that BBMB is a generating company owned or controlled by the Central Government and is also involved in inter-state transmission of electricity. Accordingly, after coming into effect of the EA 2003, regulation and determination of tariff for generation and inter-State transmission of electricity by BBMB are vested in the Central Commission by virtue of the provisions of section 174 of the said Act.”

69. CERC (Indian Electricity Grid Code) Regulations, 2010 as well as CERC (Indian Electricity Grid Code) Regulations, 2023 provide the definition of a Central Generating station as follows:



“Central Generating Station” means the generating stations owned by the companies owned or controlled by the Central Government;

Since BBMB is controlled by the Central Government, its generating stations are Central generating stations. Accordingly, CTUIL is directed to consider their conversion into a deemed GNA under regulation 18.1(g) of the GNA Regulations.

Sardar Sarovar hydroelectric project (SSHEP)

70. CTUIL has submitted that Sardar Sarovar hydroelectric project (SSHEP) has neither been granted LTA nor categorized as a Central generating station, however, its scheduling is done by WRLDC. Accordingly deemed GNA to SSHEP may be clarified under the GNA Regulations.
71. We have considered submissions of CTUIL. Vide Order dated 20.12.2012 in Petition No. 267/SM/2012, the following was noted:

“9. From the above analysis, it emerges that SSNNL is a generating company with a composite scheme for generation and supply of electricity in more than one State. Therefore, regulation of tariff of SSNNL falls within the jurisdiction of the Central Commission in terms of section 79(1)(b) of the Act. Further, power from the generating station is evacuated to the States of Maharashtra and Madhya Pradesh through SSP-Dhule and SSP-Nagda transmission lines. Since these transmission lines are used for evacuation of power from the territory of State to the territory of another State, they are covered within the definition of inter-State transmission system in terms of section 2(36)(i) of the Act. Therefore, the regulation and determination of tariff of these transmission lines fall within the jurisdiction of the Central Commission.”

As per above, it was observed that SSHEP falls under Section 79(1)(b) of the Act and is connected to a transmission system covered under Section 2(36)(i) of the Act, as an inter-State transmission system. CTUIL has also submitted that the scheduling of SSHEP is carried out by WRLDC. We observe that w.e.f. 1.10.2023, the Grid Code 2023 shall come into effect under which a generating station only with GNA can get its power scheduled by RLDC. We observe that units of SSHEP were commissioned way back in 2004-2006, are fully allocated to constituent states and are being currently scheduled by RLDC. The said units of SSHEP shall continue to be scheduled by RLDC under the Grid Code 2023. Accordingly, we are of the considered view that CTU shall grant deemed GNA to SSHEP equal to

Installed capacity.

Issue No.17: Treatment of the cases covered under Regulation 37.6 of the GNA Regulations, where an augmentation of the system (without ATS) is required for the grant of additional GNA

72. CTUIL has submitted that entities covered under Regulation 37.6(1) of the GNA Regulations, where additional GNA is applied by such entity to convert its Connectivity to GNA requires 'augmentation without ATS', such case is not explicitly covered in Regulation 37.6(1) of the GNA Regulations. CTUIL has suggested that treatment of cases of augmentation without ATS may be processed in line with Regulations 7 and 8 of the GNA Regulations.
73. We have considered the submission of CTUIL. Regulation 37.6 of the GNA Regulations provides as under:

"37.6. If Connectivity granted in accordance with the Connectivity Regulations, 2009 is effective and Long term Access has either not been granted for any capacity or has been granted for full/part capacity which has become effective as on the date of coming into effect of these Regulations, the following shall apply:

(1) Entities covered under Regulation 4.1 of these regulations, which have not been granted Long Term Access for any capacity or granted Long term access for part of the capacity qua the Connectivity quantum under the Connectivity Regulations, 2009 may apply for additional GNA for balance quantum of Connectivity under Regulation 17.2 of these regulations. The same shall be processed by the Nodal Agency as under:

(a) In case additional GNA as applied for under Regulation 17.2 can be granted on existing transmission system, the Nodal Agency shall grant such additional GNA on furnishing Conn-BG3 @ Rs.2lakh/MW. Conn-BG3 shall be returned in five equal parts over the next five years starting from the year when such GNA becomes effective or in accordance with Regulation 16.2 of these regulations, whichever is later.

Provided that in case connectivity is relinquished in terms of Regulation 24.1 of these regulations, subsisting Conn-BG3 shall be encashed.

(b) In case ATS is required for granting such additional GNA, the application shall be processed in accordance with Regulation 8.3 of these regulations. Such additional GNA shall be granted on furnishing of Conn-BG2. The Conn-BG1 shall be returned within 30 days of declaration of commercial operation of capacity for which additional GNA has been granted. Conn-BG2 shall be returned in five equal parts over five years starting from the year when such GNA becomes effective or in accordance with Regulation 16.2 of these regulations, whichever is later.

Provided that where only some of the transmission elements of the ATS have achieved COD before the COD of the ATS and the Connectivity grantee seeks part effectiveness of its GNA, the Nodal Agency shall make such part GNA effective, subject to availability of transmission system.

Provided also that after the GNA has been granted by the Nodal Agency but yet to become effective, such entity shall be eligible to get its power scheduled partly or fully of the quantum of GNA sought for, subject to availability of transmission system by treating such access as deemed T-GNA and shall not be required to pay TGNA charges.

Provided that in case connectivity is relinquished in terms of Regulation 24.1, subsisting Conn-BG2 shall be encashed in terms of Regulation 24.2 of these regulations.

.....”

The above quoted Regulations cover cases of additional GNA sought by entities covered under Regulation 4.1 of the GNA Regulations, on an existing system or with ATS. However, the case of “augmentation without ATS” is not covered in the above quoted regulations.

74. Considering submissions of CTUIL, we are of the considered view that for cases covered under Regulations 37.6(1) for entities covered under Regulation 4.1 of the GNA Regulations, where CTUIL may be able to grant additional GNA to such entity with “augmentation without ATS”, shall be covered under Regulation 37.6(1)(b) of the GNA Regulations, with submission of Conn-BG2 and Conn-BG3 in accordance with Regulation 8.2 of the GNA Regulations, as applicable, which shall be treated in accordance with Regulation 37.6(1)(b) of the GNA Regulations.

Issue No.18: Treatment for scheduling of power for cases covered under Regulation 37.6 of the GNA Regulations, where augmentation of the system with or without ATS is required for grant of additional GNA

75. CTUIL has submitted that to process the case of additional GNA under Regulation 37.6 (1) with or without ATS, it requires a timeline for the grant of such GNA in accordance with Regulation 8.3 of the GNA Regulations. It has submitted that the augmentation for such transition cases is in discussion at NCT and may need some time to finalise. CTUIL has submitted that such an entity which was connected to the grid, without LTA corresponding to such

Connectivity and injecting under short term access, may not be able to inject any power till additional GNA is processed by CTUIL, which may take some time to process as per CTUIL.

76. We observe that an entity which was connected to the grid, covered under Regulation 37.6(1) and injecting power on short term basis should not be bottled up for want of processing time by CTUIL. We are of the considered view that such an entity covered under Regulation 37.6(1) where CTUIL is not able to grant GNA before 1.10.2023, shall furnish the Conn-BG3 @ Rs.2 lakh/MW towards such additional GNA including entities covered under sub-clause(b) of Regulation 37.6(1). Post such submission of Conn-BG3, CTUIL shall issue provisional GNA to such entity post which such entity shall be eligible to get its power scheduled for the quantum of GNA sought for and for which Conn-BG3 has been furnished, subject to availability of transmission system, by treating such access as deemed T-GNA (for the quantum for which GNA is not made effective) and shall not be required to pay T-GNA charges. In case of entities covered under Regulation 37.6(1)(b), CTUIL shall intimate Conn-BG2 as per Regulation 8.3 of GNA Regulations, after which the Conn-BG3 already submitted by such entity shall be adjusted and Conn-BGs in accordance with Regulation 37.6(1) (b) shall need to be submitted by the entity. CTUIL is directed to process the grant of additional GNA within the maximum timeline of 6 months from the date of submission of Conn-BG3 @ Rs.2 lakh/MW by such entity.
77. We observe that there may be some generating stations that have declared COD as on 1.10.2023, are connected to the grid, and were evacuating their power on a short term basis. In case such entities apply to CTUIL under relevant Regulations of transition, it may take some time for CTUIL to process their application. In such case, if they are not granted GNA by CTUIL before 1.10.2023, they shall not be able to get their power scheduled for such quantum under Grid Code 2023. We are of the considered view that such entities should apply for transition in advance, keeping in view the reasonable processing time that may be taken by CTUIL. However, to avoid any bottling up of power, till the time CTUIL processes their request of transition if they

wish to schedule their power, they may deposit Conn-BG3 for Rs 2 lac/MW provisionally. On receipt of such Conn-BG3, CTUIL shall issue provisional permission to such entities which shall be treated as deemed T-GNA, as provided under Regulation 37.6(1) of the GNA Regulations. Once CTUIL processes the application for GNA for such entities, it shall inform applicable Conn-BG to be submitted by such entities and Conn-BG3 already furnished shall be adjusted on furnishing of Conn-BG informed by CTU. In case such entity fails to deposit the Conn-BG informed by CTUIL within a specified time, provisional GNA granted to such entity shall be withdrawn and Conn-BG3 shall be encashed.

Issue No.19: Treatment of Dikchu HEP (in Sikkim)

78. CTUIL has submitted that an interim ISTS connectivity of 96 MW was granted to M/s Sneha Kinetic Power Projects Private Limited (SKPPPL) as per Order dated 03.12.2014 in Petition No. 157/MP/2014 wherein CERC allowed Dikchu HEP Connectivity through LILO of one circuit of Teesta III HEP – Kishanganj 400kV D/c (Quad) line (subsequently LILOed at Rangpo S/s) as an interim arrangement. CTUIL has submitted that M/s SKPPPL has requested for the formalities required to schedule 96MW power under the GNA Regulations without affecting the operation of the plant. CTUIL has referred to a meeting among CEA, ERPC, CTU and ERLDC held on 26.06.2023 wherein they concluded that “96MW of power can be scheduled from Dikchu HEP (in Sikkim) of M/s SKPPPL under T-GNA in line with various provisions of the GNA Regulations, 2022, till competition/commissioning of final intra-State connectivity system of Dikchu HEP by Govt. of Sikkim i.e. LILO of one circuit of Dikchu Pool – Singhik 220 kV D/c line (operated at 132kV) at Dikchu HEP.

79. We have considered the submission of CTUIL. We have perused Order dated 03.12.2014 in Petition No. 157/MP/2014 which notes as follows:

“

The petitioner is a generating company and is in the process of establishing 96 MW Hydro Electric Project at Dikchu in the State of Sikkim (hereinafter “Dikchu project”). The power generated from the Dikchu project is intended for sale outside the State of Sikkim. The Dikchu project is scheduled for commercial operation in May, 2015.

3. The petitioner made an application to Power Grid Corporation of India Limited (PGCIL) on 13.9.2010 for grant of connectivity and long-term access (LTA) for



evacuation of power from the hydro project in accordance with the Central Electricity Regulatory Commission (Grant of Connectivity, Long term Access and Medium term Open access in inter-state transmission and related matters) Regulations, 2009 (Connectivity Regulations) for 96 MW power. **On 10.1.2011, PGCIL granted connectivity and LTOA to the petitioner.**

4. The petitioner has submitted that the connectivity was granted by PGCIL through LILO of Gangtok-Mangan 132 kV D/C transmission line which was to be constructed by Government of Sikkim under the comprehensive scheme and Master Plan for providing Long Term Open Access to different prospective power developers in Sikkim for evacuation of power outside the State of Sikkim. However the said transmission line got delayed and is expected to be not available for at least three years due to Forest and Environmental clearances and land acquisition. Accordingly, the above transmission line will not be available for evacuation of power from the petitioner's project at Dikchu in May, 2015.

.....

20. We have considered the submissions of the petitioner and the respondents. In view of the submission of CEA and PGCIL that there is no technical constraint in that interim arrangement, we are of the view that the proposed interim arrangement is the only possible arrangement to evacuate power from Dikchu HEP at present. Therefore, LILO of one circuit of 400 kV D/C Teesta III-Kisanganj transmission line at Dikchu is allowed as an interim arrangement. The issue of LTA/MTOA/STOA shall be taken up by CTU in Standing Committee/RPC meeting after system study.

.....

23.....PGCIL has stated that the LTA was granted to the petitioner through LILO of Gangtok-Mangan 132 kV D/C transmission line. LILO of Gangtok-Mangan 132 kV D/C line at Dikchu HEP was under the scope of the generation developer. However, E&PD, Govt. of Sikkim could not start work of Gangtok-Mangan 132 kV D/C transmission line due to certain reasons. PGCIL has stated that the above scheme was revised at the request of E&PD, Govt. of Sikkim in April, 2013. As per revised scheme, the connectivity to Dikchu HEP was planned through Dikchu HEP-New Gangtok (Bermiok)-Rangpo (Samardong) 220 kV D/C transmission line and Dikchu HEP Singhik 220 kV D/C transmission line, both to be implemented by E&PD, Govt. of Sikkim. However, E&PD, Govt. of Sikkim expressed its inability to implement the transmission system matching with commissioning of the generation projects..”

As per above, it is clear that power generated from the Dikchu project is intended for sale outside the State of Sikkim. Dikchu made applications for Connectivity and LTA to CTU in 2010 under the 2009 Connectivity Regulations, which was granted by CTU through “LILO of Gangtok-Mangan 132 kV D/C transmission line which was to be constructed by the Government of Sikkim”. The said line of Government of Sikkim got delayed due to which Dikchu approached the Commission for interim Connectivity through LILO of Teesta-III- Kishanganj line, which was allowed by the Commission in the stated Order.

80. CTUIL in its letter dated 13.09.2023 has submitted the current status of Dikchu as follows:

“The intra-state connectivity system (under the scope of Sikkim) was revised from original plan in the 1st meeting of ERPC-TP held on 14-02-2020, wherein following was decided in regard to Connectivity system of Dikchu HEP:

“the following scope of works in regard to connectivity system of Dikchu HEP was agreed:

- a. LILO of one circuit of Dikchu Pool-Singhik 220kV D/c (Twin Moose) line (to be initially operated at 132kV) – by Govt. of Sikkim*
- b. LILO of one circuit of Teesta-III – Rangpo/Kishanganj 400kV D/c (Quad) line at Dikchu HEP would be disconnected from Dikchu HEP switchyard and original Teesta-III – Rangpo – Kishanganj 400kV D/c (Quad) line would be restored by generation developer upon commissioning of above LILO.”*

LILO of one circuit of Dikchu Pool – Singhik 220kV D/c line (operated at 132kV) at Dikchu HEP is being implemented under Comprehensive Scheme (being implemented by POWERGRID under Consultancy). POWERGRID vide email dated 23-06-2023 has informed that the above scheme is expected by Dec 2023.

Presently, no LTA exists from Dikchu HEP, and ERLDC confirmed that power is being evacuated from Dikchu HEP under STOA only.”

81. We observe that since Dikchu was granted Connectivity by CTU and is currently connected to ISTS. In case Dikchu wishes to schedule its power under ISTS, it needs to obtain GNA under Regulation 37.6(1) of the GNA Regulations. Since the connectivity of Dikchu may get changed to intra-State connectivity by December 2023 as per the status given by CTU, the treatment of the same needs to be spelt out.
82. In case GNA to Dikchu can be granted under Regulation 37.6 (1) of the GNA Regulations, it shall deposit Conn-BG3 @ Rs 2 lakh/MW. In case augmentation is required to grant GNA to Dikchu which requires processing time by CTUIL, the power for the project should not be bottled up and shall be scheduled under T-GNA as per our directions in Issue No. 17 of this Order, on submission of Conn-BG3 @ 2 lakh/MW. Conn-BG3 shall be returned in terms of Regulation 37.6 of the GNA Regulations. Since Dikchu is meant for power sale outside the State, it may retain its GNA even when it gets connected to the intra-state system in which case it becomes an entity under regulation 17.1(vi) of the GNA Regulations. In case Dikchu does not wish to continue

with the GNA granted by CTU, on getting connected to an intra-State transmission system, it may seek a return of Conn-BG3 from CTU, in which case its GNA shall be cancelled.

Issue No.20: Change in requirement of Conn-BG3 in view of Order dated 05.09.2023 in Petition No. 199/MP/2023

83. CTUIL has submitted that generation projects which have completed five years from commissioning, their respective Conn-BG requirements shall become NIL in accordance with the said CERC Order dated 5.09.2023. CTUIL has submitted that JITPL with an Installed capacity of 1200 MW had an LTOA of 1044 MW, accordingly connectivity of 1044 MW was considered. It had applied for connectivity for a balance capacity of 156 MW and falls under Regulation 37.1 of the GNA Regulations. Since it is connected for more than five years both Conn-BG1 and Conn-BG3 would become NIL.
84. We have considered submissions of CTUIL. The contention of CTUIL generation projects which have completed five years from commissioning, their respective Conn-BG requirements shall become NIL in accordance with the said CERC Order dated 5.09.2023, is incorrect. The entities are required to submit Conn-BGs as per applicable clauses of the GNA Regulations. In the referred Order in Petition No. 199/MP/2023, the LTA was not effective since the transmission system was delayed, wherein the generating station had already obtained connectivity and LTA under the 2009 Connectivity Regulations.

An entity which had not obtained Connectivity or LTA under the 2009 Connectivity Regulations and has been COD for five years cannot be treated under Regulation 16 for return of Conn-BG or non-submission of Conn-BG. Such entities which are already COD as on date of coming into effect of the GNA regulations i.e. 5.4.2023, and connected to the system, such as referred case of JITPL, shall be treated under transition Regulation 37 of the GNA Regulations. The instant case where JITPPL is already connected to ISTS for full capacity, however, CTU has considered its connectivity quantum as 1044 MW based on LTOA of 1044 MW granted under the 2004 Regulations. It is observed that such entities have been transacting under STOA over and

above 1044 MW also. In a way, they are having Connectivity for the full quantum of connected capacity whereas CTU has recognised connectivity for 1044 MW. We are of the considered view that such entities, which apply for additional Connectivity (to be converted as deemed GNA) under Regulation 4.1 of the GNA Regulations for which they are already connected to the grid, shall be treated under Regulation 37.1 of the GNA Regulations for the purpose of submission of Conn-BGs and treatment of such Conn-BGs. Such additional connectivity quantum shall be treated as an application for additional GNA made under Regulation 37.1 of the GNA Regulations. Hence, the contention of CTU that for entities connected for more than five years both Conn-BG1 and Conn-BG3 would become NIL needs to be corrected in light of the directions above.

Directions under Power to Remove Difficulty

85. 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 below:

“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.”

86. Further, we have been vested with the power to issue Suo Moto orders and practice directions from time to time, as per the exigencies, with regards to the implementation of the GNA Regulations and matters incidental or ancillary thereto, as the case may be, as provided under Regulation 44 of the GNA Regulations. Regulation 44 of the GNA Regulations is extracted as below:

“44. Issue of Suo Moto Orders and directions

The Central Commission may from time to time issue suo moto orders and practice directions with regards to implementation of these regulations and matters incidental or ancillary thereto, as the case maybe.”

87. Considering the difficulties raised by CTUIL and RE developers under GNA Regulations, in the exercise of our powers under Regulation 42 read with

Regulation 44 of the GNA Regulations, we hereby issue the clarifications and the practice directions as discussed above on the issues in the foregoing paragraphs.

88. Accordingly, the Petition 11/SM/2023 is disposed of in terms of the above.

**Sd/
(P.K. Singh)
Member**

**Sd/
(Arun Goyal)
Member**

**Sd/
(I. S. Jha)
Member**

**Sd/
(Jishnu Barua)
Chairperson**

