

Comments and Suggestions on CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025.

Prayas (Energy Group), 3rd April 2025

CERC has proposed a draft regulation titled CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025 on 3rd March, 2025. The Commission has invited comments on it by 3rd April, 2025. The draft regulation has captured various issues such as connectivity with restricted access, Solar hour Connectivity and Non-Solar hour connectivity through the same transmission system, revision of solar hours by NLDC etc.

We have some comments on a few of the issues as detailed below.

1. Application for connectivity during non-solar hours

The Explanatory memorandum for the draft regulation, under the heading of 'Treatment of the existing entities' states that *"Existing Connectivity applicants, which are based on solar sources, may be in different stages of application viz, in-principle grant, final grant, GNA effective shall be converted into 'Entity with restricted Access' with injection scheduling rights for solar hours. Such an entity shall be given three months of time after the effectiveness of the proposed amended Regulations to seek approval for additional generation capacity (with or without ESS) or ESS, after which it shall be converted into an entity with restricted access considering such an application."*

After the expiry of three months, the balance connectivity quantum (released for non-solar hours) shall be made open for applicants based on Wind source /ESS for non-solar hours; the existing entity may also make an application under Regulation 5.2 or Regulation 5.11 to add additional capacity which shall be considered as per date and time stamp of the application, without any first priority to the existing entity."

Instead of considering applications on first come basis (linked to date and time stamp), immediately after the 3 month window, we suggest that an additional time of 15-30 days be given for applications after the CTU declares that the existing connectivity grantee has not exercised their right for non-solar hour connectivity. Such applications could be prioritised on the basis of two parameters, namely the type of resource and the timeline for commissioning. CTU may propose the following priority for resources, **1. Solar + ESS; 2. ESS; 3. Wind + ESS and finally 4. Wind.**

2. Revision of Solar Hours:

The National Load Dispatch Center (NLDC) is tasked with notifying the solar hours and non-solar hours for each state on a weekly basis, starting from the date of notification of these amendments. NLDC also retains the authority to revise the solar hours within the same week in case of unforeseen contingencies. However, the current provision lacks clarity regarding the specific timeframe within which revisions within a week can be made. The Commission should allow for enough time for generators to revise their schedules if such solar hours are re-defined within a week.

3. Changes in shareholding pattern of the Connectivity grantee:

A new clause has been proposed as below,

“(6) Any changes in shareholding pattern of the Connectivity grantee upto CoD of the project shall be subject to the following:

(a) The promoters of the Connectivity grantee shall not cede control (where control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Company.

(b) In case the Connectivity grantee has multiple promoters (but none of the shareholders have more than 50% of voting rights and paid-up share capital), the shareholding pattern shall be maintained and cannot be changed upto COD of the project.

(c) Any change in shareholding pattern other than covered in sub-clauses (a) and (b) shall require prior approval of the nodal agency and shall be filed for information of commission within 45 days of such approval. Nodal Agency may allow such application considering the practical requirement for change in shareholding.

Instead of disallowing any change in shareholding pattern, we suggest that the Commission consider higher Bank Guarantees and or higher norm (>50%) of land use rights.

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