CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 5/SM/2026

Coram:
Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Date of Order: 14.08.2026

In the matter of:

Procedure for levying compensation charges for permitting additional time to achieve milestones under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

ORDER

The Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (hereinafter referred to as “the Principal Regulations”) were notified on 7th June, 2022, the first amendment, second amendment, and third amendment to the Principal Regulations were notified on 1st April, 2023, on 19th June 2024 and on 31st August 2025, respectively (hereinafter collectively referred to as “GNA Regulations”).

2. As per the provisions of the GNA Regulations, the Connectivity Applicants are required to achieve various milestones, viz (i) submission of land documents for 50% of the land required for the Connectivity sought, (ii) Achieving Financial Closure, (iii) Achieving CoD of the project. Failure to achieve the milestones by the specified timelines results in revocation of the Connectivity granted to the corresponding entity.

3. We have perused the extant regulatory provisions under the GNA Regulations, the various milestones that an entity needs to fulfil by the specified timelines, and the consequences in case of failure to adhere to those timelines. The same are quoted as under:

“*11.A. Conditions subsequent to be satisfied by the Connectivity Grantee which is REGS* *(other than Hydro generating station) or ESS (excluding PSP) or Renewable power park developer*

(1) An applicant which is REGS (other than Hydro generating station) or ESS (excluding PSP) covered under sub-clause (c) of Clause (xi) of Regulation 5.8 or Renewable power park developer covered under sub-clause (c) of Clause (vii) Regulation 5.8, shall submit documents for land in terms of sub-clause (b) of Clause (xi) or sub-clause (b) of Clause (vii) of Regulation 5.8 of these regulations, as the case may be, within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier. The Bank Guarantee submitted under subclause (c) of Clause (vii) or under sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be returned within 7 days of acceptance of the submitted land documents by the Nodal Agency.

Provided that, in case final grant of Connectivity has been intimated at an ISTS substation where neither the final coordinates nor the tentative coordinates are communicated along with final grant of Connectivity by the Nodal Agency, the applicant shall furnish the required land documents by later date of subclause (a) or (b) specified below:

(a) within 18 months of issuance of an in-principle grant of Connectivity or within 12 months of issuance of a final grant of Connectivity, whichever is earlier, or
(b) within nine months from date of communication of tentative coordinate of the substation at which Connectivity has been granted in terms of clause (b) of Regulation 10.5 of these regulations.

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

Provided that such an applicant shall submit proof of Financial Closure of the project (with a copy of the loan sanction letter or proof of first disbursal of the loan amount) or a copy of board resolution (if internal funding is planned for 100% of the project cost) to CTU within 15 days of achieving the financial closure:

Provided further that in case of REGS (other than Hydro generating station) or ESS (excluding PSP) which has been granted Connectivity under sub-clause (a) of Clause (xi) of Regulation 5.8, the scheduled date of commercial operation for the purpose of this Clause shall be considered as the SCOD, as extended by REIA or a distribution licensee or an authorized agency on behalf of distribution licensee from time to time, subject to the condition that any extension in the timeline to achieve the milestone of Financial Closure due to extension in SCOD shall not be allowed more than 12 months from the original timeline as per initial SCOD:

Provided also that entities which have been granted Connectivity under sub-clause (b) or (c) of Clause (xi) of Regulation 5.8 and are subsequently covered under sub-clause (a) of Clause (xi) of Regulation 5.8 shall be required to achieve financial closure for the capacity of such Connectivity, latest by 6 months prior to the firm start date of Connectivity of such applicant.
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11B Consequences of non-fulfillment of conditions under Regulation 11A

(1) If the Connectivity grantee covered under clause (xi)(c) of Regulation 5.8 or Renewable power park developer covered under clause (vii)(c) of Regulation 5.8 of these regulations, fails to submit the documents in accordance with Clause (1) of Regulation 11A

of these regulations, its Connectivity shall be revoked, Bank Guarantee submitted in terms of sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations in lieu of land shall be encashed and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.

(2) If the Connectivity grantee fails to achieve the financial closure within the stipulated time or fails to submit the copy of financial closure within the stipulated time as per Clause (2) of Regulation 11A of these regulations, Connectivity shall be revoked, Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be encashed, and Conn-BG1, Conn-BG2 and Conn-BG3 shall be treated in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.

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24.6 Revocation of Connectivity (1)

(a) Connectivity shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA has been made effective in terms of Clause (a) of Regulation 22.4 of these regulations and the Connectivity grantee fails to achieve COD either in full or in parts on or before,

> *(i) the scheduled date of commercial operation of the generation project, for cases covered under clause (xi)(a) of the Regulation 5.8, as intimated at the time of making application for grant of Connectivity or as applicable on signing of PPA or as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be, whichever is later.*
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> *(ii) six months after, the scheduled date of commercial operation as intimated at the time of making application for grant of Connectivity or firm start date of connectivity, whichever is later, for cases covered under clause (xi)(b) or (xi)(c) of the Regulation 5.8 of these regulations.*
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> *(iii) for cases covered under Clause (xi)(a) of the Regulation 5.8 of these regulations but are subsequently covered under clause (xi)(b) or (xi)(c) of Regulation 5.8 under Regulation 11A of these Regulations, scheduled date of commercial operation for the purpose of Clause (ii) of this Regulation shall be the firm start date of Connectivity or the six months from the date of approval by CTU for such conversion from Clause (xi)(a) to Clause (xi)(b) or (xi)(c) of Regulation 5.8 of these Regulations, whichever is later.*

(b) In case of Applicants which have been granted Connectivity under clauses (xi)(b) or (xi)(c) of the Regulation 5.8 but are subsequently covered under clause (xi)(a) of the Regulation 5.8, the last date for declaration of COD shall be the SCOD of the project or as extended or delayed commissioning permitted by the Renewable Energy Implementing Agency or the distribution licensee or the authorized agency on behalf of distribution licensee, as the case may be.

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(d) Connectivity granted to a Renewable Power Park developer shall be revoked for the corresponding capacity, if the Connectivity and corresponding GNA has been made effective in terms of clause (a) of Regulation 22.4 of these regulations and the generating station(s) within the Power park fails to achieve COD on or before the date in terms of sub-clause(a)(i) or sub-clause(a)(ii) of clause (1) of Regulation 24.6 of these regulations, as applicable.

(2) In case of revocation of Connectivity under sub-clauses (a) to (d) of Clause (1) of this Regulation, Conn-BG-1, Conn-BG2 and Conn-BG3 shall be dealt with in terms of regulation 24.2 or regulation 24.3 of these regulations, as applicable.

(3) For cases where neither final coordinates nor tentative coordinates of the ISTS

substation at which Connectivity has been granted are communicated along with final grant of Connectivity, the applicant shall be given twelve months from date of communication of tentative coordinate of the substation at which Connectivity has been granted in terms of clause (b) of Regulation 10.5 of these regulations for achieving COD. The date of revocation of Connectivity due to non-achievement of COD shall be as calculated in terms of Clause (1) or Clause (3) of Regulation 24.6 of these regulations, whichever is later."

4. As per the above provisions, where requisite land documents/ Financial Closure documents have not been furnished, or COD of the project has not been achieved by the specified timeline, Connectivity is to be revoked. A number of entities that were either served revocation notices or, in anticipation of getting such notices for failure to achieve the milestones, have filed Petitions before the Commission seeking additional time to achieve the milestones. The entities seeking such time are at various stages of implementation of the project, including some at an advanced stage of implementation. A number of such cases have been disposed of by this Commission, giving additional time on payment of compensation. It is noted that there is an immediate requirement to handle such cases uniformly, in which entities have made progress towards project implementation and are seeking additional time to meet the milestones under the GNA Regulations. It is noted that such entities have been holding on to the Connectivity, a scarce resource; therefore, additional time should be allowed, with payment of compensation, irrespective of the reasons for such delay, in a graded manner to ensure the earliest compliance with the milestones.

5. In order to handle such cases uniformly, a Compensation Procedure, defining the eligibility criteria for obtaining additional time to achieve the respective milestones under the GNA Regulations and calculation of the applicable compensation charges, was proposed vide draft Order dated 15.4.2026 under this petition, on which comments/ suggestions/ objections from stakeholders were invited by 30.4.2026.

6. In response to the draft order dated 15.04.2026, comments from 42 nos. of stakeholders, including the RE Developers, DISCOMs, CTU, Associations and others, have been received. The list of stakeholders who filed written comments is attached at **Appendix-I**. Subsequently, a Public hearing in this matter was conducted on 19.05.2026 via online video conferencing. The list of stakeholders who presented during the Public Hearing is attached as **Appendix-II**. The written comments and presentations made during the Public Hearing are available at www.cercind.gov.in.

7. After careful consideration of the comments of stakeholders and oral

submissions/ presentation made during the public hearing, the "Procedure for levying the compensation charges for permitting the additional time to achieve the milestones under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022" has been finalised, which is attached as **Annexure-I.** Also, the analysis of the issues raised by the stakeholders and findings thereon have been discussed in **Annexure-II** of this order.

8. Regulations 41 and 44 of the GNA Regulations provide as under:

"41. Power to Relax

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

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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 may be."

As per the above, this Commission, under Regulation 41 of the GNA Regulations, is vested with the power to relax any of the provisions under the GNA Regulations, and under Regulation 44 is vested with the power to issue suo moto orders and practice directions with regard to implementation of the GNA Regulations and matters incidental or ancillary thereto.

9. Considering the above discussions and in larger interest of the Sector to ensure optimum utilization of the connectivity & associated transmission system, to facilitate the developers to meet the milestones with payment of compensation and finally commission the project, we hereby invoke our powers under Regulations 41 of the GNA Regulations to relax the provisions under Regulation 11A, Regulation 11B, Regulation 24.6 and the other associated Regulations, and issue this Order under Regulation 44 of the GNA Regulations, with a detailed procedure at **Annexure-I** to this Order. This shall become effective from the date of issuance of this Order.

Sd/-	Sd/-	Sd/-	Sd/-
(Ravinder Singh Dhillon)	**(Harish Dudani)**	**(Ramesh Babu V.)**	**(Jishnu Barua)**
Member	**Member**	**Member**	**Chairperson**

Annexure-I

Procedure for levying the compensation charges for permitting the additional time to achieve the milestones

A. Eligibility to avail relaxation in various timelines

(1) An entity, which has been issued an in-principle or final grant of Connectivity, shall be considered for relaxation in the timelines to achieve the milestones under the GNA Regulations, on satisfying the following criteria:

i. Eligibility for consideration of additional time to meet the compliance with Regulation 11A (1), to submit the land documents:

a) Entity shall furnish the land documents, in terms of the provision under the GNA Regulations, for at least 20% of the land required for the capacity for which in-principle or final grant of connectivity has been intimated, at least fifteen (15) working days prior to the last date to comply with Regulation 11A(1).

ii. Eligibility for consideration of additional time to meet the compliance with Regulation 11A (2), to achieve and furnish the Financial Closure (FC):

a) Entity under the Land BG route or LOA/PPA route shall furnish the land documents, in terms of the provision under the GNA Regulations, for at least 20% of the land required for the capacity for which in-principle or final grant of Connectivity has been intimated, at least fifteen (15) working days prior to the last date to comply with Regulation 11A(2).

iii. Eligibility for consideration of additional time to meet the compliance with Regulation 24.6:

a) Entity under Land BG or Land route shall furnish land documents, in terms of the provision under the GNA Regulations, for 75% of the land required for the capacity for which in-principle or final grant of Connectivity has been intimated;

b) Entity under the LOA/PPA route shall furnish the land documents, in terms of the provision under the GNA Regulations, for 50% of the land required for the capacity for which in-principle or final grant of Connectivity has been intimated; and

c) Entity shall furnish details of the contracts executed for supply of major/key equipment, civil and electrical work separately or under EPC.

d) Entity shall furnish the documents as per sub-clauses (a) to (c) of this Clause, at least fifteen (15) working days prior to the last date to comply with Regulation 24.6.

iv. CTUIL shall scrutinise the documents furnished by the entity/applicants in support of meeting the specified eligibility criteria under the sub-clauses (i) to (iii) of Clause A(1) above and intimate the deficiencies, if any, to the entity within seven (7) working days of the receipt of the documents. The Applicant shall rectify the deficiency within seven (7) working days thereafter, failing which such entity shall not be eligible to seek additional time to meet the milestones under this Order.

v. CTUIL shall scrutinize whether the documents, after removing the deficiency satisfies the eligibility criteria, within seven (7) working days of furnishing the documents removing deficiency by the entity, and intimate the permission of allowing additional time and corresponding MEC (for the time period, already passed, beyond the last due date of compliance and the advance payment for next fifteen (15) days). The corresponding entity shall furnish such MEC within three working days from the intimation by the CTUIL, failing which the application seeking additional time shall be closed and the corresponding Connectivity shall be treated in terms of the GNA Regulations. In case the deficiency is not rectified within the specified timeline, CTUIL shall process the case as per the GNA Regulations.

B. Milestone Extension Charges (MEC) towards allowing relaxation in the various timelines

(1) MEC @ Rs. 1000/- per MW per day (base rate) for the additional time for submission of land documents or Financial Closure documents or of the project

(2) MEC @ Rs. 3000/- per MW per day (base rate) for the additional time for achieving the CoD of the Project.

i. Milestone Extension Charges towards allowing additional time for the submission of the land document

a) MEC @ Rs. 1000/- per MW per day (base rate) for additional time for submission of land documents for the first month.

b) Increase in base rate of the MEC, as specified for the first month, by 10% for the second month and 20% for the third month, i.e., MEC for the second month shall be @ Rs. 1100/- per MW per day and for the third month shall be @ Rs. 1200/- per MW per day.

c) Maximum allowable additional time to furnish the land documents corresponding to 50% of the Connectivity quantum shall be three (3) months. If an entity fails to comply with the land requirement within these three (3) months, Connectivity shall be revoked, Land BGs shall be encashed, and the Conn-BGs shall be treated in terms of Regulation 24.2 or Regulation 24.3, as applicable, of the GNA Regulations (as provided under Regulation 11B(1) of the GNA Regulations).

d) The MEC shall be paid on a per day basis, and the same shall be paid fifteen (15) days in advance, failing which Connectivity shall be revoked and treatment of BGs shall be as per sub-clause (c) above. However, the entity may choose to pay the MEC in advance for its estimated additional time, i.e. for more than fifteen (15) days. Further, if the entity furnishes the required land document within these extended days, the MEC equivalent to the remaining days shall be returned by the CTUIL to the concerned entity, without any interest, within fifteen (15) days from such compliance.

ii. Monthly Extension Charges (MEC) towards allowing additional time for achieving Financial Closure

a) MEC for allowing additional timeline to achieve the FC shall be levied @ Rs. 1000/- per MW per day (base rate). This rate shall be applicable for the first three (3) months of additional time.

b) Increase in the base rate of MEC, as specified for the first three (3) months, by 10% for the fourth month, 20% for the fifth (5^{th}) month, 30% for the sixth (6^{th}) month, i.e., MEC for the fourth (4^{th}) month shall be @ Rs. 1100/- per MW per day, and for the fifth (5^{th}) month shall be @ Rs. 1200/- per MW per day and for the sixth (6^{th}) month shall be @ Rs. 1300/- per MW per day.

c) If an entity fails to comply with the FC requirement within these six (6) months, the connectivity shall be revoked, land BGs shall be encashed, and the Conn-BGs shall be treated in terms of Regulation 24.2 or Regulation 24.3, as applicable, of the GNA Regulations (as provided under Regulation 11B(2) of the GNA Regulations).

d) MEC shall be paid on a per-day basis, and the same shall be paid fifteen (15) days in advance, failing which connectivity shall be revoked and treatment of BGs shall be as per above sub-clause (ii)(c). However, the entity may choose to pay the MEC in advance for its estimated additional time, i.e. for more than fifteen (15) days. Further, if the entity achieves financial closure within these extended days, the MEC, equivalent to the remaining days, shall be returned by CTUIL to the concerned entity without any interest within fifteen (15) days of such compliance.

b) Maximum allowable additional time shall be six (6) months beyond the original timeline to achieve the Financial Closure (FC).

iii. Milestone Extension Charges (MEC) towards allowing additional time for achieving the CoD of the project

a) MEC for allowing the additional timeline to achieve the CoD of the project shall be levied @ Rs. 3000/- per MW per day (base rate).

b) The base rate shall be levied for the additional time of six (6) months. The compensation shall be payable for the capacity that has not achieved COD in MW multiplied by the number of days.

c) For additional time from seven (7) months up to nine (9) months, the base rate shall be escalated by 10% each month. i.e., MEC for the seventh (7^{th}) month shall be @ Rs. 3300/- per MW per day, for the eighth (8^{th}) month shall be Rs. 3600/- per MW per day, and for the ninth (9^{th}) month shall be @ Rs. 3900/- per MW per day.

d) For additional time from the tenth (10^{th}) month up to the twelfth (12^{th}) month, charges towards compensation shall be payable on a per-day basis @ 200% of the base rate. i.e., Rs. 6000/- per MW per day.

e) If an entity fails to achieve the CoD for a full or part quantum of the project, connectivity for the proportionate quantum of connectivity shall be revoked, and BGs shall be treated in terms of Regulation 24.6 of the GNA Regulations.

f) The MEC shall be paid on a per-day basis, and the same shall be paid fifteen (15) days in advance, failing which connectivity shall be revoked, and treatment of BGs shall be as per sub-clause (e) above. However, the entity may choose to pay the MEC in advance for its estimated additional time, i.e.

for more than fifteen (15) days. Further, if the entity achieves the CoD of the project within these extended days, the MEC equivalent to the remaining days shall be returned by CTUIL to the concerned entity, without any interest, within fifteen (15) days from such compliance.

g) Maximum allowable additional time shall be twelve (12) months from the stipulated timeline.

(3) If the entity seeks additional time for more than one milestone, the compensation charges are required to be paid separately for each such milestone. However, if the entity achieves the COD of the capacity of the generation project for the full or part quantum of Connectivity by the last date to comply Regulation 24.6 plus extended timeline of up to two months (as provided under clause B(5)) 50% of the amount paid towards the MEC, corresponding to the capacity which achieved COD on time, for seeking additional time for land or FC document compliances, shall be returned, without any interest, to the entity within one month of the declaration of CoD of such capacity.

(4) In case the entity achieves the particular milestone compliance within the extended days sought by such entity and the corresponding MEC has been paid in advance, such entity may choose, by making a written request to CTUIL, to keep the balance amount of MEC with the CTUIL, for adjustment of the such balance amount against the MEC for the additional time sought by the entity for any other milestones, if any.

(5) For such cases, where the revocation date is triggered under Regulation 24.6 within a period of two (2) months from the GNA effective date, the timeline to achieve COD shall be extended such that the entity gets at least two (2) months beyond the GNA effectiveness date to achieve COD and for this extended period, no MEC charges shall be applicable. The total extended time shall be limited to twelve (12) months, which shall include the extended time for which no MEC was payable.

(6) The entity that wishes to seek additional time to comply with requirements of meeting milestones as per the GNA Regulations shall approach the Nodal Agency in advance along with documents satisfying the eligibility criteria, as per provisions of this Annexure. The Nodal Agency shall allow additional time to meet the milestones for entities that satisfy the eligibility criteria, upon payment

of the MEC.

(7) The entity which does not meet the eligibility criteria mentioned under this procedure, no additional time shall be allowed to such entity to meet the milestones and the connectivity shall be treated in accordance with the GNA Regulations.

(8) The 'month' in respect of this Order shall mean a period of '30 days' irrespective of the number of days in the month.

(9) Irrespective of the additional time allowed under the above clauses, there shall not be any change in the firm start date of connectivity, and the corresponding entity shall be liable for payment of the applicable mismatch charges in terms of the Sharing Regulations, 2020.

(10) Any additional time permitted to meet the milestones under this Annexure is entirely at the cost and risk of the entity and shall not entitle the entity to modify, dilute, or override the terms of the PPA.

(11) 50% of the MEC amount received from an entity towards allowing additional time for the submission of the land document and achieving the Financial Closure and 100% of the MEC amount received towards allowing additional time to achieve COD, shall be used to reduce the monthly transmission charges under the Sharing Regulations, 2020. Further, CTUIL shall keep the remaining 50% of the MEC amount received from such an entity towards allowing additional time for the submission of the land document and achieving the Financial Closure, in a separate account. CTUIL shall (i) return this amount kept in a separate bank amount to the entity eligible for return in terms of above clause (B)(3) of this Annexure, or (ii) use the balance amount of the MEC paid by the corresponding entity which does not falls under clause (B)(3) of this Annexure, to reduce the monthly transmission charges under the Sharing Regulations, 2020. Further, after completion of each financial year, any interest accrued in such bank account shall also be used to reduce the monthly transmission charges under the Sharing Regulations, 2020.

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Analysis & Decision on the comments of stakeholders

1. General comments

1.1. MPPMCL has commented that the proposal to grant extension irrespective of reasons effectively converts an exceptional power into a routine mechanism, which is legally unsustainable. The extension must be case-specific and based on demonstrable reasons such as force majeure, transmission readiness delay, or statutory approvals. Further, the grant of extension under the proposed procedure should be without prejudice to the contractual rights and obligations under PPAs/PSAs, including the levy of Liquidated Damages. It is also necessary to clarify that the proposed procedure shall not override or prejudice the jurisdiction of State Commissions or the enforceability of the PPA provisions approved by them.

1.2. NTPC also suggested that a clarification by the Commission confirming that the Milestone Extension Procedure does not modify, dilute, or override the terms of the PPA would provide regulatory certainty, and ensure uniform and consistent implementation.

1.3. Blue Pine has commented that an express carve-out for delays caused due to uncontrollable factors akin to Force Majeure may be allowed by CERC to consider genuine cases of difficulty or FM-like reasons for delay in project execution, and that the developer's right to approach CERC under Regulations 42 and 43 should not be extinguished. Similarly, SPDA has commented that the framework must explicitly preserve the right of developers to approach CERC under Regulations 41 and 42 for case-specific relief, especially in cases involving uncontrollable delays. The proposed framework effectively replaces a judicial mechanism with an administrative process.

1.4. Hero Future Energy has commented that the MEC framework should apply prospectively to new applications submitted after the date of coming into force of the final procedure. In the alternative, existing connectivity grantees should be provided suitable transition protection before the proposed MEC framework is applied to them.

1.5. Mahindra Susten has commented that once it has been determined that the delay is not attributable to the developer, or is caused by force majeure events, or when an SCoD extension has been approved by the competent authority, it should be exempted from payment of compensation charges. Furthermore, the connectivity start date should be aligned with the extended SCoD or the duration of the delay without any liability, including the proposed compensation charges or the transmission charge on account of any mismatch.

1.6. MSEDCL and AIDA have commented that change in law or force majeure benefits should not be allowed pertaining to the extended period, as such extension is sought by the developer. It should also be clarified that the levy of Milestone Extension Charges (MEC), being compensatory/penal in nature, shall not qualify as a 'change in law' event and should not be eligible for any tariff adjustment or pass-through. Further, in cases where a developer seeks an extension that might lead to the loss of ISTS (inter-State Transmission System) transmission charge waivers, MSEDCL demands that the developer obtain prior consent from the DISCOM before approaching the Nodal Agency (CTUIL).

Analysis and Decision

1.7. With regard to MPPMCL's comment, it is clarified that the extension of time by payment of MEC is an optional facilitative mechanism, carved out in exercise of the power to relax under Regulation 41 read with Regulation 44 of the GNA Regulations, in the backdrop of a number of cases seeking such extension. Such an extension is permissible only if the entity satisfies the eligibility criteria, viz., demonstrates the progress of the Project, and it is not a routine mechanism. It facilitates the extension of milestones with certainty on payment of compensation charges, irrespective of the reasons for the delay. Also, opting for additional time is the sole choice of the entity, and in case the mechanism is not opted for, the connectivity shall be governed in terms of the GNA Regulations.

1.8. The proposed procedure shall not override or dilute any of the provisions of the PPA, including the provisions of LD. An entity can approach the Commission in terms of the Act and the Regulations therein.

1.9. With regard to the suggestion for applying the framework on new applications only, it is clarified that the proposed procedure shall be applicable from the date of notification of this order to all eligible entities. The proposed mechanism provides an entity with the opportunity to seek an extension of time. An entity may choose not to seek any extension under this mechanism and continue to be governed in terms of GNA regulations.

1.10. The suggestion that MEC should not be applicable for the delay in achieving CoD due to reasons not attributable to the developers is not acceptable. It is clarified that MEC, which is a facilitative mechanism provided to the entity to seek an extension after satisfying the eligibility criteria, is payable irrespective of the reasons for the delay. Considering that connectivity is a scarce resource where one entity having connectivity on a particular transmission system results in the other entity not getting connectivity on such transmission system. Hence, the developers are required to meet the milestones to demonstrate the seriousness for developing the project.

1.11. In respect of the comments of AIDA and MSEDCL, it is clarified that any payment made towards MEC by the entity is due to failure of such entity to comply with the stipulated timelines and its choice to seek extension of time under this mechanism, and therefore, shall not be construed as a change in law. With regard to the suggestion that prior consent of the DISCOM is to be obtained before approaching the Nodal Agency (CTUIL) in case of issue of ISTS waiver, it is clarified that the grant of Connectivity and achieving the milestones are under the GNA Regulations and irrespective of the terms of the PPA. Hence, for the timely implementation of the project under the current context, the consent of the Discom is not required. In any case, as already clarified, this order does not override any terms of the PPA.

2. Comments received on Clause A (Eligibility criteria) of Annexure-I of the draft Order

2.1. Many of the RE Developers have suggested removing the minimum land eligibility criteria for seeking additional time to achieve the various milestones. Some Developers have suggested considering an Agreement to Lease (ATL) or an Agreement to Sale (ATS), a legal document for compliance of land.

2.2. Torrent Power has commented that considering the practical challenges faced by developers due to land being available in a fragmented or varying parcel size, any land availability beyond 19.5% should be rounded off to 20%.

2.3. Ib Vogt Solar and Sh. Sudhanshu Vishwakarma have commented that the Procedure does not explicitly specify the timeline by which the 20% land documents are required to be furnished to avail the option of seeking an extension for compliance. It has been suggested that the Applicants under the Land-BG route should be required to submit the requisite land documents at least 15 days prior to the last date of submission of land documents.

2.4. Comments on the minimum eligibility for availing additional time to comply with the milestone for submission of land documents

2.4.1. RE developers have suggested reducing eligibility to 10% in place of 20%. SAEL has commented that the land eligibility criteria should be relaxed, since in many cases the application for connectivity is made soon after the issuance of the LoA; however, there is a significant delay in signing the PPA and/or approval of the PPA/PSA. This may prevent the developer from obtaining an extension in SCOD as well as achieving financial closure, thereby preventing the developer from acquiring land to this extent.

2.4.2. DISCOMs have suggested increasing the land eligibility criteria to 30-40% minimum. Aditya Birla Renewable has suggested increasing it to 50% as specified under the GNA Regulations.

2.5. **Comments on minimum eligibility for availing additional time to comply with milestone for Financial Closure Document**

2.5.1. Some Developers have requested complete relaxation on land requirement criteria, while DISCOMs have suggested that land threshold for FC eligibility should be minimum 50-60%.

2.5.2. Clean Max has suggested a uniform land documents threshold @ 25% for availing additional timeline to submit the FC documents for both Land/ Land BG route and LOA/PPA route.

2.6. **Comments on minimum eligibility for availing additional time to comply with milestone for achieving CoD:**

2.6.1. Many of the RE Developers have suggested reducing the land eligibility criteria to 50%, uniformly for Land/Land BG and LoA/PPA route. Some of the developers have suggested reducing it to 75 - 80%. NSEFI has suggested reducing the land threshold to 50% for the land BG route and 25% for the LoA route. Clean Max has suggested a uniform land documents threshold @50% to achieve the COD, for both the Land/ Land BG route and LOA/PPA route.

2.6.2. Sembcorp has commented that land held through sub-lease arrangements, or assignment from parent, subsidiary, or affiliate entities, should also be duly recognised for meeting the land requirement for both the Land and Land BG route.

2.6.3. DISCOMs have suggested that physical progress benchmark @50-60% minimum along with third party verification should be incorporated. MSEDCL and AIDA have also suggested that First Time extension of 6 months should only be given if at least 50% progress has been achieved; second time extension of 6 months may only be given if at least 75% progress has been achieved; and after lapse of the second time extension, developer has to apply afresh for connectivity.

2.6.4. Serentica has commented that the compensation penalty should only be on capacity, which has not got First-time Charging, instead of COD as proposed, as the capacity undergoing first time charging eventually undergoes (within 7 days) trial run injecting infirm power. COD takes time as PPC testing also needs to be done, followed by RLDC successful trial run certification. The transmission system is utilised; hence, concern of squatting does not arise.

2.6.5. Sprng Energy has commented that Project execution is not necessarily done in 'EPC mode'. The entity can share contracts executed for the supply of major/key equipment, as well as contracts signed for the execution of major civil and electrical work.

2.7. NSEFI has commented that for LOA/PPA route developers holding multiple Connectivity Grants under a single PPA or commercial arrangement, eligibility for milestone extensions should be assessed on a consolidated basis at the PPA capacity level, not per individual Connectivity Grant.

2.8. **Analysis and Decision**

2.8.1. Some of the stakeholders have suggested to remove or reduce the land eligibility criteria whereas some are suggesting to increase the same. We are of the view that the GNA Regulations provide sufficient time to furnish the requisite land documents, and the additional time under the instant order has been formulated in light of cases where the entity has already arranged some of the land documents and is seeking additional time to arrange the balance land documents. If an entity has not acquired any land and is seeking additional time to furnish the entire land documents, which itself is 50% of the land required, it raises a question on the seriousness of the entity towards the project implementation. Therefore, the suggestion to remove the minimum land eligibility criteria and the suggestion to lower the land criteria to seek additional time to meet the land documents milestones are not acceptable.

2.8.2. We also note that the timeline for the submission of FC Documents is *inter alia* 6 months prior to the firm start date of Connectivity, and therefore, a developer serious towards the project implementation should have arranged certain land, which is the basic requirement for project development. Hence, a complete relaxation of the requirement of the land documents, while seeking extension of FC milestone, is not acceptable. However, considering the stakeholders' suggestions, the eligibility criteria for land compliance has been made as 20% land, out of the total land required for the project, uniformly for all applicants for FC milestone.

2.8.3. Stakeholders have suggested reducing the proposed minimum land eligibility criteria for seeking additional time to achieve COD. Considering the same, land eligibility is reduced to 75% in place of 100% for entities under Land or Land BG route.

2.8.4. In respect of stakeholders' suggestion to consider Agreement to Lease and other forms of land documents as eligible documents, it is clarified that the documents as provided under the GNA Regulations read with the Detailed Procedure issued by the Nodal Agency, shall be the eligible documents.

2.8.5. The suggestion of SAEL to relax the eligibility criteria for seeking extension of submission of land documents, on the ground of delay in signing or approval of the PPA, is not acceptable. Once a developer has applied for and is granted connectivity, the Connectivity gets blocked for such entity. The developer should take steps to start implementing the project and demonstrate its seriousness towards such project by meeting the eligibility criteria.

2.8.6. Before allowing any milestone extension, it is necessary to verify the eligibility after duly checking the documents furnished, to establish the eligibility of seeking extension and in case of any deficiency in such documents, the concerned entity should be given a chance to correct the same. Accordingly, considering the suggestions of Ib Vogt Solar and Sh. Sudhanshu Vishwakarma, the timeline for furnishing the documents and their processing, including deficiency removal, has been clearly incorporated under Clause A(1) of the Annexure-I of this order.

2.8.7. Serentica's suggestion to consider first-time charging as achieving the milestone as COD is not acceptable, as the milestone is the COD as per the GNA Regulations.

2.8.8. The suggestion of Torrent Power to consider rounding off the decimal is not acceptable, as the entity should meet the minimum eligibility. An entity can always furnish documents for more than the minimum eligibility of 20% in cases of fragmented land issues for wind projects, etc.

2.8.9. Considering the suggestion of Sprng Energy, contracts executed for supply of major/ key equipment, contracts signed towards execution of major civil and electrical work have been included, in addition to EPC.

2.8.10. In respect of NSEFI comment, it is clarified that the eligibility for milestone extension shall be considered for individual Connectivity grant issued by the Nodal agency, irrespective of the cases whether such multiple Connectivity grants are taken by the entity for a single PPA.

3. Comments received on Clause B (1) (MEC towards allowing additional time for the submission of the land document) of Annexure-I of the draft order

3.1. Many stakeholders have suggested that MEC calculations should be made by considering a 300 MW benchmark in place of 100 MW, which will result in around Rs.600–Rs.900/MW/day (as per scope of terminal bay). Alternatively, MEC rates be computed on a case-specific basis dynamically linked to the actual BG amounts submitted by the specific Connectivity Grantee, rather than a uniform industry-average figure derived from an unrepresentative 100 MW base.

3.2. SECI has suggested a flat MEC of Rs.100/MW/day for additional time for land and FC compliance. Further, SECI and Azure Power have also suggested that MEC should be levied only on the outstanding (unfulfilled) quantum of land arrangement, not on the total project capacity.

3.3. Many stakeholders have suggested that MEC should be fixed at Rs.750/MW/day. NLC India has suggested a uniform MEC @ 1000/MW/day for land milestones. Some of the stakeholders have suggested that MEC should be without monthly escalations.

3.4. Some Stakeholders have commented that there should not be any penalty, or only a nominal and notional charge may be levied for delays not attributable to the developer (including force majeure). Further, for delays attributable to the developer, the maximum MEC should be limited to ₹5,000/MW per month.

3.5. Some stakeholders have suggested linking the MEC with daily transmission charges corresponding to RE rather than BGs, which may be calculated as under:

NC-RE for the billing month of June 2026 is provided as under

₹ 5,19,62,49,967 / 1,23,650 = ₹ 42023.8574 (per MW /Month) =1355.608303 (per MW per day) =50% X 1355.608303 = 677.8042/- = ~ Rs 700 per MW per day

3.6. Azure Power and Jindal India have suggested that MEC for land & FC be based on actual opportunity cost (e.g., a percentage of transmission charges or interconnection BG value), and keep rates differentiated by project size. Azure Power has suggested indicative MEC may be considered in the range of ₹700-1000/MW/day. NSEFI and Azure have suggested that Land compliance should be done from 12 months prior to the effectiveness of connectivity and any MEC should be applicable after this date; MEC may be applied only to residual capacity.

3.7. SPDA has commented that MEC computation methodology may be reviewed and decoupled from BG exposure, and instead aligned with actual or estimated system costs, or demonstrable loss, with provision for waiver/reduction in no fault cases.

3.8. ReNew has suggested that the calculation methodology for MEC should be linked to 5% of Conn-BG3, and the corresponding amount should be spread across the full 3-month extension period. Further, the entity should apply for an extension at least 15 days in advance of the original milestone date, but the applicable MEC should be payable only upon achievement of the milestone, based on the actual number of days of delay. In case of non-payment of such MEC within the period specified by the Nodal Agency, the corresponding BG can be liable to be encashed.

3.9. Leo Energies has commented that MEC should be considered at 10% of the proposed rates, i.e., MEC Rs. 150 per MW per day for the additional time granted for submission of financial closure and 50% land documents.

3.10. DISCOMs have suggested that the compensation structure should be more stringent and the escalation should be at least 15% per month. MPPMCL has also suggested that after the 1st month, an escalation of 25-30% per month over the base MEC @Rs.1500/MW/day should be levied thereafter for both land and FC compliance. Connectivity should be revoked beyond 3 months.

3.11. Stakeholders have suggested extending the maximum timeline for land compliance from 3 months to 6 months; some stakeholders have also suggested increasing it to 9 to 12 months. Further, escalation should be levied after the first 3 months, similar to the case of FC and COD milestone extensions.

3.12. Waaree has commented that separate extension periods for land compliance and financial closure compliance, based on the project capacity or a band of the project capacity, should be provided.

3.13. SPDA has also suggested that the requirement for advance payment may be removed, and payment may be made on an actual delay basis (post-facto or periodic billing).

3.14. Some stakeholders have commented that interest at MCLR rate be paid on MEC refunds and a 30-day refund timeline be specified.

3.15. **Analysis and Decision**

3.15.1. We note that most of the stakeholders have suggested reducing the MEC for seeking additional time for land compliance in the range of Rs. 700 - 1000 per MW per day, citing different bases for such proposal. On the other hand, DISCOMs and related associations have advocated increasing the MEC rate. We observe that a balanced approach needs to be adopted in view of differing stakeholder views so that an optimal charge is levied for serious developers who failed to meet the compliance timeline. The MEC should be such that developers strive to meet the milestones as per the timelines under the GNA Regulations and that delays in meeting such milestones are minimised. Accordingly, considering the suggestions, the base MEC rate has been reduced to Rs 1000/MW/day in lieu of allowing additional time to meet the land milestones.

3.15.2. In respect of the stakeholders' suggestion to decouple the MEC from fixed rate and alternatively to link the MEC with the actual BG amounts submitted by the entity/ benchmarked to ISTS transmission charges/ actual or estimated system costs/ transmission charges corresponding to RE/5% of Conn-BG3, it is clarified that non-compliance of the submission of land documents leads to encashment of Land BG and hence the rate has been derived basis Land BG. Any alternative to reduce compensation charge by linking to other parameters is not appropriate.

3.15.3. Regarding the stakeholders' comments to remove the MEC for the delays not attributable to the developers, it is clarified that MEC is a facilitative mechanism to seek additional time to meet the milestone after satisfying eligibility criteria, and the compensation is payable irrespective of the reasons for delay. Considering that connectivity is a scarce resource where one entity having connectivity on a particular transmission system results in the other entity not having connectivity on such transmission system. Hence, the developers are required to meet the milestones to demonstrate the seriousness and sincerity for developing the project.

3.15.4. Further, the suggestions regarding the flat rate of MEC and limiting the maximum MEC to Rs. 5000/MW per month are not considered. The MEC rate shall be with escalation and without a ceiling on a monthly basis, to act as a deterrent, so that the developers make efforts to achieve early compliance with the milestone.

3.15.5. Regarding the suggestion that MEC should be levied only on the outstanding quantum of land arrangement and not on the total project capacity, it is mentioned that GNA Regulations do not provide for land compliance in a fragmented manner. GNA Regulations provide for the submission of 50% of the land documents out of the total land required for the project, failing which Connectivity is liable for revocation. Therefore, the suggestion to levy MEC to the outstanding quantum of land is rejected.

3.15.6. In respect of the stakeholders' suggestion to increase the timeline more than the proposed three months for submission of land documents, it is mentioned that the intent of providing the additional time to submit the land documents is to facilitate the limited flexibility to genuine developers who are short of some quantum of land to meet the 50% land compliance of the GNA Regulations. It should not be the case that the entity initiates land acquisition late, leading it to seek more and more time. Therefore, we are of the view that three months' time is appropriate to be allowed as an additional time, on payment of the applicable MEC, to meet the Land compliance.

3.15.7. Waaree Forever's suggestion seeking a separate extension period as per the project capacity is not found suitable, since, while seeking connectivity, an entity is aware of the land requirement to be furnished by a particular timeline, which is not varying as per project bands. The instant order provides an extension of the timeline to meet such compliance, and hence, it is clarified that the GNA Regulations do not provide for such a provision; further, the entity seeking Connectivity should be aware of the land requirement, considering the project size and the timelines provided under the prevailing provisions. Therefore, this suggestion is not considered.

3.15.8. SPDA suggestion for post facto or periodic billing of the MEC based on the actual delay basis is not considered, as the entity is required to make advance payment to avoid situations of non-payment by the entity after availing the additional time.

3.15.9. Considering the above discussion, the necessary modifications have been incorporated at Clauses (3) and (9) of Annexure-II of this order.

3.15.10. Stakeholders' comment for payment of interest at MCLR rate on MEC refunds is not considered, as such MEC is to be paid in the form of compensation, arising due to delay by the entity. Further, the other suggestion to specify a timeline for refund has been considered, and CTUIL shall make the refund of the excess MEC within 15 days of compliance with the milestones, if the entity achieves the milestone within the extended timeline for which the advance payment has already been made by the entity.

4. Comments received on Clause B(2) (MEC towards allowing additional time for achieving the Financial Closure document of Annexure-I of the draft order

4.1. MPPMCL has suggested that MEC should be ₹1500/MW/day for the first month and should be escalated by 25%-50% in subsequent months; further, the timeline should be restricted to 4 months only. TNPDCL has suggested escalating the monthly/quarterly charges, and such extension should be granted in shorter blocks, subject to periodic review and linked to demonstrable project progress.

4.2. Renew has commented that the calculation methodology for MEC applicable to delay in achievement/submission of Financial Closure may be linked to 5% of Conn BG3, and the corresponding amount is spread across the full 6-month extension period.

4.3. Some of the stakeholders have suggested linking the MEC with daily transmission charges corresponding to RE rather than BGs, which comes around Rs.700/MW/day.

4.4. Some stakeholders have suggested that MEC calculations should be made by considering a 300 MW benchmark in place of 100MW, which will result in around Rs.600–Rs.1000/MW/day (as per scope of terminal bay). Some other stakeholders have suggested that MEC should be fixed at Rs. 750/MW/day uniformly without monthly escalation; alternatively, link the MEC dynamically to the actual Conn-BGs suggested by the concerned entity. NTPC Green and NTPC suggested that a uniform compensation structure @ Rs. 1500/MW/day for the entire extension period may be considered. NLC India has suggested a uniform MEC@ 1000/MW/day for FC milestones. Leo Energies has suggested that MEC should be Rs. 150 per MW per day (10% of the proposed rates). SECI has suggested that MEC charges may be reduced to a flat rate of Rs 100/MW/day.

4.5. Stakeholders have commented that delays in achieving Financial Closure in renewable projects are frequently not attributable to the developer and typically arise due to non-execution or delay in signing of PPAS/PSAS, which are prerequisites for lender approval; significant delays in Associated Transmission System or ISTS substations, resulting in lack of evacuation certainty; and pending regulatory, contractual, or institutional approvals impacting lender risk assessment. A uniform levy of MEC for FC delays, without examining attribution, fails to recognise these systemic constraints and leads to penalisation without fault. SAEL has commented that in a scenario whereby the developer pays MEC for extension in timelines for achieving financial closure which it is unable to achieve due to delay in signing of PSA/ approval of PPA/ approval of PSA or such other reasons not attributable to the developer and no extension having been granted by the REIA the said MEC charges in the event the PPA/LoA gets cancelled later should be refunded.

4.6. NSEFI, Azure Power and Jindal Power have suggested that the MEC for FC compliance may be linked with effectiveness of connectivity rather than firm start of connectivity.

4.7. Mahindra Susten has commented that FC milestone conditions should be removed from the proposed framework, as achieving FC is not feasible without any firm project allocation and a binding PPA/PSA. Further, the MEC should be modified to @ ₹ 5,000/MW per month or less without any escalation.

4.8. Jindal Power has suggested to keep the rates differentiated by project size.

4.9. NSEFI has suggested that no penalty, or only a nominal and notional charge, may be made applicable for delays not attributable to the developer (including force majeure), and maximum ₹5,000/MW per month for delays attributable to the developer.

4.10. Some stakeholders have suggested extending the maximum timeline for FC compliance from 6 months to 9-12 months, subject to Force majeure.

4.11. Some other stakeholders have suggested that the additional timeline should be measured from the extended FC date in case of LoA-based projects (as a 12-month extension already exists in Regulation), and not from the original FC timeline.

4.12. BluPine has suggested that the minimum duration of the extension may be kept consistent with the precedents set by this Commission in previous matters disposed of while dealing with issues of extension of these milestones. Further, if prior to the due date of the FC as per the original timeline of a connectivity applicant, the SCOD of the transmission system associated with such connectivity itself is delayed and the revised date is updated in the last available CEA/CTU JCC MOM available in the public domain/website, then in that case the FC date should be aligned with the revised date of substation SCOD.

4.13. **Analysis and Decision**

4.13.1. We note that most stakeholders have suggested reducing the MEC for seeking additional time for FC compliance in the range of Rs. 700 - 1000 per MW per day, a flat rate of MEC as Rs. 5000/MW per month, and the stakeholders have cited different grounds and proposals for such reduction. On the other hand, DISCOMs and their association have advocated increasing the MEC rate. Considering the stakeholders' suggestion, the base rate of MEC for extension of FC compliance has been modified to Rs. 1000/MW/day.

4.13.2. The comments of stakeholders to remove the MEC for the delays not attributable to the developers, MEC may be levied only on the residual capacity, rates differentiated by project size, have already been addressed and denied in the foregoing paragraphs in respect of similar comments on MEC for Land compliance. Accordingly, with the same justifications, such comments made here on the MEC for FC compliance are also not acceptable and rejected.

4.13.3. The suggestions to link the MEC with PPA including the issue of non-execution or delay in signing of the PPA/PSA is not acceptable since the Connectivity has been obtained by the entity and it should demonstrate the progress of the project milestones so that it does not keep on having connectivity in its name without any progress and in case it fails to meet the milestones it can request for extension of time under instant Order provided it satisfies eligibility which is again based on progress of project. Opting to avail additional time along with the payment of MEC is the sole choice of the entity, and if it is not opted, the corresponding Connectivity shall be governed in terms of the GNA Regulations.

4.13.4. In respect of the suggestion to increase the timeline more than the proposed six months, it is mentioned that the intent of providing the additional time to meet the FC timeline is to facilitate a limited extension to developers who are serious and committed to the pursuance of the achievement of the FC but need some more time to arrange the finance. Therefore, we are of the view that six months' time is an appropriate additional time to achieve FC compliance.

4.13.5. In respect of the clarification sought that the additional timeline should be measured from the extended FC date in case of LoA-based projects and not from the original FC timeline, it is clarified that the additional time shall be measured from the last date of FC compliance in terms of the provisions under Regulation 11A(2) of the GNA Regulations.

4.13.6. In respect of Blupine’s suggestion to keep the extension duration consistent with the time allowed under the earlier Orders of the Commission on a similar matter, it is clarified that this Order is brought for treating the entities in a uniform manner, and not on a case-to-case basis.

4.13.7. The suggestion of NSEFI, Azure Power and Jindal Power to link the FC compliance or the land compliance with the effectiveness of the Connectivity is beyond the scope of this Order. Similarly, the suggestion of Mahindra Susten to remove the FC milestone conditions and that of Bluepine to link the FC date with the status of the transmission system updated in JCC are beyond the scope of this Order.

5. Comments received on Clause B (3) (MEC towards allowing additional time for achieving CoD of the project of Annexure-I of the draft order

5.1. Some stakeholders have suggested linking the MEC with the daily transmission charges corresponding to RE rather than BGs, which comes around Rs.1400/MW/day. Some other stakeholders have suggested that the calculation of MEC should be based on a realistic benchmark, i.e., for 300 MW in place of 100 MW. This will result in around Rs.1200–Rs.1800/MW/day (as per scope of terminal bay). A few stakeholders have also suggested fixing the MEC as Rs.1500/MW/day with no escalation for 12 months; alternatively, link the MEC dynamically to the actual Conn-BGs submitted by the concerned entity. Some of the stakeholders have also suggested that MEC should be a maximum of Rs.10,000/MW/month without any escalation for the delays attributable to the Developer only, and there should not be any penalty or only a nominal and notional charge for the delays not attributable to the Developer. Leo Energy has suggested reducing the MEC to 10% of the proposed MEC, i.e., Rs.300/MW/day. Ib Vogt Solar and Azure Power have suggested reducing the base MEC rate to around Rs.1000/MW/day. SECI has suggested a flat MEC of Rs.200/MW/day for additional time to achieve COD. Serentica has suggested a uniform MEC of 3000/MW/ month, similar to Regulation 13.7 of the Transmission Charges Regulations. SPDA has suggested that MEC should be reduced and linked to actual system impact or demonstrable loss, with provision for waiver in no-fault cases.

5.2. MPPMCL has suggested increasing the base COD MEC rate to Rs.4000-Rs.5000/MW/day and introduce a progressive/non-linear escalation, as the delay directly impacts power procurement planning and consumer tariffs. Further, the additional time should be restricted to 6-9 months.

5.3. Torrent Power has commented that this order suggests 10%, 20% and 30% increments on base rate for 7th, 8th and 9th month, same formula for 10th, 11th and 12th month for calculating the compensation charges instead of levying 200% of the base rate.

5.4. A few stakeholders have commented that no additional MEC should be levied during the six-month period already provided under the GNA Regulations beyond SCOD / GNA effectiveness. Further, the proposed 12-month cap should exclude delays not attributable to the developer or solely attributable to the CTUIL for the delay in the issuance of the final grant of connectivity or the coordinates of the substation and bay, or for transmission-side delays.

5.5. ReNew has suggested that a maximum timeline should be allowed up to 30 months. Further, no MEC should apply for the first 6 months from the GNA effective date, for the next 12 months- MEC should be levied on a pro-rated daily basis linked to 20% of Conn-BG3, for the subsequent 12 months, MEC should be levied on a pro-rated daily basis linked to 200% of such 20% of Conn-BG3; and if CoD is not achieved thereafter, the corresponding connectivity should be terminated.

5.6. Many stakeholders have commented that a time extension of 15 months similar to the time extension provided in Commission Order dated 276/MP/2025 should be provided. Enfinity Global has commented that the maximum extension for COD should be increased to 18 months.

5.7. WIPPA has commented that the requirement for payment of MEC 15 days in advance, failing which connectivity may be revoked, poses operational challenges for large industrial organisations involving multiple internal approvals. WIPPA has suggested extending the advance payment period to 30 days and providing a reasonable cure period (7 days post notice) before any revocation action. MPPMCL has also suggested introducing monthly billing with adjustment based on actual delay.

5.8. Some of the Stakeholders have suggested that the intent of levying such charges is to provide limited flexibility to genuine developers, and if the Applicant achieves COD on or before the firm start date of connectivity, any charges paid towards extension of land or financial closure milestones should be refunded. It would ensure fairness, incentivize timely commissioning and maintain consistency with established market practices.

5.9. NSEFI and Datta Power have suggested that if any milestone is completed earlier than the MEC period for which payment has been made, the unutilized MEC should first be adjusted against MEC payable for another milestone of the same Connectivity Grantee. Only the balance amount, if any, should be refunded to the Connectivity Grantee. Datta Power has also commented that Developers should be permitted to furnish a bank guarantee in lieu of advance cash payment of MEC, which may be encashed if the milestone is not achieved.

5.10. NSEFI has also commented that the Procedure be amended to define "capacity that has not achieved CoD" whether it will be based on the PPA capacity, installed capacity or connected capacity, also provide a mechanism for proportionate BG treatment, clarify phased commissioning credit, and also address the hybrid project scenarios through a separate explanatory clause or FAQ.

5.11. AM/NS India has commented that captive power requirements of integrated steel plants differ fundamentally from those of renewable energy projects in terms of scale, project lifecycle, land footprint, financial closure structures, and commissioning dependencies. Applying uniform MEC rates (Rs 3000–Rs 6000/MW/day) to such large-scale steel plants may result in disproportionately high financial exposure for delays not attributable to the developer. Accordingly, a separate or differentiated framework for captive industrial consumers may be considered.

5.12. **Analysis and Decision**

5.12.1. We note that many of the RE Developers and Associations have suggested reducing the MEC for seeking additional time for achieving the COD and also requested an increase of the additional timeline beyond the proposed 12 months. On the other hand, DISCOMs have suggested increasing the MEC. We observe that achieving CoD is the critical and ultimate milestone towards ensuring the effective and timely utilisation of connectivity and the linked transmission system. Further, the entire transmission charges of ISTS are being paid by the drawee DICs in terms of the Sharing Regulations, and therefore, it is necessary that such transmission system is optimally utilised to avoid the burdening of charges for the transmission system, which are not put to use due to the delay in the commissioning of the associated generators. Further, additional time has been proposed to facilitate the developers who are at an advanced stage of the implementation of the project and need more time to achieve the CoD. Therefore, no change is proposed in the MEC rate of Rs. 3000/MW/day, proposed escalation rate and an additional 12 months to achieve the CoD.

5.12.2. In respect of the stakeholders' comments not to levy the additional MEC during the six-month period already provided under the GNA Regulations beyond SCOD / GNA effectiveness, it is clarified that the additional time shall be counted from the last date of compliance towards COD achievement under Regulation 24.6 of the GNA Regulations, and accordingly the MEC shall be applicable for such additional time.

5.12.3. WIPPA has suggested increasing the timeline for advance payment from 15 days to 30 days. The mandatory advance payment of 15 days is kept to avoid the blocking of cash flow of the entity for a longer duration, whereas if the entity wishes to make an advance payment for more than 15 days based on its estimated delay, such entity may furnish the advance payment for a longer time than 15 days. Accordingly, an option for making advance payment for more than 15 days has been incorporated under Annexure-I of this Order.

5.12.4. We have considered the suggestions regarding refund of MEC for land and FC on commissioning of the project on or before the start date of connectivity. The intent of allowing additional time by paying MEC is timely utilisation of the Connectivity. However, in the absence of additional time provided under this Order, the Connectivity was to be revoked, and corresponding BGs were liable for encashment. We are of the considered view that meeting each milestone is a requirement of the GNA Regulations; hence, adjusting the full quantum of the MEC received towards intermediate milestones against the COD milestone is not considered appropriate. However, 50% of the MEC paid towards availing additional time towards Land and FC compliances shall be returned if the entity meets the COD of the project, without the requirement to pay MEC for additional time. It has also been provided that the 50% of the amount received from the entity towards MEC for Land and FC compliances, shall be kept in a separate account by CTUIL, and shall be released towards adjustment of the Monthly Transmission Charges under the Sharing Regulations, after the date of COD compliance (including extra two months as per this Order) has passed and the entity has failed to achieve the COD. In case the entity achieves COD for part quantum, 50% of the pro-rata MEC towards land and FC shall be returned.

5.12.5. Regarding the suggestion that the unutilized MEC should first be adjusted against MEC payable for another milestone of the same connectivity grantee, the same has been considered, and necessary modification has been incorporated.

5.12.6. Regarding the other suggestion of Datta Power to accept a bank guarantee in lieu of advance cash payment of MEC, the same is not acceptable as the entity is seeking extra time to meet the milestones with clear payment of compensation and cannot continue on a Bank guarantee without payment of cash.

5.12.7. NSEFI suggestion regarding the amendment in the procedure to recognise the capacity that has not achieved CoD, is beyond the scope of this Order. Such issues shall be dealt with in terms of the provisions or any procedure issued under the GNA Regulations.

5.12.8. The AM/NS suggestion for a separate or differentiated framework for the large captive industrial consumers for MEC is not considered, as the framework is applicable uniformly.

6. Comments received on Clause (4) of Annexure-I of the draft order

6.1. Stakeholders have commented that MEC for CoD extension should not be clubbed with MEC for land and FC as it would lead to doubling the penalty, and have suggested that multiple MEC charges across milestones should be avoided and adjusted against the final COD delay, as the delay is due to the same underlying cause; delays in land acquisition and transmission readiness directly impact subsequent milestones.

6.2. MPPMCL has commented that a separate MEC for each milestone may result in disproportionately high cumulative penalties and suggested introducing an upper cap linked to the BG amount.

6.3. **Analysis and Decision**

6.3.1. The GNA Regulations provide for separate timelines for achieving each milestone independently, to ensure the timely implementation of the project and subsequent utilisation of Connectivity. The entity seeking Connectivity is well aware of the provision regarding the intermediary milestones from the beginning itself. Therefore, we are of the view that MEC shall be applicable for each compliance separately. Further, considering the intent of allowing such additional time to meet the various milestones that the developers achieves COD, it has been provided that if an entity achieve the CoD of the project without any MEC payment (on account of CoD extension) requirement in terms of this Order, 50% of the MEC paid towards the availing additional time for Land and FC compliances, will be returned to the entity.

7. Comments received on Clause (5) of Annexure-I of the Draft Order

7.1. Most of the Stakeholders have suggested increasing the 2-month window to 3 to 6 months, as the proposed 2 months is not adequate for completion of the balance project works, pre-commissioning activities, trial run, turbine-wise synchronization, pooling/substation integration, SCADA stabilisation and overall grid-readiness before declaration of COD.

7.2. Serentica has suggested that the timeline should be linked with technology-specific— 9 months for Wind or Hybrid and 3 months for Solar projects – to effect execution realities.

7.3. ACME has commented that Regulation 24.6 already envisages a six (6) month period from firm date of connectivity or COD date, mentioned in the application, whichever is later; it would be appropriate to consider 06 months from actual GNA effectiveness date rather than firm date of connectivity as mentioned in final grant as there are multiple revisions in GNA effectiveness date by CTUIL.

7.4. MPPMCL has suggested that the proposed provision granting a two-month period post GNA effectiveness without levy of MEC effectively leads to delay in actual power injection. MPPMCL suggested restricting such grace period only where delay is attributable to ISTS readiness; otherwise, MEC should apply from day one.

7.5. NLC commented that NLC welcomes this provision; however, such a grace period should be excluded while calculating the overall permissible extension timeline, since it represents a technical necessity rather than a delay attributable to the generator.

7.6. Continuum Green Energy has sought clarity on whether the waiver of the MEC charges for the first 2 months of the 12-month extension period applies to all the sub-clauses, i.e., (a) to (d) under clause (1) of Regulation 24.6?

7.7. **Analysis and Decision**

7.7.1. With regard to the extension of the timeline of 2 months, it is observed that the Grid Code permits 45 days for an entity to achieve COD from FTC. The GNA effectiveness is linked to substation /terminal bay COD as well as transmission lines; in case the substation has achieved COD, an entity can perform the testing even prior to GNA effectiveness after approval from RLDC. It is also noted that the PPAs under Standard bidding Guidelines permit 30 days/60 days from the LTA operationalisation date/GNA effectiveness date. Considering this, any extension beyond 2 months of the GNA effectiveness date to achieve COD without MEC is not appropriate.

7.7.2. In respect of the clarification sought by Continuum Green Energy, it is clarified that the proposed 2 months additional time without MEC is applicable for all routes LOA/PPA, Land, Land BG or RPPD covered under clauses (a) to(d) of Regulation 24.6 and is applicable from the revocation trigger date under Regulation 24.6.

7.7.3. In respect of MPPMCL suggestion to restrict such grace period only where there is delay in ISTS, it is clarified that the trigger date of revocation for non-achievement of

COD is linked to 6 months beyond the firm start date under Regulation 24.6. In the event that there is no delay in the transmission system, the GNA effectiveness date would be the same as the firm start date, and the requirement of 2 months from the GNA effective date would be subsumed within the permitted 6 months beyond the firm start date of Connectivity. Thus, MPPMCL's suggestion has already been addressed.

8. Comments received on Clause (6) of Annexure-I of the Draft Order

8.1. Some of the stakeholders have suggested that the 15-day advance application requirement be reduced to 5 working days, and/or a post-deadline application window of 5 working days be provided to prevent technical forfeitures.

8.2. CTUIL has suggested that to ensure certainty and to discourage repeated deferment of implementation timelines, the timeline in advance for approaching the Nodal Agency to seek additional time may be modified to 30 days.

8.3. **Analysis and Decision**

8.3.1. We note that the RE Developers have suggested reducing the minimum advance timeline to reach the CTUIL for seeking additional time; however, CTUIL has suggested increasing this time. We note that the additional timeline should be sought well in advance, so that the CTUIL can process such a request smoothly and any further discrepancies in the documents submitted by the entity can also be cured well within the time. Accordingly, the timeline is included as 15 working days in the respective clauses.

9. Comments received on Clause (8) of Annexure-I of the Draft Order

9.1. Many of the stakeholders have suggested that the payment of MEC during the extension period may be treated as sufficient compensation and accordingly, mismatch charges under the Sharing Regulations may not be levied for such period by considering it as a deemed extension of the firm start date of Connectivity.

9.2. CleanMax has commented that the draft should also address that levying transmission charges from the firm start date of connectivity is not justified in cases where substations are delayed. The provision should instead link applicability solely to the GNA effectiveness date, rather than a fixed date which is inherently uncertain and subject to change in practical scenarios

9.3. **Analysis and Decision**

9.3.1. The comments pertain to charges covered under the Sharing Regulations which are beyond the scope of this order.

10. Comments received on Clause (9) of Annexure-I of the Draft Order

10.1. Stakeholders have suggested that the MEC proceeds should be used to reduce the transmission charges instead of being credited to the Deviation and Ancillary Services Pool Account.

10.2. MPPMCL and CESC have commented that the charges should instead be passed on to the affected DISCOMs/off-takers to address the procurer impact due to the delay in COD of the generator, or the same shall be used to reduce ISTS Transmission charges.

10.3. **Analysis and Decision**

10.3.1. The suggestions of different stakeholders on utilisation of MEC proceeds to reduce transmission charges have been considered. Accordingly, it is provided that the amount received from MEC in terms of the provisions of this Order shall be utilised to reduce the Monthly Transmission charges under the Sharing Regulations.

…………….X…………….X…………

Appendix-I

List of stakeholders who submitted their comments on the draft Order in 5/SM/2026

Sl. No.	Name of Stakeholder
1	ABC Cleantech Pvt. Ltd.
2	ACME
3	Aditya Birla Renewables
4	AIDA
5	AM/NS India Pvt Limited
6	Avaada Energy Private Limited
7	Azure Power India Private Limited
8	BluPine Energy
9	CESC Limited
10	Clean Max Enviro Energy Solutions Pvt. Ltd
11	Continuum Green Energy Limited
12	CTUIL
13	Datta Power Infra Private Limited
14	Enfinity Global
15	Gentari Renewables
16	Hero Future Energies Pvt. Ltd
17	ib vogt solar india Pvt. Ltd.
18	Jindal India Power Limited
19	Jindal Renewable Private Limited
20	Leo Energies Private Limited
21	Mahindra Susten Private Limited
22	MPPMCL
23	MSEDCL
24	NSEFI
25	NLC India Limited
26	NTPC Green Energy Limited
27	NTPC Limited
28	Panipat Green Hydrogen
29	ReNew Private Limited
30	Resolven
31	SAEL Industries Limited
32	SECI
33	Sembcorp
34	Serentica
35	Sprng Energy Private Limited
36	Sudhanshu Vishwakarma
37	SPDA
38	Tata Power
39	TNPDCL
40	Torrent Power Limited
41	Waaree Forever Energies Private Limited
42	WIPPA

Appendix-II

List of stakeholders who made presentation /oral submission during Public Hearing held on 19.05.2026

Sl. No.	Name	Remarks
1	Avaada	PPT presentation
2	Gentari Renewables	do
3	NSEFI	do
4	NTPC Green	do
5	Serentica	do
6	Sprng Energy	do
7	TNPDCL	do
8	ACME	Oral submission
9	AM/NS India Pvt Limited	do
10	BluPine Energy	do
11	Cleanmax	do
12	Yanara Renewable	do
13	Nipon India Steel Ltd	do