

## CERC ORDERS ENHANCED TRANSPARENCY IN BAY ALLOCATION FOR RENEWABLE ENERGY PROJECTS



In a landmark decision, the Central Electricity Regulatory Commission (CERC), by its Order dated 19.01.2024, has directed the Central Transmission Utility of India Limited (CTUIL) to establish a transparent procedure for the allocation and reallocation of bays in substations. This directive follows a petition by Eden Renewable Bercy Private Limited (ERBPL) and Eden Renewable Passy Private Limited (ERPPL), who faced challenges in relocating substations due to an earlier Supreme Court order focused on the protection of the Great Indian Bustard (GIB).

ERBPL and ERPPL, in their Petitions, sought relocation of their solar power projects in Rajasthan from a substation where they had already been granted connectivity, i.e., the Fatehgarh-II Pooling Sub-Station, to Fatehgarh-III or Bhadla II Pooling Sub-Stations. CERC, in its Order, has highlighted that the current regulatory framework only permits connectivity rearrangement within the same ISTS substation, and not between different ones.

Underlining the critical role of bay allocation for the development of a renewable energy project, CERC emphasized that CTUIL, the statutory Central Transmission Utility, must provide non-discriminatory open access to its transmission system as required by Section 38 of the Electricity Act, 2003. The CERC Order emphasises upon the necessity for a transparent approach in bay allocation. In light of this, CERC has passed unequivocal directions instructing CTUIL to propose regulatory amendments, regarding shifting/reallocation of connectivity, after consulting the stakeholders, within a month of passing of the Order.

In the interim, CERC has issued practice directions for CTU to conduct future reallocations transparently until the amended regulations are in place, while directing that CTUIL shall consider the Applications filed by the Petitioners for shifting of their connectivity. The adjudication of the issue by CERC holds paramount significance transcending its immediate implications to assume a role of broader sectoral importance. CERC's adjudication serves as a linchpin for maintaining a fair and competitive market, fostering investor confidence, and ensuring the sustainability and growth of the energy sector. In this way, the adjudication by CERC is not merely a resolution of a specific issue but a crucial cog in the machinery of sectoral evolution and progress.

Representing the interests of ERBPL and ERPPL, the case was led by Mr. Shri Venkatesh, Managing Partner, with Mr. Ashutosh K. Srivastava, Counsel, alongside associates Mr. Aashwyn Singh and Mr. Punyam Bhutani.

*SKV Opinion: This CERC order marks a pivotal step towards ensuring fairness and transparency in the rapidly evolving renewable energy sector in India, aligning regulatory practices with the industry's dynamic needs.*

Link to the order: [Click Here](#)