BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Petition No. 2634 of 2026.

In the Matter of:

Petition is filed under Sections 86 (1) (K) and Section 94 of the Electricity Act, 2003 for seeking clarification and Regulatory interpretation and appropriate modification of Clause 5.7(iv) of the Connectivity Procedure, 2025 issued by Gujarat Energy Transmission Corporation Limited (GETCO) and endorsed by the Commission.

Petitioner	:	M/s. Saraca Asoca Renewables Pvt. Limited
Co-Petitioner	:	M/s. BA Prerna Renewables Pvt. Limited B-717, SNS ATRIA, Near Happy Excellencia, Vesu, Surat-395007.
Represented By	:	Mr. J. J. Gandhi, Mr. P.C. Garg and Mr. Ashwin Pandya.

V/s.

Respondent	:	Gujarat Energy Transmission Corporation Ltd. Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara - 390 007, Gujarat.
Represented By	:	Ld. Adv. Ms. Harsa Rao along with Mr. M.J. Vasava and Mr. A.B. Rathod

CORAM:

Pankaj Joshi, Chairman
Hiren Shah, Member
Jatin N. Thakkar, Member

Date: 05/08/2026.

ORDER

1. The present Petition is filed by Petitioners under Sections 86 (1) (K) and 94 of the Electricity Act. 2003 *inter-alia* seeking following reliefs;

   (a) Clarify and declare that the requirement of Associated Transmission System Bank Guarantee under Clause 5.7(iv) of the Connectivity Procedure, 2025 shall not apply to connectivity applications at State-planned substations falling under Clause 5.1(ii);

   (b) Declare that the requirement of Associated Transmission System Bank Guarantee shall be applicable only in cases involving developer-driven transmission infrastructure, including connectivity applications under Clause 5.2 where the creation of transmission assets is contingent upon execution of the applicant's project;

   (c) Pending final disposal of the present Petition, direct the Respondent to process and issue Final Connectivity for the Petitioners' projects without making submission of the Associated Transmission System Bank Guarantee a condition precedent, and subject such requirement to the final decision of this Hon'ble Commission in the present proceedings.

   (d) Pass such other and further orders as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case and in the interest of justice.

2. The facts mentioned in the Petition, in brief, are as under;

2.1. The Petitioners are Special Purpose Vehicles promoted by BA Prerna Renewables Private Limited. The present Petition has been filed by the Petitioners seeking clarification from the Commission regarding the applicability of the Associated Transmission System Bank Guarantee requirement under Clause 5.7(iv) of the Connectivity Procedure, 2025, particularly with respect to the distinction between the following two categories of transmission infrastructure contemplated under the Connectivity Procedure:

(a) State-planned substations and transmission infrastructure under Clause 5.1(ii), which form part of the State Transmission Utility (STU) planning framework and are developed independently by GETCO as part of the State transmission expansion plan.

(b) Developer-driven transmission infrastructure under Clause 5.2, where substations or associated transmission elements are developed specifically on account of the connectivity requirement of a particular project and are contingent upon the execution of such project.

2.2. It is submitted that in cases falling under Clause 5.2. transmission infrastructure is created primarily to facilitate a specific project and therefore carries the risk that such infrastructure may remain under-utilised or stranded if the concerned project is not implemented.

2.3. In contrast, substations falling under Clause 5.1(ii) form part of the State's pre-approved transmission planning framework and are developed independently by the State Transmission Utility based on

projected renewable energy development potential and grid planning requirements.

2.4. Accordingly, transmission infrastructure developed under Clause 5.1(ii) does not arise from any individual developer's connectivity request and therefore does not give rise to the stranded asset risk that the Associated Transmission System Bank Guarantee mechanism seeks to address.

2.5. It is submitted that in the present case, the connectivity sought by the Petitioners is at a State-planned substation falling under Clause 5.1(ii), namely the 400 kV Babarzar Pooling Station, which forms part of the approved State transmission planning framework and was already under implementation prior to submission of the connectivity applications. In furtherance of the above, approach, the BA Prerna group continuously monitored upcoming substations in renewable-energy-potential regions, with particular emphasis on their inclusion GETCO's tong-form transmission planning documents, stage of execution and implementation status.

2.6. During this exercise, 400 kV Babarzar Pooling was identified as viable evacuation point. The substation was included in GETCO's Transmission Plan till 2032, as approved by the GETCO Board.

2.7. It is submitted that in line with the Network Planning Report/State Transmission Utility Transmission Plan for FY 2023-24 (updated on February 21, 2025) as currently available on the GETCO Website, the 400 kV Babarzar PS was also made part of the transmission scheme / substations / investment approved by GETCO Board expected to be tentatively commissioned by FY2025-26.

2.8. Further, as per the said planning, documents and substation feasibility tab on the Akshay Urja Setu Portal, the Mota Asarana Pooling Station was envisaged with evacuation capacity of approximately 300 MW at 220 kV and 70 MW at 66 KV.

2.9. As per GETCO's planning horizon, the substation was scheduled to be charged by FY 2025-26 and was aligned with the project development timelines of the BA Prema group.

2.10. It is submitted that relying upon the above State-planned, Board-approved and publicly disclosed transmission infrastructure, which was already under construction, connectivity applications were submitted through the Akshay Urja Setu Portal by the Petitioners and other group special purpose vehicles promoted by BA Prema Renewables Private Limited. The applications included, *inter-alia*, connectivity requests for:

(a) 70 MW solar capacity at 66 kV Babarzar by Saraca Asoca Renewables Pvt ltd.

2.11. It is submitted that all such connectivity applications were submitted at a time when the identified substations, including the 400 KV Babarzar Pooling Station, were not only part of the approved State transmission planning framework but were also under active construction, with substantial physical progress already achieved. All of the above applications were accompanied by the Security Bank Guarantee of 10 lakh per MW and Land route Bank Guarantee of ₹10 lakh per MW, as required under the connectivity framework prevailing at the time of submission.

2.12. The applications were strictly within the evacuation capacities envisaged under the STU planning documents and did not necessitate creation of any new or incremental transmission infrastructure exclusively for the Petitioners or its group SPVs.

2.13. In particular, the 400 kV Babarzar Pooling Station forms part of GETCO's long-term transmission plan and was already under execution, independently of the Petitioner's connectivity request, with only limited associated transmission elements remaining for completion. The status of the said substation and associated transmission works, as reflected in the State Transmission Utility planning disclosures and related records.

2.14. Further, the tender documents issued by Gujarat Urja Vikas Nigam Limited (GUVNL) for procurement of renewable energy capacity, namely:

(a) RfS No. GUVNL/625 MW/Solar (Phase XXVIII) dated 21 November 2025; and
(b) RfS No. GUVNL/250 MW/Wind (Phase X) dated 26 September 2025,

Include annexures providing the list of GETCO substations along with their associated transmissions scheme with indicative development timelines. The said annexures specifically indicate that the 400 kV Babarzar Pooling Station is expected to be commissioned by March 2026.

2.15. The above facts demonstrate that the transmission infrastructure at the identified substation was planned, approved and under execution as part of the State transmission system, independent of the Petitioner's connectivity request. Accordingly, no developer-driven stranded asset risk arises in the present case so as to warrant the imposition of Associated Transmission System Bank Guarantee under Clause 5.7(iv) of the Connectivity Procedure, 2025.

2.16. It is submitted that subsequent to submission of the above connectivity applications, Respondent published the final draft of the Connectivity Procedure, 2025 on 20 May 2025 for public consultation. In the said draft procedure, Respondent introduced, for the first time, a requirement for furnishing an Associated Transmission System Bank Guarantee of ₹20 lakh per MW even for projects seeking connectivity at State-planned substations falling under Clause 5.1(ii). The relevant provision of the Connectivity Procedure, 2025, as finally approved and notified, is reproduced hereinbelow for ready reference:

"…..

***Clause 5.7(iv)**: The Applicant shall furnish Associated Transmission System Bank Guarantee (ATS BG) of 20 lakh per MW towards the development of the associated transmission system, in such form and manner as specified by GETCO, applicable for connectivity applications under Clause 5.1(ii) and Clause 5.2 of this Procedure."*

Clause 5.1(ii):

'5.1 GETCO shall publish and update two lists of substation on its website on 3rd day of every calendar month at 11:00 AM, based on available margin in the

upstream/downstream network comprising of substations / clusters of substations with:

(ii) List of planned substations with month/year of commercial operationalization in (a) existing RE potential areas and (b) potential RE area(s) identified by the Committee constituted by EPD, GoG vide resolution dated 14.06.2024

2.17. The aforesaid provision extends the requirement of ATS Bank Guarantee even to cases where connectivity is sought at State-planned substations under Clause 5.1(ii), irrespective of whether the associated transmission infrastructure is developer-driven or part of the State transmission plan or already under construction. During the consultation process, representations were submitted requesting that the ATS Bank Guarantee requirement be restricted only to cases falling under Clause 5.2, where substations or associated transmission infrastructure are freshly planned developed specifically for the applicant's connectivity requirement and are contingent upon execution of such project, and where the stranded asset risk sought to be mitigated actually arises.

2.18. However, the Connectivity Procedure, 2025, as approved and published on 04 August 2025 pursuant to the endorsement of the Commission, retained Clause 5.7(iv) extending ATS Bank Guarantee to applications under Clause 5.1(ii) as well. The aforesaid provision, by making ATS Bank Guarantee applicable even to connectivity at State-planned substations under Clause 5.1(ii), extends the requirement beyond cases involving developer-driven transmission creation.

2.19. It is submitted that the provisional connectivity approvals were thereafter issued on 15 November 2025, wherein Respondent imposed ATS BG on the premise that associated transmission infrastructure were being additionally planned for the Petitioner's projects.

2.20. The associated transmission system elements referred to in the provisional connectivity approval form part of the broader State transmission expansion plan and were not conceived or undertaken specifically for the Petitioner's project thereby negating the premise of developer-driven stranded asset risk. Such associated transmission system elements were also not part of the various documents publicly made available by GETCO including the STU Transmission Planning Report, GERC MYT. Order dated March 29, 2025, GUVNL RIS referred above, etc.

2.21. It is further submitted that the Respondent has itself acknowledged the pendency of the present regulatory issue and the need for consideration by the Commission. Vide email communication issued by the Chief Engineer (STU), GETCO, the time limit for submission of the Associated Transmission System Bank Guarantee (ATS BG) was extended up to 31 March 2026 or till such time directions are issued by Commission, whichever is earlier. The said communication records that the issue relating to the requirement of ATS Bank Guarantee has also been referred to the Commission for appropriate consideration.

2.22. It is submitted that the imposition of Associated Transmission System Bank Guarantee under Clause 5.7(iv) in respect of connectivity at a State-planned substation gives rise to the issue of absence of risk nexus, which is addressed in the following sections.

2.23. The ATS Bank Guarantee framework was conceived as a risk-mitigation mechanism to safeguard the transmission utility against stranded-asset risk in cases where transmission infrastructure is constructed exclusively on account of a developer's connectivity requirement. Such stranded asset risk primarily arises in cases falling under Clause 5.2 of the Connectivity Procedure, where substations and associated transmission assets are developer-driven and their creation is contingent upon the execution of the applicant's project.

2.24. The regulatory and policy framework governing renewable energy projects in Gujarat consistently recognises that bank guarantees operate as performance-linked safeguards intended to address execution risk only in circumstances where commissioning obligations and associated timelines are within the reasonable control of the developer.

2.25. Rather, the prospective developers should be encouraged to seek connectivity at the planned substations so that the completion of the transmission infrastructure aligns with the commissioning of the Project which is beneficial to the overall renewable energy capacity addition commitments made by the State of Gujarat as well as enables GETCO to monetize their transmission infrastructure immediately upon completion of the substations and connectivity timelines.

2.26. It is suggest that there has to be clear differentiation between the (a) Planned Substation as per Clause 5.1(il) of the Connectivity Procedure; and (b) developer-driven transmission infrastructure as per Clause 5.2 of the Connectivity Procedure, from the requirement of the Associated Transmission System Bank Guarantee of 20 Lacs per MW,

which should only be made applicable in the case of developer-driven transmission infrastructure as per Clause 5.2 of the Connectivity Procedure. The current arrangement with absence of any differentiation, there may a risk leading to under-utilization of the planned and under-construction substation as the developer would always want GETCO to develop new substations and transmission infrastructure within their sites.

2.27. The extension of ATS Bank Guarantee to connectivity applications under Clause 5.1(ii) applies the safeguard beyond its intended risk-mitigation objective. The Gujarat Integrated Renewable Energy Policy, 2025 envisages accelerated renewable energy development through planned transmission infrastructure and grid readiness. A calibrated and risk-based application of ATS Bank Guarantee, limited to cases involving developer-driven transmission infrastructure, would promote regulatory certainty, proportionality and alignment with the objectives of the State's renewable energy framework.

2.28. It is submitted that the Commission has jurisdiction to entertain and adjudicate the present Petition, as the impugned Connectivity Procedure has been framed and is being notified by Respondent under the regulatory supervision and approval of the Commission.

2.29. The present Petition does not seek rehearing on merits but seeks limited review confined to the absence of risk nexus and the disproportionate application of Clause 5.7(iv) to State-planned and under-construction substations under Clause 5.1(ii). The Petition is confined to seeking regulatory clarification and interpretation regarding the scope and applicability of Clause 5.7(iv) of the

Connectivity Procedure, 2025, particularly in relation to State-planned substations falling under Clause 5.1(ii).

3. The Respondent has filed its reply on 12.06.2026 and submitted as under:

3.1. The Petitioners have filed the Petition under Sections 86 (1) (k) and Section 94 of the Electricity Act, 2003 seeking clarification and regulatory interpretation and appropriate modification of Clause 5.7(iv) of the Connectivity Procedure, 2025 issued by the Respondent Gujarat Energy Transmission Corporation Limited (GETCO) and approved by the Commission vide its communication dated 04.08.2025.

3.2. It is submitted that the Petitioners have filed a vague Petition without clarification on specific provisions. The Petitioners referred to Section 94 of Act and "limited review" but there cannot be any Review.

3.3. The Connectivity Procedure, 2025 was approved on 04.08.2025 and the present Petition has been filed on 24.03.2026, much after the time period is over. There is no reference to any condonation of delay and there can be no basis for such condonation of delay in any case. The Petition is barred by limitation and ought to be dismissed on this ground alone.

3.4. The Order approved the Connectivity Procedure and therefore it is not clear if it can be a subject matter of review at all. In fact, the Petitioners itself have described the present Petition as a “Review Petition” in the affidavit and in the authorisation granted to BA Prerna Renewables

Private Limited, thereby conceding that the relief sought is by way of review of the approved Procedure.

3.5. The Petition is vaguely claimed for clarification whereas it is clearly for modification. In any case, the Connectivity Procedure was approved after publication of draft and inviting objections etc. and any modification would also require such procedure.

3.6. Clause 5.7(iv) of the Connectivity Procedure, 2025 requires submission of a bank guarantee of Rs. 20 lakhs/MW along with the application for connectivity towards the cost of the associated transmission system. Clause 5.7 (iv) is reproduced below:

> *"(iv) For applications made under Clause 5.1 (ii), applicant has to submit Associated Transmission System Bank Guarantee (ATS BG) for an amount of Rs. 20 lakh / MW along with application."*

3.7. It is submitted that the above Procedure was approved after the publication of the draft inviting comments and objections. The Draft Procedure had similar clauses for ATS BG. Comments and objections were received including representations specifically seeking restriction of the ATS BG requirement to Clause 5.2 cases only, as the Petitioners itself acknowledges the same in the Petition. Despite the said comments, the Commission had notified the Connectivity Procedure inclusive of the said clause. Therefore, clearly there was a considered decision by the Commission in this regard. The Petitioners are seeking to raise the same issues again.

3.8. The Respondent had received multiple representations from various developers for excusing the requirement of submission of ATS BG in the application seeking connectivity under Clause 5.1(ii), i.e., when the substations to which connectivity is sought are already planned by GETCO.

3.9. It is submitted that pending a directive of Commission, the Respondent granted a one-month extension, and then subsequently, till 31.03.2026, for the submission of the ATS BG to applicants who requested an exemption from submission of ATS BG, including the Petitioners. This extension was communicated vide email dated 12.01.2026. However, final connectivity was not granted to such applicants, and only provisional connectivity was issued. Generators who submitted the ATS BG as per the procedure were granted final connectivity accordingly.

3.10. Upon the present petition being filed before the Commission, the Respondent further extended the time for submission of ATS BG till the decision in this Petition, since the matter was sub-judice. The Respondent apprised Commission of its decision vide its letter dated 30.03.2026.

3.11. It is submitted that in response to the above letter dated 30.03.2026, the Commission directed Respondent to comply with the provisions of the Detailed Procedure vide its letter dated 15.05.2026. Accordingly, the Respondent has communicated to all such applicants that the Connectivity Procedure must be complied with and to submit the ATS BG immediately.

3.12. It is stated that the Respondent has not moved any Petition before the Commission and Respondent is following the Connectivity Procedure. The Respondent had also not granted any final Connectivity without ATS BG.

3.13. It is stated that as on date the Approved Procedure provides for the ATS Bank Guarantee for Clause 5.7(ii) applications. There are generators who have submitted ATS BG as per procedure and been granted final Connectivity accordingly. Therefore, clearly there is no issue in the same. While initially the Respondent had written the letter, in view of the above, it is stated that the present position of the Respondent is that the submission of ATS BG is essential to demonstrate the seriousness of the connectivity applicants. For the above purposes, Clause 5.7 (iv) had been specifically inserted in the Connectivity Procedure. The Connectivity Procedure specifically provides for ATS BG in Clause 5.7(ii) for applications under Clause 5.1 (ii) as well as in Clause 7.6 for applications under Clause 5.2.

3.14. It is submitted that GETCO had initially written the letter dated 05.12.2025 seeking modification/deletion of Clause 5.7 (iv), in view of Commission's direction dated 15.05.2026, the present position of GETCO is that the submission of ATS BG is essential to demonstrate the seriousness and commitment of the connectivity applicants towards their projects. Clause 5.7 (iv) was specifically inserted in the Connectivity Procedure for this purpose.

3.15. Further, the ATS BG is required to be valid till 6 months from the completion date of strengthening of the ATS or the time specified for completion of the project as per Clause 7.7. The bank guarantees are returned only upon completion of the project by the developer and

hence it is an important security to ensure the seriousness of the developer towards the project.

3.16. Further, it is incorrect to state that there is no developer driven risk merely because the planning mode of the associated transmission system is different. Irrespective of how the ATS is planned, once connectivity is granted, any subsequent modification in the connectivity whether by revocation or downgrading of capacity, has the same adverse impact on the cost and utility of the ATS. Further, where substations such as the 400 kV Babarzar Pooling Station are planned on a State basis, it is entirely possible for the plans to be modified and changed based on current scenarios, including the connectivity applications actually received. The timelines and priorities may also change.

3.17. It is stated that the requirement of submission of ATS BG at the time of application for connectivity may be retained as per the approved Connectivity Procedure, 2025, and the present Petition is liable to be dismissed.

4. The Petitioners vide affidavit dated 15.06.2026 filed its Rejoinder and submitted as under:

4.1. It is submitted that the Respondent has grossly misconstrued the expression "limited review" as used in the Petition. The Petition does not seek a review, modification, or reconsideration of Clause 5.7(iv) of the Connectivity Procedure approved by the Commission vide Order dated 04.08.2025. Rather, the Petition seeks a limited examination of the applicability and interpretation of the said provision in

circumstances where the underlying rationale for obtaining an ATS Bank Guarantee does not exist.

4.2. The principal relief sought in the Petition is a clarification regarding the scope and applicability of Clause 5.7(iv), particularly in the context of transmission infrastructure that is developer-driven and project-specific, including connectivity applications under Clause 5.2 where creation of transmission assets is contingent upon implementation of the applicant's project. In such cases, the requirement of ATS BG may have a direct nexus with the transmission risk undertaken by the licensee. However, the Petition specifically contends that the same rationale cannot be mechanically extended to connectivity applications seeking connectivity at State-Planned Substations covered under Clause 5.1(ii), where the transmission infrastructure is conceived, planned, approved, and executed by the State Transmission Utility as part of its independent transmission planning process and not on account of any specific generating project. In such cases, there exists no corresponding project-specific transmission risk that warrants imposition of ATS BG upon the applicant. Accordingly, the Petition seeks a declaration and clarification that the requirement of furnishing ATS BG under Clause 5.7(iv) is not attracted in cases where connectivity is sought at State-Planned Substations falling under Clause 5.1(ii) of the Connectivity Procedure.

4.3. The Petition has been filed under Section 94 of the Electricity Act, 2003, invoking the powers of the Commission to adjudicate and clarify the interpretation and applicability of its regulatory framework. The Petition neither challenges nor seeks review of the validity of Clause 5.7(iv); it merely seeks clarification regarding its proper construction

and application in distinct factual situations, so as to avoid an interpretation that leads to unreasonable, disproportionate, and unintended consequences.

4.4. As regard the Respondent's contention that stakeholders had an opportunity to submit comments on the Draft Connectivity Procedure, it is submitted that several developers, including the Petitioners, had in fact raised concerns regarding the requirement of furnishing ATS Bank Guarantee. However, such suggestions were not accepted by GETCO while finalizing its proposal.

4.5. It is submitted that the final version submitted by the Respondent to the Commission was not available to the stakeholders for review. No public hearing or stakeholder consultation was conducted on the final draft before issuance of the Connectivity Procedure dated 04.08.2025. Consequently, the stakeholders had no opportunity to examine or comment upon the exact provisions ultimately incorporated in the approved Procedure, including Clause 5.7(iv).

4.6. Further, as admitted by Respondent that, the Respondent itself approached the Commission vide communication dated 05.12.2025 seeking modification and/or deletion of Clause 5.7(iv). This subsequent action of Respondent is highly significant as it demonstrates that, upon implementation of the Connectivity Procedure, the Respondent itself encountered practical difficulties and unintended consequences arising from the said provision.

4.7. The Respondent's request for modification or deletion of Clause 5.7(iv) is, in effect, an acknowledgment that the provision, as presently worded and applied, warrants reconsideration. The very fact that the

author and implementing agency of the Procedure found it necessary to seek intervention of the Commission establishes the existence of genuine concerns regarding the applicability and operation of the said clause. Having itself sought deletion or modification of Clause 5.7(iv), the Respondent cannot simultaneously defend its blanket application to State-Planned Substations, as such a position is inherently inconsistent and self-contradictory.

4.8. Therefore, it does not lie in the mouth of the Respondent to contend that the Petitioners are seeking an unwarranted clarification or review. On the contrary, the Petition raises the very issues which have subsequently been recognized by the Respondent itself. The Petitioners are merely seeking a clarification that, in the case of State-Planned Substations covered under Clause 5.1(ii), where transmission infrastructure is planned and developed independently by the State Transmission Utility and not on account of any particular project developer, the requirement of furnishing ATS Bank Guarantee lacks any corresponding risk nexus and ought not to be insisted upon. In these circumstances, the Petition deserves consideration on merits, particularly when the concerns raised therein substantially overlap with those acknowledged by the Respondent in its own proposal seeking modification or deletion of Clause 5.7(iv).

4.9. It is submitted that the issue involved in the present proceedings is not merely a contractual or procedural matter concerning furnishing of ATS Bank Guarantee. The issue has wider implications on the development of renewable energy projects in the State of Gujarat and therefore deserves consideration in the light of the objectives of the

Electricity Act, 2003, the Renewable Energy Policy of the Government, and the statutory mandate entrusted to Commission.

4.10. The Electricity Act, 2003 is a progressive legislation enacted with, *inter-alia*, the objective of promoting competition, protecting consumer interests, facilitating private participation and encouraging development of environmentally benign sources of energy. The Act consciously recognizes renewable energy as a sector requiring regulatory support and facilitation.

4.11. Section 86(1)(e) of the Electricity Act, 2003 casts a specific statutory obligation upon the State Commission to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person and also by specifying renewable purchase obligations.

4.12. The use of the expression "promote" in Section 86(1)(e) is significant. The legislative intent is not merely to regulate renewable energy projects but to actively facilitate and encourage their development. Therefore, while interpreting regulations, procedures and administrative mechanisms relating to renewable energy projects, the interpretation which advances the cause of renewable energy deserves preference over an interpretation that creates avoidable barriers and financial impediments.

4.13. It is submitted that Gujarat has emerged as one of the leading States in renewable energy deployment and has set ambitious targets in consonance with the national objective of achieving energy transition. The success of these initiatives depends upon creation of a predictable,

transparent and investor-friendly regulatory framework. Transmission connectivity is the most critical element for development of renewable energy projects and any condition attached thereto must satisfy the test of reasonableness, proportionality and regulatory necessity.

4.14. The ATS Bank Guarantee mechanism was conceived primarily as a safeguard against speculative reservation of transmission capacity and to ensure seriousness of project developers. However, such mechanism cannot be interpreted or implemented in a manner that results in excessive financial burden, duplication of security requirements or creation of artificial barriers for genuine renewable energy developers.

4.15. It is submitted that renewable energy projects are capital intensive projects requiring substantial investment towards land acquisition, evacuation infrastructure, equipment. Further, renewable energy projects are capital intensive projects requiring procurement and financing arrangements. Any interpretation requiring project developers to furnish disproportionate or unintended financial securities adversely affects project viability, increases financing costs and ultimately delays capacity addition in the renewable energy sector.

4.16. The Commission, while exercising its regulatory jurisdiction, is empowered and duty-bound to harmonize the objectives of transmission system security with the statutory objective of renewable energy promotion. A balance must therefore be maintained between protecting transmission utilities against speculative

applications and ensuring that genuine renewable energy developers are not subjected to avoidable financial hardship.

4.17. It is a settled principle of regulatory jurisprudence that delegated legislation, procedures and implementation mechanisms must be interpreted in a manner consistent with the parent statute. Since Section 86(1)(e) specifically mandates promotion of renewable energy, any ambiguity in the Connectivity Procedure or ATS Bank Guarantee provisions ought to be resolved in a manner that furthers renewable energy development rather than impedes it.

4.18. The Petitioners submitted that the interpretation advanced by them is fully consistent with:

(a) the object and purpose of the Electricity Act, 2003;

(b) the statutory mandate contained in Section 86(1)(e);

(c) the State's renewable energy development objectives;

(d) the principles of ease of doing business and investor confidence; and

(e) the need to achieve rapid renewable capacity addition in Gujarat.

4.19. It is further submitted that the Commission has consistently played a pioneering role in facilitating renewable energy growth in the State through progressive regulations and policy measures. The present matter presents an opportunity to reaffirm that regulatory procedures and financial security mechanisms must operate as instruments of facilitation and discipline, and not as obstacles to development of renewable energy projects.

4.20. The statutory role of the State Transmission Utility is defined under Section 39 of the Electricity Act, 2003. The STU is entrusted with the responsibility of planning, coordinating and developing an efficient, coordinated and economical intra-State transmission system and providing non-discriminatory access to such system. The statute specifically mandates the STU to ensure development of an efficient and economical transmission network for smooth flow of electricity from generating stations load centres

4.21. A plain reading of Section 39 demonstrates that transmission planning is a statutory obligation of the STU. The Act does not contemplate that transmission planning should be shifted onto individual generators through financial conditions that are disproportionate to the actual risk created by such generators. Rather, the STU is expected to undertake coordinated network planning considering present and future system requirements, load growth, renewable energy integration, reliability standards and grid security.

4.22. The distinction between a dedicated transmission system and a common transmission network is fundamental. Where transmission assets are developed exclusively for evacuation of a particular generating station, the generator may legitimately be required to bear the cost or furnish security against abandonment of the project. However, where the transmission system forms part of the general transmission network, benefits multiple users strengthens grid reliability, facilitates future renewable integration and serves broader State requirements, the same cannot be equated with a dedicated asset created solely for a particular applicant.

4.23. The ATS network in the present case is not being developed for the exclusive benefit of the Petitioners. The network forms part of the planned transmission system of the State and is intended to serve present and future users of the grid. Once constructed, such assets remain available for utilization by other generators, open access consumers, distribution licensees and future network users. Consequently, the underlying assumption that the entire investment risk should be secured through Bank Guarantee of an individual applicant becomes legally unsustainable.

4.24. It is a settled principle of regulatory law that a statutory authority cannot impose conditions that are arbitrary, disproportionate or unrelated to the purpose sought to be achieved. Financial securities imposed by regulatory instruments must have a rational nexus with the actual risk being protected against. Any condition operating as a penalty, deterrent or revenue-generating mechanism rather than a genuine risk mitigation tool is liable to be struck down as arbitrary.

4.25. It is further settled that delegated legislation, procedures and administrative guidelines cannot travel beyond the parent statute. Section 39 obligates the STU to develop and maintain an efficient transmission network. The statutory obligation of network development cannot be converted into a mechanism whereby general network expansion risks are transferred to renewable energy developers through excessive security requirements.

4.26. The Commission may appreciate that transmission planning inherently involves anticipation of future generation and load growth. Every transmission investment is not and cannot be linked to one identified user. If the principle advocated by the Respondent is

accepted, every prospective generator could be required to underwrite future transmission planning through Bank Guarantees irrespective of whether the underlying assets are dedicated or part of the common network. Such an approach would be contrary to the concept of regulated transmission planning under the Electricity Act, 2003.

4.27. The principle against unjust enrichment is equally relevant. Where a transmission asset continues to remain part of the State network and can be utilized by other users, forfeiture of Bank Guarantee merely because the original applicant does not ultimately utilize the connectivity would result in the transmission utility receiving compensation despite retaining a valuable and usable network asset. Such forfeiture would assume a penal character rather than compensatory character.

4.28. The Hon'ble Supreme Court and the Hon'ble Appellate Tribunal for Electricity have consistently held that regulatory measures must satisfy the tests of reasonableness, proportionality and non-arbitrariness. A condition that imposes a financial burden disproportionate to the actual loss suffered or risk incurred cannot withstand scrutiny under these principles.

4.29. The Electricity Act, 2003 must also be read in conjunction with Section 86(1)(e), which imposes a positive obligation upon this Hon'ble Commission to promote generation from renewable sources. Any interpretation of ATS Bank Guarantee provisions which creates unnecessary financial barriers, blocks capital deployment or discourages renewable investments would be inconsistent with the

legislative mandate of promoting renewable energy. Therefore, where:

(a) the transmission system forms part of the planned State transmission network;
(b) the assets are not dedicated exclusively to a single generator;
(c) the assets remain capable of serving other network users;
(d) no corresponding loss is demonstrated by the STU; and
(e) forfeiture operates in a punitive rather than compensatory manner,

the insistence upon of ATS Bank Guarantee would be arbitrary, disproportionate and contrary to the statutory scheme of the Electricity Act, 2003.

4.30. The Petitioners therefore submit that ATS Bank Guarantee provisions must be interpreted narrowly and applied only to the extent necessary to protect demonstrable and project-specific risks. They cannot be utilized as an instrument for financing, securing or underwriting the normal transmission planning obligations of the State Transmission Utility.

4.31. The transmission planning framework adopted at the national level under the General Network Access (GNA) regime proceeds on the recognition that transmission planning should increasingly be network-based rather than generator-specific. Under the GNA framework, transmission systems are planned considering overall network requirements and anticipated generation growth rather than exclusively linking each transmission asset to a particular generator.

4.32. The evolution of the national regulatory framework demonstrates the policy shift from project-specific transmission planning towards integrated network planning. The rationale underlying such framework is that transmission networks derive value from multiple users and therefore planning risks cannot be disproportionately allocated to individual generators.

4.33. While the present proceedings are governed by the applicable State regulations, the principles underlying the GNA regime provide useful guidance in interpreting ATS-related obligations. The demand for additional ATS Bank Guarantee in respect of assets forming part of the common network is inconsistent with this evolving regulatory philosophy.

4.34. The cumulative Bank Guarantee requirement under the present framework works out to approximately 40 Lakh/MW. as against only about ₹13 Lakh/MW required under the cumulative Bank Guarantee requirement under the present framework works out the CTU connectivity regime for projects connected to already planned and committed pooling stations. This substantial disparity is primarily attributable to the additional ATS Bank Guarantee of ₹20 Lakh/MW being sought even in cases where the associated pooling station and transmission infrastructure have already been planned and committed by the STU, and are not being developed specifically for the concerned project.

4.35. Section 81 (1) (e) of the Electricity Act imposes a positive statutory obligation upon Commission to promote generation of electricity from renewable sources. The expression "promote" requires the

Commission to remove avoidable barriers facilitate investments in renewable energy. Financial burdens imposed through transmission connectivity mechanisms must therefore be examined from the perspective of their impact on renewable energy development. Requiring renewable energy developers to furnish additional ATS Bank Guarantees in respect of transmission assets forming part of the common network creates avoidable entry barriers and adversely impacts project viability. Such interpretation would be contrary to the legislative intent underlying Section 86(1)(e).

4.36. It is a settled principle of administrative and regulatory law that every condition imposed by a statutory authority must satisfy the test of reasonableness and proportionality. The burden imposed upon regulated entities must bear a rational relationship with the objective sought to be achieved. Consequently, the demand for additional ATS Bank Guarantee lacks proportionality and imposes an unreasonable financial burden upon the Petitioners.

4.37. The present Connectivity Procedure, by imposing exceptionally high cumulative Bank Guarantee requirements, effectively creates an entry barrier that can be comfortably navigated only by a limited number of large market participants with substantial banking exposure limits. Such a framework risks discouraging serious and credible small and medium renewable energy developers, thereby reducing market diversity. competition, and investor participation, which are essential for achieving the State's ambitious renewable energy capacity targets.

4.38. The present Petition does not challenge the validity of the ATS Bank Guarantee mechanism approved by Commission. The limited issue requiring clarification is the scope and applicability of the ATS Bank

Guarantee provisions in circumstances where the transmission system proposed by the State Transmission Utility forms part of the general transmission planning of the State rather than a transmission system developed specifically for a particular renewable energy project.

4.39. The Petitioners submitted that the ATS Bank Guarantee framework must be interpreted in light of the statutory functions entrusted to the State Transmission utility under Section 39 of the Electricity Act, 2003. Section 39 casts a statutory obligation upon the State Transmission Utility to plan and develop an efficient, coordinated and economical intra-State transmission system for the State as a whole. Transmission planning undertaken by the STU may broadly fall into two categories:

(a) Transmission infrastructure developed specifically to provide evacuation facilities for an identified generating project; and

(b) transmission infrastructure developed as part of the planned transmission network of the State to cater to anticipated load growth, renewable energy integration, grid security, network redundancy, reliability requirements and future generation addition.

4.40. The ATS Bank Guarantee mechanism is intended to protect the transmission utility against the risk of creation of project-specific transmission infrastructure which may become stranded on account of withdrawal, abandonment or non-implementation of the identified generating project. Such rationale ceases to exist where the transmission system forms part of the STU's general transmission planning and would have been required irrespective of the

implementation of any particular generating project. Where a transmission asset forms part of the planned State transmission network, the asset continues to serve the statutory functions of the STU and remains available for utilization by present and future users of the grid. In such cases, the transmission infrastructure cannot be regarded as having been created solely for the benefit of an individual applicant.

4.41. It is submitted that the expression "Associated Transmission System" itself implies a direct nexus between the transmission system and the project seeking connectivity. A transmission system that is conceived, planned and justified on the basis of broader network requirements cannot be equated with a transmission system associated exclusively with a particular generating project. Any interpretation extending ATS Bank Guarantee obligations to general network development undertaken by the STU would effectively result in renewable energy developers underwriting transmission planning activities that the statute itself entrusts to the State Transmission Utility. Such an interpretation would blur the distinction between project-specific evacuation infrastructure and common transmission network assets and would be inconsistent with the scheme of the Electricity Act, 2003.

4.42. It is therefore submitted that where transmission works are justified on the basis of overall system requirements, future network needs, renewable energy integration requirements, reliability considerations or general strengthening of the State transmission system, such works should be treated as part of the common transmission network and not as an Associated Transmission System attributable to any individual generating project.

4.43. Consequently, ATS Bank Guarantee provisions should be interpreted as applicable only where the transmission system is demonstrably planned and developed specifically for evacuation of power from the applicant's project and not where the Transmission system forms part of the normal statutory transmission planning functions of the State Transmission Utility.

4.44. The Petitioners accordingly seek a clarification that transmission works forming part of the general transmission development plant of the State shall not attract ATS Bank Guarantee requirements merely because such works are also capable of facilitating connectivity of a particular generating project.

4.45. It is submitted that a renewable energy project developer is already required to demonstrate its commitment and seriousness towards project implementation through substantial financial commitments at various stages of project development. These include payment of application and processing charges to GEDA, furnishing Security Deposit/Bank Guarantee of Rs. 10 lakh per MW, and submission of Land Bank Guarantee of Rs. 10 lakh per MW. Thus, a developer is already required to block financial resources aggregating to approximately Rs. 20 lakh per MW even before commencement of project execution. In such circumstances, the imposition of an additional ATS Bank Guarantee of Rs. 20 lakh per MW serves little purpose in establishing the seriousness of the developer, which is already adequately demonstrated through the existing regulatory framework.

4.46. It is submitted that the Connectivity applications pertaining to planned, committed and under-construction pooling stations ought to be encouraged and appropriately incentivized, as they provide greater certainty regarding utilization of the transmission assets being created by the STU. Such applications enable Respondent to secure prospective users well before commissioning of the pooling station, thereby facilitating immediate absorption and recovery of transmission charges upon the asset becoming operational. This, in turn, minimizes the risk of under-utilization of transmission infrastructure and reduces the burden of stranded transmission costs being passed on to consumers. Therefore, imposing additional financial barriers, such as ATS Bank Guarantees for already planned and committed transmission infrastructure, may be counterproductive to the objective of ensuring timely and efficient utilization of the transmission network.

4.47. It is further submitted that the State of Gujarat has set an ambitious target of achieving 120 GW of renewable energy capacity by the year 2030. Against this target, approximately 50 GW of renewable energy capacity has already been commissioned and around 10 GW is presently under various stages of development. Consequently, an additional 60 GW of renewable energy capacity would be required to be established within the remaining period to achieve the State's renewable energy objectives

4.48. The evacuation of this additional capacity would necessarily require either the creation of transmission infrastructure by Respondent as part of its transmission planning function or utilisation of transmission systems developed by Respondent to meet broader grid

requirements. If developers are required to furnish ATS Bank Guarantees of Rs. 20 lakh per MW in addition to the existing financial commitments of Rs. 35 lakh per MW, the renewable energy sector would be burdened with an additional financial requirement of approximately Rs. 12,000 crore for the proposed 60 GW capacity. Such a substantial financial lock-in would adversely impact project economics, discourage investment, and potentially impede the pace of renewable energy development in the State. Therefore, an interpretation of the Connectivity Procedure that mandates ATS Bank Guarantees even in cases where connectivity is granted through the planned transmission network of the STU would not only be inconsistent with the regulatory intent but may also become a significant impediment to the State's objective of achieving 120 GW of renewable energy capacity by 2030.

5. The Petitioners on 27.06.2026 have filed their Additional Written submission and submitted as under:

5.1. It is submitted that the impugned provisions of the Connectivity Procedure proceed on the premise that transmission system development risks, infrastructure readiness risks and planning risks are to be substantially borne by connectivity applicants. Such an approach is contrary to the scheme of the Electricity Act, 2003 and settled judicial principles.

5.2. It is submitted that the statutory framework under the Electricity Act, 2003 recognizes development of transmission infrastructure is not the responsibility of generators, renewable energy developers or

connectivity applicants but is a core statutory function attached to the licence granted to the STU and Transmission Licensee.

5.3. Section 39(2)(b) of the Electricity Act, 2003 mandates that the State Transmission utility shall undertake transmission planning and coordination relating to the intra-state transmission system. Section 39(2)(c) further mandates that the State Transmission Utility shall:

> "ensure development of an efficient, coordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres."

5.4. The aforesaid provision imposes a positive statutory duty upon the State Transmission Utility to continuously plan and develop transmission infrastructure commensurate with future generation and demand requirements.

5.5. Section 40(a) of the Electricity Act, 2003 mandates that every transmission licensee shall:

> "build, maintain and operate an efficient, coordinated and economical inter-State or intra-State transmission system, as the case may be."

5.6. Thus, the Electricity Act clearly distinguishes between:

(a) The obligation of generators to establish generation facilities and dedicated transmission lines, and

(b) The obligation of the STU and Transmission Licensee to develop and maintain the common transmission network.

5.7. The legislative scheme therefore places transmission planning risk, network development risk and system augmentation responsibility squarely upon the STU and Transmission Licensee.

5.8. The grant of a transmission licence is not merely a permission to own transmission assets. It carries with it statutory obligations imposed by Parliament. A transmission licensee enjoys:

(a) Regulated returns on equity;
(b) Recovery of capital expenditure through tariff,
(c) Recovery of operation and maintenance expenses,
(d) Statutory rights under the Electricity Act, 2003.

5.9. Correspondingly, the licensee is required to discharge statutory responsibilities relating to transmission planning, augmentation and network development. The inability or failure of the licensee to create adequate transmission infrastructure cannot become a justification for imposing disproportionate obligations upon connectivity applicants.

5.10. The Hon'ble Appellate Tribunal for Electricity in Appeal No. 30 of 2012 (OPTCL v. OERC) recognized that augmentation of transmission infrastructure is the responsibility of the transmission utility and that prospective users cannot be compelled to bear such burden merely because the utility has not developed adequate infrastructure. The Tribunal recognized that network strengthening and augmentation are inherent functions of the transmission utility and form part of its statutory responsibilities. The principle emerging from the said judgment is that transmission infrastructure inadequacies cannot be used to discriminate against applicants seeking access to the network.

5.11. It is submitted that financial security mechanisms may be introduced only to discourage speculative applications. However, such mechanisms cannot be utilized as instruments to transfer transmission development risks from the licensee to applicants. The requirement of disproportionately high bank guarantees, especially in respect of applications for connectivity to Planned, Committed or Under-Construction Pooling Stations, effectively compels developers to underwrite risks which legally belong to the transmission utility. Such an approach is inconsistent with Sections 39 and 40 of the Electricity Act, 2003.

5.12. The Electricity Act, 2003 and renewable energy policies of the Central Government and the State Government encourage rapid addition of renewable energy capacity. Connectivity is the foundational requirement for implementation of renewable energy projects Any regulatory framework that discourages genuine developers by imposing disproportionate financial obligations defeats the legislative objective of promoting renewable energy development. The impugned provisions therefore require strict scrutiny from the perspective of reasonableness, proportionality and consistency with the parent statute.

5.13. It is submitted that the proposed framework appears to create an inconsistency in the treatment of applicants seeking connectivity where the associated transmission infrastructure has AGAR/already been identified and planned by Respondent. Clause 5.1(i)(b) requires Respondent to publish the additional capacity that would become available through approved system augmentation along with the tentative timeline for such augmentation. The augmentation works

contemplated under this clause are therefore already approved and form part of GETCO's transmission planning process.

5.14. Similarly Clause 5.1(ii) requires Respondent to publish a list of planned substations together with the month and year of their commercial operationalization. Such planned substations may either form part of GETCO's network development and system strengthening plans or may be proposed to cater to anticipated connectivity requirements.

5.15. In both cases, namely approved system augmentation under Clause 5.1(i)(b) and planned substations under Clause 5.1(ii), the transmission infrastructure has already been identified and planned by Respondent as part of its transmission development activities. The transmission investment decision is therefore not necessarily triggered individual connectivity applicant

5.16. It is submitted that ordinarily, the rationale for requiring an Associated Transmission System Bank Guarantee ("ATS BG") would be to protect the transmission licensee against the risk of stranded transmission assets where transmission infrastructure is developed undertaken in reliance upon such request. substantially on account of a specific applicant's connectivity request and investment is undertaken in reliance upon such request.

5.17. However, Clause 5.7(iv) requires applicants seeking connectivity under Clause 5.1(ii) to furnish ATS BG at the rate of Rs. 20 lakh/MW, whereas no such requirement has been prescribed for applicants seeking connectivity under Clause 5.1(1)(b). To the extent that a planned substation under Clause 5.1(ii) already forms part of GETCO's

approved transmission development programme, the underlying transmission planning considerations are substantially similar to those applicable under Clause 5.1(i)(b) Consequently, applicants availing transmission infrastructure already planned by Respondent are treated differently solely on the basis of whether such infrastructure is categorized as an approved augmentation or a planned substation.

5.18. Further, the inconsistency becomes more pronounced when Clause 5.2 is considered. Clause 5.2 permits an applicant to seek connectivity at a substation or potential area not included in the lists published under Clauses 5.1(i) and 5.1(ii). In such cases, GETCO may be required to undertake fresh system studies and develop new transmission infrastructure, including substations, transmission lines, bay extensions, augmentation works or other associated facilities.

5.19. Thus, applications under Clause 5.2 may potentially necessitate transmission planning efforts and investments equal to, or even greater than, those associated with connectivity under Clause 5.1(ii). Nevertheless, applicants under Clauses 5.1(ii) and 5.2 are subjected to the same ATS BG requirement despite the materially different nature of the transmission planning involved.

5.20. It is submitted that the resulting framework therefore treats applicants under Clauses 5.1(ii) and 5.2 identically despite differing transmission planning circumstances, while simultaneously treating applicants under Clauses 5.1(i)(b) and 5.1(ii) differently despite both categories being associated with transmission infrastructure already planned by Respondent. The applicability of ATS BG thus appears to

depend primarily upon the category of application rather than the actual transmission investment risk sought to be secured

5.21. It is submitted that the Commission may clarify the purpose, basis and intended scope of the ATS BG requirement under Clause 5.7(iv) and consider rationalizing the provision by linking the requirement to the actual transmission planning and investment risk attributable to a particular connectivity application. Such clarification would ensure consistency, transparency and non-discriminatory treatment across all categories of applicants.

6. The Respondent on 01.07.2026 filed its written submission and submitted as under:

6.1. It is stated that on the issue of maintainability the Petitioner has filed a vague Petition without clarification on specific provisions The Petitioner referred to Section 94 of the Act and "*limited review*" but there cannot be any Review:

(a) The Order was passed on 04.08.2025 and the Petition has been filed on 24.03.2026, much after the time period is over. There is no reference to any condonation of delay and there can be no basis for such condonation of delay in any case. The Petition is barred by limitation and ought to be dismissed on this ground alone.

(b) The Order approved the Connectivity Procedure and therefore it is not clear if it can be a subject matter of review at all.

6.2. The Petition has vaguely claimed for clarification whereas it is clearly for modification. The language of the Connectivity Procedure is very

clear and there is no scope for clarification as such. In any case, the Connectivity Procedure was approved after publication of draft and inviting objections etc. and any modification would also require such procedure. Further, a draft is submitted for comments only once and there is no second publication of a regulation or procedure at the draft stage. Only after consideration of all submissions, the Commission has approved the Connectivity Procedure. Hence, this petition is essentially a re-agitation of the same issues that have already been considered.

6.3. It is denied that any practical difficulties that have arisen in obtaining of ATS BG. The Respondent had communicated only the request of certain developers to Commission for directions and no petition had been filed for modification of the Connectivity Procedure.

6.4. It is stated that no impediment is being put by way of requirement of ATS BG in development of renewable energy projects. As stated above, multiple developers have submitted the ATS BG and final connectivity has been issued to them.

6.5. Clause 5.7(iv) of the Connectivity Procedure, 2025 requires submission of a bank guarantee of Rs. 20 lakhs/MW along with the application for connectivity towards the cost of the associated transmission system. Clause 5.7 (iv) is reproduced below:

"(iv) For applications made under Clause 5.1 (ii), applicant has to submit Associated Transmission System Bank Guarantee (ATS BG) for an amount of Rs. 20 lakh / MW along with application."

6.6. The above Procedure was approved after the publication of the draft inviting comments and objections. The Draft Procedure had similar clauses for ATS BG. Comments and objections were received. The comments had raised the issue of ATS BG for then Clause 5.6(v) of the Draft. Despite the said comments, the Commission had notified the Connectivity Procedure inclusive of the said clause. Therefore, clearly there was a considered decision by the Commission in this regard. The Petitioners are seeking to raise the same issues again.

6.7. In accordance with the directions of the Commission, the Respondent has been following the Connectivity Procedure. GETCO had also not granted any final Connectivity without ATS BG.

6.8. It is stated that as on the date the approved Procedure provides for the ATS Bank Guarantee for Clause 5.7(iv) applications. Further, about 36 applicants, cumulatively seeking connectivity for approximately 3000 MW, have already submitted the requisite ATS BG within the timeline prescribed under the approved Procedure, which itself establishes that genuine and serious developers face no real impediment in complying with this requirement.

6.9. The present position of Respondent is that the submission of ATS BG is essential to demonstrate the seriousness of the connectivity applicants. For the above purposes, Clause 5.7 (iv) had been specifically inserted in the Connectivity Procedure. The Connectivity Procedure specifically provides for ATS BG in Clause 5.7(iv) for applications under Clause 5.1(ii) as well as in Clause 7.6 for applications under Clause 5.2.

6.10. The New EHV substations are generally planned based on projected load growth, system reliability requirements, agricultural demand, industrial development, and consumer load requirements. Such substations are primarily designed to serve load centres and are not exclusively planned for large-scale Renewable Energy (RE) evacuation requirements. Without this planning, it is very difficult to facilitate large scale RE connectivity.

6.11. Typically, these substations are developed through LILO of existing transmission lines along with a new transmission line from the nearest strong source substation. Since the LILO portion is generally completed earlier than the associated transmission strengthening works, the available RE evacuation margin at the time of substation commissioning is often limited, usually in the range of 200-300 MW, and in certain cases may not be available at all.

6.12. It is submitted that multiple RE developers apply for connectivity at newly planned EHV substations looking to their Scheduled Commercial Operation Date (SCOD). While the available transmission infrastructure, feeder bays, and evacuation capacity at such substations remains limited, connectivity applications often exceed the available capacity by several times.

6.13. Accommodating such RE capacity requires development of dedicated transmission infrastructure including additional EHV substations, transmission lines, transformer capacity, feeder bays, and associated network augmentation works. These investments are not part of the original transmission plan and are undertaken solely to facilitate renewable energy integration.

6.14. Further, planning and execution of such transmission schemes involve substantial capital expenditure, long implementation timelines, Right-of-Way (RoW) challenges, statutory clearances, land acquisition requirements, and commitment of limited transmission resources. Therefore, before initiating transmission augmentation exclusively for RE evacuation, it is necessary to establish the seriousness, financial commitment, and project implementation intent of the concerned RE developers.

6.15. The ATS Bank Guarantee (ATS BG) serves as an effective mechanism for demonstrating such commitment. Submission of ATS BG provides confidence that the applicant intends to develop the project within the prescribed timeline and is not merely seeking to reserve transmission capacity on a speculative basis.

6.16. It is submitted that in the absence of ATS BG, there exists a significant risk that non-serious or speculative applicants may occupy limited connectivity slots, feeder bays, and transmission evacuation capacity without firm commitment to project execution. Such speculative applicants may result in:

(a) Inefficient utilization of transmission infrastructure;

(b) Blocking of connectivity opportunities for genuine project developers

(c) Distortion of transmission planning assumptions and overestimation of network requirements;

(d) Creation of stranded transmission assets in the event of project withdrawal or non-implementation; and

(e) Avoidable financial burden on the transmission utility and ultimately on consumers.

6.17. Further, when Respondent undertakes substantial investments in transmission infrastructure Infrastructure specifically for RE evacuation, it is imperative that such investments are backed by committed generation projects. ATS BG therefore acts as a risk-mitigation instrument that aligns transmission planning decisions with credible and bankable renewable energy development. The practical necessity of ATS BG is evident from the following cases:

(i) 220kV Mota Asarana (Mandan) Substation

(a) The substation was originally planned under the Kisan Suryodaya Yojana (KSY) scheme primarily for meeting agricultural demand.

(b) Connectivity applications aggregating 828 MW have been received at the substation.

(c) The existing planned transmission network is incapable of evacuating such a large quantum of RE power.

(d) Dedicated transmission infrastructure, including new transmission lines and additional substations, would be required exclusively for evacuation of the proposed RE generation.

(ii) 220kV Maglana Substation

(a) The substation was planned primarily to reduce loading on 220kV Vartej Substation and to cater to load growth in the Bhavnagar and surrounding industrial areas.

(b) Connectivity applications aggregating 740 MW were received at the substation.

(c) Subsequently, 470 MW of the applied capacity was withdrawn by the applicants.

(d) The existing planned transmission network is not capable of evacuating the proposed RE generation.

(e) Additional constraints exist with respect to feeder bay availability at the substation.

(f) Dedicated transmission augmentation, including additional substations and transmission lines, would be required to facilitate RE evacuation.

This case clearly demonstrates the risk of planning transmission infrastructure based on applications that may subsequently be withdrawn, resulting in uncertainty in transmission planning and potential creation of underutilized assets.

(iii) 220kV Dhank Substation

(a) The substation was originally planned under the Kisan Suryodaya Yojana (KSY) scheme primarily for meeting agricultural demand.

(b) Connectivity applications aggregating 425 MW were received at the substation.

(c) Subsequently, 68 MW of the applied capacity was withdrawn by the applicant.

(d) The existing planned transmission network is not capable of evacuating the proposed RE generation.

(e) Additional transmission Infrastructure including, dedicated transmission lines and network strengthening

measures, would be required for evacuation of the proposed RE capacity.

6.18. It is submitted that the above cases demonstrate that RE connectivity applications can substantially exceed the technical capability of the existing planned network and may subsequently undergo significant revisions or withdrawals. Planning dedicated transmission infrastructure solely on the basis of applications without any financial commitment mechanism exposes the transmission utility to considerable planning and investment risk. The contentions of the Petitioner in attempting to create an artificial distinction between a dedicated and common transmission assets is hence wrong. In both cases there are instances of augmentation of the system based on applications. Further, the common system is also planned based on expected requirement for transmission capacity including that from developers like the Petitioner. Hence, only because the Respondent is anticipating the demand and initiating the augmentation, does not mean that it should be placed in a more detrimental position than when it did not plan for that demand and more specific augmentation is required. Hence, the requirement of ATS BG in both instances is a reasonable requirement and there is no unjust enrichment specifically in this case. In fact, it places all developers at an equal footing.

6.19. The parallels drawn between the national General Network Access (GNA) Regime and GETCO's Connectivity Procedure is completely misplaced. The GNA framework operates under a distinct regulatory framework, with separate provisions governing transmission planning, grant of access, allocation of capacity, recovery of transmission charges, relinquishment, and associated financial

security mechanisms, which are fundamentally different from those applicable to GETCO's intra-State connectivity process. Consequently, any comparison between the two regimes is misconceived, and the principles applicable under the GNA framework cannot be imported to assess the validity or reasonableness of the ATS Bank Guarantee requirement prescribed under GETCO's Connectivity Procedure.

6.20. Further, the Petitioner has repeatedly contended that the ATS BG regime unfairly shifts the risk of transmission planning and investment from Respondent to the developer. This contention is misconceived, as the ATS BG merely ensures that applicants seeking transmission capacity demonstrate a genuine commitment to their connectivity applications and bear an appropriate share of the consequences arising from withdrawal or substantial modification of such applications. The requirement does not transfer Respondent's statutory obligations but serves as a prudent risk mitigation mechanism to protect the transmission system and its users from the adverse effects of speculative or non-serious application.

6.21. The Petitioner has further stated that network augmentation under Clause 5.1(1) (b) is similar to substation planning in Clause 5.1(ii) and absence of BG treatment of similarly placed requirement in the former situation results in treatment of similarly placed situations unfairly. The contention is wrong and misplaced. The augmentation dealt with in Clause 5.1 (i) is that which is already commissioned or soon to be commissioned and includes strengthening of the existing system. However, the augmentation dealt with in Clause 5.1 (ii) is development of completely new substations and associated systems with no identified users. The long-term implementation timeline is

common in both Clause 5.1 (ii) and in Clause 5.2 and hence there is a common ATS BG requirement.

6.22. Accordingly, obtaining ATS BG prior to undertaking dedicated RE evacuation planning is essential to:

(a) Establish the seriousness and commitment of project developers
(b) Prevent speculative reservation of connectivity and transmission capacity;
(c) Enable realistic and efficient transmission planning:
(d) Optimize utilization of limited feeder bays and network resources;
(e) Protect transmission investments from the risk of stranded assets;
(f) Ensure that transmission augmentation is backed by committed generation. projects; and
(g) Facilitate orderly, economic, and sustainable integration of renewable energy into the State Transmission System.

6.23. It is submitted that in view of the above, ATS BG should be considered a mandatory prerequisite before planning and implementing dedicated transmission augmentation schemes intended primarily for renewable energy evacuation.

6.24. The ATS BG, by requiring the applicant to commit financial security at the time of application itself, operates precisely to filter out non-genuine and speculative applications at the threshold stage, thereby enabling GETCO to plan augmentation/upgradation of the transmission system only to the extent of demonstrated, bona fide

demand. This protects the transmission network from being expanded on the basis of inflated or unrealistic application figures, prevents creation of stranded/surplus capacity upon subsequent withdrawal, and ensures that the cost of network expansion remains proportionate to actual, committed utilisation. The requirement of ATS BG is therefore not merely a security for the individual applicant's connectivity but a systemic safeguard against uneconomical and unplanned expansion of the State transmission network as a whole.

6.25. Accordingly, including the need to filter out non-genuine and speculative applications, to avoid unplanned and premature augmentation/ upgradation of the transmission system on the basis of unverified demand, and to guard against uneconomical and stranded expansion of the network upon subsequent withdrawal of connectivity by applicants, it is stated that the requirement of submission of ATS BG at the time of application for connectivity may be retained.

7. The Petitioner on 05.07.2026 filed its Additional written submission and submitted as under:

7.1. It is submitted that the Respondent has referred to the following three planned 220 kV Substations:

(a) 220 kV Mota Asarana (Mandan) Substation - planned under the Kisan Suryoday Yojana to cater to the agricultural demand of the respective area. Akshay Urja Setu Portal operated the Respondent was also specifically providing feasibility of the 300 MW capacity at 220kV and 70 MW capacity at 66kV which the Petitioner referred and applied;

(b) 220 kV Manglana Substation - planned to relieve the loading on the nearby 220 kV Varte Substation and to cater to the growing electricity demand of the respective area.

(c) 220 kV Dhank Substation planned under the Kisan Suryoday Yojana to cater to the agricultural demand of the respective area.

7.2. It is submitted that each substation forms part of the Respondent's independent transmission planning. The transmission infrastructure including the 220kV Mota Asarana (Mandan) Pooling Station, therefore, was neither conceived nor developed on account of the Petitioner's generating projects. In this regard, Clause 5.1 of the Connectivity Procedure approved by the Commission vide Order dated 04.08.2025 assumes significance. The relevant provisions are reproduced below:

Clause 5.1(i): *GETCO shall publish, the indicative capacity available for RE connectivity:*

(a) with existing infrastructure as well as planned substations to be commissioned within six months; and

(b) additional capacity feasible with approved system augmentation along with the tentative timeline.

Clause 5.1(ii): *GETCO shall publish the list of planned substations together with the month/year of commercial operationalisation in:*

(a) existing Renewable Energy potential areas; and

(b) potential Renewable Energy areas identified by the Committee constituted by the Energy &

Petrochemicals Department, Government of Gujarat.

7.3. A conjoint reading of Clause 5.1 and the Respondent's own Submissions demonstrates that the three substations referred to above were admittedly planned for the Respondent's own transmission requirements and not for Renewable Energy potential areas contemplated under Clause 5.1(ii). Consequently, the connectivity proposed to the Petitioner's projects does not appear to fall within Clause 5.1(ii), but is more appropriately covered under Clause 5.1(i)(b), which specifically contemplates utilisation of additional transmission capacity becoming available through approved system augmentation. However, irrespective of whether the proposed connectivity is ultimately held to fall under Clause 5.1(i)(b) or Clause 5.1(ii), the issue raised in the present Petition remains unchanged.

7.4. The Respondent's contention requiring Bank Guarantee for demonstrating seriousness of the connectivity applicants and accordingly, the Petitioner has not contested the requirement Security Bank Guarantee of INR 10,00,000/- (Indian Rupees Ten Lacs Only) per Megawatt (MW) to secure that the connectivity applicant completes and commissions the dedicated transmission infrastructure corresponding to the Project within the timelines prescribed. The principal relief sought in the Petition is a clarification regarding the true scope and applicability of Clause 5.7(iv) of the Connectivity Procedure.

7.5. The Petitioner's consistent case has been that Clause 5.7(iv) may legitimately apply where transmission infrastructure is developer-driven or project-specific, including connectivity applications under Clause 5.2, where creation of transmission infrastructure is contingent upon implementation of the applicant's project. In such cases, the requirement of furnishing an ATS Bank Guarantee bears a direct and rational nexus with the transmission risk undertaken by the transmission licensee. However, the same rationale cannot be mechanically extended to connectivity applications where the transmission infrastructure has already been conceived, approved and is being executed independently by the State Transmission Utility as part of its own transmission planning process. In such cases, the applicant merely seeks connectivity to transmission infrastructure that has already been planned by the Respondent, and the implementation of such infrastructure is not dependent upon the applicant's project. Consequently, there exists no project-specific transmission risk attributable to the applicant which would justify insistence upon an ATS Bank Guarantee.

7.6. It is submitted that even assuming, without admitting, that the proposed connectivity falls under Clause 5.1(ii), the requirement of ATS Bank Guarantee still lacks any rational basis. Clause 5.1(i)(b) itself contemplates transmission augmentation that already stands approved under the State Transmission Utility's planning process. Therefore, the transmission investment and corresponding implementation risk continue to remain part of the State Transmission Utility's independent planning obligations and cannot be attributed to any individual applicant.

7.7. It is stated that the Respondent's interpretation would effectively result in every applicant seeking connectivity against approved transmission augmentation being required to furnish an ATS Bank Guarantee irrespective of whether the transmission infrastructure is project-specific or independently planned. Such an interpretation would completely dilute the underlying rationale of Clause 5.7(iv) and transform an exceptional risk-mitigation mechanism into a universal pre-condition for connectivity.

7.8. It is submitted that every statutory or regulatory provision must be interpreted in a manner that advances the object sought to be achieved and suppresses the mischief sought to be remedied. A provision cannot be interpreted in isolation or in a manner that enlarges its scope beyond the purpose for which it has been enacted. Equally, an interpretation leading to arbitrary, unreasonable or unintended consequences deserves to be avoided where another interpretation consistent with the regulatory intent is available.

7.9. The object underlying Clause 5.7(iv) is evidently to protect the transmission licensee against financial exposure arising where transmission infrastructure is created or augmented specifically on account of a particular applicant's project exclusively and the applicant subsequently fails to materialise the project. The ATS Bank Guarantee is thus intended as a risk mitigation instrument and not as a universal financial pre-condition for grant of connectivity.

7.10. It is submitted that where transmission infrastructure has already been conceived, approved and is being implemented independently by the State Transmission Utility as part of its own transmission planning process, the very basis for insisting upon an ATS Bank Guarantee

ceases to exist. Extending Clause 5.7(iv) to such situations would detach the provision from its underlying purpose and impose a financial burden without any corresponding transmission risk.

7.11. It is a well-established principle of interpretation that a provision should receive a construction that gives effect to its purpose (*ut res magis valeat quam pereat*) and arbitrariness and unintended consequences. Clause 5.7(iv), therefore, deserves to be construed harmoniously with the overall scheme of the Connectivity Procedure so that the requirement of ATS Bank Guarantee remains confined to cases involving project-specific transmission investment or project-specific financial exposure undertaken by the transmission licensee.

7.12. The Petitioner's interpretation neither seeks to dilute nor render Clause 5.7(iv) redundant. On the contrary, it preserves the efficacy of the provision by confining its application to the class of cases for which it was intended. Such an interpretation is fully consistent with the principles of fairness, proportionality, reasonableness and non-arbitrariness that govern regulatory decision-making.

7.13. It is submitted that the present Petition does not seek review, modification or reconsideration of Clause 5.7(iv) of the Connectivity Procedure approved by the Commission vide Order dated 04.08.2025. The Petition merely seeks clarification regarding the proper interpretation and applicability of the said provision in circumstances where the underlying rationale for obtaining an ATS Bank Guarantee is absent. The Petition has been preferred under Sections 86(1)(k) and 94 of the Electricity Act, 2003, invoking the jurisdiction of Commission to interpret and clarify the applicability of its regulatory framework. The Petition neither Challenges the validity of Clause 5.7(iv) but it

merely requests Commission to clarify its proper construction so as to avoid an interpretation leading to unreasonable, disproportionate and unintended consequences.

7.14. The Petitioner prayed Commission to declare and clarify that the requirement of furnishing an ATS Bank Guarantee under Clause 5.7(iv) is attracted only where the transmission infrastructure is created or augmented specifically on account of and contingent upon implementation of the applicant's specific project exclusively. The said requirement ought not to be applied where connectivity is granted against transmission infrastructure that has already been independently conceived, approved and planned by the State Transmission Utility as part of its own transmission planning process, whether such connectivity is ultimately found to fall under Clause 5.1(i) (b) or Clause 5.1(ii) of the Connectivity Procedure. A bank guarantee is a security instrument and not a revenue-generating mechanism. Its purpose is to secure a genuine financial exposure or risk. If no corresponding exposure exists because the transmission infrastructure has already been planned independently by the transmission licensee, insisting on an ATS BG becomes disproportionate and lacks a rational nexus with its intended purpose.

8. The matter was heard on 23.04.2026, 16.06.2026. Representative appearing on behalf of the Petitioners submitted that the present Petition has been Piled under Section 86 (1) (K) and Section 94 of the Electricity Act, 2003 seeking clarification and Regulatory interpretation and appropriate modification of Clause 5.7(iv) of the Connectivity Procedure, 2025 issued by Gujarat Energy Transmission Corporation Limited (GETCO) as approved by the Commission.

8.1. He submitted that the Petitioners, being Special Purpose Vehicles (SPVs), have sought connectivity for renewable energy projects at the 400 kV Babarzar Pooling Station, which is a State-planned substation under Clause 5.1(ii) of the Connectivity Procedure, 2025. It is submitted that the said substation forms part of GETCO's long-term transmission plan up to 2032, was already under construction prior to the Petitioners' applications. The Petitioners applied for connectivity through the Akshay Urja Setu Portal for 70 MW solar project and furnished the requisite Security Bank Guarantee and Land route Bank Guarantee of ₹10 lakh/MW each. It is emphasized that the applications fall within the planned capacity of the substation and do not necessitate creation of any new transmission infrastructure.

8.2. He submitted that issue involved in the present matter pertains to the requirement of furnishing an Additional Transmission System (ATS) Bank Guarantee of ₹20 lakh/MW as required under Clause 5.7(iv) of the Connectivity Procedure, 2025, which has been made applicable to both State-planned infrastructure under Clause 5.1(ii) and developer-driven infrastructure under Clause 5.2. The Petitioners submitted that infrastructure under Clause 5.1(ii) is independently developed by the Respondent GETCO based on grid planning considerations and renewable energy potential, and therefore does not entail any stranded asset risk. In contrast, infrastructure under Clause 5.2 is project specific and contingent upon the execution of individual developers, thereby carrying a genuine risk of stranded assets. He submitted that the imposition of ATS Bank Guarantee is intended to mitigate such risk and, therefore, its application to Clause 5.1(ii) cases is unwarranted, disproportionate, and devoid of any rational.

8.3. He further submitted that the substations referred to in the Petition, was preapproved, publicly disclosed, and under execution independently of the Petitioners' connectivity applications, and not developed at their instance. Even GETCO has acknowledged that the issue requires adjudication by the Commission and has accordingly extended the timeline for submission of the ATS Bank Guarantee till 31.03.2026. The Petitioners submitted that such imposition would discourage optimal utilization of planned transmission infrastructure and is contrary to the objectives of the Renewable Energy Policy, 2025. In view thereof, the Petitioners have prayed that the Commission may clarify that the requirement of ATS Bank Guarantee is not applicable to connectivity granted under Clause 5.1(ii) and is limited only to developer-driven infrastructure under Clause 5.2.

9. Ld. Adv. appearing on behalf of the Respondent submitted that the present Petition is not maintainable as it is, in substance, a Petition seeking review and modification of the Connectivity Procedure, 2025 approved by the Commission vide communication dated 04.08.2025. The Petition has been filed beyond the prescribed limitation period without any application for condonation of delay and is therefore liable to be dismissed.

9.1. It was submitted that Clause 5.7(iv) of the Connectivity Procedure, 2025, requiring submission of an Associated Transmission System Bank Guarantee (ATS BG) of Rs. 20 lakh/MW along with applications under Clause 5.1(ii), was approved by the Commission after following the due consultative process, including publication of the draft procedure and consideration of stakeholders' comments. The issue raised by the Petitioners had already been considered during the

approval process and cannot be reopened through the present Petition.

9.2. It is further submitted that although it had received representations from developers seeking exemption from submission of ATS BG and had referred the issue to the Commission by letter dated 05.12.2025, no amendment has been made to the approved Connectivity Procedure. Accordingly, the Respondent is bound to implement the Procedure as approved by the Commission.

9.3. It was further submitted that pending the Commission's decision, the Respondent had only granted provisional connectivity and extended the time for submission of ATS BG, but no final connectivity was granted without compliance with Clause 5.7(iv). After the Commission directed compliance with the approved Procedure vide letter dated 15.05.2026, the Respondent called upon all applicants to submit the ATS BG in accordance with the Connectivity Procedure.

9.4. The Respondent submitted that the requirement of ATS BG is an essential safeguard to ensure the seriousness and commitment of project developers. The bank guarantee remains valid until the stipulated period after completion of the associated transmission system and is released only upon fulfilment of the prescribed conditions. It serves to protect the transmission planning process and mitigate risks arising from withdrawal, reduction of capacity, or changes in connectivity requirements.

9.5. The Respondent further submitted that the Petitioners' contention that no developer-driven risk exists in cases where substations are already planned is misconceived. Even in such cases, any revocation,

surrender, or reduction of granted connectivity impacts transmission planning, project prioritisation, and associated transmission infrastructure. Therefore, the requirement of submission of ATS BG under Clause 5.7(iv) is justified and ought to be retained.

10. We have heard the Petitioners and the Respondent at length and have carefully perused the pleadings, written submissions, and documents placed on record. The issues arise for consideration of the Commission is whether the requirement of furnishing an Associated Transmission System Bank Guarantee ("ATS BG") of Rs. 20 lakh per MW provided under Clause 5.7(iv) of the Connectivity Procedure, 2025, as applicable to connectivity applications made under Clause 5.1(ii), warrants for any interference or indulgence by the Commission.

10.1. We note that the present Petition is filed under Section 86 (1) (k) and 94 of the Electricity Act, 2003 for seeking clarification and regulatory interpretation and appropriate modification of clause 5.7 (iv) of the Connectivity Procedure, 2005 issued by the Gujarat Energy Transmission Corporation Limited and endorsed by the Commission. Since, the Petition has been filed under Section 86(1)(k) read with Section 94 of the Electricity Act, 2003, it is necessary to refer to the relevant provisions of the Act, extracted below, in order to appreciate the scope of the present Petition:

"…

86.1 (k) discharge such other functions as may be assigned to it under this Act.

The aforesaid provision provides for discharging of such other functions by the Commission as may be assigned to it under the Act.

…..

Section 94. (Powers of Appropriate Commission): --- (1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the following matters, namely: -

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) discovery and production of any document or other material object producible as evidence;

(c) receiving evidence on affidavits;

(d) requisitioning of any public record;

(e) issuing commission for the examination of witnesses;

(f) reviewing its decisions, directions and orders;

(g) any other matter which may be prescribed.

(2) The Appropriate Commission shall have the powers to pass such interim order in any proceeding, hearing or matter before the Appropriate Commission, as that Commission may consider appropriate.

(3) The Appropriate Commission may authorise any person, as it deems fit, to represent the interest of the consumers in the proceedings before it."

Thus, under Section 94 of the Electricity Act, 2003, the State Commission has power as vested in a civil court under the Code of Civil Procedure, 1908 for specified purposes and to pass such orders as may be necessary to give effect to the provisions of the Act and the rules and

regulations made thereunder, including reviewing its decisions, directions and orders.

10.2. We also consider it relevant to note that the Petitioner vide its affidavit dated 15.06.2026, in response to the reply filed by the Respnodent GETCO, has categorically submitted that the Petitioners in the present Petition do not seek a *review, modification or reconsideration of Clause 5.7 (iv) of the Connectivity Procedure approved by the Commission*, rather, *they seek limited examination of the applicability and interpretation of the said provision* in circumstances where underlying rational for obtaining ATS BG does not exist.

10.3. We note that there is clear distinction between seeking clarification and seeking review / modification of order/ regulations/ direction of the Commission, as the scope of the both are different in nature. The distinction between clarification and review/ modification is not a mere matter of nomenclature, it goes to the very root of the jurisdiction to be exercised by the Commission.

10.4. With this consideration, we find it appropriate to first examine the preliminary issue of whether there exists any infirmity, ambiguity, or inconsistency in the provisions of the Connectivity Procedure, 2025, which would warrant the indulgence of the Commission to rectify the same. Therefore, we consider it appropriate to refer relevant provisions of the approved Connectivity Procedure, 2025 which are read as under:

> *"**5.1:** GETCO shall publish and update two lists of substation on its website on 3rd day of every calendar month at 11:00 AM, based on*

available margin in the upstream/downstream network comprising of substations/clusters of substations with –

(i) Indicative capacity in terms of MW available for RE connectivity with name of substation and geographical coordinates - (a) with existing infrastructure as well as planned substations to be commissioned within six months; and (b) additional capacity feasible with approved system augmentation along with the tentative timeline.

(ii) List of planned substations with month/year of commercial operationalization in (a) existing RE potential areas and (b) potential RE area(s) identified by the Committee constituted by EPD, GoG vide resolution dated 14.06.2024.

5.2: *In case, applicant desires to apply for substation/potential area which is not available in list (i) and (ii), applicant may specify the location where connectivity is desired specifying village/taluka."*

The aforesaid provision of the procedure provides for making application for connectivity at the Sub-station listed under Clause 5.1 (i) & (ii) and under Clause 5.2. The Clause 5.1 (ii) provides for declaring list of planned substations with month/year of commercial operationalization in (a) existing RE potential areas and (b) potential RE area(s) identified by the Committee constituted by EPD, GoG.

10.5. The Clause 5.7 of the Procedure provides for the documents and securities to be furnished along with the application for connectivity, which read as under:

"...

5.7(iii): *Applicant shall provide Security Bank Guarantee (SBG) as per prevailing Regulations or as specified by the Commission in relevant orders, as applicable time to time;*

5.7(iv): *For applications made under Clause 5.1(ii), applicant has to submit Associated Transmission System Bank Guarantee (ATS BG) for an amount of Rs. 20 lakh/MW along with application.*

....."

Thus, Clause 5.7(iv) provides that, for applications made under Clause 5.1(ii), which covers the list of planned substations, the applicant is required to submit the ATS BG for an amount of Rs. 20 lakh/MW along with the application.

10.6. The Clause 7.3 of the Procedure provides for the manner in which connectivity application made under Clause 5.1(i) and (ii) is to be processed, in cases where the required capacity is not available, which reads as follows:

*"**7.3:** Further, STU/DISCOM as case may be shall, within 60 days from the last day of the month in which application is received, grant provisional connectivity for 5.1(i) and (ii): (a) with system strengthening at the preferred location, if possible or (b) at a new proposed substation along with tentative timeline by when transmission system shall be made available. The applicant shall confirm the acceptance to avail connectivity as above and submit Bank Guarantee towards Associated*

Transmission System (ATS BG) for an amount of Rs. 20 lakh/MW within 30 days from the date of communication from STU/DISCOM as case may be as above, failing which the application shall be closed and SBG & Land BG, if applicable shall be returned within 30 days."

10.7. For applications made under Clause 5.2, the corresponding provisions relating to processing of connectivity application is stipulated under Clause 7.6, which reads as under:

*" **7.6:** Upon receipt of the application(s) for grant of Connectivity, the list of all application(s) shall be placed before the Committee constituted by Energy & Petrochemicals Department vide resolution dated 14.06.2024. In the event the area where connectivity is sought is identified by the Committee as a RE potential area, STU shall, subject to techno-commercial feasibility and receipt of application(s) for 50% capacity of required associated transmission system, carry out system study and plan the scheme for development of transmission system. STU/DISCOM, as the case may be, shall within 180 days from the last day of the month in which application is received, intimate the applicant about feasibility/non-feasibility. If application is found feasible for connectivity, STU/DISCOM shall inform the applicant about provisional connectivity along with required transmission system and tentative timeline by when transmission system shall be made available. The applicant(s) shall confirm the acceptance to avail connectivity ... and submit ATS BG within 30 days, failing*

which the application shall be closed and SBG & Land BG, if applicable shall be returned within 30 days."

10.8. The validity and consequences relating to the ATS BG, are prescribed in Clause 7.7, which reads:

> ***"7.7:*** *The ATS BG shall be valid for a period up to minimum 6 months from the anticipated completion date for strengthening of Associated Transmission System or time specified in the Regulations/Order for execution of RE project whichever is later. If anticipated completion of Associated Transmission System is extended for whatsoever reasons, the connectivity grantee shall extend all applicable BGs one month prior to expiry of applicable BGs, for a minimum period of six months from revised anticipated completion time of ATS. In the event the applicant fails to extend the validity of all applicable Bank Guarantees within the stipulated timeframe, the connectivity granted shall stand cancelled and ATS BG, SBG and Land BG (if applicable), shall be encashed."*

It is relevant to note that as per clause 7.7, the validity and consequences relating to the ATS BG is uniformly applicable to the connectivity granted under Clause 5.1(ii) as well as under Clause 5.2.

10.9. Under the Clause 7.8, the STU require to review the progress of planned system strengthening at every six months interval, and provides that in case of non-commissioning of the entire RE capacity within the timeline specified, the balance connectivity quantum shall

be revoked and all applicable Bank Guarantees, proportionate to the non-commissioned capacity, shall be encashed. The Clause 7.13 and Clause 7.15 provide for return of all applicable Bank Guarantees within thirty days upon rejection of an application for inadequacy of documents or voluntary withdrawal prior to grant of connectivity, and for return of Bank Guarantees only after commissioning of the entire capacity of the RE project.

10.10. We note that on a plain reading of Clause 5.7(iv) of the Connectivity Procedure, the obligation to furnish ATS BG is to be applied to "*applications made under Clause 5.1(ii)*" without any qualification or dispensation or distinction with regard to State Planned infrastructure or Developer Driven infrastructure contrary to the distinction sought to be drawn by the Petitioners. The Clause 5.7 provides for submission of list of documents and securities to be submitted along with the Application for connectivity. The Clause 5.7 clearly stipulates specific exclusion / distinction, as and when it is intended to do so. The Clause 5.7(iv) contains no such exclusion / distinction for excluding State-planned substations from submission of ATS BG for application made under clause 5.1 (ii). We are of the view that where the plain language of approved regulatory direction / procedure is clear and meaningful, the first and most important interpretive obligation of the Commission is to give effect to that provision, without searching for interpretation which is otherwise in nature of policy consideration.

10.11. We note that though the Petitioners have sought clarification/ declaration in regard to the provisions of approved Connectivity Procedure relating to submission of ATS BG specifically for the connectivity applications made at State Planed Sub-stations listed

under Clause 5.1 (ii). However, as per our considered view, the Petitioners have failed to point out any ambiguity or infirmity or inconsistency within Clause 5, Clause 7, or other provisions of the Connectivity Procedure that would support their contention that the requirement of submission of ATS BG under clause 5.7 (iv) shall only be applicable for the connectivity applications made under Clause 5.2 and excludes the application made under Clause 5.1 (ii). To the contrary, as noted above, the stipulation contained at Clause 7.3 relating to processing of application made under Clause 5.1(ii), expressly contemplates for furnishing of ATS BG as a condition for confirmation of provisional connectivity, which uses materially same language identical to that used in Clause 7.6 relating to processing of application made under Clause 5.2. The consistency between Clause 7.3 and Clause 7.6, both of which treat ATS BG as a common feature for processing and confirmation of connectivity regardless of whether the substation falls under Clause 5.1(ii) or Clause 5.2, further confirms the requirement of ATS BG without any distinction or dispensation and leaves no room for ambiguity in regard to the interpretation of Clause 5.7(iv), namely requirement of ATS BG for application made under Clause 5.1 (ii).

10.12. With consideration of aforesaid analysis of the provisions of Connectivity procedure, 2025 we hold that there is no ambiguity or infirmity or inconsistency in regard to requirement of ATS BG under clause 5.7 (iv) in respect of the connectivity application made under clause 5.1(ii) of the connectivity procedure.

10.13. We further consider it relevant to note that the Commission has approved the Connectivity Procedure vide its communication dated

04.08.2025 as submitted by the Respondent GETCO in pursuance to Clause 20 of the GERC (terms and Conditions of Intra-State Open Access) Regulations, 2011, without any modification or changes in it by the Commission. It is also undisputed that the Draft Connectivity Procedure, were circulated / published for stakeholders consultation on 20 May 2025 by the Respondent GETCO, containing very same provision, then numbered as Clause 5.6(v), relating to furnishing of Associated Transmission System Bank Guarantee at the rate of Rs. 20 lakh per MW. It is also not disputed that comments and objections were invited on the draft and some of the stakeholders including the Petitioners raised the very same issue now sought to be agitated by the Petitioners, namely, requirement of ATS BG ought to be confined to developer-driven infrastructure under present Clause 5.2, and the Respondent GETCO, after considering such comments/suggestions/objections, retained the requirement of ATS BG in substantially the same form, extending it to applications made under Clause 5.1(ii) as well as Clause 5.2. The Commission thereafter approved and notified the Connectivity Procedure, 2025 by its communication dated 04.08.2025.

10.14. The aforesaid undisputed facts clearly establishes that the issue whether the requirement of ATS BG should confined to application made under Clause 5.2 only i.e. developer driven infrastructure and should not be applied to the application made under Clause 5.1 (ii) i.e. State-planned substations cannot be said to be an oversight or error that crept into the Connectivity Procedure which remained unnoticed while submitting the draft Connectivity procedure to the Commission by the Respondent GETCO and / or while granting approval by the Commission. Facts remain that during consultation process, the very

same issue was specifically raised by the stakeholders to exclude the requirement of ATS BG for connectivity application made at State Planned Substations and the same was consciously not accepted by the Respondent GETCO while submitting the draft Connectivity Procedure to the Commission. Therefore, the issues which were raised but not considered while framing the Connectivity Procedure, cannot be considered or given effect to by the Commission in the present proceedings seeking for clarification / declaration/interpretation of the Connectivity Procedure, rather it amounts to seeking modification / amendment/ review of the approved connectivity procedure.

10.15. With consideration that the provisions of the connectivity procedure on the aspect of ATS BG is very clear without leaving any room of ambiguity and the alternative suggestion which was pressed for and not accepted at the draft stage, the appropriate course if warranted so, lies in seeking amendment in the Connectivity procedure and not in Section 94 proceedings. As per Regulation 20 of the GERC Open Access Regulations, 2011, any amendment / modification in the Connectivity procedure which is framed after following the due consultative process, if warranted so, can only be appropriately addressed following the due process of inviting comments/suggestions/ objections from the stakeholders.

11. We note that, apart from above, the Petitioners have also raised other issues in the matter. The Petitioners have submitted that the Section 86(1)(e) of the Electricity Act, 2003 casts duty upon the Commission to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity, and by specifying, purchasing and

monitoring renewable purchase obligations. Section 86(1)(k) empowers the Commission to discharge such other functions as may be assigned to it under the Act, which includes approval of connectivity and grid-access procedures framed by the State Transmission Utility. The Petitioners further submitted that Section 39(2)(b) and (c) requires the State Transmission Utility to undertake transmission planning and coordination relating to the intra-State transmission system, and to ensure development of an efficient, coordinated and economical system of intra-State transmission lines for smooth flow of electricity from generating stations to load centres. Further, Section 40(a) casts a corresponding duty on every transmission licensee to build, maintain and operate an efficient, coordinated and economical transmission system. The Petitioners have submitted that transmission planning is a statutory obligation of the STU and the Act does not contemplate that transmission planning should be shifted onto individual generators through financial conditions, rather, the STU is expected to undertake coordinated network planning considering present and future system requirements, load growth, renewable energy integration, reliability standards and grid security. While, we agree with the submission of the Petitioner that the aforesaid provisions of the Electricity Act, do impose upon the STU and the transmission licensee the responsibility of transmission planning and facilitation for grant of connectivity to the RE projects, however, none of these provisions suggests that the Commission thereby lacks power to regulate, through a duly notified procedure, the manner and conditions on which access to the network is to be granted to individual applicants, including by requiring financial securities and to avoid the risk of hoarding the connectivity resources or stranding of transmission asset by non-serious

applicants impacting the transmission planning. We are of the view that neither the promotional mandate under Section 86(1)(e) nor the STU's planning obligation under Section 39 place any restrictions for putting in place provisions in form of connectivity procedure that filters out non-serious applications, avoid the risk of connectivity hoarding, stranding of resources and thereby to achieve the objective of orderly and efficient renewable energy integration with grid.

12. As regards the submission of the Petitioners that transmission infrastructure developed under Clause 5.1 (ii) does not arise from any individual developers connectivity request and therefore does not give rise to the standard asset risk that the ATS BG mechanism seeks to address, is concerned, we note the elaborate submission of the Respondent GETCO in support of requirement of ATS BG under Clause 5.7 (iv) inter alia stating that accommodating RE capacity requires development of dedicated transmission infrastructure including additional EHV substations, transmission lines, transformer capacity, feeder bays, and associated network augmentation works, which are not part of the original transmission plan and are undertaken solely to facilitate RE Connectivity. With reference to the 220 kV Mota Asarana (Mandan), 220 kV Maglana, and 220 kV Dhank substations as referred to by the Petitioners, the Respondent GETCO has *inter-alia* stated that the connectivity applications at these substations have, in practice, substantially exceeded the substations' originally planned evacuation capacity, and significant capacity has subsequently been withdrawn by applicants (470 MW at Maglana and 68 MW at Dhank). These instances demonstrate the possibility of stranded or under-utilised transmission investment which is not only confined to Clause 5.2 alone, and exists equally in respect of transmission works that GETCO

may be required to augment or upgrade to meet the aggregate connectivity capacity sought under Clause 5.1(ii). In light of the aforesaid submissions made by the Respondent, GETCO, the generic proposition put forward by the Petitioners that connectivity sought at a State-planned substation is free of the risk that ATS BG is intended to secure, warrants no further deliberation in the present proceedings.

13. We further note that the Petitioners have relied upon the decision of the Hon'ble Appellate Tribunal for Electricity in Appeal No. 30 of 2012 (OPTCL v. OERC) in support of the proposition that augmentation / creation of transmission infrastructure is the responsibility of the transmission utility, and that prospective users cannot be compelled to bear the burden of the utility's own planning inadequacies. We are of the view that the aforesaid judgement referred to by the Petitioners is of no aid to them. The facts involved in the present case is different and distinct then the factual matrix involved in the case before the Hon'ble APTEL, which was concerning to the denial or discriminatory treatment of access on the ground of the utility's infrastructural inadequacy. In the present case, the Clause 5.7(iv) of Connectivity Procedure does not deny connectivity to any applicant, nor does it discriminate between similarly placed applicants. It provides for the grant of connectivity, uniformly across the category of the applicants falling under the Clause 5.1(ii) or Clause 5.2, subject to furnishing returnable financial security in form of ATS BG. The decision relied upon is, accordingly, distinguishable and does not assist the Petitioners.

14. As regards the comparison sought to be drawn by the Petitioners with the General Network Access regime operating at the Inter-State level,

in support of their case, is concerned, we agree with the submission of the Respondent GETCO that the GNA regime at Inter – State level operates under a distinct regulatory framework, with separate provisions governing transmission planning, grant of access, allocation of capacity, recovery of transmission charges, relinquishment, and associated financial security mechanisms, which are fundamentally different from those applicable to Intra-State connectivity process. Consequently, any comparison between the two regimes is not appropriate, and the principles applicable under the GNA framework cannot be compared or imported to assess the validity or reasonableness of the ATS Bank Guarantee requirement prescribed under the Connectivity Procedure.

15. We also take note of the facts placed on record by the Respondent GETCO vide its written submission dated 01.07.2026 categorically stating that about 36 Applicants, cumulatively seeking connectivity for approximately 3000 MW, have already submitted the requisite ATS BG within the timeline prescribed under the Approved Procedure, which itself establishes that genuine and serious developers face no real impediment in complying with this requirement.

16. As regards the preliminary issue of limitation raised by the Respondent GETCO stating that the Connectivity procedure was approved by the Commission on 04.08.2025 and the Petition has been filed on 24.03.2026 much after the time period available for review of the Order / direction of the Commission is over, therefore, the Petition is bared by limitation and ought to be dismissed on this ground alone. Per contra, it is the submission of the Petitioners that the Respondent has grossly misconstrued the expression “limited review” used in the

Petition, the Petitioners do not seek review, modification, reconsideration of the clause 5.7 (iv) of the Connectivity Procedure approved by the Commission vide order dated 04.08.2025. In fact the Petitioner's seek a limited examination of the applicability and interpretation of the Clause 5.7 (iv) in circumstances where the underlying rational for obtaining ATS BG does not exists. In the given facts of the case, we do not consider it necessary to render any finding on the Respondent's preliminary objections on the issue limitation. We note that the objection of the Respondent relating to limitation period shall be applicable for a petition seeking review of Commission's order / direction under Section 94 of the Electricity Act and grant of condonation of delay, if any, by the Commission. In the present case, it is categorical submission of the Petitioner that they are not seeking review, modification, reconsideration of the clause 5.7 (iv) of the Connectivity Procedure approved by the Commission vide order dated 04.08.2025 but only seeking a limited examination of the applicability and interpretation of the Clause 5.7 (iv). Further, as observed in the preceding part of the order, any amendment / modification in the Connectivity procedure, if warranted, can only be appropriately addressed by following the due process of inviting comments/suggestions/objections from the stakeholders. Considering these aspects, we are of the view that the preliminary objection of limitation raised by the Respondent is not relevant.

17. Based on the foregoing discussion and deliberations, we hold that the requirement of furnishing Associated Transmission System Bank Guarantee under Clause 5.7(iv) of the Connectivity Procedure, 2025, for connectivity applications made under Clause 5.1(ii), is in accordance with the Connectivity Procedure, 2025 as approved by the

Commission. Further, Clause 5.7(iv) makes no distinction between connectivity application made at State-planned infrastructure under Clause 5.1(ii) and developer-driven infrastructure under Clause 5.2. The relief sought by the Petitioners in effect seeks to carve out a separate classification or category which the approved Procedure does not contain itself, amounts to amendment/ modification in the approved Connectivity Procedure, which cannot be addressed in the present proceeding. Consequently, the Petitioners cannot claim exemption from furnishing ATS BG for their connectivity applications merely on the ground that the substation is stated to form part of GETCO's long-term transmission plan. The Petitioners shall comply with Clause 5.7(iv) in the same manner as other similarly placed applicants who have already furnished ATS BG and been granted Final Connectivity as being vehemently submitted by the Respondent GETCO.

18. With this Order, the present Petition stands disposed of.

19. Order accordingly.

Sd/-	**Sd/-**	**Sd/-**
[Jatin N. Thakkar]	**[Hiren Shah]**	**[Pankaj Joshi]**
Member	**Member**	**Chairman**

Place: Gandhinagar.
Date: 05/08/2026.