

Annexure I

Note on Implication to the RE sector development in the GIB area.

A. Technical impact

- i. ROW may be a very big challenge; undergrounding of these transmission lines would require further land to be procured and since land acquisition is a very challenging task; even as per tender timelines, developers are given 12-to-18-month time. Hence land acquisition would take more time than the 12-month period given through the Court order for undergrounding the transmission lines/system.
- ii. There may be various other technical challenges which we are unable to envisage today, hence rather than undergrounding the entire transmission lines, there may be other better and more effective solutions, which the Committee can be asked to work upon. Rerouting of transmission line considering obstacles such as nalah, densely populated area etc.
- iii. Lack of visibility in requirement of on-ground permits while converting the entire overhead transmission infrastructure into underground one (thereby lack of clarity on actual cost impact).
- iv. O&M exercises like fault detection and correction in controlled environment would be extremely difficult to be carried to out the extent of infeasibility.
- v. While underground cabling is done, redundant cable must be undergrounded.
- vi. Limited vendors with technical expertise to carry out this complex conversion process (undergrounding the existing and new transmission system), which would pose further challenge for undergrounding the entire transmission system of approximately 50 GW RE capacity projects (existing and under-development); however, even for the ones who have such necessary technical expertise, it would be highly unlikely for them to carry out this tedious complex exercise in a span of 12 months as directed vide the Court Order.
- vii. Currently there is no policy/regulation for designated transmission corridor for such high voltage underground transmission system, necessary to safeguard human lives from potential mishaps/accident. As these high voltage lines to the transmission station is highly vulnerable and suitable study needs to be undertaken before going ahead with implementation.
- viii. Further, we would be required to install additional reactors to compensate capacitive effect.
- ix. Supply chain constraints from manufacturers 220kV cables, cable joints and certified cable jointers.
- x. The multiple (50+) cable joints will act as the weak points and will result in increased plant down time and will need very high maintenance cost which will not be feasible.

- xi. For under construction projects wherein ordering for transmission line is already completed and partial construction work is already completed / under progress, clarity is required on whether the work to be stopped until clearance from the committee is received which will have severe implication on project timelines and costs. Till such clarity is received, we will not be able to carry out with construction activities for transmission lines.

B. Commercial Impact

- i. The RE developers would be required to incur additional cost for carrying out all the above-mentioned activities such incremental additional cost (if incurred) has been allowed to pass through under PPA, however same would further burden already financially crippled DISCOM(s).
- ii. Further, due to the uncertainties around project cost and timelines, lenders are not comfortable for funding the project and providing draw down for under construction projects which has stalled further investment in under construction projects and will add to delay in completion of the Project.
- iii. Additionally, there will be re-thinking on new investment and participation in future bids as State of Rajasthan & Gujarat is one of the most important factors while considering low tariffs due to various advantages associated with terrain of the State.
- iv. Clarification is also sought if SECI is also exploring any legal alternatives as it will directly affect the GoI RE targets.