

The Central Electricity Regulatory Commission proposes compensation-based framework for extension of General Network Access milestone timelines

The Central Electricity Regulatory Commission (“CERC”), *vide* order dated April 15, 2026, has proposed a procedure for levy of compensation charges to permit additional time for achieving key project milestones under the connectivity and General Network Access (“GNA”) framework (“**Draft GNA Procedure**”). A public hearing is proposed to be conducted, post the submission of comments, objections and suggestions from stakeholders on the Draft GNA Procedure, which were due by April 30, 2026.

The Draft GNA Procedure has been issued under the CERC (Connectivity and GNA to the inter-State Transmission System) Regulations, 2022 (“**GNA Regulations**”), which currently mandate strict timelines for submission of land documents, achievement of Financial Closure (“**FC**”), and declaration of Commercial Operation Date (“**CoD**”). Under the existing framework, failure to meet these milestones results in revocation of connectivity and encashment of bank guarantees, with limited relief available only through case-specific exercise of regulatory powers.

In this background, and in light of increasing instances of project delays, CERC has proposed a structured and standardised mechanism to allow extensions of milestone timelines, subject to eligibility conditions and payment of Milestone Extension Charges (“**MEC**”). The Draft GNA Procedure reflects a shift towards a more calibrated approach, balancing project execution challenges with the need to ensure efficient utilisation of transmission connectivity, which is treated as a scarce resource.

Salient features

1. **Structured framework for extension of milestone timelines:** The Draft GNA Procedure introduces a formal mechanism to permit additional time for achieving milestones, replacing the current case-by-case approach. Extensions may be granted for submission of land documents, achievement of FC, and CoD, subject to satisfaction of eligibility criteria and payment of applicable MEC.
2. **Eligibility linked to demonstrable project progress:** The Draft GNA Procedure allows extensions only where the developer demonstrates tangible progress. For land-related extensions, at least 20% of required land documents must be submitted. For FC, land availability thresholds of 50% (land bank guarantee route) or 25% (letter of award or power purchase agreement route) are prescribed. For CoD, higher thresholds apply, including land availability (100% under land route or 50% under letter of award or power purchase agreement route), along with proof of FC and engineering, procurement, and construction contract award.
3. **Introduction of graded MEC:** MEC is proposed as a per Megawatt (“**MW**”) per day charge, differentiated by milestone and duration of delay. For land document submission and FC, the base rate is INR 1,500 (Indian Rupees one thousand five hundred) per MW per day, while for CoD, the base rate is INR 3,000 (Indian Rupees three

thousand) per MW per day. The charges increase progressively with delay, rising to INR 1,650 (Indian Rupees one thousand six hundred and fifty), INR 1,800 (Indian Rupees one thousand eight hundred), and INR 1,950 (Indian Rupees one thousand nine hundred and fifty) per MW per day for later FC months, and up to INR 6,000 (Indian Rupees six thousand) per MW per day for extended CoD delays, thereby creating a graded cost structure for non-compliance.

4. **Defined outer limits for extension:** The Draft GNA Procedure prescribes clear caps on extensions; up to 3 (three) months for submission of land documents, 6 (six) months for FC, and 12 (twelve) months for CoD. Failure to achieve milestones within these extended timelines would result in revocation of connectivity and encashment of applicable bank guarantees in accordance with the GNA Regulations.
5. **Advance payment and enforcement mechanism:** MEC is required to be paid on a per-day basis, 15 (fifteen) days in advance. Failure to make advance payment would result in revocation of connectivity. In cases where milestones are achieved earlier within the prepaid period, the unutilised portion of MEC is refundable without interest.
6. **Special dispensation for CoD delays linked to GNA effectiveness:** The Draft GNA Procedure recognises practical constraints in commissioning where transmission infrastructure may not be ready. Accordingly, a grace period of 2 (two) months from the GNA effective date is proposed for achieving CoD without levy of MEC, after which applicable charges would apply.
7. **Separate charges for multiple delays and no relaxation of core obligations:** Where extensions are sought for more than 1 (one) milestone, MEC is payable separately for each. Further, grant of additional time does not alter the firm start date of connectivity, and entities remain liable for mismatch charges under applicable regulations.
8. **Utilisation of compensation proceeds:** The compensation collected under the Draft GNA Procedure is to be credited to the Deviation and Ancillary Services Pool Account by the nodal agency.

Conclusion

The Draft GNA Procedure marks a significant evolution in the GNA framework by introducing a structured, compensation-based mechanism for addressing delays in milestone achievement. By moving away from a purely revocation-driven regime to a graded, cost-based extension model, the proposal seeks to provide limited flexibility to developers while ensuring that scarce transmission connectivity is not held without adequate progress. Stakeholders should evaluate the implications of the proposed framework on project timelines, financing arrangements, and risk allocation, and consider providing inputs as part of the consultation process.

Electricity and Power Practice

JSA is the leading national practice in the power sector – conventional and non-conventional. JSA provides legal services at all stages of the value chain in the sector - across the spectrum of contractual, commercial, policy, regulatory and legal issues. We represent clients in all segments: generation, transmission, distribution and trading. JSA serves its clients by transaction-specific integrated teams across various locations and practice areas (Banking & Finance, Mergers & Acquisition and Private Equity, Projects and project related contracting, Dispute Resolution, Taxation, Regulatory proceedings and Policy advisory).

JSA has been regularly engaged in; (a) providing policy advice to Governments of Bangladesh and Maldives, as also the Government of India besides various Indian states. Also, JSA partners have presented expert testimony to the Parliamentary Standing Committees and the Forum of Regulators on challenges faced by the power sector and proposed legislative and policy changes, development financial institutions like the World Bank, the Asian Development Bank, DfID, USAID regulatory authorities and industry bodies; (b) advising project developers, investors, suppliers and contractors on commercial / transactional issues and all aspects of licensing, market structures, competition, performance standards and tariffs; (c) advising financial institutions and borrowers in relation to financing transactions; (d) Advising clients on sustainable development issues like clean development mechanism and environmental compliances; and (e) specialised dispute resolution.

This Prism has been prepared by:



Vishnu Sudarsan
Partner



Sugandha Somani Gopal
Partner



Asmita Maan
Senior Associate



Vihaan Pathak
Associate



19 Practices and
40 Ranked Lawyers



8 Ranked Practices,
22 Ranked Lawyers



15 Practices and
20 Ranked Lawyers



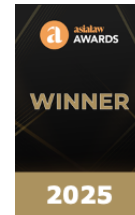
13 Practices and
49 Ranked Lawyers



20 Practices and
24 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
Highly Recommended in 5 Cities



**Regional Legal Expertise Awards
(APAC) of the Year**
Energy Firm Competition/
Antitrust Firm



Among Best Overall
Law Firms in India and
14 Ranked Practices

9 winning Deals in
IBLJ Deals of the Year

15 A List Lawyers in
IBLJ A-List – 2026



Recognised in World's 100 best
competition practices of 2026



Ranked Among Top 5 Law Firms in
India for ESG Practice



Asia M&A Ranking
2025 – Tier 1

For more details, please contact km@jsalaw.com

www.jsalaw.com



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This Prism is not an advertisement or any form of solicitation and should not be construed as such. This Prism has been prepared for general information purposes only. Nothing in this Prism constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this Prism disclaim all and any liability to any person who takes any decision based on this publication.

Copyright © 2026 JSA | all rights reserved