

No. L-7/39(55)/2004-CERC

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

In the matter of

Regulations governing licence for inter-State transmission

ORDER

The Commission had notified the Central Electricity Regulatory Commission (Procedure, Terms & Conditions for grant of Transmission Licence and other related matters) Regulations, 2003 (the 2003 regulations), published in the Gazette of India on 2.6.2003. These regulations were based on the Indian Electricity Act, 1910, the law applicable at that time. However, this Act was repealed by the Electricity Act, 2003, (the 2003 Act) with effect from 10.6.2003. Some of the provisions of the 2003 regulations were required to be revised so as to bring them in line with the 2003 Act. Draft of the revised regulations was accordingly published on 3.9.2004, and suggestions and comments invited. However, finalization of the regulations on grant of transmission licence, etc was kept pending to ensure their compatibility with the guidelines which were expected to be issued by the Govt. of India. Two guidelines on competitive bidding were finally issued by the Govt. of India on 17.4.2006, which necessitated further revision of the regulations on grant of transmission licence. The Commission then had no option but to further revise the draft regulations published on 3.9.2004 and accordingly a fresh draft of the regulations was issued on 4.10.2006.

2. The guidelines dated 17.4.2006 have been amended by the Govt. of India on 4.7.2007. The Commission has to take these amendments into account, as also the comments received from the stakeholders on the draft regulations published earlier, and other developments since the publication of the revised draft regulations in October, 2006. Finalisation of the revised regulations on transmission licensing, therefore, may take some more time. Meanwhile, the transmission projects selected for execution by private investors (who would necessarily require transmission licences) under the competitive bidding guidelines of the Govt. of India should not be allowed to be delayed because of the delay in finalization of the regulations on grant of transmission licence, etc.

3. It is, therefore, hereby clarified that the revised regulations shall be formulated so as not to come in the way of grant of transmission licence to the parties selected for execution of identified inter-State transmission projects, provided that the entire process is in full compliance with the Govt. of India guidelines on competitive bidding in transmission. It is further clarified that the provisions under the 2003 regulations, to the extent they are not consistent with the 2003 Act, may not be applicable to the transmission projects being executed under this Act.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 3rd September, 2007