

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 247/TL/2022

Coram:
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member

Date of order: 27th December, 2022

In the matter of

Application under Section 14 & 15 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to grant of Transmission Licence to Neemuch Transmission Limited.

**And
In the matter of**

Neemuch Transmission Limited,
(Now known as 'POWERGRID Neemuch Transmission System Limited')
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi 110 016

....Petitioner

Vs.

1. Chief Operating Officer,
Central Transmission Utility of India Limited,
Saudamini, Plot No.2,
Sector-29, Gurugram-122001, Haryana
2. Chief Executive Officer,
REC Power Development and Consultancy Limited,
REC Corporate Head Quarter,
D Block, Plot no. I-4,
Sector 29, Gurgaon-122001, Haryana
3. Chandigarh Electricity Department,
UT-Chandigarh, Div-11,
Opposite Transport Nagar, Industrial Area,
Phse-1, Chandigarh



4. BSES Rajdhani Power Limited,
AVP (PMG), PMG Office, 2nd Floor B-Block
Nehru Place, New Delhi-110019
5. BSES Yamuna Power Limited,
Asst. Vice President (PMG)
Shakti Kiran Bldg, Second Floor
Karkardooma New Delhi-110032
6. New Delhi Municipal Council
AAO (Commercial), 19th Floor
NDMC, Palika Kendra, Sansad Marg
New Delhi-110001
7. Tata Power Delhi Distribution Limited,
Power Management Group, Technology Centre
Near PP-3 Grid Sub Station, Opp. PP Jewelers
Netaji Shubhash Place, Pitampura
New Delhi-110034
8. Himachal Pradesh State Electricity Board,
PR&ALDC, HPSEB Ltd., 132 kV S/S Tutu
Shimla, 171011, Himachal Pradesh
9. Haryana Power Purchase Centre,
Shakti Bhawan, Energy Exchange, Panchkula
10. Power Development Department -Jammu,
Jammu SLDC Building, 1st Floor, Gladni
Power House Narwal,
Jammu, J&K
11. Punjab State Power Corporation Limited,
Shed No. T-1A, Thermal Designs,
Patiala, 147001
Punjab
12. Ajmer Vidyut Vitran Nigam Limited,
132 kV, Sub-Station Building,
Calgiri Road Malviya Nagar,
Jaipur-302017 (Rajasthan),
13. Jodhpur Vidyut Vitran Nigam Limited,
132 kV, Sub-Station Building,
Calgiri Road Malviya Nagar, Jaipur-302017 (Rajasthan)



14. Jaipur Vidyut Vitran Nigam Limited,
132 kV, Sub-Station Building
Calgiri Road Malviya Nagar,
Jaipur-302017 (Rajasthan).
15. North Central Railway,
DRM Office Nawab, Yusuf Road-211011
16. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun-248001
17. Uttar Pradesh Power Corporation Limited,
Fund Management, Shakti Bhawan,
14 Ashok Marg, Lucknow, UP
18. Chhattisgarh State Power Distribution Company Limited,
CSPDCL, Post: Sundernagar,
Dangania, Raipur-492013
19. Goa Electricity Department-WR
Goa Electricity Dept. Curti
Ponda-403401
20. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Racecourse, Vadodara-390007
21. M.P. Power Management Company Limited,
14, Shakti Bhawan, Rampur,
Jabalpur-482008
22. Maharashtra State Electricity Distribution Company Limited
Plot No. 9, Prakashgad
AK Marg, Bandra East
Mumbai-400051.
23. Torrent Power Limited,
Naranpura Zonal Office,
Sola Road, Ahmedabad-38003.
24. West Central Railway Head Office,
General Manager's Office,
Electrical Branch,
Jabalpur-482001



25. Western Railway,
Office of Chief Electrical Engineer, Mumbai.

26. Madhya Pradesh Power Transmission Company Limited,
MPPTCL, Shakti Bhavan,
Rampur, Jabalpur-482008

27. Dadra and Nagar Haveli and Daman & Diu Power Distribution Corporation Limited,
1st & 2nd Floor, Vidyut Bhawan
Silvassa & Daman

28. MPSEZ Utilities Limited,
3rd Floor, Adani Corporate House,
Ahmedabad, Gujarat

...Respondents

Parties present:

Shri Pankaj Pandey, NTL
Shri V.C. Sekhar, NTL
Shri Mani Kumar, NTL
Shri Swapnil Verma, CTUIL
Shri Bhaskar Wagh, CTUIL
Shri Lashit Sharma, CTUIL

ORDER

The Petitioner, Neemuch Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14 and Section 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish Inter-State Transmission System for “Transmission System for Evacuation of Power from Neemuch SEZ” (hereinafter referred to as “Project”) on Build, Own, Operate and Transfer (BOOT) basis comprising of the following elements:



S. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	<p>Establishment of 2x500 MVA, 400/220 kV Pooling Station (AIS) at Neemuch with 1x125 MVAR Bus Reactor</p> <p>400/220 kV, 500 MVA ICT –2 nos. 400 kV ICT bays – 2 nos. 220 kV ICT bays – 2 nos. 400 kV line bays –4 nos. (2 each for Chhittorgarh & Mandsaur lines) 220 kV line bays – (2 nos. of bays corresponding to 500 MW Connectivity / LTA granted to M/s RUMSL) 220kV Bus coupler bay- 1 no.# 220kV Transfer Bus Coupler (TBC) bay - 1 no.# 125 MVAR, 420 kV reactor-1 no. 420 kV reactor bay – 1 no.</p> <p>Future provisions: Space for 400/220 kV ICTs along with bays: 2 nos. 400 kV line bays: 6 nos. 220 kV line bays: 5 nos. 420kV bus reactor along with bays:1</p>	18	<ul style="list-style-type: none"> • Elements marked at S.No 1,2,3 are required to be commissioned simultaneously or • Elements marked at S.No 1,4,5 are required to be commissioned simultaneously. • Element 2,3 or 4,5 are prerequisite for commissioning of element 1
2.	Neemuch PS – Chhittorgarh (PG) s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage)		
3.	2 nos. of 400 kV line bays at Chhittorgarh (PG) 400 kV s/s for Neemuch PS – Chhittorgarh (PG) s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage)		
4.	Neemuch PS- Mandsaur s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage)		
5.	2 no. of 400 kV line bays at Mandsaur 400 kV s/s for Neemuch PS- Mandsaur s/s 400 kV D/c line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage)		

To fulfill the requirement of bus switching scheme.

Note:

- Powergrid to provide space for 2 no. of 400 kV line bays at Chhittorgarh (PG) 400 kV S/s for termination of Neemuch PS- Chhittorgarh (PG) 400 kV D/c line.
- MPPTCL to provide space for 2 no. of 400 kV line bays at Mandsaur 400 kV S/s for termination of Neemuch PS- Mandsaur 400 kV D/c line.



2. Based on the competitive bidding carried out by REC Power Development and Consultancy Limited (RECPDCL) in its capacity as the Bid Process Coordinator (BPC) in accordance with the Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act, Power Grid Corporation of India Limited (PGCIL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 783.78 million.

3. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 01.12.2022, *prima facie* proposed to grant transmission licence to the Petitioner. Relevant extract of order dated 01.12.2022 is extracted as under:

“20. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission system as described in para 1 of this order. We therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 15.12.2022.”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 2.12.2022 in all editions of the Hindustan Times (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from the members of the public in response to the public notice.

5. The Petitioner, vide order dated 1.12.2022, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken



in obtaining statutory clearances required under Request for Proposal (RfP) and/or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its submission dated 7.12.2022 has submitted that the transmission project is governed by the TSA dated 24.8.2022 executed between the Petitioner and Nodal Agency. Further all the terms of TSA are integral part of TSA and are binding on the signatories of the agreement.

6. In the order dated 1.12.2022, the following provisions of the TSA with regard to quality control and workmanship were taken note of:

(a) As per Article 5.1.1 of the TSA, the TSP at its own cost and expense, shall be responsible for designing, constructing, erecting, testing and commissioning each element of the Project by Scheduled COD in accordance with the regulations and other applicable Laws specified in Article 4.1 of TSA.

(b) Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workmanship using sound engineering and construction practices, and using only materials and equipment that are new and manufactured as per the MQP and following approved FQP for erection, testing & commissioning and complying with Indian /International Standards such that, the useful life of the Project will be at least thirty five (35) years from the COD of the Project. The TSP shall ensure that all major sub-station equipment / component (e.g. transformers, reactors, Circuit Breakers, Instrument Transformers (IT), Surge Arresters (SA), Protection relays, clamps and connectors, etc.),

equipment in terminal stations of HVDC installations including Thyristor/ IGBT valves, Converter Transformers, smoothing reactors, Transformer bushings and wall bushings, GIS bus ducts, towers and gantry structures and transmission towers or poles and line materials (conductors, earthwire, OPGW, insulator, accessories for conductors, OPGW & earthwires, hardware fittings for insulators, aviation lights, etc.), facilities and system shall be designed, constructed and tested [type test, routine tests, Factory Acceptance Test (FAT)] in accordance with relevant CEA Regulations and Indian Standards. In case Indian Standards for any particular equipment/ system/ process is not available, IEC/ IEEE or equivalent International Standards and Codes shall be followed.

7. Accordingly, the Petitioner was directed to submit information with regard to quality control mechanism available or to be put in place to ensure compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA. The Petitioner, vide its affidavit dated 7.12.2022, has submitted that the transmission project is governed by the TSA. All the terms of TSA including Article 5.1.1 and 5.4 of the TSA are integral part of TSA and are binding on the signatories of the agreement. The Petitioner has further submitted that in terms of the TSA, it would implement the Project as per the provisions of the Article 5 of the TSA dealing with construction of the Project.

8. Case was called out for hearing on 22.12.2022. It was submitted by the representative of the Petitioner that as per order dated 1.12.2022, the Petitioner has submitted the information called for. He further submitted that in response to public notice published by the Commission, no objection has been received. The representative



of the Petitioner further resubmitted that the Scheduled Commercial Operation Date of the Project is 18 months from the effective date on the basis of the same, the Petitioner has placed the necessary EPC contracts. He further submitted that land for the sub-station is to be provided by the Solar Park Developer as per RfP documents and Solar Park Developer recently offered land for sub-station.

9. With regard to status of Neemuch Solar Park and generation therein, during the course of hearing, the representative of CTUIL submitted that LTA application has already been received for Neemuch PS and in the meeting held on 28.10.2022 between CEA, PGCIL, RUMSL and CTUIL, RUMSL had informed that Neemuch Solar Park (500MW) is likely to be commissioned by July, 2023, developers have taken possession of land and works like boundary wall, leveling, etc. have been started. In the said meeting, it was requested to PGCIL to commission the 1x500MVA, 400/220 kV ICT along with 400 kV Neemuch-Mandsaur D/C line on best efforts basis matching with the commissioning of RUMS solar park in order to evacuation of power from Neemuch SP.

10. CTUIL is directed to coordinate commissioning timelines for matching implementation of Neemuch Solar Park (500 MW) and the Petitioner's transmission project and enter into a tripartite agreement with Solar Park Developer and the Petitioner to address the liability in case of mismatch.

11. As regards grant of transmission licence, Clauses (15) and (16) of Regulation 7 of Transmission Licence Regulations provide as under:

“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or the person who has filed suggestions and objections, or any other person: Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”

12. In our order dated 1.12.2022, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL in its letter dated 28.9.2022 has recommended for grant of transmission licence to the Petitioner. We are satisfied that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, ‘POWERGRID Neemuch Transmission System Limited’, to establish Inter-State Transmission System for “Transmission System for Evacuation of Power from Neemuch SEZ” (hereinafter referred to as “Project”) on Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

13. The grant of transmission licence to the Petitioner (hereinafter referred to as “the licensee”) is subject to the fulfilment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof and the terms and condition of the TSA during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the Project, the licensee may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13(2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a

period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, as amended from time to time or any subsequent re-enactments thereof; and the Central Electricity Regulatory Commission

(Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;

(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA;

(m) The licensee shall coordinate with the licensees (including deemed licensees) executing the upstream or downstream transmission projects, the

Central Electricity Authority and CTUIL for ensuring smooth execution and commissioning of the Project; and

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance Regulations, Transmission Service Agreement or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

14. CTUIL / its appointed Independent Engineer and Central Electricity Authority shall monitor the execution of the Project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee & Nodal Agency, the Act and the Transmission Licence Regulations.

15. Let an extract copy of this order be sent to CTUIL and CEA for information and necessary action.

16. Petition No. 247/TL/2022 is allowed in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

