

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 126/TL/2023

Coram:

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

Date of Order: 6th July, 2023

In the matter of

Application under Section 14 & 15 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to Transmission License to KPS2 Transmission Limited.

And

In the matter of

KPS2 Transmission Limited,
(Now known as POWERGRID KPS2 Transmission Limited)
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016
Corporate office: Saudamini, Plot No.2, Sector -29,
Gurgaon 122001, Haryana

... Petitioner

Vs

1. Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122 001.
2. REC Power Development and Consulting Limited,
REC Corporate Head Quarter,
D Block, Plot No. I -4,
Sector 29 Gurugram – 122 001
3. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur- 492013,
Chhattisgarh
4. Goa Electricity Department-WR,
Goa Electricity Dept,
Curti, Ponda-403401.
5. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Race Course,

Vadodara-390007

6. Heavy Water Board,
O Floor, Vikram Sarabhai Bhavan,
Trombay, Anushaktinagar,
Mumbai 400094, Maharashtra

7. HVDC Bhadrawati, PGCIL,
PGCIL RHQ, WR-I, Sampriiti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur, 440026 Maharashtra

8. HVDC Vindhyachal, PGCIL,
PGCIL RHQ, WR-I, Sampriiti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur, 440026 Maharashtra

9. M.P. Power Management Company Limited,
14, Shakti Bhawan, Rampur,
Jabalpur - 482008

10. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th Floor, Bandra (East),
Mumbai – 400051

11. ACB India Limited,
7th Floor, Corporate Tower, Ambience Mall,
NH-8, Gurgaon-122 001(Haryana)

12. Torrent Power Limited,
Naranpura Zonal Office,
Sola Road, Ahmedabad, 380013

13. West Bengal State Electricity Distribution Company Limited,
6th Floor Vidyut Bhawan, Karunamoyee, Salt Lake,
Kolkata-700091, West Bengal,

14. Thermal Powertech Corporation India,
6-3-1090, Clock C, Level 2, TSR, Towers,
Raj Bhavan Road, Somajiguda,
Hyderabad- 500082, Telangana

15. Bhabha Atomic Research Centre,
Anushakti Nagar,
Mumbai-400085, Maharashtra

16. GMR Warora Energy Limited,
Plot B-1, Mohabala MIDC Growth Centre,
Post-Warora, District Chandrapur-442907,

Maharashtra.

17. HVDC Champa,
PGCIL RHQ, WR-I, Sampriiti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur, 440026 Maharashtra

18. West Central Railway Head Office,
General Manager's Office, Electrical Branch,
Jabalpur-482 001

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

20. East Central Railway,
CEDE, Office of Chief Electrical Engineer, ECR,
Zonal Head Quarter,
Dighikala, Bihar-844101

21. DB Power Limited- Untied,
Opp Dena Bank, C-31, G- Block, Mumbai

22. Chhattisgarh State Power Trading Company Limited,
2nd Floor, Vidyut Sewa Bhawan, Raipur

23. TRN Energy Private Ltd-Untied,
7th Floor, Ambience Office Block,
Gurugram, Haryana.

24. Adani Power (Mundra) Limited,
Adani Corporate House, Shantigram,
Near Vaishnavdevi Circle,
S G Road, Ahmedabad - 382421

25. Raigarh HVDC Station,
RPT HVDC Office, Hebbal,
Bangalore – 560094

26. Arcelor Mittal Nippon Steel India Limited,
27, AMNS House, 2th KM Surat Hazira road,
Hazira-394270, Gujarat

27. Central Railway,
Pcee's office,
2nd Floor, Parcle Building, CSMT,
Mumbai-400001

28. Dadra and Nagar Haveli and Daman and Power Distribution Corporation Ltd.,
1st & 2nd Floor, Vidyut Bhavan,
NexSilvassa & Daman

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

30. Gujarat State Electricity Corporation Limited,
Vidyut Bhavan, Race Course,
Vadodara, Gujarat

31. General Manager (RE Projects & IT),
Gujarat Industries Power Company Limited,
PO: Ranoli, Distt-Vadodara,
Gujarat

32. Dy. General Manager,
NTPC Renewable Energy Limited,
NETRA Building, E-3, Ecotech-II, Udyog Vihar,
Greater Noida,
Gautam Budh Nagar-201306, UP

....Respondents

Parties present:

Shri D Sudharshan, EPTL
Shri Mani Kumar, EPTL
Shri Prashant Kumar, EPTL
Shri Swapnil Verma, CTUIL
Shri Ajay Kumar, CTUIL
Shri Ranjeet Rajput, CTUIL
Ms. Kavya Bhardwaj, CTUIL
Shri Anil Kumar Yadav, RECPDCL

ORDER

The Petitioner, KPS2 Transmission Limited, has filed the present Petition for the 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 “Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park” on Build,

Own, Operate and Transfer (BOOT) basis (hereinafter referred to as “the Project”)

consisting of the following elements:

S. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date
1.	<p>Establishment of 765/400 kV, 4x1500MVA, KPS2 (GIS) with 2x330 MVAR 765 kV bus reactor and 2x125 MVAR 400 kV bus reactor.</p> <p>1500MVA, 765/400kV ICT- 4 nos. (13x500 MVA including one spare unit) 765 kV ICT bays – 4 nos. 400 kV ICT bays – 4 nos. 765 kV line bays – 2 nos. 400 kV line bays – 3 nos. (3 no. of bays considered at present, one each for NTPC, GSECL & GIPCL) 1x330 MVAR, 765 kV bus reactor-2 (7x110 MVAR, including one spare unit) 765 kV reactor bay – 2 1x125 MVAR 400 kV bus reactor-2 400 kV reactor bay – 2 765 kV bus sectionalizer bay – 2 400 kV bus sectionalizer bay – 2 Adequate space for future expansion of 5x1500 MVA 765/400 kV ICT's</p> <p>Bus sectionalizer at 765kV & 400kV. On each bus section, there shall be 2x1500MVA 765/400kV ICTs, 1x330MVAR, 765 kV & 1x125MVAR 420kV bus reactor with space for future expansion.</p> <p>Bus sectionalizer at 765 kV level shall normally be closed and bus sectionalizer at 400 kV level shall normally be open.</p> <p>Future provisions:</p> <p>Space for 765/400 kV ICTs along with bays: 5 nos. 765kV line bay with switchable line reactor: 10 nos. 400kV line bay with switchable line reactor: 12 nos. 8000MW, ±800kV HVDC Converter station (LCC).</p>	21 months from the effective date

	To take care of any drawal needs of area in future: 400/220 kV ICT: 2 nos. 220 kV line bays: 4 nos.	
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Note: The above scheme shall be implemented with an implementation timeframe of 21 months from SPV transfer and matching with the implementation timeframe of "Transmission scheme for injection beyond 3 GW RE power at Khavda PS1".

2. The Petitioner has made the following prayers:

“(a) Grant Transmission License to the Applicant; and

(b) Allow the sharing and recovery of Transmission Charges for Inter-State Transmission System for Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC.

(c) Pass such other order / orders, as may be deemed fit and proper in the facts & circumstances of the case.”

Hearing dated 20.6.2023

3. During the course of the hearing, the representative of the Petitioner submitted that the Petitioner has already impleaded the Western Region beneficiaries as party to the Petition and has also served copy of Petitions on them. He further submitted that the Petitioner has complied with all the requirements under the Transmission Licence Regulations including publishing of notice on its website inviting suggestions/objections on its application for grant of transmission licence. However, no suggestion /objection has been received.

4. The representative of the Respondent, CTUIL submitted that CTUL has already filed its recommendations, under Section 15(4) of the Electricity Act, 2003, for the grant of transmission licence to the Petitioner for executing the Project.

5. In response to the specific query of the Commission with regard to the status of the renewable generation at KSP2, the representative of the CTUIL indicated that

so far, the connectivity applications for around 3755 MW capacity have been received. He further submitted that the SCOD of the Project, as per Transmission Service Agreement, is 21.12.2024 (21 months).

6. Vide Record of Proceedings for the hearing dated 20.6.2023, CTUIL was directed to submit the certain information which has been filed by CTUIL. The CTUIL, vide its affidavit dated 3.7.2023, has submitted as under:

(a) As on date, total 20,930 MW Stage-II Connectivity/GNA & 17315MW LTA has been received in Khavda area out of which 5480 MW Stage-II connectivity/GNA is granted/under process & 3065 MW LTA has been granted at KPS2 S/s as per the details in table given below:

Sr. No.	Name of applicant	Stage-II Connectivity Quantum (MW)	LTA Quantum (MW)	Transmission system for LTA	Status of Generation	400kV Bay Required
Applications already granted Stage-II Connectivity						
1	Gujarat State electricity Corporation Limited	600	600	<ul style="list-style-type: none"> Khavda Ph-I (3GW) SCOD: Jan'24 KPS2 Establishment SCOD: Jan'25* KPS1-KPS2 765kV D/c line: SCOD: Jan'25 Khavda Ph-II (5GW) SCOD: March 2025 	Scheduled date for completion of RE Project: March, 2025	1 no.
2	Gujarat Industries Power Company Limited	600	600		600 MW expected to be commissioned in January, 2025.	1 no.
3	NTPC Renewable Energy Ltd	265	365		1255MW Solar BoS awarded and work is in progress. Power evacuation package being awarded with November, 2024. SCOD is aligned with ISTS evacuation timeline.	1 no.
4	NTPC Renewable Energy Ltd	100				
5	NTPC Renewable Energy Ltd	890	500		SCOD 11/1/2025	
6	NTPC Renewable Energy Ltd (NTPC REL)	300				
7	Gujarat State Electricity Corporation Limited	1000	1000		Scheduled date for completion of RE Projects: March 2025	1 no.
	Sub-Total	3755	3065			
GNA Application under process						
1	Gujarat State Electricity Corporation Limited	1725 (Connectivity under GNA)	N.A.	Application under process		
	Total	5480				

(b) Scheduled Commercial Operation Date (SCOD) of KPS2 scheme is 21 months from the effective date and matching with the implementation timeframe

of “Transmission System for Injection beyond 3 GW RE power at Khavda PS1” which would be January, 2025.

(c) Copy of Form II posted on its website along with date of posting in terms of Transmission Licence Regulations read with Order dated 22.1.2022 in Petition No. 1/SM/2022, the Petitioner has informed that notice in the prescribed format of Form- II of relevant regulations could only be uploaded on the Petitioner’s website on 17.6.2023 in place of within 7 days after filing of the application due to oversight. The act of oversight is very much regretted please and the same may be condoned.

7. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by Ministry of Power, Government of India, under Section 63 of the Act, RECPDCL was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. 15/3/2018-Trans-Pt (1) dated 6.12.2021 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish “ISTS for "Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park" through tariff based competitive bidding process.

8. RECPDCL in its capacity as the BPC initiated the bid process on 28.1.2022 and completed the same on 21.3.2023 in accordance with the Guidelines. Power Grid Corporation of India Limited (PGCIL) was selected as the successful bidder having quoted the lowest transmission charges of Rs. 696.81 million in order to provide transmission services to the beneficiaries of the transmission system.

9. RECPDCL appointed a Consultant, namely, M/s ABPS infrastructure Advisory Pvt. Ltd. in consortium with ABACUS Legal Group for providing consultancy services in the process of selection of the project developer through tariff based competitive bidding process. RfP was issued on 6.5.2022. At RfP (Technical and Financial) stage, six bidders, namely, (i) Adani Transmission Limited, (ii) Apraava Energy Private Limited (Formerly known as CLP India Private Limited), (iii) Sterlite Grid 20 Limited, (iv) Power Grid Corporation of India Limited, (v) Juniper Green Transmission Private Limited and (vi) Megha Engineering & Infrastructures Limited, submitted their offers. The RfP (Technical bids) of the six bidders were opened by Bid Opening Committee on 20.1.2023 in the presence of representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of the six bidders were opened on 10.2.2023. The details of the quoted transmission charges by bidders are given below:

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Adani Transmission Limited	790.00	L1
2.	Apraava Energy Private Limited (Formerly known as CLP India Private Limited)	914.45	L2
3.	Sterlite Grid 20 Limited	925.37	L3
4.	Power Grid Corporation of India Limited	1024.45	L4
5.	Juniper Green Transmission Private Limited	1093.00	L5
6.	Megha Engineering & Infrastructures Limited	1845.00	L6

10 As per the Clause 2.5 of the RfP document, Initial Offers shall be ranked on the basis of ascending order for determination of the qualified bidders. The bidders holding first fifty percent of the ranks (with any fraction rounded off to higher integer) or four Bidders, whichever is higher, shall be considered to be qualified for participating in the

electronic reverse auction stage and submit their final offer. Accordingly, the rank of the bidders qualified for participating in the electronic reverse auction stage, in the ascending order of Initial Offer, is as under:

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Adani Transmission Limited	790.00	L1
2.	Apraava Energy Private Limited (Formerly known as CLP India Private Limited)	914.45	L2
3.	Sterlite Grid 20 Limited	925.37	L3
4.	Power Grid Corporation of India Limited	1024.45	L4

11. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 790.00 million. E-reverse auction of all four bidders was carried out at MSTC portal on 11.2.2023 and the following transmission charges for bidders (in ascending order) emerged:

S. No.	Name of the Bidder	Transmission Charges from the Initial Offer (in Rs. Million)	Transmission Charges from the Final Offer (in Rs. Million)	Rank
1.	Power Grid Corporation of India Limited	1024.45	696.81	L1
2.	Adani Transmission Limited	790.00	698.56	L2
3.	Apraava Energy Private Limited (Formerly known as CLP India Private Limited)	914.45	749.42	L3
4.	Sterlite Grid 20 Limited	925.37	No bid received in electronic reverse auction	L4

12. As per the Bid Evaluation Report dated 13.2.2023, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 696.81 million. BEC vide its certificate dated 13.2.2023 has certified that entire bid process has been carried out in accordance with the Guidelines issued

by the Ministry of Power under Section 63 of the Act. BEC has further certified that the transmission charges discovered through e-reverse auction is acceptable.

13. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to Power Grid Corporation of India Limited by the BPC on 16.2.2023 which was accepted by Power Grid Corporation of India Limited. Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

(a) Provide Contract Performance Guarantee in favour of Central Transmission Utility of India Limited (CTUIL);

(b) Execute Share Purchase Agreement and Transmission Service Agreement;

(c) Acquire, for the Acquisition Price, 100% share equity share holding of KPS2 Transmission Limited from RECPDCL along with all its related assets and liabilities;

(d) Make an application to this Commission for adoption of transmission charges, as required under Section 63 of the Act; and

(e) Apply to this Commission for grant of transmission licence;

14. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of Nodal Agency i.e. CTUIL for an aggregate value of Rs. 18 crore on 21.1.2023 and has acquired hundred percent equity holding in KPS2 Transmission Limited on 21.3.2023. The Petitioner entered into Transmission Service Agreement (TSA) with CTUIL on 21.3.2023.

15. Section 14 of the Act provides that the Appropriate Commission may, on an application made under Section 15 of the Act, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licence. The word “person” has been defined in Section 2(49) of the Act to include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person. The Petitioner has been incorporated under the Companies Act, 2013. The main objective of the Petitioner Company is as under:

“To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of state, regional and national grid system, execution of turn-key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”

16. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified Transmission Licence Regulations in this regard. Regulation 3 of the Transmission Licence Regulations provides that the Empowered Committee shall identify the Projects included in the transmission plan to be developed under the Guidelines issued under Section 63 of the Act. Regulation 4 of the Transmission Licence Regulations provides that in case of projects identified for development under the Guidelines for competitive bidding, selection of the project developer shall be made in accordance with the procedure laid down in the Guidelines. The Project under consideration has been identified for development under competitive bidding by competent authority in the

Ministry of Power/ CEA. Central Electricity Authority, vide its letter No. CEA-PS-11-23(20)/1/2018-PSPA-I Division-I/24255/2022 dated 20.3.2023 had informed that Section 68 (1) of Electricity Act, 2003 is granted for overhead line(s). Further, CEA stated that the transmission scheme “Establishment of Khavda Pooling Station KPS2 in Khavda RE Park” does not involve any overhead transmission line and therefore, prior approval of Government of India under Section 68 (1) of Electricity Act, 2003 is not required for this scheme. Selection of the Project developer, KPS2 Transmission Limited has certified to have been made in accordance with the Guidelines for competitive bidding.

17. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 passed in Petition No.1/SM/2022 [whereby the Commission, in the exercise of ‘Power to Relax’ under Regulation 24 of the Transmission Licence Regulations, modified/amended Clause (4), Clause (7), Clause (9) and Clause (12) and dispensed with Clause (10) of Regulation 7] provide for the procedure for grant of transmission licence as under:

“(1) The application for grant of transmission licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fees as may be prescribed by the Central Government from time to time.

(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.

(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.

(4) Before making an application, the applicant shall submit the original application in electronic form along with annexures and enclosures on the e-filing portal of the Commission so that the same is served electronically on all the long-term customers of the project registered on the e-filing portal of the Commission. Also, a copy of the same be served through e-mail on the long

term customers of the project not registered on the e-filing portal of the Commission. Further, the applicant shall also post the complete application along with annexures and enclosures in English and in the vernacular language, on its website.

(5) The application shall be kept on the website till such time the licence is issued or the application is rejected by the Commission.

(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.

(7) The applicant shall, within 7 days after filing the application, post the application on the e-filing portal of the Commission and on its website in Form-II attached to these regulations in English language and in Vernacular language of the State or Union Territory where an element of the project or a long-term customer is situated, inviting comments from the general public.

(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.

(9) In the notice published on the e-filing portal of the Commission and on the applicant's website under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice

.....

(10) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:

Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant:

Provided further that these recommendations of the Central Transmission Utility shall not be binding on the Commission.

(11) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the notice posted on the e-filing portal of the Commission and on the applicant's website by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notice posted on the e-filing portal of the Commission and on the applicant's website, with an advance copy to the

Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.

(12) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant transmission licence or for reasons to be recorded in writing, reject the application.”

18. The Petitioner has approached the Commission by a separate application for adoption of transmission charges in respect of the transmission system which is presently under consideration of the Commission and order in that Petition will be issued separately. The Petitioner has filed the present Petition for grant of transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the BPC and CTUIL and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of transmission licence in terms of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for grant of transmission licence to KPS2 Transmission Limited with respect to the transmission system as per details given in paragraph 1 above.

19. The Petitioner has made the Application as per Form-I and paid fee of Rs. one lakh as prescribed by the Central Government. As per direction of the Commission, the Petitioner has served copy of the Application on the beneficiaries of the transmission project for the Project. The transmission charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 696.81 million. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

20. The Petitioner has served the copy of the Application on the Central Transmission of Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTUIL vide its letter dated 27.4.2023 has recommended for grant of transmission licence to the Petitioner. Relevant portion of the said letter dated 27.4.2023 is extracted as under:

*“This has reference to the Petition with Diary No. 115/2023 dated 28.03.2023 filed by M/s **KPS2 Transmission Ltd.** (KPS2TL) before Hon’ble Commission vide which **M/s KPS2TL** has requested CTU for issuance of its recommendation for grant of Transmission License for subject transmission scheme. In this regard, the following is submitted:*

1. *M/s KPS2 Transmission Ltd. has filed an application/petition under Section 14 & 15 of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license for “Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park” project on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the transmission scheme is enclosed at **Annexure-I.***
2. *As per section 15(3) of the Electricity Act, 2003 and Regulation 7(6) of Transmission License Regulations, 2009, a copy of the application for the grant of transmission license, for the above transmission system has been received on 28.03.2023 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.*
3. *In reference to the Transmission Scheme “**Establishment of Khavda Pooling Station- 2 (KPS2) in Khavda RE Park**”, the following is submitted:*
 - i) *The government of India has set a target for establishing 500 GW non fossil generation capacity by 2030, which also includes 30 GW RE potential in the Khavda area of Gujarat under ISTS. The subject transmission scheme involves the establishment of a new 4x1500MVA, 765/400kV Khavda PS2 (KPS2) (GIS) PS for evacuation of RE power from the Khavda RE Park in Gujarat.*
 - ii) *The transmission scheme was agreed upon in the 3rd WRP(TP) meeting held on 14.06.2021. Extract of the minutes of 3rd WRP(TP) meeting is enclosed at **Annexure-II.***
 - iii) *The transmission system was discussed and agreed upon in the 5th NCT meeting dated 25.08.2021 & 02.09.2021, 10th NCT meeting dated 07.11.2022 and 11th NCT meeting dated 17.01.2023. Extract of the minutes of NCT meetings is enclosed at **Annexure-III.***
 - iv) *The transmission system was discussed in the 40th WRP(TP) meetings held*

on 07.06.2021. Pursuant to modification of the transmission scheme in 3rd WRPC(TP) held on 14.06.2021, WRPC's views on the above transmission scheme were sought by CTU vide letter dated 05.10.2021 within 2 months. However, no views had been received from WRPC. Extracts of 40th WRPC MOM and Letter dated 05.10.2021 are enclosed at **Annexure-IV**.

- v) The Government of India, Ministry of Power, vide Gazette notification dated 06.12.2021 had appointed REC Power Development and Consultancy Ltd. (RECPDCL) as the Bid Process Coordinator (BPC) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish the subject transmission scheme through Tariff Based Competitive Bidding (TBCB) process. Copy of Gazette notification is enclosed at **Annexure-V**.
4. Pursuant to the process of competitive bidding conducted by the BPC, Power Grid Corporation of India Ltd. emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent in favour of Power Grid Corporation of India Ltd. on 16.02.2023. Subsequently, Power Grid Corporation of India Ltd. acquired **KPS2 Transmission Ltd.** on 21.03.2023, after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements as specified in the RFP documents. The scheduled COD for the proposed ISTS scheme is 21 months from date of SPV acquisition and matching with the implementation timeframe of "Transmission scheme for injection beyond 3 GW RE power at Khavda PS1".
5. In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009, based on details furnished by **M/s KPS2 Transmission Ltd.**, CTU recommends the grant of transmission license to **M/s KPS2 Transmission Ltd.** for executing the transmission scheme as mentioned in Para-1 above."

21. We have considered the submissions of the Petitioner, BPC and CTUIL. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". As per the above provision, selected bidder was required to complete all the activities including acquisition of SPVs by 26.2.2023. LoI was issued on 16.2.2023. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 18.00 crore on 21.3.2023 and has acquired hundred percent equity-holding in the applicant company on 21.3.2023 after execution of the Share Purchase

Agreement. As per clause 2.15.4 of the RfP, TSP is required to apply to the Commission for grant of transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. Successful bidder, namely Power Grid Corporation of India Limited acquired the SPV on 21.3.2023. Accordingly, the TSP has filed the instant Petition through e-filing for grant of transmission licence on 28.3.2023. The Petitioner has informed that notice in the prescribed format of Form- II of relevant regulations could only be uploaded on the Petitioner's website on 17.6.2023 in place of within 7 days after filing of the application due to oversight. The act of oversight is very much regretted please and the same may be condoned. Since the Petitioner could not upload the notices in its website due to procedural lapses, the same is condoned. However, the Petitioner is directed to comply with the provisions of the Transmission Licence Regulations in future in letter and spirit.

22. 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 **24.7.2023**.

23. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clause 2.5.7.3, clause 2.5.7.4 and clause 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of bidding documents and TSA for commissioning of the Project within the SCOD.

24. The Petitioner has undertaken that it shall implement the Project as per the provisions of the TSA. The Petitioner has also undertaken that the time over run and cost overrun, if applicable, shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, the bidding documents and the regulations of the Central Electricity Regulatory Commission.

25. It is observed that 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 various regulations of the Central Electricity Authority regarding Technical Standards and Grid Standards, Prudent Utility Practices and other applicable laws. Further, Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workman like manner using sound engineering and construction practices and using only materials and equipment that are new and of international utility grade quality such that the useful life of the Project will be till the expiry date. Further, the design, construction and testing of all equipment, facilities, components and systems of the Project shall be in accordance with Indian Standards and Codes issued by Bureau of India Standards. In this regard, the Petitioner, has submitted that it would implement the Project as per the provisions of the TSA including the Article 16.4, Article 5.1.1 and Article 5.4 of the TSA.

26. The Petitioner, vide its affidavit dated 19.6.2023, has informed that the name of the Petitioner company has been changed from 'KPS2 Transmission Limited' to 'POWERGRID KPS2 Transmission System Limited' with effect from 11.5.2023. The certificate of change of name from 'KPS2 Transmission Limited' to 'POWERGRID

KPS2 Transmission System Limited' dated 11.5.2023 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID KPS2 Transmission System Limited' on the record of the Commission.

27. The Petition shall be listed for hearing on **26.7.2023**.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member