

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 126/TL/2023

Coram:

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

Date of Order: 4th August, 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 System 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, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur, 440026 Maharashtra

8. HVDC Vindhyachal, PGCIL,
PGCIL RHQ, WR-I, Sampriti 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 Vidhyut 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, Sampri 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 Pankaj Pandey, KPS2
Shri Mani Kumar, KPS2
Shri Ajay Kumar, CTUIL
Shri Sidharth Sharma, CTUIL
Ms. Kavya Bhardwaj, CTUIL

ORDER

The Petitioner, KPS2 Transmission Limited (Now known as POWERGRID KPS2 Transmission System Limited), has filed the present Petition for the grant of transmission licence under Sections 14 and 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 the Inter-State Transmission System for “Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park” on a 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 MVA, 765 kV bus reactor-2 (7x110 MVA, including one spare unit) 765 kV reactor bay – 2 1x125 MVA 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, 1x330MVA, 765 kV & 1x125MVA 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> <p>To take care of any drawal needs of area in future: 400/220 kV ICT: 2 nos. 220 kV line bays: 4 nos.</p>	21 months from the effective date

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. Based on the competitive bidding carried out by REC Power Development and Consultancy Limited (hereinafter referred to as “RECPDCL”) in its capacity as the Bid Process Coordinator (BPC) 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 the 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. 2816.96 million to establish Inter-State Transmission System for “Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park”.

3. The CTUIL, vide its affidavit dated 3.7.2023, has submitted the status of the connectivity/ LTA and renewable generation at KSP2 as under:

(a) As on date, total 20,930 MW Stage-II Connectivity/GNA & 17315MW LTA have been received in Khavda area out of which 5480 MW Stage-II connectivity/GNA is granted/under process & 3065 MW LTA have been granted at KPS2 S/s as per the details in the 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	• Khavda Ph-I (3GW) SCOD: Jan'24	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	• KPS2 Establishment SCOD: Jan'25*	1255MW Solar BoS awarded and work is in progress. Power evacuation package being awarded with November, 2024. SCOD is aligned with	1 no.
4	NTPC Renewable Energy Ltd	100				
5	NTPC Renewable Energy Ltd	890	500	• KPS1-KPS2 765kV D/c line: SCOD: Jan'25		

Sr. No.	Name of applicant	Stage-II Connectivity Quantum (MW)	LTA Quantum (MW)	Transmission system for LTA	Status of Generation	400kV Bay Required
					ISTS evacuation timeline.	
6	NTPC Renewable Energy Ltd (NTPC REL)	300			SCOD 11/1/2025	
7	Gujarat State Electricity Corporation Limited	1000	1000	• Khavda Ph-II (5GW) SCOD: March 2025	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 the KPS2 scheme is 21 months from the effective date, matching the implementation timeframe of “Transmission System for Injection beyond 3 GW RE power at Khavda PS1” which would be January, 2025.

(c) In accordance with the planning carried out for the Khavda RE Park, the transmission system for evacuation of a total 30GW power from Khavda RE Park has been planned in 5 phases (Ph-I: 3GW, Ph-II: 5GW, Ph-III: 7GW, Ph-IV: 7GW & Ph-V: 8GW). KPS2 sub-station has been planned to cater up to 10.5 GW generation capacity in Khavda RE Park, which shall require about 9 nos. bays at KPS2 for RE injection. The KPS2 sub-station is proposed to be established/ augmented in phases. For connectivity of 3755 MW granted at KPS2, 4 Nos. of 400 kV line bays are required which are presently under implementation as part of the KPS2 establishment scheme (including one spare bay for dia-completion in GIS) with a SCOD of January, 2025. Further, the balance 5 nos. of 400 kV line bays are proposed to be implemented at KPS2 sub-station along with the Khavda Ph-IV (7GW) scheme, which shall be required for enabling evacuation of power beyond 15 GW in Khavda area.

4. We observe that as per Schedule 1 of the Transmission Service Agreement ‘Note’ provides that “The above scheme shall be implemented with an implementation

timeframe of 21 months from SPV transfer, matching the implementation timeframe of the Transmission scheme for injection beyond 3 GW RE power at Khavda PS1". CTUIL has submitted that the SCOD of the instant scheme works out as January 2025. We observe that the "Transmission scheme for injection beyond 3 GW RE power at Khavda PS1" is being implemented by Megha Engineering and Infrastructures Limited, which is covered under Petition No. 189/TL/2023 (currently under consideration). RECPDCL (in Petition No. 189/TL/2023) has submitted a SCOD for the scheme covered under Petition No. 189/TL/2023 as 20.1.2025.

5. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 6.7.2023, *prima facie* proposed the grant of the transmission licence to the Petitioner.

The relevant portion of the order dated 6.7.2023 is extracted as under:

*"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.**"*

6. A public notice under Sub-section (5) of Section 15 of the Act was published on 12.7.2023 in all editions of the Indian Express (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.

7. The case was called out for the hearing on 26.7.2023. It was submitted by the representative of the Petitioner that, in response to the public notice published by the Commission, no objection has been received.

8. As regards the grant of a transmission licence, Clauses (15) and (16) of Regulation 7 of the 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.”

9. In our order dated 6.7.2023, we had proposed to grant the transmission licence to the Petitioner company and directed the issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL in its letter dated 27.4.2023 has recommended the grant of a transmission licence to the Petitioner. We find that the Petitioner Company meets the requirements of the Act and the Transmission Licence Regulations for the grant of a transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that a transmission licence be granted to the Petitioner, 'POWERGRID KPS2 Transmission System Limited', to establish Inter-State Transmission System for the "Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park" on a BOOT basis as per the details given in paragraph 1 above.

10. 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 the grant of transmission 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 licence 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 the 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 the 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.

(o) The licensee shall ensure compliance with the Crisis Management Plan of the Government of India prepared by the Cabinet Secretariat under Section 37 of the Disaster Management Act, 2005.

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

12. 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.

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

14. Petition No. 126/TL/2023 is allowed in terms of the above.

Sd/-
(P.K.Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(Jishnu Barua)
Chairperson