

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 128/TL/2023

Coram:

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

Date of Order: 5th 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 Khavda II-C Transmission Limited.

And

In the matter of

Khavda II-C Transmission Limited,
Registered office: B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110 016
Address for correspondence: Power Grid Corporation of India Limited,
Saudamini, Plot no.2, Sector -29,
Gurgaon 122001

.... 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 DeptCurti, Ponda403401
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 Vindhyaachal, 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, Dist – Chandrapur-442907,
Maharashtra.

17. HVDC Champa,
PGCIL RHQ, WR-I, Sampriti 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-844101, Bihar
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
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, Racecourse,
Vadodara, Gujarat

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

32. 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, KTL
Shri Mani Kumar, KTL
Shri Prashant Kumar, KTL
Shri Swapnil Verma, CTUIL
Shri Ajay Kumar, CTUIL
Shri Ranjeet Rajput, CTUIL
Ms. Kavya Bhardwaj, CTUIL
Shri Anil Kumar Yadav, RECPDCL

ORDER

The Petitioner, Khavda II-C Transmission Limited (Now known as 'POWERGRID Khavda II-C 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 Transmission scheme for evacuation of 4.5 GW RE injection at Khavda PS under Phase-II-Part C on build, own, operate and transfer 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	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	<p>Establishment of 3x1500 MVA, 765/400 kV Ahmedabad S/s with 1x330 MVAR 765 kV bus reactor and 1x125 MVAR 420 kV bus reactor.</p> <ul style="list-style-type: none"> • 765/400 kV, 1500 MVA- 3 (10x500 MVA, including one spare unit) • 765 kV ICT bays – 3 • 400 kV ICT bays - 3 • 765 kV line bays-4 (2 for Lakadia-Ahmedabad and 2 for Ahmedabad to South Gujarat) • 400 kV line bays – 4 (for LILO of Pirana (PG) – Pirana (T) 400kV D/c line at Ahmedabad) • 1x330 MVA, 765 kV bus reactor- 1 (4x110 MVA, including one spare unit) • 765 kV reactor bay – 1 • 125 MVA, 420 kV reactor- 1 • 400 kV Reactor bay- 1 <p>Future Scope: Space for</p> <p>765/400 kV, ICT along with bays- 2 400/220 kV, ICT along with bays- 4 765 kV Line bays- 8 400 kV Line bays- 8 220 kV Line bays- 7 765 kV reactor along with bays- 1 400 kV reactor along with bays- 1</p>	24	Elements marked at Sl. No. 1, 2 ,3 & 4 are required to be commissioned simultaneously as their utilization is dependent on commissioning of each other.
2.	Ahmedabad-South Gujarat/ Navsari (new) 765 kV D/c line with 240 MVA switchable line reactor at both ends		

3.	2 nos. of 765 kV line bays at South Gujarat/ Navsari (new) end for Ahmedabad- South Gujarat/ Navsari (new) 765 kV D/c line 765 kV line bays – 2 (GIS)*		
4.	240 MVAR switchable line reactor at both ends of Ahmedabad – South Gujarat/ Navsari (new) 765 kV D/c line <ul style="list-style-type: none"> • 1x240 MVAR, 765 kV switchable reactor- 4 • Switching equipments for 765 kV line reactor -4 		

Note:

(i) Transmission system for evacuation of 3 GW RE injection at Khavda is being taken up under Phase-I. Phase-II RE scheme for evacuation of 4.5 GW RE injection at Khavda needs to be taken up for evacuation requirement beyond 3 GW from Khavda RE park.

(ii) Implementation of all the transmission packages proposed for evacuation of 4.5 GW RE injection at Khavda RE park under Phase-II (Part A to Part D) needs to be taken up in similar timeframe.

(iii) Space for future 765 kV Line bays and 400 kV line bays should be kept along with space provisions for switchable line reactor.

(iv) *Powergrid to provide space for 2 nos. of 765 kV line bays alongwith switchable line reactor at South Gujarat/ Navsari (new) end for termination of Ahmedabad – South Gujarat/ Navsari (new) 765 kV D/c line.

(v) 2 no. of 765 kV line bays for termination of Lakadia-Ahmedabad 765 kV D/c line to be implemented along with space provision for installation of switchable Line Reactor at Ahmedabad end of Lakadia-Ahmedabad 765 kV D/c line.

2. The Petitioner has made the following prayers:

“(a) Grant Transmission License to the Applicant;

(b) Allow the sharing and recovery of Transmission Charges for Inter-State Transmission System to establish Transmission Scheme for evacuation of 4.5 GW RE injection at Khavda PS under Phase II- Part C 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; and

(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 hearing on 20.6.2023, the representative of the Petitioner submitted that the Petitioner has already impleaded BPC, CTUIL and 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 CTUIL submitted that CTUIL vide letter dated 27.4.2023 has already recommended the grant of transmission licence to the Petitioner. He further submitted that the SCOD of the Project, as per Transmission Service Agreement, is 21.3.2025.

5. Vide Record of Proceedings for the hearing dated 20.6.2023, the Petitioner was directed to submit a copy of Form II posted on its website along with date of posting (required as per the Regulation 7 (7) of the Transmission Licence Regulations read with the Order dated 22.1.2022 in Petition No. 1/SM/2022. In this regard, the Petitioner vide its affidavit dated 28.6.2023 has submitted that the application along with notice in the prescribed format of Form-II could only 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 Petitioner has submitted the act of oversight is very much regretted. The Petitioner is directed to comply with the provisions of the Transmission Licence Regulations in letter and spirit in future.

6. CTUIL was directed to submit the following information:

(a) Implementation of the transmission system for evacuation of 4.5 GW RE injection at Khavda RE Park under Ph-II has been planned in four parts i.e. Part A to Part D. Further three Pooling Stations namely KPS1, KPS2 and KPS3 are also planned to be implemented connected with said evacuation for 4.5.GW at Khavda. The instant Petition pertains to transmission system under Ph-II, Part-A. Since implementation of all the packages including Pooling Stations are

interdependent, submit the status of all the packages and Pooling Stations as per the following table:

SI. No.	Name of the Transmission Scheme	Implementing Agency/ Transmission licensee	SCOD (Element wise)	Status of implementation
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(b) Status of 4.5 GW RE Generators at Khavda RE Park along with their capacity.

7. CTUIL vide its affidavit dated 3.7.2023 has submitted as under:

(a) With regard to (a) above, CTUIL has submitted the SCOD and Status of implementation of transmission system packages under Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase-II is as under:

SI. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
1	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part A</p> <p>1) KPS2 (GIS) – Lakadia 765 kV D/C line</p> <p>2) 330 MVAR switchable line reactors at KPS2 end of KPS2 (GIS) – Lakadia 765 kV D/C line</p> <ul style="list-style-type: none"> • 330 MVAR, 765 kV switchable line reactor- 2 nos. • Switching equipment for 765 kV line reactor- 2 nos. • 1x110 MVAR spare bus reactor available at KPS2 (GIS) to be used as spare. <p>3) 2 nos. of 765 kV line bays each at Lakadia PS & KPS2 (GIS) for Khavda PS2 (GIS) – Lakadia PS 765 kV D/c line.</p> <ul style="list-style-type: none"> • 765 kV line bays (GIS) – 2 Nos. (for KPS2 end) • 765 kV line bays (AIS) – 2 Nos. (for Lakadia end) 	<p>Khavda II-A Transmission Ltd (Subsidiary of Adani)</p>	<p>28.3.2025 [24 months from effective date i.e. 28.3.2023]</p>	<ul style="list-style-type: none"> • Detailed Survey Completed • EPC contract for transmission line & reactor Completed while EPC contract for line bays is under process. • Forest & Wildlife Proposal submitted

Sl. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
2	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part B</p> <p>1) Lakadia PS – Ahmedabad 765kV D/c line</p> <p>2) 2 nos. of 765kV line bays at Lakadia PS for Lakadia PS – Ahmedabad 765kV D/c line. • 765 kV line bays – 2 nos.</p> <p>3) 240MVA_r, 765kV switchable line reactor for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765kV D/c line. • 1x240 MVA_r, 765kV switchable line reactor – 2 nos. (for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765kV D/c line) • Switching equipment for 765 kV line reactor – 2 nos. • 1x80 MVA_r spare reactor – 1no. (for Ahmedabad end)</p>	Khavda II-B Transmission Ltd (Subsidiary of POWERGRID)	21.3.2025 [24 months from effective date i.e. 21.3.2023]	<ul style="list-style-type: none"> • Detail survey under progress • Reserve Forest/Social Forest/Wildlife sanctuary Clearance proposal has been submitted. • All EPC contract i.e. Transmission line package, substation and line reactor have been awarded.
3	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part C</p> <p>1) Establishment of 3x1500MVA, 765/400 kV Ahmedabad S/s with 1x330MVAR 765kV bus reactor and 1x125MVAR 420 kV bus reactor.</p> <p>• 765/400kV, 3x1500MVA ICT (10x500MVA, including 01 spare unit) • 765kV ICT bays-03 • 400kV ICT bays-03 • 765kV line bays-04 (02 for Lakadia- Ahmedabad 765kV D/c; 02 for Ahmedabad- South Gujarat) • 400kV line bays - 04 (LILO of Pirana (PG) - Pirana (T) 400kV D/c line at Ahmedabad S/s • 1x330MVA_r, 765kV bus reactor-1 (4x110MVA_r including 01 spare unit) • 765kV reactor bays - 1 • 125MVA_r, 420kV reactor-1 • 400kV Reactor bays – 1</p> <p>2) Ahmedabad – South Gujarat/</p>	Khavda II-C Transmission Ltd (Subsidiary of POWERGRID)	21.3.2025 [24 months from effective date i.e. 21.3.2023]	<ul style="list-style-type: none"> • Detail survey under Progress • All EPC contracts i.e. Transmission line package, Substation, Transformer and Reactors awarded. • Forest proposal of Ahmedabad-Navsari (South Gujarat) 765 kV D/C line submitted. • Land acquisition for Ahmedabad Substation under progress

Sl. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
	<p>Navsari (new) 765 kV D/c line with 240 MVAR switchable line reactor at both ends.</p> <p>3) 2 nos. of 765 kV line bays at South Gujarat/Navsari (new) end for Ahmedabad – South Gujarat/Navsari (new) 765 kV D/c line</p> <ul style="list-style-type: none"> • 765kV line bays – 2 nos. (GIS) <p>4) 240 MVAR switchable line reactor at both ends of Ahmedabad – South Gujarat/Navsari (new) 765 kV D/c line.</p> <ul style="list-style-type: none"> • 1x240 MVAR, 765kV switchable reactor–4 • Switching equipment for 765 kV line reactor – 4 			
4	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part D</p> <p>1) LILO of Pirana (PG) – Pirana (T) 400 kV D/c line at Ahmedabad S/s with twin HTLS alongwith reconductoring of Pirana (PG) – Pirana (T) line with twin HTLS conductor with OPGW for both main line and LILO section.</p> <p>2) Bay upgradation work with requisite FOTE at Pirana (PG) & Pirana (T) 400 kV line bays (Bay Upgradation) – 4 Nos</p>	Torrent Power Limited (TPGL) (Under RTM)	21.3.2025 [Matching time frame with Khavda II - Part A to C]	<ul style="list-style-type: none"> • TPGL license amendment Application filed on 26.06.2023. • Route Survey under progress. • EPC tender document preparation is under progress, the document will be finalized once route survey is completed. • Information regarding location of Ahmedabad S/s sought from Khavda II-C Transmission Ltd.

Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II *inter-alia* includes Part-A, B, C & D. The subject scheme was originally envisaged to evacuate 4.5 GW RE capacity at Khavda complex and 0.5GW is RE potential is envisaged at Bhuj PS. Subsequently, the potential under Khavda Phase-II scheme was revised to 5GW (0.5GW potential of Bhuj

PS shifted to Khavda). Accordingly, the subject transmission scheme shall be utilized for evacuation of 5GW RE capacity at Khavda complex. The establishment of Khavda PS (KPS)-1, 2 & 3 are covered under different transmission schemes and are under various stages of implementation.

(b) Status of 4.5 GW RE generators at Khavda RE park is as under:

S. No.	Name of RE Generator	Name of PS	Quantum (MW)	Status
1	Adani Green Energy Limited	KPS-1	1000	Scheduled date for completion of RE Projects: March, 2025
2	Adani Green Energy Limited	KPS-1	1000	
3	Adani Green Energy Limited	KPS-1	1050	
4	Adani Green Energy Limited	KPS-3	1050	
5	Adani Renewable Energy Holding Four Limited	KPS-1	417	Scheduled date for completion of RE Projects: March,2025
6	Gujarat State Electricity Corporation Limited	KPS-2	1000	Scheduled date for completion of RE Projects: March, 2025
Total			5517	

8. 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, REC Power Development and Consultancy Limited (RECPDCL) was notified by Ministry of Power, Government of India, vide Gazette Notification. No. F.No.15/3/2018-Trans-Pt (2) dated 23.9.2020 & 6.12.2021 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish Inter-State Transmission System for “Transmission scheme for evacuation of 4.5 GW RE injection at Khavda PS under

Phase II- Part C”, through tariff based competitive bidding process on Build, Own Operate and Transfer (BOOT) basis.

9. RECPDCL in its capacity as the BPC initiated the bid process on 6.5.2022 and completed the same on 21.3.2022 in accordance with the Guidelines. Power Grid Corporation of India Limited was selected as the successful bidder having quoted the lowest transmission charges of Rs. 2816.96 million in order to provide transmission services to the beneficiaries of the transmission system.

10. BPC appointed a Consultant, namely, ABPS infrastructure Advisory Private Limited 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, four bidders, namely, (i) Power Grid Corporation of India Limited, (ii) Dineshchandra R. Agrawal Infracon Private Limited, (iii) Adani Transmission Limited and (iv) Sterlite Grid 33 Limited, submitted their offers. The RfP (Technical bids) of the four bidders were opened by Bid Opening Committee in the office of Central Electricity Authority on 16.1.2023 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 four bidders were opened on 8.2.2023. The details of the quoted transmission charges by bidders are as under:

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Power Grid Corporation of India Limited	2961.70	L1
2.	Dineshchandra R. Agrawal Infracon Private Limited	3170.00	L2
3.	Adani Transmission Limited	3510.00	L3
4.	Sterlite Grid 33 Limited	3567.00	L4

11. 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.	Power Grid Corporation of India Limited	2961.70	L1
2.	Dineshchandra R. Agrawal Infracon Private Limited	3170.00	L2
3.	Adani Transmission Limited	3510.00	L3
4.	Sterlite Grid 33 Limited	3567.00	L4

12. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 2961.70 million. E-reverse auction of all four bidders was carried out at MSTC portal on 9.2.2023 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	2961.70	2816.96	L1
2.	Dineshchandra R. Agrawal Infracon Private Limited	3170.00	2824.03	L2
3.	Adani Transmission Limited	3510.00	2866.81	L3

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
4.	Sterlite Grid 33 Limited	3567.00	No bid received in electronic reverse auction	L4

13. 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. 2816.96 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.

14. 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 Khavda II-C 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;

15. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of Nodal Agency i.e. CTUIL for an aggregate value of Rs. 39.90 crore on 21.3.2023 and has acquired hundred percent equity holding in Khavda II-C Transmission Limited on 21.3.2023. The Petitioner entered into Transmission Service Agreement (TSA) with CTUIL on 21.3.2023.

16. 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”

17. 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 dated 11.1.2023 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, WRSR Power Transmission Limited (WPTL), has certified to have been made in accordance with the Guidelines.

18. 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.”

19. 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 POWERGRID Khavda II-C Transmission Limited with respect to the transmission system as per details given in paragraph 1 above.

20. 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. 2816.96 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

21. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English language and in Hindi (Vernacular) language. No objection has been received from the general public in the notices.

22. 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. 127/2023 dated 03.04.2023 filled by M/S Khavda II-C Transmission Ltd. (KIICTL) before Hon'ble Commission vide which M/S KIICTL has requested CT U for issuance of its recommendation for grant of Transmission License for subject transmission scheme. In this regard, the following is submitted:

1. M/s Khavda II-C Transmission Ltd. (KIICTL) 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 "Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II — Part C" 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 03.04.2023 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 "Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II — Part C", the following is submitted:

i) The government of India has set a target for establishing 500GW non fossil generation capacity by 2030, which also includes 30GW RE potential in the Khavda bus reactor and 125MVA (420kV) bus reactor along with Ahmedabad — South Gujarat/Navsari (new) 765kV D/c line with 240MVA switchable line reactor at both ends.

ii) The transmission scheme was agreed upon in the 1st WRPC(TP) & 3rd WRPC(TP) meeting held on 14.01.2020 & 14.06.2021 respectively. Extract of the minutes of 1st & 3rd WRPC(TP) meeting is enclosed at Annexure-II.

iii) The transmission system was discussed and agreed upon in the 3rd NCT meeting held on 26.05.2020 & 28.05.2020 and in the 5th NCT meeting held on 25.08.2021 & 02.09.2021. Extract of the minutes of the NCT meeting is enclosed at Annexure-III.

iv) The transmission system was discussed in the 40th WRPC 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 25.09.2020 & 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 Khavda II-C 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 24 months from date of SPV acquisition which is 21.03.2025.

5. In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission Licence Regulations, 2009, based on details furnished by M/S Khavda IIC Transmission Ltd., CTU recommends the grant of transmission license to M/S Khavda II-C Transmission Ltd. for executing the transmission scheme as mentioned in Para-I above."

23. 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. Lol 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. 39.90 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 acquired the SPV on 26.2.2023. The Petitioner has submitted that it had paid the transmission license fees on 28.3.2023, however, the same was reflected on online filing portal on 3.4.2023 and the application was filed online on 3.4.2023. The Petitioner has prayed for the condoning the delay in filing of application. Since the Petitioner could not file the application due to procedural laps, 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.

24. 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 **19.7.2023**.

25. 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.

26. 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.

27. 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.

28. The Petitioner, vide its affidavit dated 7.6.2023, has informed that the name of the Petitioner company has been changed from 'Khavda II-C Transmission Limited' to 'POWERGRID Khavda II-C Transmission Limited' with effect from 22.5.2023. The certificate of change of name from 'Khavda II-C Transmission Limited' to 'POWERGRID Khavda II-C Transmission Limited' dated 22.5.2023 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Khavda II-C Transmission Limited' on the record of the Commission.

29. The Petition shall be listed for hearing on **21.7.2023**.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member