# CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

### Petition No. 128/TL/2023

Coram:

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

Date of Order: 31st July, 2023

#### In the matter of

Application under Sections 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
- 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
- M.P. Power Management Company Limited,
   Shakti Bhawan, Rampur,
   Jabalpur -482008.
- 10. Maharashtra State Electricity Distribution Company Limited, Prakashgad, 4<sup>th</sup> 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
- 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
- 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, 2<sup>nd</sup> 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, UP.

- 30. Gujarat State Electricity Corporation Limited, Vidyut Bhavan, Racecourse, Vadodara, Gujarat
- 31. Adani Green Energy Limited, 4<sup>th</sup> Floor, South Wing, Adani Corporate House, Shantigram, SG Highway, Ahmedabad 382421
- 32. Adani Renewable Energy Holding Four Limited, 4<sup>th</sup> Floor, South Wing, Adani Corporate House, Shantigram, SG Highway, Ahmedabad-382421

# ....Respondents

## **Parties present:**

Shri Pankaj Pandey, KCTL Shri Mani Kumar, KCTL Shri Sricharan, CTUIL Shri Ajay Kumar, CTUIL Ms. Priyansi Jadiya, CTUIL

#### **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 "the Transmission Licence Regulations") to establish the Transmission scheme for evacuation of 4.5 GW RE injection at Khavda PS under Phase-II-Part C on Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as "the Project") consisting of the following elements:

C	Name of the Transmission Element	Scheduled COD in months from Effective	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
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		Date	
1.	Establishment of 3x1500 MVA, 765/400 kV Ahmedabad S/s with 1x330 MVAR 765 kV bus reactor and 1x125 MVAR 420 kV bus	24	Elements marked at SI. No. 1, 2,3 & 4 are required to be commissioned
	reactor. • 765/400 kV, 1500 MVA- 3 (10x500 MVA, including one spare unit) • 765 kV ICT bays – 3		simultaneously as their utilization is dependent on commissioning of each other.
	<ul> <li>400 kV ICT bays - 3</li> <li>765 kV line bays-4 (2 for Lakadia-Ahmedabad and 2 for Ahmedabad to South Gujarat)</li> <li>400 kV line bays – 4 (for LILO of</li> </ul>		cacif offici.
	Pirana (PG) – Pirana (T) 400kV D/c line at Ahmedabad • 1x330 MVAr, 765 kV bus reactor-1 (4x110 MVAr, including one spare		
	unit) • 765 kV reactor bay – 1 • 125 MVAr, 420 kV reactor- 1 • 400 kV Reactor bay- 1		
	Future Scope: Space for		
	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		
2.	Ahmedabad-South Gujarat/ Navsari (new) 765 kV D/c line with 240 MVAr 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
  - 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. 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.

- 3. 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 5.7.2023, *prima facie* proposed to grant the transmission licence to the Petitioner. Relevant portions of the order dated 5.7.2023 are extracted as under:
  - "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."
- 4. A public notice under Sub-section (5) of Section 15 of the Act was published on 13.7.2023 in all editions of The Times of India (English) and Hindustan (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.
- 5. The case was called out for the hearing on 21.7.2023. It was submitted by the representative of the Petitioner that, in response to public notice published by the Commission, no objection has been received. In response to the query of the Commission regarding the date of commissioning of the transmission project, the representative of the Petitioner submitted that the SCOD of the transmission project is 21.3.2025.
- 6. It is noted that the transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II *inter-alia*, includes Parts-A, B, C & D. CTUIL has clarified the SCOD and status of implementation of transmission system packages

under the Transmission scheme for evacuation of 4.5 GW RE injection at Khavda PS under Phase-II as under:

SI. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
1	Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part A  1) KPS2 (GIS)- Lakadia 765 kV D/C line  2) 330 MVAr switchable line reactors at KPS2 end of KPS2 (GIS) – Lakadia 765 kV D/C line  • 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.  3) 2 nos. of 765 kV line bays each at Lakadia PS & KPS2 (GIS) – Lakadia PS 765 kV D/c line.  • 765 kV D/c line.  • 765 kV line bays (GIS)- 2 Nos. (for KPS2 end)  • 765 kV line bays (AIS)- 2 Nos. (for Lakadia end)	Khavda II-A Transmission Ltd (Subsidiary of Adani)	28.3.2025 [24 months from effective date i.e. 28.3.2023]	<ul> <li>Detailed Survey Completed</li> <li>EPC contract for transmission line &amp; reactor Completed while EPC contract for line bays is under process.</li> <li>Forest &amp; Wildlife Proposal submitted</li> </ul>
2	Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part B  1) Lakadia PS- Ahmedabad 765kV D/c line 2) 2 nos. of 765kV line bays at Lakadia PS for Lakadia PS-Ahmedabad 765kV D/c line.	Khavda II-B Transmission Ltd (Subsidiary of POWERGRID)	21.3.2025 [24 months from effective date i.e. 21.3.2023]	<ul> <li>Detail survey under progress</li> <li>Reserve Forest/Social Forest/Wildlife sanctuary Clearance proposal has been submitted.</li> <li>All EPC contract i.e.</li> </ul>

SI. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
	<ul> <li>765 kV line bays- 2 nos.</li> <li>3) 240MVAr, 765kV switchable line reactor for each circuit at Ahmedabad end of Lakadia PS-Ahmedabad 765kV D/c line.</li> <li>1x240 MVAr, 765kV switchable line reactor- 2 nos. (for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765kV D/c line)</li> <li>Switching equipment for 765 kV line reactor- 2 nos.</li> <li>1x80 MVAr spare reactor-1no. (for Ahmedabad end)</li> </ul>			Transmission line package, sub-tation and line reactor have been awarded.
3	Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part C  1) Establishment of 3x1500MVA, 765/400 kV Ahmedabad S/s with 1x330MVAR 765kV bus reactor and 1x125MVAR 420 kV bus reactor.  • 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)  • 400 kV line bays - 04 (LILO of Pirana (PG) - Pirana (T) 400kV D/c line at Ahmedabad S/s  • 1x330MVAr, 765kV bus reactor-1 (4x110MVAr including 01 spare unit)	Khavda II-C Transmission Ltd (Subsidiary of POWERGRID)	21.3.2025 [24 months from effective date i.e. 21.3.2023]	<ul> <li>Detail survey under Progress</li> <li>All EPC contracts i.e. Transmission line package, substation, Transformer and Reactors awarded.</li> <li>Forest proposal of Ahmedabad-Navsari (South Gujarat) 765 kV D/C line submitted.</li> <li>Land acquisition for Ahmedabad sub-station under progress</li> </ul>

SI. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
	<ul><li>765kV reactor bays - 1</li><li>125MVAr, 420kV reactor-1</li><li>400kV Reactor bays- 1</li></ul>			
	2) Ahmedabad-South Gujarat/ Navsari (new) 765 kV D/c line with 240 MVAr 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 765kV line bays- 2 nos. (GIS)			
	4) 240 MVAr switchable line reactor at both ends of Ahmedabad-South Gujarat/Navsari (new) 765 kV D/c line.  • 1x240 MVAr, 765kV switchable reactor-  • Switching equipment for 765 kV line reactor-4			
4	Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part D  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.	Torrent Power Limited (TPGL) (Under RTM)	21.3.2025 [Matching time frame with Khavda II - Part A to C]	<ul> <li>TPGL license amendment Application filed on 26.6.2023.</li> <li>Route Survey under progress.</li> <li>EPC tender document preparation is under progress, the document will be finalized once route survey is</li> </ul>
	2) Bay upgradation work with requisite FOTE at Pirana (PG) & Pirana (T)			completed.  Information regarding location of

SI. No.	Name of the transmission scheme	Implementing Agency/ Transmission licensee	SCOD (element wise)	Status of implementation
	400 kV line bays (Bay Upgradation)- 4 Nos			Ahmedabad sub-station sought from Khavda II-C Transmission Ltd.

- 7. As per the Transmission Service Agreement, all four parts are interlinked and are to be taken up in a similar time frame. However, from the above information submitted by CTUIL, there is a mismatch in the SCOD of Part A which is 28.3.2025, and the SCOD of Part B, Part C & Part D is 21.3.2025, with each part being implemented by a different entity. In case Part B, Part C & Part D are declared COD on the SCOD date, there shall be commercial liabilities in the absence of Part-A, whose SCOD is on 21.3.2023. Accordingly, CTUIL is directed to amend the TSAs for Parts-A to D to align the SCOD of all the interlinked packages. CTUIL is also directed to finalise the SCOD dates without creating mismatches in the interlinked schemes.
- 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 5.7.2023, 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 Khavda II-C Transmission Limited", to establish Transmission scheme for the evacuation of 4.5 GW RE injection at Khavda PS under Phase-II-Part C on a BOOT basis as per the details given in paragraph 1 above.
- 10. The grant of a 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:

- (I) 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. 128/TL/2023 is allowed in terms of the above.

Sd/- sd/- sd/- sd/- sd/- (P.K. Singh) (Arun Goyal) (I.S. Jha) (Jishnu Barua) Member Member Chairperson