

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 145/TL/2023

Coram:

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

Date of Order: 20th 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 KPS3 Transmission Limited.

And

In the matter of

KPS3 Transmission Limited,

(Now known as 'POWERGRID KPS3 Transmission Limited,
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110 016

....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,**
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, Madhya Pradesh
- 10. Maharashtra State Electricity Distribution Company Limited,**
Prakashgad, 4th Floor,
Bandra (East),
Mumbai-400051, Maharashtra.
- 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, Maharashtra- 400085
- 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, Maharashtra

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, Maharashtra

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

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 Power Distribution Corporation Ltd
1st & 2nd Floor, Vidyut Bhavan,
Nex Silvassa & Daman

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

30. Adani Green Energy Limited,
4th Floor, South Wing, Adani Corporate House,
Shantigram, S G Highway,
Ahmedabad 382421, Gujarat.

....Respondents

Parties present:

Shri D Sudarshan, KPS3TL
Shri Mani Kumar, KPS3TL
Shri Shashank Shekhar, CTUIL
Shri Ranjeet Rajput, CTUIL
Shri Ashish Kr. Singh, RECPDCL

ORDER

The Petitioner, KPS3 Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14 and Section 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park 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
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1.	<p>Establishment of 765/400 kV, 3x1500MVA, KPS3 (GIS) with 1x330 MVAR 765kV bus reactor and 1x125 MVAR 400kV bus reactor.</p> <p>1500MVA, 765/400kV ICT- 3 nos. (10x500MVA including one spare unit) 765kV ICT bays – 3 nos. 400kV ICT bays – 3 nos. 765kV line bays – 2 nos. 400kV line bays – 3 nos. 1x330MVA, 765 kV bus reactor-1 (4x110MVA, including one spare unit) 765kV reactor bay – 1 1x125MVA 400 kV bus reactor-1 400kV reactor bay – 1 Adequate space for future expansion of 5x1500 MVA 765/400 kV ICT's Future provisions: Space for 765/400kV ICTs along with bays: 5 nos. 765kV line bays: 4 nos. 400kV line bays: 10 nos. 765kV Bus sectionalizer breaker: 2 nos. 400kV Bus sectionalizer breaker: 2 nos. To take care of any drawal needs of area in future: 400/220kV ICT: 2 nos. 220kV line bays: 4 nos</p>	21 months	Elements marked at Sl. No. 1, 2 & 3 are required to be commissioned simultaneously as their utilization is dependent on commissioning of each other.
2.	KPS3-KPS2 765kV D/c line		
3.	2 no. of 765kV line bays at KPS2 765kV S/s for KPS3-KPS2 765kV D/c line 765kV line bays: 2 nos. at KPS2 end		

Note:

- i) Pooling station shall be created with bus section-I with 765/400 kV, 3x1500MVA ICTs and 1x330 MVAR, 765 kV & 1x125 MVAR, 400 kV bus reactors.
- ii) Bus section II (future) shall be created with 765/400 kV, 4x1500MVA ICTs and 1x330MVAR 765 kV & 1x125 MVAR 400 kV bus reactors.

iii) Bus sectionalizer at 765kV level shall normally be closed and bus sectionalizer at 400kV level shall normally be open.

iv) Developer of KPS2 765 kV S/s to provide space for 2 no. of 765 kV line bays at KPS2 765 kV S/s for termination of KPS3-KPS2 765 kV D/c line.

v) Scheme to be awarded after SECI/REIA awards first bid of RE project at KPS3

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 for Establishment of Khavda Pooling Station-3 (KPS3) 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; and

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

Hearing dated 30.6.2023

3. During the course of hearing on 30.6.2023, the representative of the Petitioner submitted that the The Petitioner has already impleaded the Western Region beneficiaries as party to the Petition and has also served copy of Petitions on them. However, no response has been received so far. He further submitted that Owing to certain issue relating to the acknowledgment of Petition filing fees, there has been a little delay in filing of these Petitions as against the timeline prescribed in RfP and as extended by the BPC, which may be condoned. There has also been a little delay in posting the notice & the application on its website for inviting objections/suggestions from the stakeholders, which may also be condoned.

4. The representative of the Respondent, CTUIL submitted that CTUIL 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. The

representative of the CTUIL further submitted that the vide Record of Proceedings for the hearing dated 20.6.2023 in Petition No. 128/TL/2023 & Ors., the Commission has already called for the details of status of 4.5 GW Renewable Generators at Khavda RE Park and CTUIL will be filing such details shortly.

5. In response to the specific query of the Commission with regard to the ensuring that all requisite elements of the Project, for effective power flow, comes together, the representative of CTUIL submitted that the Transmission Service Agreement already stipulates that all the elements are required to commissioned simultaneously as their utilization is dependent on commissioning of each other. The Commission also queried the CTUIL about the need of indicating the separate % of quoted transmission charges recoverable on SCOD of the various elements of the Project in such cases where all the elements of the Project are to be commissioned simultaneously only.

6. Vide Record of Proceedings for the hearing dated 30.6.2023, the Respondents beneficiaries were directed to their replies/comments on the Petitions, if any. However, no reply has been filed by them.

7. The Petitioner, vide Record of Proceedings for the hearing dated 30.6.2023, was directed to submit the date of transfer of the SPV and SCOD of the Transmission Scheme. The Petitioner vide its affidavit dated 7.7.2023 has submitted that date of transfer of SPV was 21.3.2023. Since as per TSA, SCoD of the project is 21 months from the effective date, the SCoD of the project works out to be 20.12.2024.

8. CTUIL vide Record of Proceedings for the hearing dated 30.6.2023, was directed to submit the information regarding status of implementation of all parts of the

transmission system and status of 4.5 GW RE generators at Khavda RE Park. CTUIL vide affidavit dated 10.7.2023 has submitted as under:

(a) With regard to (a) above, State of implementation of all parts is as under:

S. No.	Name of the transmission scheme	Implementing Agency	SCOD	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 MVA_r switchable line reactors at KPS2 end of KPS2 (GIS) – Lakadia 765 kV D/C line</p> <ul style="list-style-type: none"> • 330 MVA_r, 765 kV switchable line reactor- 2 nos. • Switching equipment for 765 kV line reactor- 2 nos. • 1x110 MVA_r 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) 	Khavda II-A Transmission Ltd (Subsidiary of Adani)	28.03.2025 [24 months from effective date i.e. 28.03.2023]	<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
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.</p> <ul style="list-style-type: none"> • 765 kV line bays – 2 nos. <p>3) 240MVA_r, 765kV switchable line reactor for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765kV D/c line.</p> <ul style="list-style-type: none"> • 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) 	Khavda II-B Transmission Ltd (Subsidiary of POWERGRID)	21.03.2025 [24 months from effective date i.e. 21.03.2023]	<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.

S. No.	Name of the transmission scheme	Implementing Agency	SCOD	Status of implementation
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> <ul style="list-style-type: none"> • 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, 765kV bus reactor-1 (4x110MVA including 01 spare unit) • 765kV reactor bays - 1 • 125MVA, 420kV reactor-1 • 400kV Reactor bays – 1 <p>2) Ahmedabad – South Gujarat/ Navsari (new) 765 kV D/c line with 240 MVA 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 MVA 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 MVA, 765kV switchable reactor– 4 • Switching equipment for 765 kV line reactor – 4 	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
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

S. No.	Name of the transmission scheme	Implementing Agency	SCOD	Status of implementation
				sought from Khavda II-C Transmission Ltd.
5	<p>Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park Establishment of 765/400 kV, 4x1500MVA, KPS2 (GIS) with 2x330 MVAR 765 kV bus reactor and 2x125 MVAR 400 kV bus reactor.</p> <ul style="list-style-type: none"> o 1500MVA, 765/400kV ICT-4 nos. (13x500 MVA including one spare unit) o 765 kV ICT bays – 4 nos. o 400 kV ICT bays – 4 nos. o 765 kV line bays – 2 nos. o 400 kV line bays – 3 nos. (3 no. of bays considered at present, one each for NTPC, GSECL & GIPCL) o 1x330 MVAR, 765 kV bus reactor-2 (7x110 MVAR, including one spare unit) o 765 kV reactor bays – 2 o 1x125 MVAR 400 kV bus reactor-2 o 400 kV reactor bay-2 o 765 kV bus sectionalizer bay – 2 o 400 kV bus sectionalizer bay – 2 o Adequate space for future expansion of 5x1500 MVA 765/400 kV ICTs o 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. o Bus sectionalizer at 765 kV level shall normally be closed and bus sectionalizer at 400 kV level shall normally be open 	KPS2 Transmission Ltd. (Subsidiary of POWERGRID)	20.1.2025 21 months from effective date and matching with the implementation timeframe of “Transmission scheme for injection beyond 3 GW RE power at Khavda PS1”.	<ul style="list-style-type: none"> • EPC contract for 765kV (GIS) and 400kV (GIS) Substations Packages, Transformer packages have been awarded. • EPC contract for Reactor is in under process. • Land acquisition is under approval at Revenue Department, Gandhinagar
6	<p>Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)</p> <p>1) Augmentation of Khavda PS1 by 4X1500MVA, 765/400 kV transformation capacity* with 1x330 MVAR 765 kV bus reactor and 1x125 MVAR 420 kV bus reactor on 2nd 765 kV and 400 kV bus section respectively</p> <p>765/400 kV, 1500 MVA- 4 nos. (13x500 MVA, including one spare unit) 765 kV ICT bays – 4 nos. 765 kV line bays – 2 nos.</p>	KPS1 TRANSMISSI ON LTD. (Megha- Engg.)	20.01.2025 21 months from effective date and matching with the implementation timeframe of “Establishment of Khavda Pooling Station-2	<ul style="list-style-type: none"> • Preliminary engineering activities under progress. • Transmission Line check & detailed survey will be commenced in July'2023. • Finalization for EPC contractor under progress

S. No.	Name of the transmission scheme	Implementing Agency	SCOD	Status of implementation
	<p>400 kV ICT bays – 4 nos. 400 kV line bays – 3 nos. considered at present (Actual no. of bays as per connectivity granted to RE developers) 1x330 MVAR, 765 kV bus reactor-1no. (4x110 MVAR, including one spare unit) 765 kV reactor bay – 1no. 125 MVAR, 420 kV reactor- 1no. 400 kV Reactor bay- 1no. 765 kV bus sectionalizer- 2 nos. 400 kV bus sectionalizer- 2 nos.</p> <p>2) KPS1-Khavda PS GIS (KPS2) 765 kV D/C line</p> <p><i>*2nd Bus Section is to be created at Khavda PS1</i> Transmission Scheme for evacuation of 3 GW RE injection at Khavda P.S. under Phase-I is currently under implementation by Khavda – Bhuj Transmission Ltd. (KBTL) with SCOD as Jan'24.</p>		(KPS2) in Khavda RE Park	
7	<p>Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park</p> <p>1) Establishment of 765/400 kV, 3x1500MVA, KPS3 (GIS) with 1x330 MVAR 765 kV bus reactor and 1x125 MVAR 400 kV bus reactor.</p> <ul style="list-style-type: none"> ○ 1500MVA, 765/400kV ICT- 3 nos. (10x500MVA including one spare unit) ○ 765 kV ICT bays – 3 nos. ○ 400 kV ICT bays – 3 nos. ○ 765 kV line bays – 2 nos. ⊖ 400 kV line bays – 3 nos. ○ 1x330 MVAR, 765 kV bus reactor– 1 (4x110MVAR, including one spare unit) ○ 765kV reactor bay – 1 ○ 1x125MVAR 400 kV bus reactor–1 ○ 400 kV reactor bay – 1 ○ Adequate space for future expansion of 5x1500MVA 765/400kV ICTs <p>2) KPS3-KPS2 765kV D/c line</p> <p>3) 2 nos. of 765kV line bays at KPS2 765kV S/s for KPS3–KPS2 765kV D/c line</p> <ul style="list-style-type: none"> ○ 765kV line bays–2 nos. at KPS2 end. 	KPS3 Transmission Ltd. on 21.03.2023 (Subsidiary of POWERGRID)	21.12.2024 [21 months from effective date i.e. 21.03.2023]	<ul style="list-style-type: none"> • EPC contract for 765kV and 400kV Substations Packages, Transmission line package have been awarded. EPC contract for Transformer and Reactor are yet to be awarded. • Detailed survey of Transmission line has been completed. • Possession of land handover is under approval. • Construction of Temporary approach road is in under progress.

* The 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 4.5GW RE capacity at Khavda complex and 0.5GW RE potential was 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.

* As per planning carried out for Khavda RE Park, the transmission system for evacuation of 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). KPS1 S/S has been planned to cater upto 9 GW generation capacity in Khavda RE Park. KPS2 S/S has been planned to cater upto 10.5GW generation capacity in Khavda RE Park & KPS3 S/S has been planned to cater upto 9 GW generation capacity in Khavda RE Park. Balance 1.5 GW transformation capacity at KPS3 would be taken up matching with progress of RE generation.

(b) The status of RE generators in Khavada RE zone which are linked with transmission scheme for evacuation of 4.5 GW RE injection at Khavda PS under Phase-II 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

9. 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 the 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 Network Expansion scheme in Western Region and Southern Region for export of surplus power during high RE scenario in Southern Region”, through tariff based competitive bidding process on Build, Own Operate and Transfer (BOOT) basis.

10. 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 was selected as the successful bidder having quoted the lowest transmission charges of Rs. 755.29 million in order to provide transmission services to the beneficiaries of the transmission system.

11. BPC appointed a Consultant, namely, PARY & Co., Chartered Accountants in consortium with Legacy Law Offices for providing consultancy services in the process of selection of the project developer through tariff based competitive bidding process. RfP was issued on 28.1.2022. At RfP (Technical and Financial) stage, five bidders, namely, (i) Adani Transmission Limited, (ii) Dineshchandra R Agrawal Infracon Private Limited, (iii) Juniper Green Transmission Private Limited, (iv) Megha Engineering & Infrastructures Limited, (v) Power Grid Corporation of India Limited and (vi) Sterlite Grid 21 Limited submitted their offers. The RfP (Technical) bids of the five bidders were opened by Bid Opening Committee in the office of Central Electricity Authority

on 27.1.2023 in the presence of the representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids- Initial Price Offer of the five bidders were opened on 20.2.2023. 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.	Adani Transmission Limited	761.00	L1
2.	Sterlite Grid 21 Limited	868.00	L2
3.	Power Grid Corporation of India Limited	1013.05	L3
4.	Dineshchandra R Agrawal Infracon Private Limited	1080.00	L4
5.	Juniper Green Transmission Private Limited	1123.00	L5
6.	Megha Engineering & Infrastructures Limited	1625.00	L6

12. As per 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 follows:

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Adani Transmission Limited	761.00	L1
2.	Sterlite Grid 21 Limited	868.00	L2
3.	Power Grid Corporation of India Limited	1013.05	L3
4.	Dineshchandra R Agrawal Infracon Private Limited	1080.00	L4

13. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 868.00 million. Based on the recommendation of BEC, four bidders qualified to participate in the e-reverse auction stage. E-reverse auction of the bidders was carried out at MSTC portal on 21.2.2023 and the following transmission charges for the 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	1013.05	755.29	L1
2.	Adani Transmission Limited	761.00	757.19	L2
3.	Sterlite Grid 21 Limited	868.00	No bid received in electronic reverse auction	L3
4.	Dineshchandra R Agrawal Infracon Private Limited	1013.05	No bid received in electronic reverse auction	L4

14. As per the Bid Evaluation Report dated 22.2.2023, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 755.29 million. BEC vide its certificate dated 22.2.2023 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.

15. 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 27.2.2023 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 KPS3 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;

16. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of Nodal Agency i.e. CTUIL for an aggregate value of Rs. 15.90 crore on 21.3.2023 and has acquired hundred percent equity holding in KPS3 Transmission Limited on 28.3.2023. The Petitioner entered into Transmission Service Agreement (TSA) with CTUIL on 21.3.2023.

17. 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”

18. 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-Part-(I)/84-85 dated 10.2.2023 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, KPS3 Transmission Limited, has certified to have been made in accordance with the Guidelines.

19. 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.”

20. 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 KPS3 Transmission Limited with respect to the transmission system as per details given in paragraph 1 above.

21. 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. 755.29 million. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

22. 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 response to the public notices. It is noted that there has been little delay in uploading the notice and the application on the Petitioner's website for inviting objections/suggestions from the stakeholders. The representative of the Petitioner during the course of hearing prayed to condone the such delay. Since the Petitioner could not upload the notices on its website 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.

23. 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 1.5.2023 has recommended for grant of transmission licence to the Petitioner.

Relevant portion of the said letter dated 1.5.2023 is extracted as under:

“This has reference to the Petition with Diary No. 123/2023 dated 03.04.2023 filled by M/s KPS3 Transmission Ltd. (KPS3TL) before Hon’ble Commission vide which M/s KPS3TL 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 KPS3 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-3 (KPS3) in Khavda RE Park” project on Build, Own, Operate and Transfer (BOOT) basis as ISTS.*
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 “Establishment of Khavda Pooling Station-3 (KPS3) 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 3x1500MVA, 765/400kV Khavda PS3 (KPS3) (GIS) PS along with KPS3-KPS2 765kV D/c line for evacuation of RE power from the Khavda RE Park in Gujarat.*
 - ii. *The transmission scheme was agreed upon in the 3rd WRPC(TP) meeting held on 14.06.2021.*
 - iii. *The transmission system was discussed and agreed upon in the 5th NCT meeting held on 25.08.2021 & 02.09.2021 and 11th NCT meeting held on 28.12.2022*
 - 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.*
 - v. *The Government of India, Ministry of Power, vide Gazette notification no. 15/3/2018- Trans-Pt(1) 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.

- 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 27.02.2023. Subsequently, Power Grid Corporation of India Ltd. acquired KPS3 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.*
- 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 MIs KPS3 Transmission Ltd., CTU recommends the grant of transmission license to MIs KPS3 Transmission Ltd. for executing the transmission scheme as mentioned in Para-1 above."*

24. 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 9.3.2023. Lol was issued on 27.2.2023. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 15.90 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 Limited acquired the SPV on 21.3.2023. 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.

25. 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 **4.8.2023**.

26. 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.

27. In order to ensure that the Project is implemented within the time schedule as provided in the TSA, the licensee should not approach the Commission for extension of time for execution of the Project or for increase in the transmission charges over and above what is permissible under the provisions of the TSA. Accordingly, the Petitioner is directed to file an affidavit by 31.7.2023 to the effect that the execution of the Project shall not be delayed due to time taken in obtaining statutory clearances

required under the RfP and/ or adjudication of any claim of the Petitioner arising under the TSA.

28. 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, completing 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 Indian Standards. Accordingly, the Petitioner is directed to submit the information by 31.7.2023 with regard to quality control mechanism available or to be put in place by to ensure the compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

29. The Petitioner, vide its affidavit dated 19.6.2023, has informed that the name of the Petitioner company has been changed from 'KPS3 Transmission Limited' to 'POWERGRID KPS3 Transmission Limited' with effect from 23.5.2023. The certificate of change of name from 'KPS3 Transmission Limited' to 'POWERGRID KPS3 Transmission Limited' dated 16.5.2023 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID KPS3 Transmission Limited' on the record of the Commission.

30. The Petition shall be listed for hearing on **11.8.2023**.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member