

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 145/TL/2023**

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

**Date of Order: 31<sup>st</sup> August, 2023**

**In the matter of**

Application under Sections 14 & 15 of the Electricity Act, 2003 read with the 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, 4<sup>th</sup> 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, 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, 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 Ashwini Kumar Das, 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 the grant of a transmission licence under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish the ‘Khavda Pooling Station-3 (KPS3) in Khavda RE Park’ (hereinafter referred to as “the Project”) on a Build, Own, Operate, and Transfer basis consisting of the following elements:

<b>S. No.</b>	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>	<b>Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element</b>
1.	Establishment of 765/400 kV, 3x1500MVA, KPS3 (GIS) with 1x330 MVAR 765kV bus reactor and	21 months	Elements marked at Sl. No. 1, 2 & 3 are required to be commissioned simultaneously as their

	<p>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. 1x330MVAR, 765 kV bus reactor-1 (4x110MVAR, including one spare unit) 765kV reactor bay – 1 1x125MVAR 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>		<p>utilization is dependent on commissioning of each other.</p>
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. 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 issued by the Ministry of Power, Government of India under Section 63 of the Act, Power Grid Corporation of India Limited (PGCIL) was declared a successful bidder with the lowest quoted annual transmission charges of Rs. 755.29 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 20.7.2023, *prima facie* proposed to grant a transmission licence to the Petitioner. Relevant extracts of the order dated 20.7.2023 are extracted as under:

*"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."*

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 28.7.2023, in all editions of the Indian Express (English) and Rastriya Sahara (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.

5. The Petitioner, vide order dated 20.7.2023, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken in obtaining statutory clearances required under the Request for Proposal (RfP) and/or adjudication of any claim of the Petitioner arising under the TSA. The Petitioner was also directed to submit information with regard to quality control mechanisms available or to be put in place to ensure compliance with the requirements stipulated in Articles 5.1.1 and 5.4 of the TSA. In response, the Petitioner, vide its affidavit dated 10.8.2023, has submitted that the Transmission Project is governed by the TSA dated 21.3.2023 signed between CTUIL and the Petitioner. All the terms of the TSA are binding on the signatories of the agreement. The Petitioner has submitted that it would implement the Project as per the provisions of the TSA, including Article 16.4 (Parties to Perform Obligations), the Article 5.1.1 (TSP's Construction Responsibilities), and Article 5.4 (Quality of Workmanship). Further, the time overrun 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, the regulations of the Commission, and applicable rules.

6. The case was called out for the hearing on 11.8.2023. It was submitted by the representative of the Petitioner that, in response to a 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 21.12.2024.

7. 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.”*

8. In our order dated 20.7.2023, we had proposed to grant a transmission licence to the Petitioner company and directed the issue of a public notice. In response to the public notice, no suggestions/objections have been received. CTUIL, in its letter dated 1.5.2023, 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 KPS3 Transmission Limited,' to establish the Khavda Pooling Station-3 (KPS3) in Khavda RE Park on a Build, Own, Operate and Transfer basis (BOOT) basis as per the details given in paragraph 1 above.

9. 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 conditions 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 the initial licence period for the grant of a 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. A delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as a 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 provisions of 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 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, and orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within the timeline specified in Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of the 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 to ensure smooth execution and commissioning of the Project;

(n)The licensee shall submit all such reports or information as may be required under the Transmission Licence Regulations, the Standard of Performance Regulations, the 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.

(p) The licensee shall upload the asset-wise information and regularly update the status of the assets on the transmission e-portal of the Commission.

10. CTUIL / its appointed Independent Engineer and the Central Electricity Authority shall monitor the execution of the Project and bring to the notice of the Commission any apse 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.

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

12. Petition No. 145/TL/2023 is allowed in terms of the above.

Sd/-  
**(P.K. Singh)**  
**Member**

Sd/-  
**(Arun Goyal)**  
**Member**

Sd/-  
**(I.S. Jha)**  
**Member**

Sd/-  
**(Jishnu Barua)**  
**Chairperson**