

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 146/AT/2023

Coram:

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

Date of order: 25th July, 2023

In the matter of:

Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the Transmission System being established by the KPS3 Transmission Limited (a 100% wholly owned subsidiary of Power Grid Corporation of India 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
- 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, Sampriiti 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-84410.
- 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, Maharashtra.
- 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 Sudharshan, KPS3TL
Shri Mani Kumar, KPS3TL
Shri Shashank Shekhar, CTUIL
Shri Ranjeet Rajput, CTUIL
Shri Ashish Kr. Singh, RECPDCL

ORDER

The Petitioner, KPS3 Transmission Limited (now known as POWERGRID KPS3 Transmission Limited), has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for adoption of transmission charges in respect of "Establishment of Khavda Pooling Station -3 (KPS3) in Khavda RE Park" (hereinafter referred to as 'the Transmission System' or 'the Project') to be established on Build, Own, Operate and Transfer (BOOT) basis. The Petitioner has made the following prayers:

"(a) Adoption of Transmission Charges for Inter-State Transmission System for "Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park" discovered through competitive bidding process.

(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.

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

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), REC Power Development and Consultancy Limited (RECPDCL), vide letter dated 9.5.2023 was directed to submit the relevant documents regarding complete process of competitive bidding. The necessary details have been filed by the BPC under affidavit dated 7.6.2023.

Hearing dated 30.6.2023

3. During the course of the hearing on 30.6.2023, the representative of the Petitioner submitted that the Petitioner has already impleaded the Western Region beneficiaries as party to the Petition and has also served copy of the Petition on them. However, no reply has been received from them. 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.

4. 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.

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

6. We have considered the submissions of the Petitioner, BPC and CTUIL and perused the documents available on record. Section 63 of the Act provides as under:

“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

7. Government of India, Ministry of Power has notified the “Tariff based Competitive-bidding Guidelines for Transmission Service” and “Guidelines for Encouraging Competition in Development of Transmission Projects” (hereinafter referred to as “the Guidelines”) under Section 63 of the Act vide Resolution No. 15/1/2017-Trans dated 10.8.2021 as amended from time to time. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding for selection of Transmission Service Provider (TSP) for new transmission system on Build, Own, Operate and Transfer basis.

(b) For procurement of transmission services, required for any inter-State transmission Project, the Central Government shall notify the CTUIL or any Central Government Organization/ Central Public Sector Undertaking or its wholly owned subsidiary (Special Purpose Vehicle) to be the Bid Process Coordinator (BPC) who would be responsible for coordinating the bid process.

(c) The BPC shall prepare the bid documents in accordance with the Guidelines and obtain approval of the Appropriate Government or alternatively, the BPC can use the Standard Bid Documents notified by the Ministry of Power. Any material deviation from the Standard Bidding Documents shall be made only with the prior approval of the Appropriate Government. Intimation about initiation of the bidding process shall be sent by the BPC to the

Appropriate Commission.

(d) For the procurement of transmission services under the guidelines, BPC shall adopt a single stage two envelope tender process featuring Request for Proposal (RFP). The entire bidding process shall be conducted online through electronic medium under e-reverse bidding framework.

(e) RFP notice should be published in at least two national newspapers, website of the BPC and preferably in trade magazines also, so as to accord it wide publicity. The bidding shall necessarily be by way of International Competitive Bidding (ICB). For the purpose of issue of RFP, minimum conditions to be met by the bidder shall be specified in the RFP.

(f) Standard documentation to be provided in the RFP shall include definitions of requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, Qualification requirements to be met by bidders including, minimum net-worth, etc. with necessary proof of the same, as outlined in the bid documents, Specified target dates/months for commissioning and commercial operations, Standard Transmission Service Agreement (TSA), agreement(s) under Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations as amended from time to time, period of validity of offer of bidder, TSA proposed to be entered with the SPV including amendments, bid evaluation methodology to be adopted by the BPC, specification regarding bid bond as well as the Contract Performance Guarantee to be furnished by the bidders, proposed indemnification agreement between the TSP and the Nodal Agency, liquidated damages that

shall apply in event of delay in start of providing the transmission services and technical, operational and safety criteria to be met by the bidder/TSP and requirement of obtaining transmission licence from Appropriate Commission.

(g) The TSP on the date of acquisition of SPV from the BPC will enter into a Transmission Service Agreement with the Nodal Agency.

(h) To ensure competitiveness, the minimum number of qualified bidders shall be two. For inter-State transmission system, bids shall be opened in the office of CEA by a bid committee comprising of at least one member from CEA and one member from BPC. For inter-State transmission system, CEA shall constitute a committee for evaluation of the bids with at least one representative from CEA and not less than two representatives from the concerned Regional Power Committees and one independent member. Further, in case project is inter-regional, there shall be at least one representative from every concerned RPC. The technical bids shall be examined to ensure that the bids submitted meet minimum eligibility criteria set out in the bid documents on all technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the bid documents shall be considered for further evaluation on the transmission charges bids. The online initial price bids shall be electronically opened by the bid opening committee in presence of the bid evaluation committee. The bidder, who has quoted the lowest transmission charge as per the evaluation procedure, shall be considered for the award.

(i) BPC is required to complete e-reverse bidding after opening of the initial offer within 75 days. The procurer may give extended time-frame

indicated herein based on the prevailing circumstances and such alterations shall not be construed to be deviation from these guidelines.

(j) The TSP shall make an application for grant of transmission licence to the Appropriate Commission within five (5) working days from the date of execution of share purchase agreement for acquisition of SPV.

(k) BPC shall make the final result of evaluation of all bids public. The final TSA, along with the certification by the bid evaluation committee, shall be forwarded to the Appropriate Commission, for adoption of tariff discovered from the quoted annual transmission charges during the e-reverse bidding process in terms of Section 63 of the Act.

8. Therefore, we have to examine whether the Guidelines issued by the Central Government has been followed in the present case in a transparent process of bidding.

9. Ministry of Power, Government of India, vide its Gazette Notification No. 15/3/2018-Trans-Pt(1) dated 6.12.2021 has notified REC Power Development and Consultancy Limited (RECPDCL) as Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider to establish Inter-State Transmission System for “Establishment of Khavda Pooling Station -3 (KPS3) in Khavda RE Park” on Build, Own, Operate and Transfer basis through tariff based competitive bidding process.

10. KPS3 Transmission Limited (the Petitioner) was incorporated on 29.4.2022 under the Companies Act, 2013 as a wholly owned subsidiary of RECPDCL with the objective to establish Inter-State Transmission System for “Establishment of

Khavda Pooling Station -3 (KPS3) in Khavda RE Park” and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company in its Memorandum of Association are 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 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”.

11. BPC prepared the bidding document, namely, RfP in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India.

12. BPC started the process of selection of successful bidder with the publication of Global Invitation for Qualification for selection of developer on BOOT basis for the Project. The notice of RfP was published in National/International newspapers on 28.1.2022/31.1.2022 with the last date of submission of response to RfP as 1.4.2022. Intimation regarding initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide letter No. RECPDCL/ISTS/TBCB/2021-22/2520 dated 28.1.2022.

13. The key milestones in the bidding process were as under:

S. No.	Events	Date
1	Publication of RFP	28.01.2022
2	Technical & Price Bid Submission	27.01.2023
3	Technical Bid Opening	27.01.2023
4	Initial Price Opening (IPO)	20.02.2023
5	e-Reverse Auction	21.02.2023
6	Final Bid Evaluation Committee Meeting	22.02.2023
7	Issuance of Lol	27.02.2023
8	Signing of Agreements & Transfer of SPV	21.03.2023

14. The scope of the Project as per the Request for Proposal and the Transmission Service Agreement is as under:

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 765/400 kV, 3x1500MVA, KPS3 (GIS) with 1x330 MVAR 765kV bus reactor and 1x125 MVAR 400kV bus reactor.</p> <p>1500 MVA, 765/400 kV ICT- 3 nos. (10x500 MVA including one spare unit) 765 kV ICT bays- 3 nos. 400 kV ICT bays- 3 nos. 765 kV line bays – 2 nos. 400kV line bays- 3 nos. 1x330 MVA, 765 kV bus reactor-1 (4x110 MVA, including one spare unit) 765 kV reactor bay- 1 1x125 MVA 400 kV bus reactor-1</p> <p>400kV reactor bay- 1 Adequate space for future expansion of 5x1500 MVA 765/400 kV ICT's</p> <p>Future provisions: Space for 765/400kV ICTs along with bays: 5 nos.</p> <p>765 kV line bays: 4 nos. 400kV line bays: 10 nos. 765 kV Bus sectionalizer breaker: 2 nos.</p> <p>400 kV Bus sectionalizer breaker: 2 nos.</p> <p>To take care of any drawal needs of area in future:</p> <p>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 765 kV D/c line		

3.	2 no. of 765 kV line bays at KPS2 765 kV S/s for KPS3-KPS2 765 kV D/c line 765 kV line bays: 2 nos. at KPS2 end	
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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

15. For the purpose of evaluation of bids, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

1.	Sh. Umesh Kumar Madan, Head, SBI Capital Markets,	Chairman of the Committee
2.	Sh. N.P. Jadav, Chief Engineer(P&C) Gujarat Energy Transmission Corporation Limited (GETCO)	Member
3.	Sh. Rajan Joshi, Executive Engineer, Maharashtra State Electricity Transmission Company (MAHATRANSCO)	Member
4.	Shri.Y. K. Swarnkar, Director, PSETD, Central Electricity Authority	Member
5.	Smt. Manjari Chaturvedi, Director, PSPA-I, Central Electricity Authority	Member
6.	Shri Daljeet Singh Khatri, Chairman, KPS3 Transmission Limited,	Convener- Member of the Committee

16. Responses to RfP were received from the six bidders as per details given below:

Sr. No.	Name of Bidders
1.	Adani Transmission Limited
2.	Dineshchandra R Agrawal Infracon Private Limited
3.	Juniper Green Transmission Private Limited
4.	Megha Engineering & Infrastructures Limited
5.	Power Grid Corporation of India Limited

6.	Sterlite Grid 21 Limited
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17. The responses of the bidders were opened on 27.1.2023 in the presence of the representatives of the bidders. Based on the recommendations of the Bid Evaluation Committee, the initial offer of all the six bidders were opened on 20.2.2023 in the presence of Bid Evaluation Committee. In BEC meeting held on 20.2.2023 it was noted that the lowest transmission charges from the Initial Offer submitted by the bidders was Rs. 761.00 million which shall be the initial ceiling for quoting the final offer during e-Reverse Auction. Accordingly, the rank of the bidders for participation in e-reverse auction is as under:

Sr. No.	Name of Bidder	Single Annual Transmission Charges from Initial Offer (Rs.in 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

18. As per the provisions of RfP documents, BEC recommended four qualified bidders to participate in the electronic reverse auction stage and submit their Final Offer.

19. E-reverse auction was carried out at MSTC portal on 21.2.2023 after intimating the bidders regarding lowest initial price offer. However, only two bidders participated in e-reverse auction. The transmission charges for the bidders (in ascending order) emerged as under:

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	1013.05	755.29	L1

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
	India Limited			
2.	Adani Transmission Limited	761.00	757.19	L2

20. Based on e-reverse bidding, BEC in its meeting held on 22.2.2023 recommended Power Grid Corporation of India Limited with the lowest transmission charges of Rs. 755.29 million as the successful bidder.

21. Letter of Intent was issued by the BPC on 27.2.2023 to the successful bidder i.e. Power Grid Corporation of India Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of RECPDCL, the final result of the evaluation of the bids for selection of developer for the Project.

22. In accordance with the provisions of the bid documents and upon issuance of Lol to the successful bidder (Power Grid Corporation of India Ltd.) and acquisition of SPV (the Petitioner) by the successful bidder, the Petitioner has prayed for adoption of transmission charges for the Project which has been discovered through the process of competitive bidding.

23. In accordance with Clause 2.15.2 of RfP, the selected bidder shall within 10 days of issue of the Letter of Intent, accomplish the following tasks:

- (a) Provide the Contract Performance Guarantee in favour of the Nodal Agency;
- (b) Execute the Share Purchase Agreement and the Transmission Service Agreement;
- (c) Acquire, for the Acquisition Price, one hundred percent (100%) equity

shareholding of KPS3 Transmission Limited from REC Power Development and Consultancy Limited, along with all its related assets and liabilities;

24. In accordance with Clause 2.15.4 of RfP, the selected bidder shall within five working days of the issue of the acquisition of the SPV by the Successful Bidder, the TSP shall apply to the Commission for the grant of transmission licence and make an application to the Commission for the adoption of transmission charges, as required under Section 63 of the Act.

25. 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. Though Lol was issued on 27.2.2023, BPC, vide its letter dated 21.3.2023 in terms of Clauses 2.15.2 of RfP extended the date upto 28.3.2023 for completion of all activities by the successful bidder. 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 the 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 on-line e-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.

26. The Petitioner has approached the Commission by a separate application for grant of transmission license. The Commission vide order dated 20.7.2023 in Petition No. 145/TL/2023 on being satisfied that the Petitioner, *prime facie*, qualifies for the grant of transmission license as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/objections to the proposal of the Commission.

27. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. In the minutes of Fifth Meeting of Bid Evaluation Committee meeting held on 22.2.2023, the following has been recorded:

“..... As per provisions of RFP document, following four (4) bidders were qualified to participate in the electronic reverse auction stage and submit their Final Offer:

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

- To start e-Reverse auction on 21.02.2023 at 1030 Hrs (IST) after intimation to all the four (04) qualified bidders regarding lowest initial price offer.

3. Pursuant to the above, BPC confirmed to BEC that all the above four (04) qualified bidders were informed on 20.02.2023 (duly acknowledged by them) regarding the electronic reverse auction start time and lowest initial

offer.

4. The electronic reverse auction started on 21.02.2023 at 1030 Hrs (IST) on MSTC portal. After 3 rounds of bidding, following transmission charges, as quoted by each bidder, emerged:

Sr. 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	1080.00	No bid received in electronic reverse auction	L4

The system generated bid history of e-reverse auction is enclosed at Annex-1.

5. As per above table, M/s Power Grid Corporation of India Limited emerged as the successful Bidder after the conclusion of electronic reverse auction with the lowest annual transmission charges of Rs. 755.29 Million which is also the Final Offer.

6. BPC, in their evaluation report (Annex-2) has confirmed the following:

a. Lowest annual transmission charges of Rs. 755.29 Million discovered through electronic reverse auction is less than the estimated annual transmission charges of Rs. 1553.04 Million, which is computed based on the estimated cost as communicated by cost committee and as per prevailing CERC norms.

b. As per provision of RFP document, successful bidder i.e. M/s Power Grid Corporation of India Limited has submitted original hard copies of Annexure-3 and Annexure-14 and the same are found to be in order.

c. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

7. After detailed discussions on the evaluation report prepared by BPC (Annex-2), the Bid Evaluation Committee decided the following:

(a) "M/s Power Grid Corporation of India Limited" with the lowest annual

transmission charges of Rs. 755.29 Million, is the successful Bidder after the conclusion of the electronic reverse auction.

(b) The transmission charges discovered after electronic reverse auction is lower than the transmission charges estimated by BPC para 6(a) and is acceptable.

8. In view of para 7 above, BEC recommends to issue the Letter of Intent (LOI) to M/s Power Grid Corporation of India Limited.

27. Bid Evaluation Committee (BEC) vide its certificate dated 22.2.2023 certified as under:

“It is hereby certified that:

1. The entire bid process has been carried out in accordance with the “Tariff based Competitive Bidding Guidelines for Transmission Service” and “Guidelines for encouraging competition in development of the Transmission Projects” issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

2. M/s Power Grid Corporation of India Limited, with the lowest annual transmission charges of Rs. 755.29 Million, emerged as the successful bidder after the conclusion of electronic reverse auction.

3. Thus, transmission charges of Rs. 755.29 Million discovered through electronic reverse auction is acceptable.”

28. In the light of the discussions in preceding paragraphs, it emerges that selection of the successful bidder and the discovery of the annual transmission charges of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. BEC has certified that the process is in conformity with the Ministry of Power Guidelines. BEC in its certificate dated 22.2.2023 has certified that Power Grid Corporation of India Limited has emerged as the successful bidder after conclusion of e-reverse auction with lowest transmission charges of Rs. 755.29 million. Based on the certification of the BEC, we approve and adopt the single annual Transmission Charges of Rs.

755.29 million as per the final offer of the successful bidder subject to the grant of transmission licence to the Petitioner. The transmission charges shall remain valid throughout the period covered in the TSA.

29. The sharing of the transmission charges by the designated ISTS customers (DICs) shall be governed 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.

30. 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 16.5.2023. 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.

31. The Petition No. 146/AT/2023 is disposed of in terms of the above.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member