

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 189/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 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 KPS1 Transmission Limited.

**And**

**In the matter of**

KPS1 Transmission Limited,  
Core-4, Scope Complex 7,  
Lodhi Road, South Delhi  
Delhi-110003

**... Petitioner**

**Vs**

1. REC Power Development and Consulting Limited,  
REC Corporate Head Quarter,  
D Block, Plot No. I -4,  
Sector 29 Gurugram – 122 001
2. Central Transmission Utility of India Limited,  
Saudamini, Plot No.2, Sector-29,  
Gurgaon-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,  
O Floor, Vikram Sarabhai Bhavan,  
Trombay, Anushaktinagar,  
Mumbai 400094, Maharashtra

7. HVDC Bhadrawati, PGCIL,  
PGCIL RHQ, WR-I, Sampriiti Nagar,  
Off National Highway No. 8,  
Taluka: Kamrej, PO: Uppalwadi,  
Nagpur, 440026 Maharashtra

8. HVDC 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

10. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, 4<sup>th</sup> Floor, Bandra (East),  
Mumbai – 400051

11. ACB India Limited,  
7th Floor, Corporate Tower, Ambience Mall,  
NH-8, Gurgaon-122 001(Haryana)

12. Torrent Power Limited,  
Naranpura Zonal Office,  
Sola Road, Ahmedabad, 380013

13. West Bengal State Electricity Distribution Company Limited,  
6th Floor Vidyut Bhawan, Karunamoyee, Salt Lake,  
Kolkata-700091, West Bengal,

14. Thermal Powertech Corporation India,  
6-3-1090, Clock C, Level 2, TSR, Towers,  
Raj Bhavan Road, Somajiguda,  
Hyderabad- 500082, Telangana

15. Bhabha Atomic Research Centre,  
Anushakti Nagar,  
Mumbai-400085, Maharashtra

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

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

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

23. TRN Energy Private Ltd-Untied,  
7th Floor, Ambience Office Block,  
Gurugram, Haryana.

24. Adani Power (Mundra) Limited,  
Adani Corporate House, Shantigram,  
Near Vaishnavdevi Circle,  
S G Road, Ahmedabad - 382421

25. Raigarh HVDC Station,  
RPT HVDC Office, Hebbal,  
Bangalore – 560094

26. Arcelor Mittal Nippon Steel India Limited,  
27, AMNS House, 2th KM Surat Hazira road,  
Hazira-394270, Gujarat

27. Central Railway,  
Pcee's office,  
2nd Floor, Parcle Building, CSMT,  
Mumbai-400001

28. Dadra and Nagar Haveli and Daman and Power Distribution Corporation Ltd.,  
1st & 2nd Floor, Vidyut Bhavan,  
NexSilvassa & Daman

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

30. Gujarat State Electricity Corporation Limited,  
Vidyut Bhavan, Race Course,  
Vadodara, Gujarat

31. Adani Green Energy Limited,  
4<sup>th</sup> Floor, South Wing, Adani Corporate House,  
Shantigram, SG Highway, Ahmedabad 382421

32. Adani Renewable Energy Holding Four Limited,  
4<sup>th</sup> Floor, South Wing, Adani Corporate House,  
Shantigram, SG Highway,  
Ahmedabad-382421.

....**Respondents**

**Parties present:**

Ms. Abiha Zaidi, Advocate, KPS1TL  
Shri Vishal Kaushik, KPS1TL  
Shri Ranjeet S Rajput, CTUIL  
Shri Bhaskar Wagh, CTUIL

**ORDER**

The Petitioner, KPS1 Transmission Limited, has filed the present Petition for the grant of 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 Inter-State Transmission System for “ Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)” on a Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as “the Project”) consisting of the following elements:

<b>Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)</b>
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S. No.	Name of Transmission Element	Scheduled COD in months from Effective Date
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	21 months from the date of SPV acquisition
2.	KPS1-Khavda PS GIS (KPS2) 765 kV D/C line	

\*2<sup>nd</sup> Bus Section is to be created at Khavda PS1

**Note:**

M/s KBTL (Adani Transmission Limited) to provide space for bays for implementation of ICT Augmentation works and termination of KPS1-Khavda PS GIS (KPS2) 765 kV D/C line at KPS1;

The above scheme shall be implementation with an implementation timeframe of 21 months and matching with the implementation time frame of ‘Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park’

2. The Petitioner has made the following prayers:

“(a) Issue transmission license to the KPS1 Transmission Limited for establishing, operating and maintaining the Inter - State Transmission System for “Transmission Scheme for Injection Beyond 3 GW RE Power at Khavda PS1 (KPS1) comprising of assets elements as detailed in the present petition, in terms of the provisions of RFP and Transmission Service Agreement read with Section 14, 15 and 79 (1) (e) of the Electricity Act;

(b) Allow transmission system, as detailed in the present application to be part of the Inter-State Transmission System and direct that the recovery of transmission charges shall be in accordance with the terms of the Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges and losses 2020);

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

**Hearing dated 31.7.2023**

3. During the course of the hearing on 31.7.2023, the representative of the Respondent, CTUIL, submitted that CTUIL has already filed its recommendations,

under Section 15(4) of the Act, for the grant of a transmission licence to the Petitioner for executing the Project.

4. Vide Record of Proceedings for the hearing dated 31.7.2023, the Petitioner was directed to implead the beneficiaries of the Western Region as parties to the Petition and to file a revised memo of parties. The Petitioner was also directed to submit a copy of Form II posted on its website along with the date of posting required as per Regulation 7 of the Transmission Licence Regulations, read with the order dated 22.1.2022 in Petition No. 1/SM/2022.

5. The Petitioner, vide its affidavit dated 8.8.2023, has submitted that it has impleaded the beneficiaries of the Western Region as parties to the Petition and has placed on record a copy of the revised memo of parties. The Petitioner has also placed on record a copy of the Form-II which has been uploaded on the Petitioner`s website.

6. Vide Record of Proceedings for the hearing dated 31.7.2023, CTUIL was directed to submit the status of RE generators that have been granted connectivity at KPS1 along with their status and number of 400 kV line bays in the scope of the Petitioner, as the TSA provides that the “actual number of bays shall be as per the connectivity granted to RE developers”

7. CTUIL, vide its affidavit dated 16.8.2023, has submitted as under:

(a) The status of RE generators which have been granted connectivity at KPS1 is as under:

Sl. No.	Name of applicant	Connectivity Quantum (MW)	Transmission system	Status of generation projects
1	Adani Renewable Energy Holding Four Limited	500	Khavda Ph-I	Generation Schedule: - 750 MW - Mar'24 - 500 MW - Jun'24 - 500 MW - Sep'24 - 667 MW - Nov'26 - 83 MW - Mar'27
2	Adani Renewable Energy Holding Four Limited	2000	500: Khavda Ph-I 417: Khavda Ph-II 1083: Khavda Ph-III	Land acquisition: Acquired Status of Pooling Station: Ordering of sub-station (PSS 2 -1250 MW) 100 % Completed (S/s – Hyosung & Transformer-TBEA, SVG - TBEA) Schedule of Completion: December 2023 Other PSS (1250MW)- Ordering under progress Status of DTL: KPS 1 to PSS-2(1250 MW) Foundation: 3/15 nos. Completed Erection: 0/15 nos. Stringing: 0/5.025 kms Schedule of Completion: October 2023
3	Adani Renewable Energy Holding Four Limited	1000	Khavda Ph-III	Generation Schedule: - 500 MW – January, 2024 - 500 MW – March 2024  Land acquisition: Acquired Status of Pooling Station: Ordering of substation (PSS1 -1000 MW) 100 % Completed (S/s – Hyosung & Transformer – TBEA, SVG - TBEA) Schedule of Completion: December 2023 Status of DTL: KPS 1 to PSS-1(1000MW) Foundation: 8/8 nos. Completed Erection: 1/8 nos. Stringing: 0/2.617 kms Schedule of Completion: September 2023
4	Adani Green Energy Limited	1050	Khavda Ph-III	Generation Schedule: - 250 MW – March 2024 - 550 MW – June 2024 - 500 MW – March 2025  Land acquisition: Acquired Status of Pooling Station: Ordering of substation (PSS-3 1300MW) - 100% Completed (S/s – Hyosung & Transformer – TBEA, SVG - TBEA) Schedule of Completion: March 2024 Status of DTL: KPS 1 to PSS-3 (1300MW) Foundation: 5/16 nos. Completed Erection: 0/16 nos. Stringing: 0/5.5 kms Schedule of Completion: December 2023
5	Adani Green Energy Limited	250	Khavda Ph-III	Generation Schedule: - 250 MW – March 2024 - 550 MW – June 2024 - 500 MW – March 2025  Land acquisition: Acquired Status of Pooling Station: Ordering of substation (PSS-3 1300MW) - 100% Completed (S/s – Hyosung & Transformer – TBEA, SVG - TBEA) Schedule of Completion: March 2024 Status of DTL: KPS 1 to PSS-3 (1300MW) Foundation: 5/16 nos. Completed Erection: 0/16 nos. Stringing: 0/5.5 kms Schedule of Completion: December 2023

Sl. No.	Name of applicant	Connectivity Quantum (MW)	Transmission system	Status of generation projects
6	Adani Green Energy Limited	1000	Khavda Ph-II	Generation Schedule: - 500MW – December 2024 - 500MW – March 2025  Land acquisition: Acquired Status of Pooling Station: Under ordering process. Status of DTL: Under ordering process.
7	Adani Green Energy Limited	1000	Khavda Ph-II	Generation Schedule:- 500MW – March 2025- 500 MW – June 25 Land acquisition: Acquired Status of Pooling Station: Under ordering process. Status of DTL: Under ordering process.
8	Adani Green Energy Limited	1050	Khavda Ph-II	Generation Schedule: - 500 MW – September 2024 - 550 MW – June 2025  Land acquisition: Acquired Status of Pooling Station: Under ordering process. Status of DTL: Under ordering process.
9	Sarjan Realities Pvt Ltd.	1150	Khavda Ph-IV	Generation Schedule: - 650 MW – April 2025 - 500 MW – September 2025  Land acquisition: Acquired Status of Pooling Station: Under ordering process. Status of DTL: Under ordering process.
	<b>Total</b>	<b>9000</b>		

(b) The transmission scheme for evacuation of 3 GW RE injection at Khavda P.S. under Phase-I is currently under implementation by the Khavda-Bhuj Transmission Limited (KBTL) with SCOD as January 2024. The scheme involves the establishment of a 3X1500 MVA 765/400 kV Khavda Pooling Station 1 (KPS1) GIS along with a KPS1- Bhuj PS 765 kV D/c line.

(c) The subject transmission scheme involves augmentation of Khavda PS1 by 4X1500MVA, 765/400 kV transformation capacity, and a KPS1 - KPS2 765 kV D/c line for evacuation of the RE power beyond 3 GW at Khavda Pooling Station- 1 (KPS1).

(d) As per the planning carried out for the Khavda RE Park, the transmission system for the evacuation of a total 30 GW power from the 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 sub-station has been planned to cater to up to 9



GW generation capacity in the Khavda RE Park. KPS2 sub-station has been planned to cater up to 10.5 GW generation capacity in the Khavda RE Park & KPS3 sub-station has been planned to cater up to 9 GW generation capacity in the Khavda RE Park. The balance 1.5 GW transformation capacity at KPS 3 would be taken up, matching the progress of RE generation.

(e) With regard to the number of 400 kV line bays in the scope of the Petitioner, the TSA provides that the “actual no. of bays shall be as per the connectivity granted to the RE developers.” As per the subject KPS1 augmentation scheme, 3 Nos. of 400kV line bays are being implemented by KPS1TL. Further, 3 Nos. of 400 kV line bays are already under implementation as part of the KPS1 establishment scheme being developed by KBTL.

8. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by the Ministry of Power, Government of India, under Section 63 of the Act, REC Power Development and Consultancy Limited (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 the Transmission Service Provider (TSP) to establish the Inter-State Transmission System for “Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)” through tariff based competitive bidding process.

9. RECPDCL in its capacity as the BPC, initiated the bid process on 25.7.2022 and completed the same on 20.4.2023 in accordance with the Guidelines. Megha Engineering and Infrastructures Limited was selected as the successful bidder,

having quoted the lowest transmission charges of Rs. 862.29 million in order to provide the transmission services to the beneficiaries of the transmission system.

10. RECPDCL appointed a Consultant, namely, Mazars Advisory LLP, in consortium with Singhania and Partners LLP, to provide the consultancy services in the process of selecting of the project developer through a tariff based competitive bidding process. RfP was issued on 25.7.2022. At the RfP stage, four bidders, namely, Power Grid Corporation of India Limited, Adani Transmission Limited, Sterlite Grid 7 Limited and Megha Engineering & Infrastructures Limited, submitted their offers. However, the three bidders, namely, Power Grid Corporation of India Limited, Sterlite Grid 7 Limited, and Megha Engineering & Infrastructures Limited, were found eligible to participate in the next stage of bidding. The RfP (Technical bids) of the four bidders were opened by the Bid Opening Committee on 3.2.2023 in the presence of the representatives of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offers of the three bidders were opened on 14.3.2023. The details of the quoted transmission charges by the bidders are given below:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Quoted Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Power Grid Corporation of India Limited	989.85	L1
2.	Sterlite Grid 7 Limited	999.87	L2
3.	Megha Engineering & Infrastructures Limited	1777.70	L3

11. As per Clause 2.5 of the RfP document, Initial Offers shall be ranked on the basis of ascending order for the determination of the qualified bidders. The bidders holding the first fifty percent of the ranks (with any fraction rounded off to a higher integer) or three qualified Bidders, whichever is higher, shall be considered to be

qualified to participate in the electronic reverse auction stage and submit their final offers. Accordingly, the rank of the bidders qualified for participating in the electronic reverse auction stage, in ascending order of Initial Offer, is as under:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Quoted Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Power Grid Corporation of India Limited	989.85	L1
2.	Sterlite Grid 7 Limited	999.87	L2
3.	Megha Engineering & Infrastructures Limited	1777.70	L3

12. The Lowest Initial Price Offer discovered (the Best Deal) at the MSTC portal was Rs. 862.29 million. An E-reverse auction of all three bidders was carried out at MSTC portal on 15.3.2023 and the following transmission charges for the bidders (in ascending order) emerged:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Transmission Charges from the Final Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Megha Engineering & Infrastructures Limited	1777.70	862.29	L1
2.	Sterlite Grid 7 Limited	999.87	864.46	L2
3.	Power Grid Corporation of India Limited	989.85	904.39	L3

13. As per the Bid Evaluation Report dated 20.3.2023, Megha Engineering & Infrastructures Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 862.29 million. BEC, vide its certificate dated 20.3.2023 has certified that the 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 the e-reverse auction are acceptable.

14. Consequent to its selection as the lowest bidder, a Letter of Intent (LoI) was issued to Megha Engineering & Infrastructures Limited by the BPC on 23.3.2023, which was accepted by Megha Engineering & Infrastructures Limited. Under the terms of the RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

(a) Provide a Contract Performance Guarantee in favour of the Central Transmission Utility of India Limited (CTUIL);

(b) Execute the Share Purchase Agreement and the Transmission Service Agreement;

(c) Acquire, for the Acquisition Price, 100% equity shareholding of KPS1 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 the grant of the transmission licence.

15. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of the Nodal Agency, i.e. CTUIL, for an aggregate value of Rs. 20.40 crore on 4.4.2023 and has acquired a hundred percent equity holding in KPS1 Transmission Limited on 20.4.2023. The Petitioner has entered into a Transmission Service Agreement (TSA) with the CTUIL on 20.4.2023.

16. Section 14 of the Act provides that the Appropriate Commission may, on an application made under Section 15 of the Act, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licence. The word "person" has been defined in Section 2(49) of the Act to include any company or body corporate, association or body of individuals, whether incorporated

or not, or artificial juridical person. The Petitioner has been incorporated under the Companies Act, 2013. The main objective of the Petitioner Company is as under:

*“To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of state, regional and national grid system, execution of turn-key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”*

17. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified the 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 the case of projects identified for development under the Guidelines for competitive bidding, the 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 authorities in the Ministry of Power/ CEA. The Central Electricity Authority, vide its letter No. CEA-PS-11-23(20)/1/2018-PSPA-I Division/82-83 dated 10.2.2023, informed that Section 68 (1) of the Electricity Act, 2003, is granted for overhead line(s) covered under the transmission scheme. The selection of the Project developer, KPS1 Transmission Limited, has been certified to have been made in accordance with the Guidelines for competitive bidding.

18. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 passed in Petition No.1/SM/2022 [whereby the Commission, in the exercise of 'Power to Relax' under Regulation 24 of the Transmission Licence Regulations, modified/amended Clause (4), Clause (7), Clause (9) and Clause (12) and dispensed with Clause (10) of Regulation 7] provides for the procedure for grant of transmission licence as under:

*“(1) The application for grant of transmission licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fees as may be prescribed by the Central Government from time to time.*

*(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.*

*(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.*

*(4) Before making an application, the applicant shall submit the original application in electronic form along with annexures and enclosures on the e-filing portal of the Commission so that the same is served electronically on all the long-term customers of the project registered on the e-filing portal of the Commission. Also, a copy of the same be served through e-mail on the long term customers of the project not registered on the e-filing portal of the Commission. Further, the applicant shall also post the complete application along with annexures and enclosures in English and in the vernacular language, on its website.*

*(5) The application shall be kept on the website till such time the licence is issued or the application is rejected by the Commission.*

*(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.*

*(7) The applicant shall, within 7 days after filing the application, post the application on the e-filing portal of the Commission and on its website in Form-II attached to these regulations in English language and in Vernacular language of the State or Union Territory where an element of the project or a long-term customer is situated, inviting comments from the general public.*

(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.

(9) In the notice published on the e-filing portal of the Commission and on the applicant's website under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice

.....

(10) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:

Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant:

Provided further that these recommendations of the Central Transmission Utility shall not be binding on the Commission.

(11) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the notice posted on the e-filing portal of the Commission and on the applicant's website by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notice posted on the e-filing portal of the Commission and on the applicant's website, with an advance copy to the Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.

(12) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant transmission licence or for reasons to be recorded in writing, reject the application."

19. The Petitioner has approached the Commission with a separate application for adoption of the transmission charges in respect of the transmission system, which is presently under consideration of the Commission, and an order in that Petition will be issued separately. The Petitioner has filed the present Petition for the grant of a

transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of copies of the application on the BPC, CTUIL, & the beneficiaries of the Western Region and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of a transmission licence in terms of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for the grant of a transmission licence to KPS1 Transmission Limited with respect to the transmission system as per the details given in paragraph 1 above.

20. The Petitioner has made the Application as per Form-I and paid fee of Rs. one lakh as prescribed by the Central Government. As per direction of the Commission, the Petitioner has served copy of the Application on the beneficiaries of the transmission project for the Project. The transmission charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 862.29 million. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

21. 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 15.5.2023 has recommended for the grant of a transmission licence to the Petitioner. Relevant portions of the said letter dated 15.5.2023 are extracted as under:

*“This, has reference to the Petition with Diary No. 172/2023 dated 27.4.2023 filed by **M/s KPS1 Transmission Ltd. (KPS1TL)** before Commission vide which **M/s KPS1TL** has requested CTUIL for issuance of its recommendation for the grant of Transmission License for subject transmission scheme. In this regard, the following is submitted:*

- 1. M/s KPS1 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 “**Transmission Scheme For Injection Beyond 3 GW RE Power At Khavda PS1 (KPS1)**” project on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the transmission scheme is enclosed at **Annexure-I**.

2. As per section 15(3) of the Electricity Act, 2003 and Regulation 7(6) of Transmission License Regulations, 2009, a copy of the application for the grant of transmission recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.

3. In reference to the Transmission Scheme “**Transmission Scheme For Injection Beyond 3 GW RE Power At Khavda PS1 (KPS1)**”, 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 Augmentation of Khavda PS1 by 4X1500MVA kV transformation capacity and KPS1 – KPS2 765 kV D/c line for evacuation of RE power beyond 3 GW at Khavda Poling Station 1 (KPS1).

ii) The transmission scheme was agreed upon in the 3<sup>rd</sup> WRPC(TP) meeting held on 14.06.2021. Extract of the minutes of 3<sup>rd</sup> WRPC(TP) meeting is enclosed at **Annexure-II**.

iii) The transmission system was discussed and agreed upon in the 5<sup>th</sup> NCT meeting dated 25.08.2021 & 02.09.2021, 10<sup>th</sup> NCT meeting dated 07.01.2022 and 11<sup>th</sup> NCT meeting dated 28.12.2022 & 17.01.2023. Extract of the minutes of NCT meetings is enclosed at **Annexure-III**.

iv) The transmission system pertaining to Augmentation of transformation capacity at Khavda PS1 was discussed in the 40<sup>th</sup> WRPC meetings held on 07.06.2021. Pursuant to modification of the transmission scheme in 3<sup>rd</sup> WRPC(TP) held on 14.06.2021, WRPC’s views on the above transmission scheme were sought by CTU vide letter dated 05.10.2021 within 2 months. However, no views had been received from WRPC. Extracts of 40<sup>th</sup> WRPC MOM and Letter dated 05.10.2021 are enclosed at **Annexure-IV**.

v) The Government of India, Ministry of Power, vide Gazette notification dated 06.12.2021 and 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. Subsequently, the Government of India, Ministry of Power, vide Gazette notification dated 13.04.2023 notified modification in scope of the scheme (i.r.o. implementation time-frame) based on recommendations of the 11<sup>th</sup> meeting of National Committee on Transmission (NCT) held on 28.12.2022 & 17.01.2023. Copy of Gazette notifications is enclosed at **Annexure-V**.

4. Pursuant to the process of competitive bidding conducted by the BPC, Megha Engineering and Infrastructure Ltd. Emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent in favour of Megha Engineering and Infrastructure Ltd. on 23.03.2023. Subsequently, Megha Engineering and

*Infrastructure Ltd. acquired **KPS1 Transmission Ltd.** on 20.04.2023, 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 and matching with the implementation timeframe of “Establishment of Khavda Pooling Station – 2 (KPS2) in Khavda RE Park”.*

*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 **M/s KPS1 Transmission Ltd.**, CTU recommends the grant of transmission license to **M/s KPS1 Transmission Ltd.** for executing the transmission scheme as mentioned in Para – 1 above.”*

22. 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, the selected bidder was required to complete all the activities, including the acquisition of SPVs, by 2.3.2023. Lol was issued to the selected bidder on 23.3.2023. The selected bidder furnished a Contract Performance Guarantee in favour of the Nodal Agency (CTUIL) for an amount of Rs. 20.40 crore on 4.4.2023 and acquired a hundred percent equity-holding in the applicant company on 20.4.2023 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 a transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. The successful bidder, namely Megha Engineering and Infrastructures Limited, acquired the SPV on 20.4.2023. BPC, vide its letter dated 20.4.2023, extended the validity of the LOI from 3.4.2023 to 27.4.2023. Accordingly, the TSP has filed the instant Petition through e-filing for the grant of a transmission licence on 27.4.2023. The Petitioner has informed the court that notice in the prescribed format of Form- II of relevant regulations has already been uploaded on the Petitioner's website

23. Considering the material on record, we are *prima-facie* of the view that the Petitioner satisfies the conditions for the grant of an inter-state transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for the construction, operation, and maintenance of the transmission system as described in paragraph 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 the grant of the transmission licence aforesaid. The objections or suggestions, if any, must be filed by any person before the Commission, by **12.9.2023**.

24. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clauses 2.5.7.3, 2.5.7.4 and 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of the bidding documents and the TSA for the commissioning of the Project within SCOD.

25. 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 an execution of the Project or for an 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 8.9.2023, to the effect that the execution of the Project shall not be delayed due to time taken in obtaining the statutory clearances required under the RfP and/ or adjudication of any claim of the Petitioner arising under the TSA.

26. It is observed that as per Article 5.1.1 of the TSA, the TSP, at its own cost and expense, shall be responsible for designing, constructing, erecting, testing, and commissioning each element of the Project by scheduled COD in accordance with the

various regulations of the Central Electricity Authority regarding Technical Standards and Grid Standards, Prudent Utility Practices and other applicable laws. Further, Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built, and completed in a good workmanlike 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 the Codes issued by the Bureau of Indian Standards. Accordingly, the Petitioner is directed to submit the information by 8.9.2023, with regard to the 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 TSA

27. The Petition shall be listed for hearing on **15.9.2023**.

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

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

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

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