

**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: 30th September, 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 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, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur, 440026 Maharashtra
- 8. HVDC Vindhyachal, PGCIL,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur, 440026 Maharashtra
- 9. M.P. Power Management Company Limited,**
14, Shakti Bhawan, Rampur,
Jabalpur - 482008
- 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-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, 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
- 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,**
2nd 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,
4th Floor, South Wing, Adani Corporate House,
Shantigram, SG Highway, Ahmedabad 382421

32. Adani Renewable Energy Holding Four Limited,
4th 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 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 Inter-State Transmission System for “Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)” (hereinafter referred to as “the Project”) on a Build, Own, Operate and Transfer (BOOT) basis consisting of the following elements:

Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)		
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	

*2nd 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 implemented 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. Based on the competitive bidding carried out by the 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. Megha Engineering and Infrastructures Limited was declared a successful bidder with the lowest quoted annual transmission charges of Rs. 862.29 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 31.8.2023, *prima facie* proposed to grant a transmission licence to the Petitioner. The relevant extracts of the order dated 31.8.2023 are extracted as under:

*“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.**”*

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 5.9.2023, in all editions of the Times of India (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.

5. In the order dated 31.8.2023, the following provisions of the TSA with regard to quality control and workmanship were taken note of:

(a) 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 regulations and other applicable Laws specified in Article 4.1 of the TSA.

(b) Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built, and completed in good workmanship using sound engineering and construction practices, using only materials and equipment that are new and manufactured as per the MQP, and following the approved FQP for erection, testing, and commissioning, and complying with Indian /International Standards such that, the useful life of the Project will be at least thirty five (35) years from the COD of the Project. The TSP shall ensure that all major sub-station equipment components (e.g. transformers, reactors, Circuit Breakers, Instrument

Transformers (IT), Surge Arresters (SA), Protection relays, clamps and connectors, etc.), equipment in terminal stations of HVDC installations including Thyristor/ IGBT valves, Converter Transformers, smoothing reactors, Transformer bushings and wall bushings, GIS bus ducts, towers and gantry structures and transmission towers or poles and line materials (conductors, earth wire, OPGW, insulator, accessories for conductors, OPGW & earth wires, hardware fittings for insulators, aviation lights, etc.), facilities and system shall be designed, constructed and tested [type test, routine tests, Factory Acceptance Test (FAT)] in accordance with relevant CEA Regulations and Indian Standards. In case Indian Standards for any particular equipment/ system/ process are not available, IEC/ IEEE or equivalent International Standards and Codes shall be followed.

6. Accordingly, the Petitioner was directed to submit the information 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 the TSA. The Petitioner, vide its affidavit dated 5.9.2023, has submitted as under:

(a) The Petitioner shall endeavour that the Project is implemented within the time schedule as provided in the Transmission Service Agreement and that the licensee shall not approach this Commission for an extension of time for execution of the Project or for an increase in the transmission charges over and above what is permissible under the provisions of the TSA.

(b) The terms of the TSA are binding on the parties (TSP & CTUIL) to the said agreement and any claim for escalation of transmission charges or for extension of time in pursuance of such competitive bidding process need to be dealt with in accordance with provisions of the bidding documents including the TSA.

(c) At the procurement stage, the qualification requirement for shortlisting of a supplier/contractor is done on the basis of the technical specifications as mentioned on the TSA. The purchase Order/contract mentions the technical standards and the testing requirements. Material dispatch is allowed after the conformance report is validated.

(d) For tower material, a Manufacturing Quality Plan (MQP) in line with the applicable technical standards and the one followed by CTUIL is followed.

(e) To ensure construction quality, a Field Quality Plan (in line with the standards mentioned in TSA and that followed by CTUIL) is specified to the contractors in advance. The conformance report to the said document is also maintained at the site.

(f) The construction and material supply qualities are also validated with respect to the TSA by the lender's Independent Engineer during its quarterly construction review.

(g) In terms of the provisions of the TSA, there are sufficient checks and balances for the quality control mechanisms whereby, CEA, Nodal Agency and Independent Engineer will monitor the overall quality of construction of the Project by the Petitioner to ensure that the Petitioner is complying with Articles 5.1.1 and 5.4 of the TSA.

Hearing Dated 15.9.2023

7. The case was called out for the hearing on 15.9.2023. During the course of the hearing, learned counsel for the Petitioner submitted that the Petitioner has already filed all the requisite details/information as called for by the Record of Proceedings for the hearing dated 31.7.2023 and has also complied with the directions issued by the Commission vide order dated 31.8.2023.

8. In response to the specific query of the Commission regarding the Scheduled Commercial Operation Date (SCOD) of the Project, learned counsel for the

Petitioner submitted that, as per the Transmission Service Agreement, the SCOD of the Project is 21 months from the date of acquisition of the SPV, which works out to January 2025.

The representative of the CTUIL submitted that CTUIL has also filed its affidavit indicating the status of RE generators that have been granted connectivity at KPS1 and Nos. of 400 kV line bays in the scope of the Petitioner. He further submitted that under the present KPS1 Augmentation Scheme, the Petitioner is implementing 3 Nos. of 400 kV line bays, and another 3 Nos. of 400 kV line bays are already under implementation as part of the KPS1 establishment scheme being developed by KBTL. In response to the further query of the Commission with regard to keeping the timeframe for implementation of the KPS1 Augmentation Scheme with the establishment of KPS2, the representative of the CTUIL submitted that since the Petitioner is also implementing the KPS1-Khavda PS GIS (KPS2) 765 kV D/C line, it has been ensured that their timelines for their implementation are matched.

9. Learned counsel for the Respondent, RPDCL, submitted that the Commission, in paragraph 3 of the Record of Proceedings for the hearing dated 31.7.2023, had expressed its displeasure towards the approach of the Respondent, RPDCL, and the absence of its representative. Learned counsel submitted that the Respondent hereby tenders its apology for not being present during the course of the hearing and also added that such non-appearance was not intentional. Based on the request of the learned counsel for the Petitioner, RPDCL was permitted to file an affidavit in this regard.

10. RPDCL in its affidavit dated 26.9.2023 has submitted that since RPDCL did not receive any physical notice in relation to the captioned Petition for any hearing,

including the hearing scheduled on 31.07.2023, its representatives could not attend the matter on 31.7.2023. RPDCL came to know about the hearings only upon receipt of the Record of Proceedings for the hearing dated 31.7.2023 on 23.08.2023. As a responsible organization, RPDCL has also internally devised a mechanism to regularly monitor the CERC login portal pertaining to RPDCL so that no notices/directions of the Commission would ever be missed again by it. RPDCL has submitted that the non-appearance of RPDCL was neither intentional nor deliberate but was solely due to the reasons mentioned above. RPDCL maintains the highest respect and regard for this Commission and assures that henceforth RPDCL shall adopt a more careful approach and attend all the hearings in relation to the captioned Petition and other similar matters and shall extend all possible support in relation thereto.

11. We have noted the submissions of the RPDCL. The RPDCL is directed to appear before the Commission in such Petitions where it has been impleaded as a party to the Petition in future and comply with the directions of the Commission in letter and spirit.

12. 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.”

13. In our order dated 31.8.2023, we had proposed to grant a transmission licence to the Petitioner company and directed to issue a public notice. In response to the public notice, no suggestions/objections have been received. CTUIL, in its letter dated 15.5.2023, 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 in paragraph 1 of this order. Accordingly, we direct that a transmission licence be granted to the Petitioner, KPS1 Transmission Limited,' to establish the Inter-State Transmission System for a “Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)” on a Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

14. 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 the 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 the 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.

15. The 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 lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee & Nodal Agency, the Act and the Transmission Licence Regulations.

16. CTUIL is directed to submit a report, supported by an affidavit within two weeks, as to, how the implementation of the transmission scheme covered under the present case and Transmission Scheme under “Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park” will be ensured in the same timeframe.

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

18. Petition No. 189/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