

CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No.44/TL/2023

Coram:

Shri Jishnu Barua, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P.K. Singh, Member

Date of Order: 17th April, 2023

In the matter of

Application under Sections 14, 15, 79(1)(e) 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 Grant of Transmission License to WRSR Power Transmission Limited.

And

In the matter of

WRSR Power Transmission Limited,
C 105, Anand Niketan,
New Delhi 110021

....**Petitioner**

Versus

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. Keral State Electricity Supply Company Limited,
Vydyuthi Bhawanam, Pettom, Tiruvananthapuram,
Kerala – 695 004
4. Tamil Nadu Generation and Distribution Corporation Limited,
144, Anna Salai, Chennai-600 002
5. Madhya Pradesh Power Management Company Limited (MPPMCL),
Block No. – 11, Ground Floor, Shakti Bhavan,
Vidhyut Nagar, Rampur,
Jabalpur – 482 008, Madhya Pradesh.

6. Chhattisgarh State Power Distribution Company Limited (CSPDCL),
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh
7. Maharashtra State Electricity Distribution Company Limited (MSEDCL),
Prakashgad, 4th Floor, Bandra (East),
Mumbai – 400051
8. Gujarat Urja Vikas Nigam Limited (GUVNL),
Vidhyut Bhavan, Race Course,
Vadodara – 390007
9. Southern Distribution Company of Andhra Pradesh Limited,
D.No. 19-13-65/A, Srinivasapuram, Tiruchhanur Road,
Kesavayana Gunta,
Tirupati - 517 503, Andhra Pradesh.
10. Hubli Electricity Supply Company Limited,
Corporate Office, P.B. Road, Navanagar,
Hubli – 580025
11. Gulbarga Electricity Supply Company Limited,
Station Road, Kalaburagi,
Karnataka – 585102
12. Southern Distribution Company of Telangana Limited,
2nd Floor, H. No. 6-1-50, Mint Compound,
Hyderabad – 500 063
13. Bangalore Electricity Supply Company Limited,
Krishna Rajendra Circle,
Bangalore – 560 001.
14. DNH Power Distribution Corporation Limited,
66 kV, Amlı Ind. Estate, Silvasa – 396230
Dadar Nagar Havelı
15. Electricity department, Government of Goa,
Vidyut Bhavan, Near Mandvi Hotel,
Panaji, Goa – 403001
16. Chamundeshwari Electricity Supply Company Limited,
No. 29, CESC Corporate Office, Hinka, Vijaynagar, 2nd State
Mysuru – 570017

17. Mangalore Electricity Supply Company Limited,
Paradigm Plaza, A B Shetty Circle,
Pandeshwar, Mangalore – 575001.

18. Electricity Department,
Govt. of Puducherry, 137, NSC Bose Salai,
Puducherry – 605001.

19. Electricity Department, Administration of Daman and Diu,
Plot No. 35, OI DC Complex, Near Fire Station,
Daman – 396210.

20. Eastern Distribution Company of Andhra Pradesh Limited,
P&T Colony, Seethmmadhara,
Vishakhapatnam - 530013, Andhra Pradesh.

21. Northern Power Distribution Company of Telangana Limited,
H. No. 2-5-31/2, Corporate Office Vidyut Bhavan,
Hanamkonda, Warangal – 506.001.

....**Respondents**

Parties present:

Shri Tanmay Vyas, WPTL
Shri Swapnil Verma, CTUIL
Ms. Muskan Agarwal, CTUIL
Shri Ranjeet Rajput, CTUIL
Shri Ajay Dahiya, CTUIL

ORDER

The Petitioner, WRSR Power Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14 and Section 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish Inter-State Transmission System for “ISTS Network Expansion scheme in Western Region and Southern Region for export of surplus power during high RE scenario in Southern

Region”, on Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to “Transmission System” or “Project”) consisting of the following elements:

	Name of the Transmission Element	Scheduled COD in months from effective date
1.	<p>Narendra New (GIS) – Pune (GIS) 765kV D/c line with 1x330MVA switchable line reactor (SLR) on each ckt at both ends</p> <ul style="list-style-type: none"> • 765 kV line bays -2 (GIS) (at Narendra New) • 765 kV line bays -2 (GIS) (at Pune) • 765 kV, 330 MVA SLR – 2 nos. (7 x 110 MVA incl. 1 switchable spare unit) at Pune (GIS) • 765 kV, 330 MVA SLR – 2 nos. (6 x 110 MVA) at Narendra (New) (GIS) 	18 months
2.	<p>Upgradation of Narendra (New) (GIS) to its rated voltage of 765 kV level along with 4x1500 MVA transformer and 2x330 MVA Bus Reactor</p> <ul style="list-style-type: none"> • 765/400 kV, 1500 MVA- 4 no. (13 X 500 MVA incl. 1 spare unit) • 765 kV ICT bays- 4 nos.(GIS) • 400 kV ICT bays- 2 nos.(GIS)* • 765 kV, 330 MVA Bus Reactor – 2 nos. (7 X 110 MVA inc. 1 switchable spare unit to be used for both bus/line reactors) • 765 kV Bus Reactor bays – 2 nos. (GIS) 	

**Out of required 04 nos. of 400kV ICT bays (GIS) for 765/400kV ICTs, 02 nos. of 400 kV ICT bays (GIS) for 765/400kV ICTs are under implementation through TBCB route under the scheme “Evacuation of Power from RE Sources in Koppal Wind Energy Zone (Karnataka) (2500 MW)”*

Note:

- 1) *Powergrid to provide space for upgradation of Narendra (New) (GIS) to its rated voltage of 765 kV level*
- 2) *Powergrid to provide space for 2 no of 765 kV GIS line bays alongwith SLR at Pune end for termination of Narendra New (GIS) – Pune (GIS) 765kV D/c line*
- 3) *Powergrid to provide space for implementation of 2 no. 400 kV ICT bays (GIS) for 765/400kV ICTs at Narendra (New) (GIS). Out of required 04 nos. of 400kV ICT bays (GIS) for 765/400kV ICTs, 02 nos. of 400 kV ICT bays (GIS) for 765/400kV ICTs are under implementation through TBCB route under the*

scheme "Evacuation of Power from RE Sources in Koppal Wind Energy Zone (Karnataka) (2500 MW)"

4) Narendra (New)(GIS) - Kolhapur 765kV D/c line to be kept charged at 400kV level

5) Any bay required for completion of diameter (GIS) in one-and-half breaker scheme shall also be executed by the TSP.

2. Based on the competitive bidding carried out by REC Power Development and Consultancy Limited (hereinafter referred to as "RECPDCL") in its capacity as the Bid Process Coordinator (BPC) in accordance with the Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act, Adani Transmission Limited (ATL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 2134.77 million per annum.

3. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 22.3.2023, prima facie proposed to grant transmission licence to the Petitioner.

Relevant extract of order dated 22.3.2023 is extracted as under:

"20. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission system as described in para 1 of this order. We therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 11.4.2023."

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 25.3.2023 in all editions of The Indian Express (English) and Hindustan (Hindi). No suggestions/ objections have been received from the members of the public in

response

to the public notice.

5. The Petitioner, vide order dated 22.3.2023, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken in obtaining statutory clearances required under Request for Proposal (RfP) and/or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its submission dated 4.4.2023 has submitted that it shall be its endeavour that the Project is implemented within the time schedule as provided in the Transmission Service Agreement and the licensee shall not approach the Commission for extension of time for execution of the Project or for increase in the transmission charges over and above what is permissible under the provisions of the TSA. It has been further submitted by the Petitioner that the execution of the Project shall not be delayed due to time taken in obtaining statutory clearances required under the RfP and/ or adjudication of any claim of the Petitioner arising under the TSA.

6. In the order dated 22.3.2023, 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 TSA.

(b) Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workmanship using sound engineering

and construction practices, and using only materials and equipment that are new and manufactured as per the MQP and following approved FQP for erection, testing & 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 is not available, IEC/IEEE or equivalent International Standards and Codes shall be followed.

7. Accordingly, the Petitioner was directed to submit information with regard to quality control mechanism available or to be put in place to ensure compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA. The Petitioner, vide its affidavit dated 23.3.2023, has submitted as under:

(a) As per the TSA, there are three external agencies viz. CEA, CTUIL and Independent Engineer, which monitor the quality of the construction of the

Transmission Project being constructed by the Petitioner. Further, the Petitioner under the TSA is entrusted with the obligation of providing on a monthly basis, a progress report to the Nodal Agency and Central Electricity Authority (CEA), with regard to the project and its execution, to enable them to monitor and coordinate the development of the Project. In terms of the TSA, the Nodal Agency shall appoint Independent Engineer for the purpose of inspecting the progress of the Project. In addition, the CEA may carry out random inspections during the Project execution, as and when deemed necessary by it.

(b) As per the TSA, there are sufficient checks and balances and the quality control mechanism is already available 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 Article 5.1.1 and 5.4 of the TSA.

(c) The Petitioner being an experienced entity will ensure that the project is constructed by following the required quality standard and prudent utility practices by putting in place the following:

(i) At the procurement stage, the Qualification Requirement for shortlisting's 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.

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

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

(iv) The construction and material supply quality is also validated with respect to the TSA by the Lenders Independent Engineer during its quarterly construction review.

8. We have considered the submissions of the Petitioner. In the TSA, there is provision for inspection, random inspection and monthly progress reporting of the Project. The Petitioner shall provide monthly progress report along with likely completion date of each element of the Project and its likely execution to CEA and CTUIL.

9. Case was called out for hearing on 13.4.2023. It was submitted by the representative of the Petitioner in response to public notice published by the Commission, no objection has been received. In response to the query of the Commission regarding date of commissioning of the transmission project, the representative of the Petitioner submitted that SCOD of the transmission project is 17.7.2024.

10. As regards grant of transmission licence, Clauses (15) and (16) of Regulation 7 of 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.”

11. In our order dated 22.3.2023, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL in its letter dated 8.2.2023 has recommended for grant of transmission licence to the Petitioner. We find that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, 'WRSR Power Transmission Limited', to establish Inter-State Transmission System for "ISTS Network Expansion scheme in Western Region and Southern Region for export of surplus power during high RE scenario in Southern Region", on Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

12. The grant of 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 condition 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 initial licence period, for grant of 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 license 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. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as 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 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, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA;

(m) The licensee shall coordinate with the licensees (including deemed licensees) executing the upstream or downstream transmission projects, the Central Electricity Authority and CTUIL for ensuring smooth execution and commissioning of the Project; and

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

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

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

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

15. Petition No. 44/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**