

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 340/TL/2023

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

Date of Order: 3rd February, 2024

In the matter of

Application under Sections 14 & 15 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for the grant of Transmission License and other related matters) Regulations, 2009 with respect to Transmission Licence to Ananthpuram Kurnool Transmission Limited.

And

In the matter of

Ananthpuram Kurnool Transmission Limited,
(Now known as 'POWERGRID Ananthpuram Kurnool Transmission Limited')
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110 016

Address for correspondence:

ED (TBCB), Power Grid Corporation of India Limited,
Saudamini, Plot No.2, Sector -29,
Gurgaon-122001, Haryana

....Petitioner

Vs

- 1. Chief Operating Officer,**
Central Transmission Utility of India Limited,
Saudamini, Plot no.2, Sector -29,
Gurgaon-122001, Haryana
- 2. General Manager,**
PFC Consulting Limited 9th Floor,
A-Wing, Statesman House Connaught Place,
New Delhi- 110001,
- 3. Andhra Pradesh Power Purchase Coordination Committee,**
Andhra Pradesh Power Co-ordination Committee,
Vidyut Soudha, Gunadala,
Vijayawada-520004, Andhra Pradesh
- 4. Bangalore Electricity Supply Company,**
Corporate Office, BESCOM K.R.Circle

Bangalore-560001

5. Gulberga Electricity Supply Company,
Gulbarga Electricity Supply Company,
Gulbarga-585102.

6. Hubli Electricity Supply Company,
HESCOM, Navanagar, P.B Road,
Hubballi-580025

7. Mangalore Electricity Supply Company,
3rd Floor, MESCOM Bhavan, Corporate Office,
MESCOM, Kavoor Cross Road, Bejai,
Mangalore- 575 004

8. Chamundeswari Elect. Supply Company Limited,
CESC Mysore, Corporate Office,
#29, Vijayanagara 2nd Stage, Hinkal,
Mysuru-570017.

9. KSEB Limited,
Kerala Electricity Board, Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram-695004,
Kerala.

10. Tamil Nadu Generation and Distribution Company Limited,
Chief Financial Controller/Revenue / Eastern Wing,
7th Floor, NPKRR Maaligai, 144, Anna Salai,
Chennai - 600 002

11. Telangana State PC Committee,
Vidyut Soudha, Khairathabad,
Hyderabad-500082, Telangana

12. Puducherry Electricity Department,
1st Floor, Main Building, Electricity Department,
Govt of Puducherry,
Puducherry-605001

13. Goa Electricity Department-SR,
Electricity Department, Division No: III,
Curti, Ponda- 403401, Goa.

14. HVDC, Kolar, Power Grid Corporation of India Limited,
SRTS# II, Pragati Mahalakshmi,
South Block, (2nd & 3rd Floor),
No.62, Bangalore, 560001, Karnataka

15. Thermal Powertech Corporation India,
Door No. 6-3-1090, 2nd Floor, C Block,

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Tsr Towers, Raj Bhavan Road,
Somajiguda, Hyderabad - 500082
(Opposite Villae Marie College)

16. SAIL-Salem Steel Plant,
Salem Steel Plant,
Steel Authority of India Limited,
Salem - 636 013

17. Sembcorp Gayatri Power Limited,
6-3-1090, 5th Floor, A Block,
TSR Towers, Raj Bhavan Road,
Somajiguda, Hyderabad.

18. South Western Railway,
Office of Senior Divisional Electrical Engineer,
Divisional Railway Manager Building,
Traction Distribution Branch, Ground Floor,
Adjacent to City Railway Station, Bengaluru- 560 023

19. Pugalur HVDC Station, POWERGRID,
HVDC-Pugalur Nochipalayam Post,
Sirukinar Village Dharmapuram Taluk,
Tiruppur -638706, Tamil Nadu

20. Thrissur HVDC Station, POWERGRID,
Chief General Manager, HVDC-THRISSUR sub-station,
Power Grid Corporation of India Limited,
Near Cashew Research Station,
Mannuthy Thannikudem Road,
Madakathara, Thrissur-680651, Kerala

....Respondents

Parties present:

Shri Pankaj Pandey, AKTL
Shri Mani Kumar, AKTL
Ms. Priyadarshini, Advocate, PFCCL
Shri Deepak Singh, PFCCL
Shri Venakatesh, CTUIL
Shri Siddharth Sharma, CTUIL
Shri Akshyvat Kislay, CTUIL
Shri Lashit Sharma, CTUIL

ORDER

The Petitioner, Ananthpuram Kurnool Transmission Limited (now known as POWERGRID Ananthpuram Kurnool 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 the “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh” on a Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as “the Project”) consisting of the following elements:

S. No.	Name of the Transmission Element	Scheduled COD in months from the effective date
1.	<p><i>Establishment of 400/220 kV, 7x500 MVA pooling station at suitable border location between Ananthpuram & Kurnool Distt with 400kV (2x125 MVAR) bus reactor</i></p> <p>A. <u>400kV</u></p> <p><i>i ICT: 7x500MVA, 400/220kV ii ICT bay: 7 nos. iii Line bay: 4 nos. iv Bus Reactor: 2x125 MVAR, 420kV v Bus Reactor bay: 2 nos. vi Line Reactor: 2x80 MVAR, 420kV vii Switchable line reactor bay: 2 nos. viii Space for future line bays along with switchable line reactor: 12 nos. ix Space for future 400/220kV ICTs along with associated bay: 4 nos.</i></p> <p>B. <u>220Kv</u></p> <p><i>i ICT bay: 7 nos. ii Line bay: 12 nos. iii Bus sectionalizer: 2 sets iv Bus coupler bay: 3 nos. v Transfer Bus coupler bay: 3 nos. vi Space for future 400/220kV ICTs along with associated bays: 4 nos. vii Space for future line bays: 8 nos. viii Space for additional future 220kV Bus Sectionalizer: 1 set</i></p>	24 months from SPV transfer

	<i>ix Space for additional future 220kV TBC bay: 1 nos. x Space for additional future 220kV BC bay: 1 nos</i>	
2.	<i>Ananthpuram PS-Kurnool-III PS 400 kV (Quad moose) D/c Line</i>	<i>24 Months from SPV transfer</i>
3.	<i>2 Nos 400 kV line bays at Kurnool-III PS for Ananthpuram PS-Kurnool-III PS 400 kV D/c line</i>	<i>24 Months from SPV transfer</i>
4.	<i>Ananthpuram PS-Cuddapah-400kV (Quad moose) D/c Line</i>	<i>24 Months from SPV transfer</i>
5.	<i>2 Nos 400 kV line bays at Cuddapah PS for Ananthpuram PS-Cuddapah 400 kV D/c line</i>	<i>24 Months from SPV transfer</i>
6.	<i>80 MVAR, 420 KV switchable line reactor at Ananthpuram PS for each circuit of Ananthpuram PS-Cuddapah 400 kV D/c line along with associated switching equipment</i>	<i>24 Months from SPV transfer</i>

Note:

i. Developer of Kurnool-III PS shall provide space for 2 no. of 400 kV line bays at Kurnool-III PS for termination of Ananthpuram PS-Kurnool-III PS 400 kV (Quad Moose) D/c Line.

ii. Powergrid shall provide space for 2 no. of 400 kV line bays at Cuddapah PS for termination of Ananthpuram PS-Cuddapah 400 kV (Quad Moose) D/c Line.”

2. The Petitioner has made the following prayers:

“(a) Grant transmission licence to the Applicant;

(b) Allow the sharing and recovery of transmission charges for Inter-State Transmission System for Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh as per the Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC; and

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

Hearing dated 28.11.2023

3. During the course of the hearing on 28.11.2023, the representative of the Petitioner submitted that the Petitioner has already served the copy of the Petition on the Bid Process Coordinator (BPC) and the Central Transmission Utility of India Limited (CTUIL) and has complied with all the requirements under the Transmission Licence Regulations including publishing of notice on its website inviting suggestions/objections on its application for the grant of a transmission licence. However, no suggestion /objection has been received.

4. The representative of CTUIL submitted that CTUIL vide letter dated 27.10.2023 has already recommended the grant of a transmission licence to the Petitioner company.

5. Vide Record of Proceedings for the hearing dated 28.11.2023, the Respondents were directed to file their replies. However, no reply has been received from them.

6. The Petitioner, vide Record of Proceedings for the hearing dated 28.11.2023, was directed to file a copy of Form II posted on its website along with the date of posting in terms of Regulation 7 of Transmission Licence Regulations read with the order dated 22.1.2022 in Petition No. 1/SM/2022. The Petitioner, vide its affidavit 11.12.2023, has submitted that the application for the grant of a transmission licence was filed before the Commission on 5.10.2023, and the same was despatched on 5.10.2023 and was also sent by e-mail to all Respondents on 5.10.2023. The application was also hosted on Petitioner's website along with a notice for the grant of a transmission licence in the prescribed format of Form-II of relevant regulations on 6.10.2023. The Petitioner has placed on record the copy of Form-II (English and Hindi), as hosted on the Petitioner's website.

7. Vide Record of Proceedings for the hearing dated 28.11.2023, CTUIL was directed to submit within a week a copy of the approval of the Central Government for the transmission scheme "Transmission scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh" in terms of the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021 notified by the Ministry of Power on 1.10.2021. It is noticed that CTUIL, vide its letter dated 15.12.2023, has sought

clarification from the Ministry of Power on the approval of the Central Government to the transmission scheme as per the order dated 28.10.2021 of the Ministry of Power. However, as per CTUIL, no response has been received from the Ministry of Power so far. Considering the submissions, CTUIL is directed to place on record the response received from the Ministry of Power as and when it is received. Meanwhile, we proceed to grant the transmission licence to the Petitioner Company so that the construction work of the transmission line may not be delayed.

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, PFC Consulting Limited (PFCCL) was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. CG-DL-E-03022020-215878 dated 27.1.2020 as the Bid Process Coordinator (BPC) for the purpose of selection of the bidder as Transmission Service Provider (TSP) to establish the Inter-State Transmission System for the “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh”, through tariff based competitive bidding process on BOOT basis.

9. PFCCL. in its capacity as the BPC, initiated the bid process on 29.12.2022 and completed the same on 27.9.2023 in accordance with the provisions of the Guidelines. Power Grid Corporation of India Limited was selected as the successful bidder, having quoted the lowest transmission charges of Rs.1288.88

million per annum in order to provide the transmission services to the beneficiaries of the transmission system.

10. As per the BPC, RfP was issued on 29.12.2022. At the RfP (Technical and Financial) stage, five bidders, namely, (i) The Tata Power Company Limited, (ii) Power Grid Corporation of India Limited, (iii) ReNew Transmission Ventures Private Limited, (iv) Megha Engineering & Infrastructures Limited, and (v) Sterlite Grid 37 Limited submitted their offers. The RfP (Technical bids of the five bidders were opened by the Bid Opening Committee in the Central Electricity Authority on 15.6.2023 in the presence of the representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of the five bidders were opened on 17.7.2023. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 1345.00 million per annum. The details of the quoted transmission charges by the bidders are given below:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	The TATA Power Company Limited	1345.00	L1
2.	Power Grid Corporation of India Limited	1361.20	L2
3.	ReNew Transmission Ventures Private Limited	1416.70	L3
4.	Megha Engineering & Infrastructures Limited	1985.00	L4
5.	Sterlite Grid 37 Limited	2079.90	L5

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 per cent of the ranks (with any fraction rounded off to a higher

integer) or four bidders, whichever is higher, shall be considered to be qualified for participating in the electronic reverse auction stage and submit their final offer. Accordingly, the rank of the bidders qualified for participating in the e-reverse auction stage, in the ascending order of the initial offer, is as under:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1	The TATA Power Company Limited	1345.00	L1
2	Power Grid Corporation of India Limited	1361.20	L2
3	ReNew Transmission Ventures Private Limited	1416.70	L3
4	Megha Engineering & Infrastructures Limited	1985.00	L4

12. E-reverse auction of all four qualified bidders was carried out at the MSTC portal on 18.7.2023, and the following transmission charges for the bidders (in ascending order) emerged:

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 India Limited	1361.20	1288.88	L1
2.	ReNew Transmission Ventures Private Limited	1416.70	1292.12	L2
3.	Megha Engineering & Infrastructures Limited	1985.00	1318.29	L3
4.	The TATA Power Company Limited	1345.00	Not Participated in e-RA	L4

13. As per the Bid Evaluation Report dated 25.7.2023, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 1288.88 million per annum. BEC, vide its certificate dated 25.7.2023 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 Power Grid Corporation of India Limited by the BPC on 28.7.2023, which was accepted by Power Grid Corporation of India Limited. Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

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

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

(c) Acquire, for the acquisition price, 100% share equity shareholding of Ananthpuram Kurnool Transmission Limited from PFCCCL along with all its related assets and liabilities;

(d) Make an application to this Commission for the adoption of the transmission charges, as required under Section 63 of the Act; and

(e) Apply to this Commission for the grant of a 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. 27.60 crore on 27.9.2023 and has acquired hundred per cent equity holding in Ananthpuram Kurnool Transmission Limited on 27.9.2023. The Petitioner entered into a Transmission Service Agreement (TSA) with the CTUIL on 27.9.2023.

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 or 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 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 a competent authority in the Ministry of Power/ CEA. Central Electricity Authority, vide its letter No. CEA-PS-11-21/12021-PSPA-I Division/195-196, dated 12.4.2023, had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, Ananthpuram Kurnool Transmission Limited, has been certified to have been made in accordance with the Guidelines.

18. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 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] provide for the procedure for the grant of a 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 the adoption of the transmission charges in respect of the transmission system, which is presently under consideration of the Commission, and the 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 provisions of the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the BPC and CTUIL 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 Ananthpuram Kurnool 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 the direction of the Commission, the Petitioner has served the copy of the Application on the beneficiaries of the transmission project. The transmission charges quoted by the Petitioner, which have been recommended by the Bid Evaluation Committee for acceptance, are Rs. 1288.88 million per annum. The Petitioner has enclosed copies of the recommendations of the Bid Evaluation Committee.

21. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English language and in Hindi

(Vernacular) language. No objection has been received from the general public in response to the notices.

22. The Petitioner has served a 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 27.10.2023, has recommended the grant of a transmission licence to the Petitioner. The relevant portion of the said letter dated 27.10.2023 is extracted as under:

"This has reference to petition filed M/s Ananthapuram Kurnool Transmission Limited for grant of Transmission License for subject transmission scheme against the application / petition filed to CERC. In this regard, following is submitted:

1. *M/s Ananthapuram Kurnool Transmission Limited has filed application / petition under Section 14 & 15 of the Electricity Act, 2003 and CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license to establish Transmission Scheme "Transmission scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MVV), Andhra Pradesh" on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the scheme is enclosed at **Annexure-I**.*
2. *As per section 15(3) of Electricity Act, 2003 copy of the application for grant of transmission license for the above transmission system has been received on 05.10.2023 for recommendation required U/S 15(4) of the Electricity Act, 2003.*
3. *In reference to the Transmission Scheme "Transmission scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh" following is submitted:*
 - i) *The Transmission Scheme for REZ in Ananthapuram & Kurnool, Andhra Pradesh includes 3.5 GW RE potential {Ananthapuram (2500 MW) and Kurnool (1000 M)}. The transmission scheme involves establishment of Ananthapuram Pooling Station and its interconnection with ISTS grid at Kurnool New and Cuddapah through 400kV D/c line for evacuation of RE power from Ananthapuram & Kurnool areas. The present scheme shall facilitate integration and immediate evacuation of 3.5 GW RE potential from REZ in Ananthapuram & Kurnool.*
 - ii) *The scheme was agreed in the 2nd meeting of Southern Region Standing Committee on Transmission (SRST) held on 10.06.2019. Extracts of the minutes of 2nd SRST is enclosed at **Annexure-II**.*

- iii) *The National Committee on Transmission (NCT) in its 4th meeting held on 31.07.2019 has recommended the implementation of the subject transmission scheme through TBCB route. Extracts of the minutes of 4th NCT meeting is enclosed at Annexure-III.*
- iv) *Ministry of Power vide Gazette notification dated 24.01.2020 (copy enclosed at Annexure-IV) has appointed PFC Consulting Limited as BPC for bidding of the subject scheme through TBCB route. Subsequently, the transmission scheme was kept on-hold on the directions of MNRE vide letter No. 367-12/9/2020-GEC dated 13.10.2020 (copy enclosed at Annexure-V) and MNRE letter No. 367-12/2/2019-GEC dated 03.11.2020 (copy enclosed at Annexure-VI).*
- v) *SECI vide letter dated 01.09.2022 (copy enclosed at Annexure-VII) has requested CTUIL to initiate the bidding process for establishment of a number of ISTS substations for evacuation of power from various potential RE Zones including Ananthapuram. In a meeting held under the chairmanship of Chairperson, CEA on 03.11.2022, it was decided that bidding for associated transmission system for evacuation of power from Ananthapuram RE zone (part of 66.5 GW RE target) would be started immediately. BPCs were advised to immediately start the bidding process for the above schemes with implementation timeframe of 24 months. Minutes of the meeting are enclosed at Annexure-VIII.*
- vi) *During the 10th NCT meeting held on 07.11.2022, it was also informed that as part of 181.5 GW RE capacity, additional RE potential have been identified at Ananthapuram & Kurnool area in AP. In view of the same and also to avoid creation of a new substation for additional RE injection in the identified areas, it was decided to keep additional space for future provisions under the proposed substations. Extracts of the minutes of 10th NCT meeting is enclosed at Annexure-IX.*
- vii) *Ministry of Power vide Gazette notification dated 28.03.2023 has notified the above modifications in the scheme. (copy enclosed at Annexure-X).*

4. *BPC vide letter dated 04.10.2023 has intimated that M/s Power Grid Corporation of India Limited is the successful bidder and has acquired M/s Ananthapuram Kurnool Transmission Limited on 27.09.2023 (Copy of SPV transfer intimation enclosed at Annexure-XI). The Commissioning schedule of the scheme is 24 months (26.09.2025) from the date of transfer of SPV.*

5. *Connectivity for about 2500 MW has been granted / agreed for grant under CERC Regulations at Ananthapuram 400/220kV Pooling Station.*

6. *In line with Section 15(4) of the Electricity Act, 2003, based on details furnished by M/s Ananthapuram Kurnool Transmission Limited, CTU recommends grant of transmission license to M/s Ananthapuram Kurnool Transmission Limited for executing the transmission scheme as mentioned in Para-I above."*

23. 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 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 7.8.2023. Though Lol was issued on 28.7.2023, BPC. vide its letter dated 27.9.2023 in terms of proviso to Clause 2.15.2 of RfP has extended the date upto 27.9.2023 for completion of the activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of the Nodal Agency (CTUIL) for an amount of Rs. 27.60 crore on 27.9.2023 and acquired a hundred per cent equity-holding in the applicant company on 27.9.2023 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 Power Grid Corporation of India Limited, acquired the SPV on 27.9.2023. Accordingly, the TSP has filed the instant Petition through e-filing for the grant of a transmission licence on 5.10.2023.

24. 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 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 the grant of a transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by **19.2.2023**.

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

26. The Petitioner has undertaken that it shall implement the Project as per the provisions of the TSA. The Petitioner has also undertaken that the time overrun and cost overrun, if applicable, shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, the bidding documents and the regulations of the Central Electricity Regulatory Commission.

27. 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 workman-like 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 Codes issued by the Bureau of India Standards. In this regard, the Petitioner has submitted that it would implement the Project as per the provisions of the TSA, including Article 16.4, Article 5.1.1 and Article 5.4 of the TSA.

28. The Petitioner, vide its affidavit dated 24.11.2023, has informed that the name of the Petitioner company has been changed from 'Ananthpuram Kurnool Transmission Limited' to 'POWERGRID Ananthpuram Kurnool Transmission Limited' with effect from 20.11.2023. The certificate of change of name from 'Ananthpuram Kurnool Transmission Limited' to 'POWERGRID Ananthpuram Kurnool Transmission Limited' dated 20.11.2023 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Ananthpuram Kurnool Transmission Limited' on the record of the Commission.

29. The Petition shall be listed for hearing on **23.2.2023**.

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

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

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