

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 143/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 August, 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 Licence to Khavda RE Transmission Limited.

And

In the matter of

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

....Petitioner

Vs

1. Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122 001
2. REC Power Development and Consulting Limited,
REC Corporate Head Quarter, D Block, Plot No. I- 4,
Sector 29 Gurugram – 122 001
3. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh.
4. Goa Electricity Department-WR,
Goa Electricity Dept,
Curti, Ponda-403401

5. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Race Course,
Vadodara – 390007
6. Heavy Water Board,
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 Vidhyut 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, Dist: 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-844101, Bihar
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
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.

....Respondents

Parties present:

Shri Ashwini Kumar Das, KRETL
Shri Mani Kumar, KRETL
Shri Shashank Shekhar, CTUIL
Shri Ranjeet Rajput, CTUIL

ORDER

The Petitioner, Khavda RE Transmission Limited (Now known as 'POWERGRID Khavda RE Transmission System 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 "the Transmission Licence Regulations") to establish the Transmission Network Expansion in Gujarat associated with integration of RE projects from Khavda potential RE zone on Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as "the Project") consisting of the following elements as per RFP documents:

Sl. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	<p>Banaskantha-Ahmedabad 765 kV D/c line with 330MVA, 765 kV Switchable line reactor on each ckt at Ahmedabad S/s end</p> <ul style="list-style-type: none"> • 765 kV, 330 MVA Switchable Line Reactor along with switching equipments – 2 nos. (6 X 110 MVA) • 765 kV line bays- 4 nos. (2 nos. at Banaskantha and 2 nos. at Ahmedabad) 	24 months	Khavda Phase-II (5 GW) scheme

Note:

i) Developer of Ahmedabad P.S. to provide space for 2 no. of 765 kV line bays alongwith Switchable Line Reactor at Ahmedabad end for termination of Banaskantha – Ahmedabad 765 kV D/c line.

ii) Powergrid to provide space for 2 no. of 765 kV line bays at Banaskantha end for termination of Banaskantha -Ahmedabad 765 kV D/c line.

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, Power Grid Corporation of India Limited (PGCIL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 773.27 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 17.7.2023, *prima facie* proposed to grant a transmission licence to the Petitioner.

Relevant extracts of the order dated 17.7.2023 are extracted as under:

“23. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for 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 4.8.2023.”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 20.7.2023, in all editions of the Indian Express (English) and Hindustan (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.

5. The Commission, vide order dated 17.7.2023 had directed CTUIL to submit the elements covered under the “Khavda Phase-II (5 GW) scheme” and the name of the transmission licensee implementing such elements of the “Khavda Phase-II (5GW) scheme,” which has been mentioned as a pre-requisite to elements covered under the instant scheme. In response, CTUIL, vide its affidavit dated 24.7.2023 has submitted as under:

“The Khavda Phase-II (5GW) scheme consists of following transmission schemes which are presently under implementation:

Sl. No.	Name of the transmission scheme	Implementing Agency	SCOD (element wise)
1	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part A</p> <p>1) KPS2 (GIS) – Lakadia 765 kV D/c line</p> <p>2) 330 MVAR switchable line reactors at KPS2 end of KPS2 (GIS) – Lakadia 765 kV D/C line</p> <ul style="list-style-type: none"> • 330 MVAR, 765 kV switchable line reactor- 2 nos. • Switching equipment for 765 kV line reactor- 2 nos. • 1x110 MVAR spare bus reactor available at KPS2 (GIS) to be used as spare. (under KPS2 establishment scheme) <p>3) 2 nos. of 765 kV line bays each at Lakadia PS & KPS2 (GIS) for Khavda PS2 (GIS) – Lakadia PS 765 kV D/c line.</p> <ul style="list-style-type: none"> • 765 kV line bays (GIS) – 2 Nos. (for KPS2 end) • 765 kV line bays (AIS) – 2 Nos. (for Lakadia end) 	<p>Khavda II-A Transmission Ltd (Subsidiary of Adani)</p>	<p>28.3.2025 [24 months from effective date i.e. 28.3.2023]</p>
2	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part B</p> <p>1) Lakadia PS – Ahmedabad 765 kV D/c line</p> <p>2) 2 nos. of 765 kV line bays at Lakadia PS for Lakadia PS – Ahmedabad 765 kV D/c line.</p> <ul style="list-style-type: none"> • 765 kV line bays – 2 nos. <p>3) 240MVAR, 765 kV switchable line reactor for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765 kV D/c line.</p> <ul style="list-style-type: none"> • 1x240 MVAR, 765 kV switchable line reactor – 2 nos. (for each circuit at Ahmedabad end of Lakadia PS – Ahmedabad 765kV D/c line) • Switching equipment for 765 kV line reactor – 2 nos. • 1x80 MVAR spare reactor – 1no. (for Ahmedabad end) 	<p>Khavda II-B Transmission Ltd (Subsidiary of POWERGRID)</p>	<p>21.3.2025 [24 months from effective date i.e. 21.3.2023]</p>

Sl. No.	Name of the transmission scheme	Implementing Agency	SCOD (element wise)
3	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part C</p> <p>1) Establishment of 3x1500MVA, 765/400 kV Ahmedabad S/s with 1x330MVAR 765kV bus reactor and 1x125MVAR 420 kV bus reactor.</p> <ul style="list-style-type: none"> • 765/400kV, 3x1500MVA ICT (10x500MVA, including 01 spare unit) • 765kV ICT bays-03 • 400kV ICT bays-03 • 765kV line bays-04 (02 for Lakadia- Ahmedabad 765kV D/c; 02 for Ahmedabad- South Gujarat) • 400kV line bays - 04 (LILO of Pirana (PG) - Pirana (T) 400kV D/c line at Ahmedabad S/s • 1x330MVAR, 765kV bus reactor-1 (4x110MVAR including 01 spare unit) • 765kV reactor bays - 1 • 125MVAR, 420kV reactor-1 • 400kV Reactor bays – 1 <p>2) Ahmedabad – South Gujarat/ Navsari (new) 765 kV D/C line with 240 MVAR switchable line reactor at both ends.</p> <p>3) 2 nos. of 765 kV line bays at South Gujarat/Navsari (new) end for Ahmedabad – South Gujarat/Navsari (new) 765 kV D/C line</p> <ul style="list-style-type: none"> • 765kV line bays – 2 nos. (GIS) <p>4) 240 MVAR switchable line reactor at both ends of Ahmedabad – South Gujarat/Navsari (new) 765 kV D/C line.</p> <ul style="list-style-type: none"> • 1x240 MVAR, 765kV switchable reactor–4 • Switching equipment for 765 kV line reactor – 4 	Khavda II-C Transmission Ltd (Subsidiary of POWERGRID)	21.3.2025 [24 months from effective date i.e. 21.3.2023]
4	<p>Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II Part D</p> <p>1) LILO of Pirana (PG)-Pirana (T) 400 kV D/C line at Ahmedabad S/S with twin HTLS alongwith reconductoring of Pirana (PG)-Pirana (T) line with twin HTLS conductor with OPGW for both main line and LILO section.</p> <p>2) Bay upgradation work with requisite FOTE at Pirana (PG) & Pirana (T) 400 kV line bays (Bay Upgradation) – 4 Nos</p>	Torrent Power Limited (TPGL) (Under RTM)	21.3.2025 [Matching time frame with Khavda II -Part A to C]

Note: Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II inter-alia includes Part-A, B, C & D. The subject scheme was originally envisaged to evacuate 4.5 GW RE capacity at Khavda complex and 0.5GW RE potential was envisaged at Bhuj PS. Subsequently, the potential under Khavda Phase-II scheme was revised to 5GW (0.5GW potential of Bhuj PS shifted to Khavda). Accordingly, the subject transmission scheme shall be utilized for evacuation of 5GW RE Capacity at Khavda Complex.”

Hearing dated 11.8.2023

6. The case was called out for the hearing on 11.8.2023. The representative of the Petitioner submitted that, in response to the public notice published by the Commission, no objection has been received. In response to the query of the Commission regarding the date of commissioning of the transmission project, the representative of the Petitioner submitted that the SCOD of the transmission project is 21.3.2025.

7. 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.”

8. In our order dated 17.7.2023, we had proposed to grant a transmission licence to the Petitioner company and directed for the issue of a public notice. In response to the public notice, no suggestions/objections have been received. CTUIL in its letter dated 21.4.2023, 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 at paragraph 1 of this order. Accordingly, we direct that a transmission licence be granted to the Petitioner, 'POWERGRID Khavda RE Transmission System Limited' to establish the Transmission Network Expansion in Gujarat associated with the integration of RE projects from Khavda potential RE zone on Build, Own, Operate and Transfer basis (BOOT) basis as per the details given in paragraph 1 above.

9. The grant of the transmission licence to the Petitioner (hereinafter referred to as "the licensee") is subject to the fulfillment 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 the 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 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. Delay in payment or non-payment of 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 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 the 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 the timeline specified in 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 to ensure smooth execution and commissioning of the Project;

(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; and

(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.

10. 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 TSA for the commissioning of the Project within the SCOD.

11. 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.

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

13. Petition No. 143/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