

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 508/AT/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 19th March, 2025

In the matter of

Application under Section 63 of the Electricity Act, 2003 for the adoption of the Transmission Charges with respect to the Transmission System being established by the Khavda PS1 and 3 Transmission Limited (a 100% wholly owned subsidiary of Power Grid Corporation of India Limited).

And

In the matter of

Khavda PS1 and 3 Transmission Limited

(Now POWERGRID Khavda PS1 and 3 Transmission Limited)

(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited),

Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.

Address for correspondence:

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

...Petitioner

Vs

1. **Central Transmission Utility of India Limited,**
Saudamini, Plot no.2, Sector -29,
Gurgaon-122001.

2. **PFC Consulting Limited,**
9th Floor, Wing-A, Statesman House,
Connaught Place, New Delhi -110001.

3. **Chhattisgarh State Power Distribution Co. Ltd.,**
CSPDCL, Post: Sundarnagar,
Dangania, Raipur-492013

4. **Goa Electricity Department-WR,**
Goa Electricity DeptCurti, Ponda-403401
5. **Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhavan,
Racecourse Vadodara - 390007
6. **Heavy Water Board,**
Vikram Sarabhai Bhawan, Trombay,
Anushaktinagar, Mumbai- 400094, Maharashtra
7. **HVDC Bhadrawati, PGCIL**
PGCIL RHQ, WR-I, Sampriiti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur-440026, Maharashtra
8. **HVDC Vindhyachal, PGCIL**
PGCIL RHQ, WR-I, Sampriiti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur- 440026, Maharashtra
9. **M.P. Power Management Company Ltd.,**
14, Shakti Bhawan, Rampur,
Jabalpur - 482008
10. **MSEDCL,**
Plot No 9, "prakashgad", A K Marg,
Bandra East, Mumbai-400051
11. **ACB India Limited,**
7th Floor, Corporate Tower, Ambience Mall,
NH-8, Gurgaon-122 001(Haryana)
12. **Torrent Power Limited,**
Torrent Power Ltd. Naranpura Zonal Office,
Sola Road, Ahmedabad-380013
13. **Thermal Powertech Corporation India,**
6-3-1090, Clock C, Level 2, TSR, Towers, Rajbhavan Road,
Somajiguda, Hyderabad-500082, Telangana
14. **BARC,**
Bhabha Atomic Research Centre,
Anushakti Nagar,
Mumbai– 400085, Maharashtra
15. **GMR Warora Energy Limited,**
Plot B-1, GMR Warora Energy Ltd,
Mohabala MIDC Growth Centre, Post – Warora,
Distt.- Chandrapur-442907, Maharashtra.

- 16. HVDC Champa,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur-440026, Maharashtra.
- 17. West Central Railway Head Office,**
General Manager's Office, Electrical Branch,
Jabalpur– 482 001.
- 18. Western Railway,**
Office of Chief Electrical Engineer,
Mumbai.
- 19. DB Power Limited- Untied,**
Opp Dena Bank, C-31, G- Block,
Mumbai, Maharashtra.
- 20. Chhattisgarh State Power Trading Co. Ltd.,**
2nd floor Vidyut Sewa Bhawan, Raipur
- 21. TRN Energy Private Ltd-Untied,**
7th Floor, Ambience Office Block, Gurugram
- 22. Adani Power (Mundra) Limited,**
Adani Corporate House, Shantigram,
Near Vaishnavdevi Circle,
S G Road, Ahmedabad - 382421
- 23. Raigarh HVDC Station,**
RPT HVDC Office, Hebbal, Bangalore – 560094
- 24. Arcelor Mittal Nippon Steel India Ltd.,**
27, AMNS House, 2th KM Surat Hazira road,
Hazira-394270, Gujarat.
- 25. Central Railway,**
Pcee's office, 2nd Floor, Parcle Building,
CSMT Mumbai-400001
- 26. Dadra & Nagar Haveli and Daman & Power Distribution Corporation Ltd.,**
1st & 2nd Floor, Vidyut Bhavan,
NexSilvassa & Daman
- 27. MPSEZ Utilities Ltd.,**
3rd Floor, Adani Corporate House,
Ahmadabad, Gujarat.
-Respondents**

Parties present:

Shri Vikas Kumar, KPS1&3TL

Shri Deepak Kumar, PFCCL
Shri Akshayvat Kislay, CTUIL
Ms. Priyadarshini, Advocate, PFCCL
Shri Ranjeet S. Rajput, CTUIL

ORDER

The Petitioner, Khavda PS1 and 3 Transmission Limited (hereinafter referred to as “the Petitioner”) has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) for the adoption of Transmission charges in respect of the transmission system to establish the Inter-State transmission system for the “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)” on a Build, Own, Operate and Transfer basis (hereinafter referred to as “the Project”). The Petitioner has made the following prayers:

- “(a) *Adoption of Transmission Charges for **Inter-State Transmission System for “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)”** discovered through competitive bidding process.*
- “(b) *Allow the sharing and recovery of Transmission Charges for **Inter-State Transmission System for “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)”** as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC.*
- “(c) *Pass such other order / orders, as may be deemed fit and proper in the facts and circumstances of the case.”*

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), PFC Consulting Limited (“PFCCL”), vide letter dated 8.1.2025, was directed to submit the relevant documents regarding the complete process of competitive bidding. The necessary details have been filed by the BPC vide affidavit dated 14.1.2025.

Hearing dated 11.2.2024

3. Notice was issued to the parties to file their replies and rejoinder. Vide Record of Proceedings for the hearing dated 11.2.2024, the Bid Process Coordinator, PFC Consultancy Limited, to submit on an affidavit within a week the detailed calculation of levelised Tariff estimated, including revised estimates as per CERC norms (Rs. 1016.27 Million per annum). However, no response was received from the BPC.

Hearing dated: 4.3.2025

4. During the course of the hearing, the representative of the Petitioner submitted that a notice was issued in the matter, and the Respondents were permitted to file their respective replies, if any. However, none of the Respondents have filed any reply in the matter.

5. Considering the submissions made by the parties, the Commission directed the BPC, PFCCL, to file its compliance affidavit in terms of direction issued by the Commission vide Record of Proceedings for the hearing dated 11.2.2025 within a week. The Commission also directed PFCCL to indicate therein the details of cases wherein the decision to re-conduct the bidding process had been taken by BEC / BPC due to the discovered tariff being higher than the levelized tariff computed on the basis of the prevailing norms.

6. BPC, in its affidavit dated 11.3.2025, has placed on record the detailed calculation of the levelized tariff estimated as per CERC norms for the provision of Dynamic Reactive Compensation at Khavda Pooling Station-I (KPS1) and Khavda Pooling Station 3 (KPS3). With regard to details of cases wherein the decision to re-

conduct the bidding process, BPC, PFCCL has submitted that the decision to re-conduct the bidding process has been taken by BEC for the scheme 'Eastern Region Generation Scheme-I Stage-I)', where the tariff discovered through e-RA was more than double the levelized tariff estimated as per CERC norms.

7. We have considered the submissions of the BPC. As per the BPC, where the quoted transmission charges exceed 10% of the levelized transmission charges calculated as per the prevailing norms then such instances are placed before the Bid Evaluation Committee for its decision. BPC has submitted that in the third meeting of the Bid Evaluation Committee held on 7.8.2024, it was observed that the quoted tariff (Rs. 1077.25 million per annum) is higher than the estimated CERC Levelised Tariff (Rs. 771.88 million per annum). The BEC suggested to refer the matter to the Cost Committee for review of the project. The Cost Committee, in its meeting dated 6.9.2024, reviewed the cost, and the revised cost was shared with BEC. After taking into consideration the revised cost estimate, BPC informed the following to the BEC:

- (a) The lowest quoted transmission charges discovered through the e-RA, i.e. Rs. 1,077.25 million per annum, is around 6% higher than the levelised tariff worked out as per the CERC Tariff Regulations;
- (b) The quoted tariff discovered through the e-reverse bidding process may be considered as reasonable;
- (c) PGCIL may be considered as the successful Bidder and LOI may be issued to the successful bidder. Accordingly, BEC, in its certificate date 7.8.2024, has observed that the quoted tariff is higher than the Levelised Tariff calculated based on CERC norms considering the Capital Cost for the Project 'Provision of Dynamic Reactive Compensation at Khavada Pooling Station 1 (KPSI) and Khavda Pooling Station 3 (KPS3)' as assessed by Cost Committee.

However, the quoted tariff discovered through the e-reverse bidding process is acceptable.

Analysis and Decision

8. We have considered the submissions of the Petitioner, BPC, and CTUIL and perused the documents available on record. Section 63 of the Act provides as under:

“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

9. The Ministry of Power, Government of India, has notified the “Tariff based Competitive bidding Guidelines for Transmission Service” and “Guidelines for Encouraging Competition in Development of Transmission Projects” (hereinafter referred to as “the Guidelines”) under Section 63 of the Act vide Resolution No. 15/1/2017-Trans dated 10.8.2021 as amended from time to time. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for the procurement of the transmission services for transmission of electricity through tariff based competitive bidding for selection of the Transmission Service Provider (TSP) for new transmission system on a Build, Own, Operate and Transfer basis.

(b) For procurement of the transmission services required for any inter-State transmission Project, the Central Government shall notify the CTUIL or any Central Government Organization/ Central Public Sector Undertaking or its wholly owned subsidiary (Special Purpose Vehicle) to be the Bid Process Coordinator (BPC) who would be responsible for the coordinating the bid process.

(c) The BPC shall prepare the bid documents in accordance with the Guidelines and obtain approval of the Appropriate Government, or alternatively, the BPC can use the Standard Bid Documents notified by the Ministry of Power. Any material deviation from the Standard Bidding Documents shall be made only with the prior approval of the Appropriate Government. Intimation about initiation of the bidding process shall be sent by the BPC to the Appropriate Commission.

(d) For the procurement of the transmission services under the guidelines, BPC shall adopt a single stage two envelope tender process featuring Request for Proposal (RfP). The entire bidding process shall be conducted online through electronic medium under e-reverse bidding framework.

(e) The RfP notice should be published in at least two national newspapers, website of the BPC, and preferably in trade magazines also, so as to accord it wide publicity. The bidding shall necessarily be by way of the International Competitive Bidding (ICB). For the purpose of issue of RfP, minimum conditions to be met by the bidder shall be specified in the RfP.

(f) Standard documentation to be provided in the RfP shall include definitions of requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, qualification requirements to be met by the bidders including, minimum net worth, etc. with necessary proof of the same, as outlined in the bid documents, specified target dates/months for commissioning and commercial operations, Standard Transmission Service Agreement (TSA), agreement(s) under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges

and Losses) Regulations as amended from time to time, period of validity of offer of bidder, TSA proposed to be entered with the SPV including amendments, bid evaluation methodology to be adopted by the BPC, specification regarding bid bond as well as the Contract Performance Guarantee to be furnished by the bidders, proposed indemnification agreement between the TSP and the Nodal Agency, liquidated damages that shall apply in the event of delay in start of providing the transmission services and technical, operational and safety criteria to be met by the bidder/TSP and requirement of obtaining transmission licence from the Appropriate Commission.

(g) The TSP, on the date of acquisition of the SPV from the BPC will enter into a Transmission Service Agreement with the Nodal Agency.

(h) To ensure competitiveness, the minimum number of qualified bidders shall be two. For inter-State transmission system, bids shall be opened in the office of the CEA by a bid committee comprising of at least one member from the CEA and one member from BPC. For inter-State transmission system, CEA shall constitute a committee for evaluation of the bids with at least one representative from the CEA and not less than two representatives from the concerned Regional Power Committees and one independent member. Further, in case project is inter-regional, there shall be at least one representative from every concerned RPC. The technical bids shall be examined to ensure that the bids submitted meet minimum eligibility criteria set out in the bid documents on all the technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the bid documents shall be considered for further evaluation on the transmission charges bids. The online initial price bids shall be

electronically opened by the bid opening committee in the presence of the bid evaluation committee. The bidder who has quoted the lowest transmission charge as per the evaluation procedure shall be considered for the award.

(i) BPC is required to complete e-reverse bidding after opening of the initial offer within 75 days. The procurer may give extended time frame indicated herein based on the prevailing circumstances, and such alterations shall not be construed to be deviation from these guidelines.

(j) The TSP shall make an application for the grant of a transmission licence to the Appropriate Commission within five (5) working days from the date of execution of the Share Purchase Agreement for acquisition of the SPV.

(k) BPC shall make the final result of evaluation of all bids public. The final TSA, along with the certification by the bid evaluation committee, shall be forwarded to the Appropriate Commission for the adoption of tariff discovered from the quoted annual transmission charges during the e-reverse bidding process in terms of Section 63 of the Act.

10. Therefore, we have to examine whether the Guidelines issued by the Central Government have been followed in the present case in a transparent process of bidding.

11. The Ministry of Power, Government of India, vide its Gazette Notification No. CG-DL-E-13052023-245856 dated 12.5.2023 has notified the PFC Consulting Limited (PFCCL) as a Bid Process Coordinator (BPC) for the purpose of selection of a bidder as the Transmission Service Provider to establish the Inter-state transmission system for the "Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1

(KPS1) and Khavda Pooling Station 3 (KPS3)” on a Build, Own, Operate and Transfer basis through a tariff based competitive bidding process.

12. Khavda PS1 and 3 Transmission Limited was incorporated on 22.12.2023 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCL with the objective to establish the inter-State Transmission System to establish the Inter-state transmission system for the “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)” (“Project”) and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company in its Memorandum of Association are as under:

“To develop Power System Network, 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 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”.

13. BPC prepared the bidding document (RfP) in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India.

14. BPC started the process of selection of the successful bidder with the publication of a Global Invitation for Qualification for the selection of a developer on a BOOT basis for the Project. The notice of the RfP was published in National/International newspapers on 4.10.2023 with the last date of submission of response to the RfP as 8.12.2023. Intimation regarding the initiation of the bid process

was given to this Commission on 13.10.2023 in accordance with Clause 4.2 of the Guidelines dated 10.8.2021.

15. Factual Matrix of the bidding is as under:

S. No.	Events	Date
1	Publication of RfP	4.10.2023
2	Intimation to the Hon'ble Commission	13.10.2023
3	RFP (Technical)& Price Bid Submission	1.5.2024
4	RFP (Technical) Bid Opening	1.5.2024
5	RFP (Financial) Initial Price Offer -Opening	2.7.2024
6	e-Reverse Auction	3.7.2024
7	Final Bid Evaluation Committee Meeting	18.9.2024
8	Issuance of Lol	19.9.2024
9	Signing of Agreements & Transfer of SPV	7.11.2024
10.	Estimated cost of the Project	Rs. 7765.40 million

16. The scope of the Project as per the Request for Proposal and the Transmission Service Agreement is as under:

Sl. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	<p>± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS1, 400 kV Bus section-1 with 1 No. of 400 kV bay (GIS)</p> <ul style="list-style-type: none"> • ± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400 kV bay (GIS) - 1 No. (KPS1 Bus Section-1) 	24 months from the SPV acquisition	33.334%	-

2.	± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS1, 400 kV Bus section-2 with 1 No. of 400 kV bay (GIS) • ± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400 kV bay (GIS) - 1 No. (KPS1 Bus Section-2)		33.333%	-
3.	± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS3 400 kV Bus section-1 with 1 No. of 400 kV bay (GIS) • ± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400kV bay (GIS) – 1 No. (KPS3 Bus Section-1)		33.333%	-

Note:

- TSPs of KPS1 and KPS3 shall provide space for one (1) 400 kV bay (each) for termination of STATCOM.
- Land for installation of STATCOM (with MSC/MSR) as specified above shall be arranged by TSP implementing the STATCOM.
- Bay(s) required for completion of diameter (GIS) in a one-and-half breaker scheme, shall also be executed by the TSP under the present scope.

17. For the purpose of evaluation of the bids, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

1.	Sh. Rajesh Kumar Singh, General Manager, SBI, CCGRO-II, New Delhi	Chairman of the Committee
2.	Sh. Deepak Gawali, Superintending Engineer (Operation), WRPC	Member
3.	Sh. S. M. Soni, Superintending Engineer, GETCO	Member
4.	Sh. Bhanwar Singh Meena, Director (PSE&TD), CEA	Member
5.	Shri B. S. Bairwa, Chief Engineer (PSPA-II), CEA	Member
6.	Sh. Neeraj Singh, Chairman, SPV	Convener- Member of the Committee

18. Responses to the RfP were received from the four bidders as per details given below:

Sr. No.	Name of Bidders
1.	Power Grid Corporation of India Limited
2.	Adani Energy Solutions Limited

19. The RfP was issued on 4.10.2023. At the RfP (Technical and Financial) stage, two bidders, namely, (i) Power Grid Corporation of India Limited, and (ii) Adani Energy Solutions Limited, submitted their offers. The RfP (Technical) bids of the bidders were opened by the Bid Opening Committee in the Central Electricity Authority on 1.5.2024 in the presence of a representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offers of the bidders were opened on 2.7.2024. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 1353.33 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 per annum)	Rank
1.	Adani Energy Solutions Limited	1353.33	L1
2.	Power Grid Corporation of India Limited	1500.00	L2

20. As per the provisions of the RfP documents, BEC recommended the two qualified bidders participate in the e-reverse auction stage and submit their final offer.

21. The e-reverse auction of bidders was carried out at the MSTC portal on 3.7.2024. The following transmission charges, as quoted by each bidder, emerged:

Sr. No.	Name of the Bidder	Transmission charges from the Initial Offer (in Rs. Million per annum)	Rank
1.	Power Grid Corporation of India Limited	1077.25	L1
2.	Adani Energy Solutions Limited	1079.95	L2

22. Based on the e-reverse bidding, BEC, in its meeting held on 18.9.2024, recommended Power Grid Corporation of India Limited, with the lowest transmission charges of Rs. 1077.25 million per annum, as the successful bidder.

23. Letter of Intent was issued by the BPC on 19.9.2024 to the successful bidder, i.e., Power Grid Corporation of India Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of PFCCL, the final result of the evaluation of the bids for the selection of a developer for the Project.

24. In accordance with the provisions of the bid documents and upon the issuance of Lol to the successful bidder (Power Grid Corporation of India Limited) and acquisition of SPV (the Petitioner) by the successful bidder, the Petitioner has prayed for the adoption of transmission charges for the Project which has been discovered through the competitive bidding process.

25. In accordance with Clause 2.15.2 of RfP, the selected bidder shall, within 10 days of the issue of the Letter of Intent, accomplish the following tasks:

- a) Provide the Contract Performance Guarantee in favour of the Nodal Agency;
- b) Execute the Share Purchase Agreement and the Transmission Service Agreement;
- c) Acquire, for the Acquisition Price, one hundred per cent (100%) equity shareholding of POWERGRID Khavda PS1 and 3 Transmission Limited from PFC Consulting Limited (PFCCL), along with all its related assets and liabilities.

26. In accordance with Clause 2.15.4 of RfP, the selected bidder shall, within five working days of the issue of the acquisition of the SPV by the Successful Bidder, the TSP shall apply to the Commission for the grant of a transmission licence and make an application to the Commission for the adoption of transmission charges, as required under Section 63 of the Act.

27. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day-to-day basis till the end of the Bid validity period". As per the above provision, the selected bidder was required to complete all the activities, including the acquisition of the SPV, by 29.9.2024. Though Lol was issued on 19.9.2024, BPC, vide its letter dated 7.11.2024 in terms of Clauses 2.15.2 of RfP extended the date up to 7.11.2024 for completion of all 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. 24.75 crores on 7.11.2024 and acquired a hundred per cent equity-holding in the applicant company on 7.11.2024 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 adoption of transmission charges 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 7.11.2024. Accordingly, the TSP has filed the instant Petition through e-filing for the adoption of transmission charges on 14.11.2024. It is noted that there is a two-day delay in filing of the Petition which occurred due to the non-reflection of the filing fees of the Petition on the e-portal. Since the Petitioner could not file the Petition due to procedural lapse, we condone the said delay.

28. The Petitioner has approached the Commission with a separate application for a grant of transmission licence. The Commission, vide order dated 12.3.2025 in Petition No. 507/TL/2024, on being satisfied that the Petitioner, *prime facie*, qualifies for the grant of a transmission licence as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/objections to the proposal of the Commission.

29. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. In the minutes of the third Meeting of the Bid Evaluation Committee meeting held on 7.8.2024, the following have been recorded:

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4. Accordingly, the following two (02) bidders were qualified to participate in the e-reverse auction:

- a. Adani Energy Solutions Limited
- b. Power Grid Corporation of India Limited

5. The lowest Initial Offer at the MSTC portal i.e. Rs. 1353.33 million per annum was communicated (duly acknowledged by bidders) to the above two (02) bidders qualified for participating in the e-reverse auction process which was held at MSTC Portal on July 03, 2024 at 1000 hrs (IST) onwards.

6. On the conclusion of the e-Reverse Auction on July 03, 2024, at 2310 hrs (IST), “Power Grid Corporation of India Limited” has emerged as a successful bidder with the lowest Quoted Transmission Charges during the e-bidding stage. The Evaluation Report is attached at Annexure-A.

7. The Final Offer (Quoted Transmission Charges) of each bidder as quoted at the time of closing of the e-reverse auction is as under (a copy of the e-reverse bidding statement generated at the MSTC portal is attached in Annexure-B):

Sr. No.	Name of the Bidder	Transmission charges from the Initial Offer (in Rs. Million per annum)	Rank
1.	Power Grid Corporation of India Limited	1077.25	L1

2.	Adani Energy Solutions Limited	1079.95	L2
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III. In view of the above, BPC proposed that Power Grid Corporation of India Limited with the Final Offer (Quoted Transmission Charges) of Rs. 1077.25 million per annum, may be declared as the successful bidder.

IV. BPC, in their evaluation report (Annexure-A) has confirmed the following:

i. The levelised tariff for the project based on CERC Regulations works out to Rs.771.88 million per annum. This has been computed based on the estimated cost as communicated by the Cost Committee constituted by CEA and the methodology for the calculation of tariff as per CERC norms.

ii. The entire bid process has been carried out in accordance with the "Tariff- based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by the Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

V. After detailed discussions on the final levelised tariff prepared by BPC, the BEC suggested the following:

i) The quoted tariff (Rs. 1077.25 million per annum) is higher than the estimated CERC Levelised Tariff (Rs. 771.88 million per annum).

ii) Refer the matter to the Cost Committee for review of cost estimates of the project.

iii) The decision of the Cost Committee to be put up before the BEC for decision in the matter."

30. Based on the suggestion of the BEC a meeting of Cost Committee was held on 6.9.2024 for review of the cost and revised cost was shared with the BEC. In the minutes of the third Meeting of the Bid Evaluation Committee meeting held on 18.9.2024, the following have been recorded:

1. The RFP (Financial) Bid - Initial Offer for the following two (02) qualified bidders were opened online on the MSTC portal by the Bid Opening Committee in the office of Central Electricity Authority (CEA) in presence of BEC members through VC on July 02, 2024, at 1045 hrs (IST):

- a. Adani Energy Solutions Limited
- b. Power Grid Corporation of India Limited

2. The lowest Quoted Transmission Charges from the Initial Offer discovered was Rs.1,353.33 million per annum which was declared as the initial price for quoting the final offers during the e-reverse auction process.

3. As per Clause No. 3.5.1 of the RFP document, " Quoted Transmission Charges of

such Initial Offer shall be ranked on the basis of the ascending initial Offer submitted by cried Qualified Bidder. Based on such ranking of the Qualified Bidders, first fifty per cent of the ranking (with any fraction rounded off to higher integer) or four Qualified Bidders, whichever is higher, shall qualify for participating in the electronic reverse auction”.

4. Accordingly, the following two (02) bidders were qualified to participate in the e-reverse auction:

- a. Adani Energy Solutions Limited
- b. Power Grid Corporation of India Limited

5. The lowest Initial Offer at the MSTC portal i.e. Rs.1,353.33 million per annum was communicated (duly acknowledged by bidders) to the above two (02) bidders qualified for participating in the e-reverse auction process which was held at MSTC Portal on July 03, 2024 at 1000 hrs (IST) onwards.
6. On the conclusion of the e-Reverse Auction on July 03, 2024, at 2310 hrs (IST), “Power Grid Corporation of India Limited” has emerged as a successful bidder with the lowest Quoted Transmission Charges during the e-bidding stage. The Evaluation Report is attached at Annexure-A.
7. The Final Offer (Quoted Transmission Charges) of each bidder as quoted at the time of closing of the e-reverse auction is as under (a copy of the e-reverse bidding statement generated at the MSTC portal is attached in Annexure-B):

S. No.	Name of the Bidder	Quoted Transmission Charges (in INR million per annum)	Rank
i.	Power Grid Corporation of India Limited	1,077.25	L-1
ii.	Adani Energy Solutions Limited	1,079.95	L-2

8. Further, as per the provisions of the RFP document, the Bidder with the lowest Final Offer is required to submit original hard copies of Annexure 3 - Power of Attorney, Annexure 4 - Power of Attorney from Consortium Members (if applicable), Annexure 6 - Consortium Agreement (if applicable) and Annexure 14-Bid Bond, before issuance of Lol.
9. Accordingly, as per the requirement, ‘Power Grid Corporation of India Limited’ (the Bidder with the lowest Final Offer) vide letter dated 4.7.2024 had submitted the original hard copies of Annexure 3 and Annexure 14 to BPC on 4.7.2024. The other annexures were not applicable to the bidder.
10. The original hard copies of Annexure 3 and Annexure 14 submitted by Power Grid Corporation of India Limited are in order. There is no discrepancy between the online submission and physical documents submitted by Power Grid Corporation of India Limited.

III. In view of the above, BPC proposed that Power Grid Corporation of India Limited with the Final Offer (Quoted Transmission Charges) of Rs.1,077.25 million per annum, may be declared as the successful bidder.

IV. BPC, in their evaluation report (Annexure-A) has confirmed the following:

1. The levelised tariff for the project based on CERC Regulations works out to Rs. 771.88 million per annum. This has been computed based on the estimated cost as communicated by the Cost Committee

constituted by CEA and the methodology for the calculation of tariff as per CERC norms.

2. The entire bid process has been carried out in accordance with the "Tariff- based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by the Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

V. Based on the recommendation of BEC in the 3rd BEC meeting, the matter was referred to the Cost Committee for review of cost estimates of the project.

VI. BPC informed that the Cost Committee was held on 6.9.2024 wherein the cost estimates were reviewed and the revised cost was shared with BEC members.

VII. After taking into consideration the revised cost estimates, the BPC informed the following to the BEC:

1. The lowest Quoted Transmission Charge discovered through the e-RA i.e. Rs.1,077.25 million per annum is around 6% higher than levelised tariff worked out as per CERC Tariff Regulations;
2. The quoted tariff discovered through the e-reverse bidding process may be considered as reasonable;
3. Power Grid Corporation of India Limited may be considered as the successful bidder and Letter of Intent (LoI) may be issued to the successful bidder.

VIII. After detailed discussions on the final levelized tariff prepared by BPC on basis of the revised cost estimates, the BEC decided the following:

1. Power Grid Corporation of India Limited is the successful bidder after the conclusion of e-reverse auction process with the lowest Quoted Transmission Charge of Rs.1,077.25 **million per annum**;
2. The quoted tariff discovered through the e-reverse bidding process is within acceptable range and is acceptable;
3. In view of 1 and 2 above, Power Grid Corporation of India Limited may be issued LoI."

31. BPC, in its certificate dated 18.9.2024, has certified as under:

"It is hereby certified that:

1. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

2. **Power Grid Corporation of India Limited** emerged as the Successful Bidder after the conclusion of e-reverse bidding process with the lowest Quoted Transmission Charges of **Rs.1,077.25 million per annum**.

3. *The quoted tariff is higher than the Levelised Tariff calculated based on CERC norms considering the Capital Cost for the Project '**Provision of Dynamic Reactive Compensation at Khavada Pooling Station 1 (KPSI) and Khavda Pooling Station 3 (KPS3)**' as assessed by Cost Committee. The quoted tariff discovered through e- reverse bidding process is acceptable."*

32. In the light of the discussions in the preceding paragraphs, it emerges that the selection of the successful bidder and the discovery of the annual transmission charges of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. BEC has certified that the process is in conformity with the Ministry of Power Guidelines. BEC, in its certificate dated 18.9.2024, has certified that Power Grid Corporation of India Limited has emerged as the successful bidder after the conclusion of the e-reverse auction with the lowest transmission charges of Rs. 1077.25 million per annum. Although the above lowest transmission charges are higher than the levelised tariff worked out as per the prevailing norms, keeping in view that it is only 6% higher and the BEC, in its certificate, has indicated that this tariff, as discovered through the e-reverse bidding process is acceptable, we find it appropriate to approve and adopt the single annual transmission charges of Rs. 1077.25 million per annum as per the final offer of the successful bidder subject to the grant of transmission licence to the Petitioner company. The transmission charges shall remain valid throughout the period covered in the TSA.

33. The sharing of the transmission charges by the designated ISTS customers (DICs) shall be governed 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.

34. The Petitioner, vide its affidavit dated 13.2.2025, has informed that the name of the Petitioner company has been changed from 'Khavda PS1 and 3 Transmission Limited' to 'POWERGRID Khavda PS1 and 3 Transmission Limited' with effect from 6.2.2025. The certificate of change of name from 'Khavda PS1 and 3 Transmission Limited' to 'POWERGRID Khavda PS1 and 3 Transmission Limited' dated 6.2.2025 issued by the Registrar of Companies, IMT Manesar, Haryana, has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Khavda PS1 and 3 Transmission Limited', and the same has been taken on record.

35. Extract copy of this order shall be sent to the Nodal agency, CTUIL.

36. Petition No. 508/AT/2024 is disposed of in terms of the above.

sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson