

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 228/MP/2015
With IA. No 30/2015**

**Coram:
Shri Gireesh B. Pradhan, Chairperson
Shri A.K Singhal, Member
Shri A.S Bakshi, Member
Dr. M.K. Iyer, Member**

**Date of Hearing: 06.11.2015
Date of Order : 24.11.2015**

In the matter of

Petition under Section 38(2) of the of the Electricity Act, 2003 read with Section 79 (1)(c) and Section 79(1)(k) of the Act, along with (i) Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010; (ii) Regulations 111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and (iii) Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 for Grant of Regulatory Approval for execution of the Transmission System associated with 750MW Ultra Mega Solar Power Project in Rewa, Madhya Pradesh.

**And
In the matter of**

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

....Petitioner

Vs

1. Rawa Ultra Mega Solar Limited
Urja Bhawan, Link Road No. 2,
Shivaji Nagar,
Bhopal- 462016
2. Madhya Pradesh Power Trading Company Limited
Shakti Bhawan, Rampur,
Jabalpur- 482008
3. Maharashtra State Electricity Distribution Company Limited

Hongkong Bank Building, 3rd Floor,
M.G. Road, Fort,
Mumbai- 400001

4. Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara- 390007

5. Electricity Department
Government of Goa,
Vidyut Bhawan, Panji,
Near Mandvi Hotel, Goa- 403001

6. Electricity Department
Administration of Daman and Diu,
Daman- 396210

7. Electricity Department
Administration of Dadra and Nagar Haveli,
U.T., Silvaasa- 396230

8. Chhattisgarh State Electricity Board
P.O. Sunder Nagar, Dangania, Raipur
Chhatisgaarh- 492013.

9. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex,
Agra-Bombay Road, Indore- 452008.

...Respondents

Following were present:

Shri Manju Gupta, PGCIL
Ms. Jyoti Prasad, PGCIL
Ms. Vineeta Agarwal, PGCIL
Shri Chinmay Sharma, PGCIL
Shri R. Prasad, PGCIL
Shri Himanshu Joshi, PGCIL
Shri S.K. Verma, PGCIL

ORDER

This petition has been filed by the petitioner, Power Grid Corporation of India Limited (PGCIL) for seeking regulatory approval for undertaking the development of the transmission system for evacuation of power from the Solar Energy generators

associated with the 750 MW Ultra Mega Solar Power Park to be developed at Rewa district of Madhya Pradesh.

2. Gist of the submissions of the petitioner is as under:

(a) Government of India planned to set up Solar Parks for promotion of Solar Power. Ministry of New and Renewable Energy (MNRE) vide letter dated 13.7.2015, conveyed the intent of Government of India to provide a framework for setting up 750MW Ultra Mega Solar Park (UMSPP) in Rewa District, Madhya Pradesh in accordance with CERC notification dated 15.5.2015. It had notified Rewa Ultra Mega Solar Limited [Joint Venture Company of Madhya Pradesh Urja Vikas Nigam Limited and Solar Energy Corporation of India], as the Solar Power Park Developer for 750 MW UMSPP in Madhya Pradesh.

(b) M/s. Rewa Ultra Mega Solar Limited (RUMS), a Joint Venture Company of Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL) and Solar Energy Corporation of India (SECI), the Solar Power Park Developer, has made an application for grant of Connectivity/LTA for 750MW capacity Ultra Mega Solar Park (UMSPP) to be set up in Rewa District of Madhya Pradesh.

(c) The estimated cost of the project is ₹ 322 crore and estimated annual transmission charges i.e annual impact on tariff shall be ₹ 59.89 crore. The transmission system shall enable to transfer of about 750 MW of solar generation and the quantum of power shall translate into annual energy of about 1182.6 MU. The project is scheduled to be commissioned by March 2017. Accordingly the evacuation system is required to be in place matching with the commissioning of

the project.

(d) Solar Power Park Developer, RUMS vide its letter dated 7.9.2015 has undertaken that it will bear all liabilities on behalf of the Solar Project Developers to be set up in the Solar Park in compliance with the Commission's notification dated 15.5.2015.

(e) Ministry of Power, Govt. of India vide its letter Nos. 11/64/2014-PG and 11/64/2014-PG dated 8.1.2015 and 4.8.2015 respectively informed PGCIL to take up transmission line for evacuation of power from nine solar parks (7020 MW capacity) being set up in seven States including REWA Solar Ultra Mega Park with the following two aspects:

(a) Transmission line connecting solar parks to ISTS to be declared as part of ISTS; and

(b) PGCIL is assigned to take up construction of transmission line including pooling station from solar generating parks on compressed time schedule basis.

(f) PGCIL has identified the Transmission System for evacuation/transfer of power from Ultra Mega Solar Power Project (750 MW) in Rewa, Madhya Pradesh, comprising of the following:

(a) Establishment of 400/220kV, 3x500 MVA Pooling Station at Rewa;

(b) LILO of Vindhyachal - Jabalpur 400 kV 2nd D/C line (Circuit-3&4) at Rewa Pooling Station;

(c) 1x125 MVAR bus reactor at Rewa Pooling Station; and

(d) 6 Nos. 220kV Line bays at Rewa Pooling station (for its interconnection with solar park).

(g) The issue of implementation of the transmission system associated with the Solar Power Park was discussed in the 38th meeting of the Standing Committee on Power System Planning of Western Region held on 17.7.2015 and it was agreed that the entire power would be evacuated through ISTS.

(h) On 26.11.2014, Ministry of Power, Govt. of India convened a meeting with the representatives of the Central Electricity Authority (CEA), PGCIL, MNRE, SECI and the Commission in which Ministry of Power clarified the scope of work to PGCIL and informed that the external transmission network would be developed by PGCIL in case power would flow outside the home State. In the said meeting, Ministry of Power directed PGCIL to seek regulatory approval from the Commission to construct the transmission lines as ISTS lines.

3. The petitioner has placed on record the complete Project Inception Report in terms of Regulation 4(2) of the Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 (Regulatory Approval Regulations). The petitioner has submitted that as per the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 ("Sharing Regulations") as amended from time to time, solar based generation are exempted from transmission charges and losses for the use of ISTS network for the useful life of the projects commissioned during the period 1.7.2014 to 30.6.2017. The

petitioner has further submitted that with regard to development of the Ultra Mega Solar Power Park at Rewa, Rewa Ultra Mega Solar Limited is obligated to coordinate with PGCIL for transmission of electricity generated by it under Section 10 (3) (b) of the Electricity Act, 2003 and other respondents are the beneficiaries of the generation and transmission projects.

4. Against the above background, the petitioner has made the following prayers:

“(a) Grant Regulatory approval for taking up implementation of identified transmission systems at Enclosure -1;

(b) Grant of approval for recovery of transmission charges of the assets through CERC (Sharing of Transmission charges and losses for ISTS) Regulations, 2010 or any other sharing mechanism notified by CERC from time to time;

(c) Grant of approval for inclusion of the above system under the TSA to be notified by CERC; and

(d) Pass such other relief as the Hon’ble Commission deems fit and appropriate under the circumstances of the case.”

5. The petitioner has filed IA No. 30/2015 to list the petition at the earliest and to pass appropriate order.

6. The petition was heard on 6.11.2015 after notice to the respondents. No reply has been filed by the respondents.

Analysis and Decision:

7. We have considered the submission of the petitioner. Regulation 3 of the Regulatory Approval Regulations provides as under:

“.....3. Scope and applicability

(1) These regulations shall apply to :

(a) an ISTS Scheme proposed by Central Transmission Utility, for which generators have sought long-term access as per the Central Electricity

Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term Open Access to the Inter-State Transmission and Related Matters) Regulations, 2009, and for which consultation with Central Electricity Authority and beneficiaries if already identified has been held for setting up the ISTS Scheme, but for which Power Purchase Agreements with all the beneficiaries have not been signed on the date of application.

(ii) an ISTS Scheme for system strengthening / up-gradation , identified by Central Transmission Utility to enable reliable, efficient, co-ordinated and economical flow of electricity within and across the region for which consultation with Central Electricity Authority and beneficiaries if identified has been held.

(iii) ISTS Scheme proposed by CTU, for which the Central Government authorised Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the solar power generators to be set up in the Solar Park.

(2) These regulations shall not apply to ISTS Scheme, for which all the beneficiaries/respective STUs have signed Bulk Power Transmission Agreement to share the transmission charges."

8. On 10.10.2014, Solar Energy Corporation of India Ltd and Madhya Pradesh Urja Vikas Nigam Limited signed a Memorandum of Understanding to form a Joint Venture Company (JVC) for conceptualization, structuring, implementation, operation and maintenance of Ultra Mega Solar Power Projects including at Rewa, Solar Parks, solar related power projects and other RE projects in the State of Madhya Pradesh.

9. As per the provisions of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term Open Access to the Inter-State Transmission and Related Matters) Regulations, 2009, any company authorized by the Central Government as Solar Power Park Developer is eligible to apply to connectivity and LTA subject to the following conditions to be fulfilled in respect of connectivity:

"Provided also that the application by the applicant defined under Regulation 2(1) (b) (i) (f) shall be considered by CTU only if the Solar Power Park Developer is authorised by

the Central Government to undertake infrastructural activities including arrangement for connectivity on behalf of the solar power generators.”

10. Ministry of New and Renewable Energy vide its letter dated 13.7.2015 authorized the Rewa Ultra Mega Solar Limited to apply to CTU for grant of connectivity and Long Term Access in ISTS. Relevant portion of the said letter dated is extracted as under:

“With reference to the notifications of Central Electricity Regulatory Commission (CERC) dated 15.5.2015 for including Solar Power Park Developer as an Applicant of Connectivity and Long Term Access in Inter-State Transmission System, the Ministry of New and Renewable Energy hereby declares Rewa Ultra Mega Solar Limited, JVC of Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL) and Solar Energy Corporation of India (SECI), as the Solar Power Park Developer (SPDD) for Rewa Solar Park with capacity 750 MW in Rewa district of Madhya Pradesh. The SPDD shall undertake infrastructural activities including arrangement of connectivity on behalf of solar power generator in the started Parks.”

11. The transmission scheme were discussed in the 38th Standing Committee on Power System Planning of Western Region meeting held on 17.7.2015, relevant portion of which is extracted as under:

“27.6. Director (SP&PA), CEA said that the above evacuation system for Rewa “ultra mega solar park has been proposed by POWERGRID assuming that the entire power would be evacuated through interstate transmission system. The LTA application of the project developer specifies the beneficiary of the project and with LTA Application the evacuation pattern from the project becomes clear, whether it is entirely through interSTS or IntraSTS or through both inter and intra STS. The transmission system needs to be finalized after ascertaining the evacuation requirements (interstate/intrastate/or both).

12. On 26.11.2014, a meeting was held in Ministry of Power under the Chairmanship of Joint Secretary (Transmission), Ministry of Power wherein it was decided that the petitioner would obtain regulatory approval from the Commission to construct these

lines as ISTS. Accordingly, on 8.10.2015, the petitioner filed the present application for grant of regulatory approval in terms of the provisions of Regulatory Approval Regulations.

13. As per Regulation 4 (1) of the Regulatory Approval Regulations, the petitioner is required to submit Project Inception Report along with the application for grant of regulatory approval. Accordingly, the petitioner has placed on record the Project Inception report indicating consent of the beneficiaries.

14. Rewa Ultra Mega Solar Limited vide letter dated 7.9.2015 has undertaken to bear all liabilities related to LTA and connectivity in accordance with the Regulations/orders framed/issued by the Commission on behalf of the Solar Power Generators to be set up in the Ultra Mega Solar Project. Ministry of Power, Govt. of India vide letter dated 8.1.2015 conveyed the approval regarding implementation of work related to transmission system for evacuation of power from nine Solar Parks including REWA Solar Park.

15. We are of the view that there is a necessity to implement the transmission system with matching time schedule so that the generation from Ultra Mega Solar Power Project in Madhya Pradesh do not get stranded. Accordingly, we accord regulatory approval under Regulation 3 of the Regulatory Approval Regulations for execution of the following transmission scheme.

- (a) Establishment of 400/220kV, 3x500 MVA Pooling Station at Rewa;
- (b) LILO of Vindhyachal - Jabalpur 400kV 2nd D/C Line (Circuit-3&4) at Rewa

Pooling Station;

(c) 1x125 MVAR bus reactor at Rewa Pooling Station; and

(d) 6 Nos. 220kV Line bays at Rewa Pooling station (for its interconnection with solar park).

16. The regulatory approval granted to CTU for the above transmission system is subject to signing of Long Term Agreement (LTA) with Solar Power Park Developer (SPPD) and taking construction Bank Guarantee (BG) from SPPD as per the provisions of Connectivity Regulations as amended from time to time.

17. In regard to development of transmission system matching with generation projects in the Solar Park at Rewa, CTU is directed to coordinate with the SPPD who is responsible for development of internal transmission system. CTU shall pace the development of transmission system matching with the progress of different phases of the Solar Park. We further direct the CTU to submit quarterly progress report as per Annexure to this order which shall also contain the status of execution of the transmission system for which regulatory approval has been accorded, the progress of solar based generation projects in the Solar Power Park and the internal transmission system within the solar park.

18. With regard to recovery of transmission charges on account of delay in commissioning of solar generation, in the Statement of Reasons for the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) (Fifth Amendment) Regulations, 2015, and Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central

Transmission Utility) (First Amendment) Regulations, 2015, the following has been clarified:

“8.2.1 With regard to the suggestions of PGCIL, it is clarified that SPPD who shall apply for Connectivity/Long term Access shall be liable to deposit Application Bank Guarantee/Construction Bank Guarantee as required under Connectivity Regulation. Further, SPPD shall also be liable for payment of transmission charges for delay in commissioning of generator and relinquishment charges towards transmission access under Connectivity Regulations and Sharing Regulations. Regulation 7(1)(u) of the Sharing Regulations provides that "No transmission charges for the use of ISTS network shall be charged to solar based generation" is applicable only when the power is evacuated through the transmission system to the beneficiaries after the commercial operation of the generating station. Therefore, transmission charges for delay in commissioning of solar power generators shall be payable by such solar generators/SPPD on the same line as the liability for payment by the thermal and hydro generating station in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

8.2.2 With regard to delay of internal system, it is clarified that SPPD shall be executing internal system on behalf of solar power generators. The treatment of delay or other modalities should be covered in Agreement between solar power generators and SPPD. In regard to NTPC's comments on development of transmission matching with generation, it is clarified that CTU shall carry out coordination with the SPPD/solar power generators in accordance with Section 38 of the Act.”

Therefore, the transmission charges for delay in commissioning of solar power generators shall be paid by such solar generators/SPPD on the same line as the liability for payment by the thermal and hydro generating stations in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

19. The petition and IA are disposed of with the above.

SD/-
(Dr. M.K.Iyer)
Member

SD/-
(A.S. Bakshi)
Member

SD/-
(A. K. Singhal)
Member

SD/-
(Gireesh B. Pradhan)
Chairperson

1. Status of Solar Park (Internal Transmission System)

Scope	Land	MoEF	Current status

2. Status of Solar Power Generator:

List of Generators identified	Capacity	Schedule date of commissioning	Land	MoEF	EPC	Current status

3. Date of Signing of LTA agreement and furnishing of BG by the Applicant.

(To be submitted only once post signing of LTA Agreement and furnishing bank guarantee).