

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 83/MP/2023

- Subject : Petition under Sections 17(3) of the Electricity Act, 2003 read with the Regulation 5(1)(b) of Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulation, 2020, read with the directions given in the Order dated 30.11.2022 of the Commission in petition 247/MP/2021, seeking approval for providing on Lease/License basis the Land at various substations of Petitioner to its Wholly Owned Subsidiary Company (WOS)-POWERGRID Teleservices Limited for undertaking Data Center activities viz. Trivandrum, Yelahanka, Chennai, Puducherry, Hyderabad, Mapusa, Pune, Padghe, Indore, Bachau, Jhatikara, Kishenpur, Subhashgram, Pandiabili, Silchar.
- Date of Hearing : **25.5.2023**
- Coram : Shri Jishnu Barua, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : Power Grid Corporation of India Ltd (PGCIL).
- Respondents : Ajmer Vidyut Vitran Nigam Ltd. & 47 Ors.
- Parties Present : Shri Shubham Arya, Advocate, PGCIL
Ms. Shikha Sood, Advocate, PGCIL
Shri Ravi Nair, Advocate, PGCIL
Ms. Reeha Singh, Advocate, PGCIL
Ms. Anumeha Smiti, Advocate, PGCIL
Shri Arjun Malhotra, PGCIL
Shri Sudesh Yadav, PGCIL
Shri Sunil Kumar, PGCIL
Shri Hemant Gandhi, PGCIL

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed *inter-alia* seeking approval for providing on a lease/licence basis the land at various sub-stations of the Petitioner to its Wholly Owned Subsidiary (WOS) Company, Powergrid Teleservices Limited (PTL) for undertaking Data Centre activities viz. Trivandrum, Yelahanka, Chennai, Puducherry, Hyderabad, Mapusa, Pune, Padghe, Indore, Bachau, Jhatikara, Kishenpur, Subhashgram, Pandiabili, Silchar. Learned counsel submitted that, against the backdrop of the need for Data

Centres and the availability of extra land that is available with the Petitioner at its sub-stations that cannot be sold, transferred, or otherwise freely commercially exploited, the Petitioner is exploring the options of allowing its Wholly Owned Subsidiary, PTL to undertake the Data Centre activities by utilizing the above land available at different sub-stations. Learned counsel further submitted that earlier, by way of Petition No. 247/MP/2021, the Petitioner had approached the Commission seeking approval of the scheme for allowing the use of land/space in buildings at the Petitioner's sub-station to its WOS on a lease /licence basis, wherein the Petitioner had proposed setting up the Data Centre through its WOS at Manesar for optimum utilization of buffer land and space in buildings at the sub-station. The Commission, vide order dated 30.11.2022, *inter alia*, allowed the Petitioner to set-up the pilot data centre at Manesar. However, with regard to the implementation of Data Centres at other sub-stations of the Petitioner, the Commission had directed the Petitioner to file separate Petition in compliance of the Sharing of Revenue Regulations, 2020. Learned counsel appraising the status of the Data Centre at Manesar sub-station submitted that a tender in this regard has already been issued.

2. In response to a specific query of the Commission regarding approval/clearance from the concerned State Authorities for the utilisation of land at the concerned sub-stations for the proposed activity of data centre, learned counsel for the Petitioner submitted that they will proceed to obtain the same after approval of the Commission.

3. After hearing the learned counsel for the Petitioner, the Commission ordered as under:

- (a) Admit. Issue notice to the Respondents.
- (b) The Petitioner to serve a copy of the Petition on the Respondents and the Respondents to file their reply, if any, within four weeks with a copy to the Petitioner, who may file its rejoinder, if any, within three weeks thereafter.
- (c) The Petitioner to submit the following details/ information on affidavit within three weeks.
 - (i) Whether permission is required from the Central Government/ State Government/ Local Authorities for for changing the use of land by establishing the proposed Data Centre at Sub-Station.
 - (ii) Model/draft lease/licence agreement to be entered into between the Petitioner and its wholly owned subsidiary company.
 - (iii) Layout of the mentioned sub-stations showing the existing and all future extensions of switchyard along with the spare space as well as the proposed land which is to be leased for Data Centre activity.
 - (iv) How will the Petitioner account for the usage of additional infrastructure that is already present at the sub-station, such as security

personnel deployed, a boundary wall and a buildings, etc. from the revenue sharing point of view?

(v) As per the direction given by the Commission in the order of Petition No. 247/MP/2021 the Petitioner has to take approval from the relevant Government authorities for the use of sub-station land for Data Centre activity. Have the Petitioner approached the concerned district or State authority to take such approval, if yes, the copy of approval accorded by such authority?

4. The Petition shall be listed for hearing on 25.8.2023.

By order of the Commission

**Sd/
(T.D. Pant)
Joint Chief (Law)**