

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 58/TL/2024**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri Arun Goyal, Member**

**Shri P.K. Singh, Member**

**Date of order: 8<sup>th</sup> April, 2024**

**In the matter of:**

Application under Section 14 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for the grant of a separate Transmission Licence to POWERGRID KPS3 Transmission Limited for implementation of the transmission system for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part E3 through “Regulated Tariff Mechanism” (RTM) mode.

**And**

**In the matter of**

**POWERGRID KPS3 Transmission System Limited,**  
B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi - 110016

**Address for correspondence:**

Power Grid Corporation of India Limited,  
Saudamini, Plot no.2, Sector-29,  
Gurgaon-122001, Haryana

**.....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-122001

**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, Gujarat

**6. Heavy Water Board,**  
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, Madhya Pradesh

**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 Vidyut 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,  
PO:Warora, District:Chandrapur,  
Maharashtra-442907

**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, Maharashtra

**20. East Central Railway,**  
CEDE, Office of Chief Electrical Engineer, ECR,  
Zonal Head Quarter,  
Dighikala-844102, Bihar

**21. DB Power Limited-Untied,**  
Opp Dena Bank, C-31, G-Block,  
Mumbai-400051, Maharashtra

**22. Chhattisgarh State Power Trading Company Limited,**  
2nd Floor Vidyut Sewa Bhawan,  
Raipur-492013, Chhattisgarh

**23. TRN Energy Private Ltd-Untied,**  
7th Floor, Ambience Office Block,  
Gurugram, Haryana

**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, 2<sup>nd</sup> KM Surat Hazira road,  
Hazira-394270, Gujarat

**27. Central Railway,**  
PCEE's office, 2nd Floor, Parcle Building,  
CSMT, Mumbai-400001, Maharashtra

**28. Dadra and Nagar Haveli and Daman Power Distribution Corporation Ltd**  
1st & 2nd Floor, Vidyut Bhavan,  
Near Secretariat, Amil, Silvassa-396230

**29. MPSEZ Utilities Limited,**  
3rd Floor, Adani Corporate House,  
Ahmedabad-380009

**30. Adani Green Energy Limited,**  
4th Floor, South Wing, Adani Corporate House,  
Shantigram, S G Highway,  
Ahmedabad-382421, Gujarat

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

**32. Electricity Department Administration of Daman & Diu,**  
Daman-396210

**33. DNH Power Distribution Corporation Limited,**  
Vidyut Bhawan, 66kV Road, Near Secretariat,  
Amli, Silvassa-396230

...Respondents

**The following were present:**

Shri Abhijit Daimari, PKPS3TL  
Shri Prashant Kumar, PKPS3TL

Shri Shashank Singh, RECPDCL  
Shri Ranjeet Singh Rajput, CTUIL

**ORDER**

The Petitioner, POWERGRID KPS3 Transmission System Limited (in Short 'PKPS3TL'), has filed the present Petition under Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') read with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as 'the Transmission Licence Regulations') for the grant of a separate transmission licence for the implementation of the transmission system for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part E3 through "Regulated Tariff Mechanism" (RTM) mode (hereinafter referred to as the 'transmission scheme/project'). The scope of the project for which a transmission licence has been sought is as follows:

<b>Sl. No.</b>	<b>Scope of the Transmission Scheme</b>	<b>Item Description</b>	<b>Implementation Time Frame</b>
1	Augmentation of transformation capacity at KPS3 (GIS) by 1X1500 MVA, 765/400 kV ICT (7 <sup>th</sup> ) on Bus section-I	1500 MVA, 765/400 kV ICT-1 No. 765 kV bays-2 Nos. on Bus Section-I (including 1 No. bay for Dia completion) 400 kV bays-2 Nos. on Bus section-I (including 1 No. bay for Dia completion)	24 months from the date of allocation, i.e. by 6.7.2025
<b>Total Estimated Cost:</b>			<b>Rs. 216 crore</b>

Note:

- 1) The TSP shall implement one complete diameter consisting of 2 Main Bays & 1 Tie Bay at both 765 kV & 400 kV levels of KPS3 (GIS) required for completion of diameter (GIS) in a one-and-half breaker scheme.

2) Further, the TSP of KPS3 shall provide space to carry out the above augmentation work.

2. The Petitioner has made the following prayers:

*“(a) Grant separate Transmission License to the Applicant for implementation of additional scope of work under RTM mode as detailed at para 3 above.*

*(b) Allow the Applicant liberty to approach the Hon’ble Commission for determination of transmission charges after commissioning of the scope of works mentioned at Para 3 above, in accordance with Section 61, 62 of the Electricity Act, 2003 and as per 8(2) of the Transmission License Regulations, 2009.*

*(c) Condone any inadvertent omissions/shortcomings/errors and permit the Applicant to add/modify/alter this application and make further submissions as may be required at a future date.*

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

3. The Petitioner Company, KPS3 Transmission Limited (KPS3TL), was incorporated as a special purpose vehicle by REC Power Development and Consultancy Limited (RECPDCL) as part of the Tariff Based Competitive Bidding (‘TBCB’) process for implementing the transmission project “Khavda Pooling Station-3 (KPS3) in Khavda RE Park” on a Build, Own, Operate, and Transfer (BOOT) basis. Power Grid Corporation of India (PGCIL) Limited participated in the competitive bidding process conducted by RECPDCL, and upon emerging as the successful bidder, a Letter of Intent (LOI) was issued by RECPDCL to PGCIL on 27.2.2023. In accordance with the bidding documents, PGCIL acquired 100% of the shareholding in KPS3TL by executing a Share Purchase Agreement with RECPDCL on 21.3.2023. KPS3TL entered into a Transmission Service Agreement (TSA) with the LTTCs on 21.3.2023. Subsequently, the name of the company

was changed to POWERGRID KPS3 Transmission Limited (PKPS3TL). The Commission, vide its order dated 31.8.2023 in Petition No. 145/TL/2023, granted a transmission licence to PKPS3TL for inter-State transmission of electricity to establish the transmission project “Khavda Pooling Station-3 (KPS3) in Khavda RE Park” on a Build, Own, Operate and Transfer (BOOT) basis consisting of the following elements:

SI. No.	Project elements	Scheduled COD
1.	<p>Establishment of 765/400 kV, 3x1500MVA, KPS3 (GIS) with 1x330 MVAR 765kV bus reactor and 1x125 MVAR 400kV bus reactor</p> <p>1500 MVA, 765/400 kV ICT– 3 nos.            (10x500 MVA including one spare unit)            765 kV ICT bays – 3 nos.            400 kV ICT bays – 3 nos.            765 kV line bays – 2 nos.            400kV line bays – 3 nos.            1x330 MVA, 765 kV bus reactor – 1            (4x110 MVA, including one spare unit)            765 kV reactor bay – 1            1x125 MVA 400 kV bus reactor – 1            400kV reactor bay – 1            Adequate space for future expansion of 5x1500 MVA 765/400 kV ICT's            Future provisions: Space for            765/400kV ICTs along with bays: 5 nos.            765 kV line bays: 4 nos.            400kV line bays: 10 nos.            765 kV Bus sectionalizer breaker: 2 nos.            400 kV Bus sectionalizer breaker: 2 nos.            To take care of any drawal needs of area in future:            400/220kV ICT: 2 nos.            220kV line bays: 4 nos</p>	21 months from effective date, i.e. by 21.12.2024
2.	KPS3-KPS2 765kV D/C line	
3.	2 nos. of 765kV line bays at KPS2 765kV S/s for KPS3-KPS2 765kV D/c line 765kV line bays: 2 nos. at KPS2 end	

Note: i) Pooling station shall be created with bus section-I with 765/400 kV, 3x1500MVA ICTs and 1x330 MVAR, 765 kV & 1x125 MVAR, 400 kV bus reactors.

ii) Bus section II (future) shall be created with 765/400 kV, 4x1500MVA ICTs and 1x330MVAR 765 kV & 1x125 MVAR 400 kV bus reactors.

iii) Bus sectionalizer at the 765kV level shall normally be closed and the bus sectionalizer at the 400kV level shall normally be open.

iv) Developer of KPS2 765 kV S/s to provide space for 2 no. of 765 kV line bays at KPS2 765 kV S/s for termination of KPS3-KPS2 765 kV D/c line.

v) Scheme to be awarded after SECI/REIA awards first bid of RE project at KPS3.

4. Subsequently, Central Transmission Utility of India Limited (CTUIL) has issued an Office Memorandum dated 10.7.2023 to the Petitioner, based on the approval granted by the NCT in its 14<sup>th</sup> meeting held on 9.6.2023 and conveyed to CTUIL vide its letter dated 7.7.2023, wherein the Petitioner has been nominated to implement the transmission scheme of the instant Petition.

5. The Petitioner has submitted that after the grant of a separate transmission licence, the Petitioner shall proceed to implement the transmission scheme under RTM mode. The estimated cost of the transmission scheme as per CTUIL's Office Memorandum (OM) dated 10.7.2023 is Rs.216 crore, and the cost of the project as per DPR is Rs.334.02 crore. After completion of the transmission scheme, the Petitioner shall approach the Commission for determination of the transmission charges in accordance with Sections 61 and 62 of the Act and Tariff Regulations in vogue as per Regulation 8 (2) of the Transmission Licence Regulations.



**Hearing dated: 20.3.2024**

6. During the course of the hearing, the representative of the Petitioner submitted that NCT, in its 14th meeting, approved the transmission scheme and CTUIL, vide its OM dated 10.7.2023, directed the Petitioner to implement the transmission scheme under RTM mode. He submitted that the Petitioner has complied with all the requirements under the Transmission Licence Regulations, and CTUIL has submitted its recommendations for the grant of a transmission licence to the Petitioner under RTM mode under Section 15(4) of the Act.

7. The representative of CTUIL submitted that CTUIL has already recommended granting a separate transmission licence to the Petitioner company.

8. Vide Record of Proceedings for the hearing dated 20.3.2024, the Respondents were directed to file their respective replies. However, no reply has been filed by them.

**Analysis and Decision**

9. We have considered the submissions of the Petitioner and CTUIL. The Petitioner has filed the present petition for the grant of a separate transmission licence for the implementation of the transmission scheme for the evacuation of power from a potential renewable energy zone in the Khavda area of Gujarat under Phase-IV (7GW): Part E3 on Regulated Tariff Mechanism mode.

10. The Ministry of Power, Government of India, vide its letter dated 28.10.2021, issued terms of reference to the NCT and, *inter alia*, directed that the NCT will approve the ISTS costing between Rs.100 crore and Rs.500 crore or such limit as prescribed by

the Ministry of Power from time to time, along with their mode of implementation under intimation to the Ministry of Power. The Ministry of Power further directed that ISTS costing less than or equal to Rs.100 crore, or such limit as prescribed by the Ministry of Power from time to time, will be approved by the Central Transmission Utility of India Limited (CTUIL) along with the mode of implementation under intimation to the NCT and the Ministry of Power, Government of India. The relevant portion of the said order dated 28.10.2021 is extracted as under:

*“2. Terms of Reference (ToR) of the NCT are as under: i.\*\*\*\*\**

*VIII. The NCT shall recommend to the Ministry of Power (MoP) for implementation of the ISTS for projects with cost more than Rs 500 crore, along with their mode of implementation i.e. Tariff Based Competitive Bidding (TBCB) / Regulated Tariff Mechanism (RTM), as per the existing Tariff Policy. However, the NCT shall approve the ISTS costing between Rs.100 crore to Rs.500 crore or such limit as prescribed by MoP from time to time, along with their mode of implementation under intimation to MoP. The ISTS costing less than or equal to Rs.100 crores, or such limit as prescribed by MoP from time to time, will be approved by the CTU along with their mode of implementation under intimation to the NCT and MoP. After approval of the ISTS by the NCT or the CTU (as the case may be), the TBCB project shall be allocated to Bid Process Coordinators through Gazette Notification, while the RTM project shall be allocated to CTU.”*

11. NCT, vide its letter dated 7.7.2023, informed that the transmission system was approved in its 14<sup>th</sup> meeting held on 9.6.2023. The relevant portions of the NCT letter dated 7.7.2023 are extracted as under:

*“The undersigned is directed to inform that NCT has approved implementation of the following ISTS Transmission Scheme in its 14th meeting held on 09.06.2023, in line with MoP office order dated 28.10.2021, to be implemented through Regulated Tariff Mechanism (RTM) route by agency as indicated below:*

***II. ISTS Transmission schemes, costing between Rs.100 crore To Rs.500 crore, approved by the NCT***

S.No.	Name of Transmission Scheme	Implementation Mode	Implementation timeframe	Allocated to	Estimated Cost (Rs. crore)
3.	Transmission Scheme for Evacuation of Power from the potential renewable energy zone in the Khavda area of Gujarat under Phase-IV (7GW): Part E3	RTM	24 months	KPS3 Transmission Ltd. (Subsidiary of POWER GRID)	216

*The above schemes are awarded to CTUIL for implementation under RTM mode. CTUIL is requested to take necessary actions for entering into a concession agreement with the respective agency for implementation of the above schemes.”*

12. Based on the above, CTUIL, vide its Office Memorandum dated 10.7.2023, communicated to the Petitioner regarding the implementation of the transmission scheme for evacuation of power from the potential renewable energy zone in the Khavda area of Gujarat under Phase-IV (7GW): Part E3 on RTM mode along with the name of implementing agency, i.e. the Petitioner. The relevant portions of the said Office Memorandum dated 10.7.2023 are extracted as under:

**“Sub: Implementation of ISTS Transmission/Communication Schemes approved by NCT in its 14<sup>th</sup> meeting held on 09-06-2023 under Regulated Tariff Mechanism (RTM).**

*NCT vide its letter dated 07-07-2023 has awarded the following ISTS Transmission/Communication Scheme for its implementation under RTM mode by implementing agencies as indicated in the table below:*

Sl.	Transmission/Communication Schemes	Implementation Agency
<b>II. ISTS costing between Rs.100 Crs. To Rs.500 Crs.</b>		
3.	Transmission Scheme for Evacuation of Power from the potential renewable energy zone in the Khavda area of Gujarat under Phase-IV (7GW): Part E3	KPS3 Transmission Ltd. (Subsidiary of POWERGRID)

*The implementing agency shall enter into a concession agreement with CTUIL for implementation of the aforementioned Transmission/Communication schemes. However, pending finalization of Concession Agreement, it is requested initiate necessary actions for implementation of the aforementioned Transmission/Communication Schemes.”*

13. 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 judicial person. The Petitioner company has been incorporated under the Companies Act 2013 and is already a transmission licensee. 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, substations, 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”.*

14. Regulation 7 of the Transmission Licence Regulations, read with the order dated 22.1.2022 passed 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 Clauses (4), (7), (9) and (12) and dispensed with Clause (10) of Regulation 7], provides for the procedure for the grant of a transmission licence as under:

*“(1) The application for grant of 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.*

15. The Petitioner has filed the present Petition for the grant of a transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of web posting of the complete application. On perusal of the application, it is also noted that the Petitioner has served a copy of the application on the LTTCs for the Project.

16. The Petitioner has made the application as per Form-I prescribed in the Transmission Licence Regulations. The Petitioner posted its application on its website in Form-II on 5.1.2024 in English and Gujarati. It has been submitted by the Petitioner that no objection has been received in response to the public notices.

17. The Petitioner has served a copy of the application on the CTUIL as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTUIL, vide its letter dated 24.1.2024, has recommended the grant of a transmission licence to the Petitioner. The relevant portions of the said letter dated 24.1.2024 are extracted as under:

*“This has reference to the Petition with Dairy No. 45/2024 dated 16.01.2024 filed by **M/s POWERGRID KPS3 Transmission Limited** before Hon’ble Commission vide which **M/s PK3TL** has requested CTU for issuance of recommendation for grant of Transmission License for implementation of subject transmission scheme. In this regard, the following is submitted:*

- 1. **M/s PK3TL** has filed a petition under Section 14 of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License for implementation of **“Transmission Scheme for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7 GW): Part E3”** project on Build, Own, Operate and Transfer (BOOT) basis at ISTS. The detailed scope of the transmission scheme is enclosed at **Annexure-I**.*
- 2. As per section 15(3) of the Electricity Act, 2003 and Regulation 7(6) of Transmission License Regulations, 2009, a copy of the application for the grant of transmission license, for the above transmission system has been received on 16.01.2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.*
- 3. In reference to “Transmission Scheme for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7 GW); Part E3”, the following is submitted:*
  - (i) The government of India has set a target for establishing 500GW non-fossil generation capacity by 2030, which also includes 30GW RE potential in the Khavda area of Gujarat under ISTS. The subject transmission scheme, involves augmentation of transformation capacity at KPS3(GIS) by 1X1500 MVA, 765/400 kV ICT (7th) on Bus section-I.*
  - (ii) Establishment of KPS3 (GIS) is currently under implementation stage by POWERGRID KPS3 Transmission Limited covered in transmission scheme “Establishment of Khavda Pooling Station -3 (KPS3) in Khavda RE Park”.*
  - (iii) The subject transmission scheme is a part of Transmission Scheme for evacuating 7GW additional power from the potential RE zone in the Khavda area in Gujarat (beyond 15GW).*

(iv) The subject transmission scheme was discussed and agreed upon in the held amongst CEA, CTU & GRID-INDIA held on 20.04.2023 & 09.05.2023. Extracts of the minutes of meeting is enclosed at Annexure-II.

(v) The subject transmission scheme was also discussed in the 47<sup>th</sup> WRPC meeting held on 15.06.2023. Extracts of the minutes of 47<sup>th</sup> WRPC & 48<sup>th</sup> TCC meeting are enclosed at Annexure- IV.

(vi) The subject transmission scheme was also discussed and agreed in the 14<sup>th</sup> NCT meeting held on 09.06.2023 wherein it was decided to implement the subject transmission scheme through RTM route. Extracts of the minutes of 14<sup>h</sup> NCT meeting are enclosed at Annexure-V.

4. National Committee on Transmission vide letter dated 07.07.2023 awarded the above transmission scheme i.e **Transmission Scheme for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7 GW) Part E3** to CTUIL for implementation under RTM mode by **KPS3 Transmission Limited (name changed to POWERGRID KPS3 Transmission Limited)** with implementation time frame of 24 months from date of allocation, i.e. by 06.07.2025. A copy of the NCT allocation letter is enclosed at Annexure-VI. CTUIL vide letter dated 10.07.2023 to **PK3TL** forwarded NCT's referred letter and informed regarding allocation of the above referred transmission scheme. Copy of CTU letter is enclosed at **Annexure-VII**.

5. In line with Section 15 (4) of Electricity Act, 2003 and Regulations 7(11) of Transmission License Regulations, 2009, CTU recommends grant of separate Transmission License to M/s POWERGRUD KPS3 Transmission Limited for executing the transmission scheme as mentioned in Para-1 above.”

18. Section 14 of the Act provides that the Appropriate Commission may, on an application made to it under Section 15, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licence. Section 16 of the Act provides that the Appropriate Commission may specify any general or specific conditions which shall apply either to a licensee or a class of licensees, and such conditions shall be deemed to be conditions of such licence. The Commission has specified the Transmission Licence Regulations. Regulation 6 of the said Regulation lays down the eligibility criteria for the grant of a transmission licence as under:

*“6. Eligibility for Grant of licence:*



*(a) No person shall be eligible for grant of licence unless it is—(a) selected through the process under the guidelines for competitive bidding, or*

*(b) a State owned or controlled company identified as a project developer on or before 5.1.2011, or*

*(c) a generating company which has established the dedicated transmission line, and intends to use such dedicated transmission line as the main transmission line and part of the inter-State transmission system.”*

19. In the present case, the Petitioner does not fulfil any of the eligibility conditions for the grant of a transmission licence. However, the instant transmission scheme has been approved by the NCT in its 14<sup>th</sup> meeting held on 9.6.2023 and allocated to the Petitioner under RTM mode. Subsequently, CTUIL, vide its OM dated 10.7.2023, has informed regarding the allocation of the scheme to the Petitioner under RTM mode. The non-grant of a transmission licence to any agency nominated by NCT to implement a transmission scheme through a Regulated Tariff Mechanism in view of the provisions of Regulation 6 defeats the purpose of the Policy decision of the Government. We are of the view that it is a fit case for a relaxation of the provisions of Regulation 6 by invoking the power vested under Regulation 24 of the Transmission Licence Regulations.

20. Regulation 24 of the Transmission Licence Regulations, dealing with the power to relax in appropriate cases, provides as under:

*“24. The Commission may, when it considers necessary or expedient to do so and for reasons to be recorded in writing, relax or depart from any of the provisions of these regulations”.*

21. It is an established principle of law that the power to relax has to be strictly construed and is to be exercised judiciously and with caution. Further, the power to relax

is to be exercised only when undue hardship is caused by the application of the rules or regulations. In the present case, the Petitioner is a transmission licensee who is already implementing the project defined under its scope through the TBCB mechanism. The present Petition is consequent to the office order 28.10.2021 notified by the Ministry of Power, Government of India, wherein CTUIL has been authorized to determine the mode of implementation of ISTS projects costing up to Rs. 100 crores to 500 crores. Pursuant to the direction of the Ministry of Power and approval accorded by NCT in its 14<sup>th</sup> meeting, CTUIL, vide its Office Memorandum dated 10.7.2023, has informed regarding a list of Projects to be implemented through a Regulated Tariff Mechanism, which also includes the transmission scheme of the present Petition.

22. Since the Petitioner is already an inter-State transmission licensee and has been identified as an agency to implement the project as per RTM, the Commission, in the exercise of power under Regulation 24, hereby relaxes the provision of Regulation 6 of the Transmission Licence Regulations and holds that the Petitioner is eligible for the grant of a transmission licence. We, hereby, 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 a transmission licence aforesaid. The objections or suggestions, if any, shall be filed by any person before the Commission by **19.4.2023**.

23. CTUIL is directed to submit on an affidavit within two weeks a copy of the approval of the Central Government for the transmission system for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part E3 through "Regulated Tariff Mechanism" basis 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.

24. The Petition shall be listed for the hearing on **23.4.2024**.

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

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

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