



केन्द्रीय विद्युत विनियामक आयोग  
CENTRAL ELECTRICITY REGULATORY COMMISSION



**Dr. Pramod Deo**  
Chairperson

No. 3/1/2009-RA/(T)/PPP/CERC  
Dated the 12<sup>th</sup> November, 2009

Dear *Shri Brahma,*

The Commission has come to know from meeting notices that the Planning Commission is undertaking an exercise for developing Model Transmission Agreement (MTA) for Public Private Partnership (PPP) in Power Sector. The Planning Commission has called the States and other stakeholders for consultation on this draft document. They have also invited some of the investors and financial institutions. The Ministry of Power has also been invited by the Planning commission in these meetings.

2. Ministry of Power has already notified the guidelines and Standard Bidding Documents for tariff based competitive bidding for procuring transmission services under Section 63 of the Electricity Act, 2003. An Empowered Committee chaired by one of the Members of the Commission is overseeing and supervising the tariff based competitive being undertaken at the inter-State level. With significant efforts of all concerned, this process has now stabilized and the bids have already been processed for three projects. Various issues emerging in this process are being deliberated in the Coordination Forum constituted under the Electricity Act, 2003. The Commission is also seized with the needed action on some of these issues. To sum-up, the process of bidding under the guidelines issues by the Ministry of Power has been now understood by the project developers and other stakeholders including the State Transmission Utilities.

3. The new exercise by Planning Commission of drafting another model document for private sector participation in transmission segment of power sector would create avoidable confusion among the stakeholders. Such a document would also not have sanctity under the provisions of the Electricity Act. The Electricity Regulatory Commissions have the mandate of adopting the tariff discovered only through the process provided in Section 63 of the Electricity Act.

....2

4. In the interest of making smooth progress for promotion of investment in transmission projects, the Commission has decided to advise the Ministry of Power under Section 79(2)(iii) that the Central Government may consider to ensure that private sector participation is invited only under the statutory framework of the Electricity Act. If the Planning commission has some suggestions the same may be looked into and after due consultation with stakeholders may be considered for incorporating in the guidelines and Standard Bidding Documents issued by the Ministry of Power.

Best regards,

Yours sincerely,

*Pramod Deo*  
(Dr. Pramod Deo)

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