

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 97/MP/2021 along with IA No.34/2021

Subject : Petition under Section 79(1)(c), Section 79(1)(f) and Section 79(1)(k) of the Electricity Act, 2003 seeking appropriate directions to the Respondent, Central Transmission Utility of India Limited, to provide the Petitioner the precise location of the proposed Bhadla-III sub-station at which the Petitioner has since been granted Stage-II Connectivity in place of earlier Stage-I Connectivity granted at the Bhadla-II sub-station, and to allow time to the Petitioner to open Bank Guarantee(s), and to sign a Transmission Agreement for Connectivity until such precise location of the Bhadla-III sub-station is intimated to the Petitioner.

Date of Hearing : 27.4.2021

Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Petitioner : Aravalli Surya (Project 1) Private Limited (ASPPL)

Respondent : Central Transmission Utility of India Limited (CTU)

Parties Present : Shri M.G. Ramachandran, Sr. Advocate, ASPPL
Shri Deep Rao Palepu, Advocate, ASPPL
Shri Saahil Kaul, Advocate, ASPPL
Ms. Suparna Srivastava, Advocate, CTU
Shri Tushar Mathur, Advocate, CTU
Ms. Jyoti Prasad, CTU

Record of Proceedings

Case was called out for virtual hearing.

2. Learned senior counsel for the Petitioner submitted that the present Petition has been filed, *inter alia*, seeking direction to the Respondent, CTU to provide the Petitioner with the precise location of the proposed Bhadla-III pooling sub-station ('Bhadla-III sub-station') to which the Petitioner has been granted Stage-II connectivity and to allow time to the Petitioner to furnish connectivity bank guarantees ('bank guarantee') and to sign the Transmission Agreement for Connectivity until at least 30 days after such precise location of Bhadla-III sub-station is communicated. Learned senior counsel mainly submitted the following:

(a) The Petition is developing a 300 MW Solar Power Project ('the Project') and based on its application, CTU granted stage-I connectivity at Bhadla-II sub-station. However, on account of the capacity constraints at Bhadla-II sub-station, CTU subsequently granted stage-II connectivity to the Petitioner at the proposed Bhadla-III sub-station.



(b) However, the location of the proposed Bhadla-III sub-station has not yet been identified or finalized by CTU. Therefore, no approximate or tentative location has been provided to the Petitioner as is required under the Connectivity Regulations and the Revised Detailed Procedure for Grant of Connectivity to Project Based on Renewable Sources to Inter-State Transmission System ('Detailed Procedure').

(c) Despite the uncertainty regarding the precise location of Bhadla-III sub-station, CTU has directed the Petitioner to furnish the bank guarantee and to execute Transmission Agreement for Connectivity in terms of clause 10.7 of the Detailed Procedure or else its stage-II connectivity will be revoked/terminated.

(d) The Petitioner cannot make a prudent assessment of the technical and commercial viability of the Project until CTU provides it with specific location of the Bhadla-III sub-station especially in view of recent directions of Hon'ble Supreme Court with regard to Great Indian Bustard. In the absence of any opportunity to assess the viability of the project without knowing the location of the proposed Bhadla-III sub-station, the Petitioner cannot be forced to execute the Transmission Agreement for Connectivity and furnish the bank guarantees as it would be liable for penal consequences in case of its failure to fulfill conditions of the Transmission Agreement.

(e) In terms of Clause 10.6 of the Detailed Procedure, the intimation for grant of stage-II connectivity, in case of a new sub-station, is required to include the confirmation of the location of sub-station and the SCOD.

(f) As an alternative, without prejudice, if in the meantime, adequate spare connectivity capacity becomes available for grant of Stage II connectivity to the Petitioner at the Bhadla-II sub-station, CTU may be directed to provide the Petitioner Stage-II connectivity at the Bhadla-II sub-station, in lieu of which the Petitioner undertakes to forthwith execute the Transmission Agreement for Connectivity and furnish the requisite bank guarantees.

(g) Regardless, to show its bona fides, the Petitioner is willing to enter into the Transmission Agreement for Connectivity and furnish the requisite bank guarantees within a period of 15 days provided the Petitioner is allowed the option to exit such arrangement without any consequences if upon the intimation of the precise location of the Bhadla-III sub-station, its project is becomes unviable.

3. Learned counsel for the Respondent, CTU accepted the notice and mainly submitted the following:

(a) The Petitioner's application for grant of connectivity was deliberated during the 42nd NR Constituents' meeting of Connectivity/LTA application held on 28.1.2021. Minutes of the said Meeting indicate that after deliberating on various possibilities, stage-II connectivity for the Petitioner's Project was considered and agreed for grant at Bhadla-III sub-station through 220 kV S/c transmission line with 220 kV bay at Bhadla-III PS under ISTS.

(b) Accordingly, CTU vide its letter dated 17.3.2021 intimated the Petitioner about grant of stage-II connectivity to Bhadla-III sub-station in which it was

informed that Bhadla-III sub-station is to be approved by Ministry of Power and details thereof will be provided upon the finalization.

(c) In terms of Clause 10.6 (iii) of the Detailed Procedure, CTU is required to provide the location of sub-station, SCOD and allocation of bays after the finalizing the same in consultation with the implementing transmission licensee within three months of award of the contract for construction of such sub-station.

(d) Since the approval of scheme of Bhadla-III sub-station is pending before the Ministry of Power, CTU is unable to give the precise location of the said sub-station. However, CTU has already indicated a tentative location for connectivity i.e. Bhadla-III sub-station vide intimation for grant of stage-II connectivity.

(e) As per Clause 10.7 of the Detailed Procedure, stage-II connectivity grantee i.e. the Petitioner is required to sign the Transmission Agreement for Connectivity and submit the bank guarantee to CTU within the 30 days of issue of intimation of grant of connectivity.

(f) Accordingly, the Petitioner ought to be directed to enter into Transmission Agreement for Connectivity and to furnish bank guarantee. In any case, any adverse consequences pursuance thereof will only arise after the period of 24 months from the date of intimation of the exact location of Bhadla-III sub-station.

4. After hearing the learned senior counsel for the Petitioner and learned counsel for the Respondent, CTU, the Commission ordered as:

Admit. Issue notice to the Respondents.

5. The Petitioner to serve copy of the Petition on the Respondent immediately, if not already served. The Respondent to file its reply, if any, by 26.5.2021 with advance copy to the Petitioner, who may file its rejoinder, if any, on or before 16.6.2021.

6. The Commission observed that since the scheme relating to Bhadla-III sub-station has already been put-up for the approval of Ministry of Power, Govt. of India, CTU may be in a position to indicate the likely location of Bhadla-III sub-station. Accordingly, the Commission directed CTU to communicate whatever information it has regarding the location of the Bhadla-III sub-station to the Petitioner within a week. Learned senior counsel for the Petitioner submitted that the Petitioner will enter into Transmission Agreement for Connectivity and will provide bank guarantees within fifteen days thereafter.

7. Learned senior counsel for the Petitioner also submitted that the Petitioner has also filed IA No.34/2021, *inter alia*, seeking direction to CTU not to take any coercive actions against the Petitioner including termination/revocation of Stage-II Connectivity during the pendency of the Petition. Considering the request of learned senior counsel for the Petitioner, the Commission directed CTU not to take any coercive actions against the Petitioner till the next date of hearing. Accordingly, the Commission disposed of IA No. 34/2021.

8. The Petitioner was directed to furnish on affidavit by 24.5.2021 the details relating to the status of its Project.

9. The Respondent, CTU was further directed to furnish the following details/information along with its reply:

(a) Capacity of Bhadla-II sub-station total number of bays and status of their allocation.

(b) Status of Bhadla-III sub-station.

10. The due date of filing of reply, rejoinder and information should be strictly adhered to.

11. The Petition shall be listed for hearing in due course for which separate notice will be issued.

By order of the Commission

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