

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 561/AT/2020**

**Coram:**

**Shri P.K. Pujari, Chairperson**

**Shri I.S.Jha, Member**

**Shri Arun Goyal, Member**

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

**Shri P. S. Mhaske, Member (Ex-officio)**

**Date of Order: 1<sup>st</sup> April, 2021**

**In the matter of:**

Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system being established by Vapi-II North Lakhimpur Transmission Limited.

**And**

**In the matter of**

Vapi-II North Lakhimpur Transmission Limited  
F-1, The Mira Corporate Suites, 1 & 2,  
Ishwar Nagar, Okhla Crossing,  
Mathura Road,  
New Delhi-110 065.

**....Petitioner**

**Vs**

- 1) Maharashtra State Electricity Distribution Company Limited  
Hongkong Bank Building, M.G. Road, Fort,  
Mumbai- 400 001
- 2) Gujrat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhawan, Race Course Road,  
Vadodara, Gujarat -390 007
- 3) M. P. Power Management Company Limited  
Shakti Bhawan, Vidyut Nagar, Rampur,  
Jabalpur, Madhya Pradesh – 482 008
- 4) Chhattisgarh State Power Distribution Company Limited  
Vidyut Sewa Bhavan, Danganiya, Raipur,  
Chhattisgarh – 492 013

- 5) Goa Electricity Department  
Electricity Department, 3rd Floor, Vidyut Bhavan,  
Panjim, Goa – 403 001
- 6) DNH Power Distribution Corporation Limited  
Vidhyut Bhavan, 66 KV Road, Near Secretariat,  
Amli, Silvassa,  
U.T. of Dadra & Nagar Haveli – 396 230
- 7) Electricity Department, Daman & Diu  
Vidyut Bhavan, Somnath,  
Kachigam Road, Kachigam,  
Daman – 396 210
- 8) Department of Power, Arunachal Pradesh  
Vidyut Bhavan, Zero Point Tinali, Itanagar,  
Arunachal Pradesh – 791 111
- 9) Assam Power Distribution Company Limited  
5th Floor, Bijulee Bhawan,  
Paltan Bazar,  
Guwahati – 781 001
- 10) Manipur State Power Distribution Company Limited  
3rd Floor, New Directorate Building, Near 2nd MR Gate,  
Imphal-Dimapur Road,  
Imphal, Manipur – 795 001
- 11) Meghalaya Energy Corporation Limited  
Lumjingshai, Short Round Road,  
Shillong – 793 001  
Meghalaya
- 12) Power and Electricity Department, Mizoram  
Kawlphetha Building,  
New Secretariat Complex,  
Khatla, Aizawl  
Mizoram – 796 001
- 13) Department of Power, Nagaland  
Electricity House,  
A.G. Colony, Kohima,  
Nagaland - 797 001
- 14) Tripura State Electricity Corporation Limited  
Bidyut Bhaban, Banamalipur, Agartala,  
Tripura – 799 001

15) PFC Consulting Limited  
First Floor, Urjanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi - 110 001

16) Power Grid Corporation of India Limited  
Central Transmission Utility,  
B-9, Qutub Institutional Area,  
Katwaria Sarai,  
New Delhi – 110 016

.....Respondents

**Parties present:**

Shri Deep Rao Palepu, Advocate, VNLTL  
Ms.Harneet Kaur, Advocate, VNLTL  
Shri TAN Reddy, VNLTL  
Shri Anindya Khare, MPPMCL  
Shri Manoj Dubey, MPPMCL

**ORDER**

The Petitioner, Vapi-II North Lakhimpur Transmission Limited, has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for adoption of transmission charges in respect of Western Region Strengthening Scheme-XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme- IX ("NERSS-IX") to be established on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to as 'the Transmission System' or 'the Project').

2. After filing of the present Petition, BPC (Bid Process Coordinator), vide letter dated 27.7.2020, was directed to submit the relevant documents regarding complete process of competitive bidding. The necessary details have been filed by the BPC under affidavit dated 5.8.2020.

3. The matter was called out for hearing on 27.8.2020 through video conferencing after notices to all the Respondents including the LTTCs of the Project. Maharashtra State Electricity Distribution Company Limited (MSEDCL) has filed its reply.

4. MSEDCL vide its reply dated 27.11.2020 has submitted that the Commission may adopt the levelized transmission charges for the Project discovered through competitive bidding process after prudence check.

5. The matter was further called out for hearing on 5.3.2021 through video conferencing. During the course of the hearing, on the request of the learned counsel for the Madhya Pradesh Power Transmission Limited (MPPTCL), one week time was granted to MPPTCL to file written submission. However, no written submission has been filed by MPPTCL.

6. Case was called out for hearing on 19.3.2021 through video conferencing. The learned counsel for MPPTCL submitted that MPPTCL adopted the submissions made by MSEDCL in its reply. It was observed by the Commission during the hearing that the discovered levelised transmission charges are higher as compared to levelised tariff calculated as per the norms specified in the Tariff Regulations formulated by the Commission for projects under Section 62 of the Act. In response, the learned counsel for the Petitioner submitted that the agenda of reasonability of cost discovered in the tariff based competitive bidding conducted by the BPC was *inter alia* discussed in the meetings of the National Committee on Transmission (in short, "the NCT") held on 3.1.2020 and 22.1.2020. It was opined in the said meetings that the levelized tariff for the Project was reflective of the prevailing market price, and has been discovered through a transparent competitive bidding process involving e-reverse auction. The NCT also noted the urgent

requirement for implementation of the Petitioner's Project. It was submitted by the learned counsel for the Petitioner that relying on the deliberations and the opinion of the NCT in the said meetings, the Bid Evaluation Committee (BEC) also arrived at a conclusion that the tariff was in line with the market conditions. Subsequently, the Bid Evaluation Committee decided in its meeting held on 19.2.2020 to recommend issue of Letter of Intent (LOI) to the Petitioner and LOI was issued by BPC on 2.3.2020. The Petitioner has also placed on record a certificate dated 19.2.2020 issued by BEC as per the Guidelines. It was further submitted by the learned counsel for the Petitioner that the lead LTTC, MSEDCL in its reply dated 23.11.2020 has also supported for adoption of transmission tariff and for grant of transmission licence to the Petitioner.

7. We have considered the submissions of the Petitioner and the Respondents and perused documents on record. Section 63 of the Act provides as under:

***“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”***

8. Ministry of Power, Government of India has notified the 'Tariff based Competitive-bidding Guidelines for Transmission Service' (hereinafter referred to as 'the Guidelines') under Section 63 of the Act vide Resolution No. 11/5/2005-PG(i) dated 13.4.2006. The salient features of the Guidelines are as under:

a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding and for selection of Transmission Service Provider (TSP) for new transmission lines and to Build, Own, Maintain and Operate the specified transmission system elements.

b) For procurement of transmission services, required for inter-State transmission Project, the Central Government shall notify any Central Government

Organization or any Central Public Sector Undertakings, or its wholly owned subsidiary (Special Purpose Vehicle) as the Bid Process Coordinator (BPC) who would be responsible for coordinating the bid process.

c) The BPC shall prepare the bid documents in accordance with the Guidelines and obtain approval of the Appropriate Commission or alternatively, the BPC can use the Standard Bid Documents notified by the Ministry of Power, Government of India. Approval of the Appropriate Commission would be necessary if any material deviation is proposed to be made in the Standard Bid Documents. BPC shall also send the intimation about the initiation of the bid process to the Appropriate Commission.

d) For procurement of transmission services under the Guidelines, the BPC may adopt at its option either a two-stage process featuring separate Request for Qualification (RfQ) and Request for Proposal (RfP) or adopt a single stage two envelope tender process combining both RfQ and RfP processes.

e) RfQ or combined RfQ and RfP notice shall be issued in at least two national newspapers, on websites of the BPC and the Appropriate Government and preferably in the trade magazines also to provide wide publicity. For the purpose of issue of RfQ, minimum conditions to be met by the bidder shall be specified in RfQ notice. The bidding shall be by way of International Competitive Bidding.

f) Standard documentations to be provided in the RfQ stage shall include definitions of requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, qualification required to be met by bidders and conditions as specified by the Appropriate Commission for being eligible to obtain transmission licence, etc.

g) Standard documentations to be provided by BPC in the RfP shall include specified target dates/ months for commissioning and commercial operations and start of providing transmission services, Transmission Service Agreement (hereinafter referred to as 'the TSA') proposed to be entered into with the selected bidder, period of validity of offer of bidder, bid evaluation methodology to be adopted

by the BPC, discount factor to be used for evaluation of the bids, specification regarding the bid bond and project completion guarantee to be furnished by the bidders, proposed Indemnification Agreement between the TSP and the utilities, amount of contract performance guarantee as percentage of the project cost, liquidated damages that would apply in the case of delay in start of providing the transmission services and other technical and safety criteria to be met by the bidder/TSP including the provisions of Indian Electricity Grid Code (hereinafter referred to as 'the Grid Code').

h) To ensure competitiveness, the minimum number of qualified bidders shall be two. The Empowered Committee shall constitute a committee for evaluation of the bids with at least one member from Central Electricity Authority (CEA), not less than two members from the concerned Regional Power Committees and at least one independent member. The bids shall be opened in public and representative of the bidders shall be allowed to remain present. The technical bids shall be scored to ensure that only the bids that meet the minimum technical criteria set out in RfQ shall be considered for further evaluation on the transmission charge bids. The transmission charge bid shall be rejected if it contains any deviation from the tender conditions for submission of the same. The bidder, who has quoted the lowest transmission charge as per the evaluation procedure, shall be considered for award.

i) The Guidelines provide for suggested timetables for the bid process. The timeline suggested for two stage bid process is 145 days and single stage two envelope bid process is 180 days. BPC is empowered to give extended time-frame based on the prevailing circumstances and such alterations shall not be construed as deviation from the Guidelines.

j) The selected bidder shall make an application for grant of transmission licence to the Appropriate Commission within ten days from the date of issue of Letter of Intent (LoI) or signing of TSA, whichever is later, subject to further extension of time as provided under Clause 2.4 of the RfP.

k) BPC shall make the final result of evaluation of all bids public. The final TSA along with the certification of Bid Evaluation Committee (BEC) shall be forwarded to the Appropriate Commission for adoption of tariff in terms of Section 63 of the Act.

9. Therefore, we have to examine whether the process as per provisions of the Guidelines has been followed in the present case for arriving at the lowest levelised transmission charges and for selection of the successful bidder.

10. Ministry of Power, Government of India, vide its Notification dated 4.5.2018 notified PFC Consulting Limited (hereinafter referred to as 'PFCCL') as BPC for the purpose of selection of bidder as Transmission Service Provider to establish 'Transmission System for Western Region Strengthening Scheme-XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme-IX (NERSS-IX)', through tariff based competitive bidding process.

11. Vapi-II North Lakhimpur Transmission Limited was incorporated on 25.6.2018 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCL with the objective to establish the 'Transmission System for Western Region Strengthening Scheme- XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme- IX (NERSS-IX)' and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company as mentioned in its Memorandum of Association are 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, sub-stations, 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".*



12. BPC prepared the bidding documents such as RfQ and RfP in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India. BPC started the process of selection of TSP with the publication of Global Invitation for Qualification for selection of developer on BOOM basis for the Project. The notice for RfQ was published on 14.8.2018 in all editions of Business Standard (English and Hindi), Hindustan Times (English) and Financial Times (Worldwide) with the last date of submission of response to RfQ as 13.9.2018. Intimation regarding the initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide letter No.04-05/ITP-28/18-19/RFQ dated 16.8.2018.

13. The key milestones in the bidding process were as under:

<b>S. No.</b>	<b>Events</b>	<b>Date</b>
1.	Publication of Request for Qualification	14.8.2018
2.	Submission of response to Request for Qualification	13.9.2018
3.	Issuance of Request for Proposal	13.11.2018
4.	RfP (Non- Financial) and Price Bid submission	27.5.2019
5.	RfP (Non- Financial) Bid Opening	27.5.2019
6.	RfP (Financial) Initial Price Offer-Opening	20.6.2019
7.	e-Reverse auction	21.6.2019
8.	Issuance of Letter of Intent to successful bidder	2.3.2020
9.	Signing of Share Purchase Agreement and transfer of Special Purpose Vehicle	23.6.2020

14. The scope of the Project as per the Request for Proposal and the Transmission Service Agreement is as under:

<b>S. No.</b>	<b>Name of the Transmission Element</b>	<b>Scheduled COD from effective date</b>
<b>Part A: Additional 400 kV outlets from Banaskantha 765/400 kV S/S</b>		
1.	LILO of second circuit of Zerda- Ranchodpura 400 kV D/c line at Banaskantha (PG) PS	28 months
<b>Part B: Establishment of new substation at Vapi/Ambethi area and its associated</b>		

<b>transmission lines.</b>		
1.	<p>Establishment of 2x500MVA, 400/220 kV GIS S/s near Vapi / Ambheti (Vapi-II)</p> <p>ICTs : 2x500 MVA, 400/220 kV</p> <p>400 kV</p> <ul style="list-style-type: none"> <li>- ICT bays: 2 nos.</li> <li>- Line bays: 4 nos.</li> <li>- Space for 2x500 MVA, 400/220 kV ICTs (future)</li> <li>- Space for 400/220 kV ICT bays (future): 2 nos.</li> <li>- Space for Line bays along with Line Reactors (future): 4 nos.</li> </ul> <p>220 kV</p> <ul style="list-style-type: none"> <li>- ICT bays: 2 nos.</li> <li>- Line bays: 6 nos. (2 for Sayali (DNH) and 4 nos. for GETCO)</li> <li>- Space for 400/220 kV ICT bays (future): 2 nos.</li> <li>- Space for Line bays (future): 6 nos.</li> </ul>	34 Months
2.	LILLO of KAPP-Vapi 400 kV D/c line at Vapi-II	34 Months
3.	<p>125 MVAR bus reactor at Vapi-II Substation</p> <ul style="list-style-type: none"> <li>-Bus Reactor: 1x125 MVAR</li> <li>-Bus Reactor Bay: 1 no</li> <li>-Space for 420 kV additional Bus Reactor 1 no.</li> </ul>	34 Months
4.	<p>Vapi-II-Sayali 220 kV D/c line</p> <p>-From Vapi-II upto LILLO point of one circuit of Vapi(PG)-Khadoli 220 kV D/c line at Sayali substation with ampacity equivalent to twin zebra conductor.</p> <p>-Interconnection with LILLO section (of LILLO of one circuit of Vapi (PG)-Khadoli 220 kV D/c line at Sayali substation) so as to form Vapi-II-Sayali 220 kV D/c line and Vapi- Khadoli 220 kV D/c line. (The LILLO section is with zebra conductor)</p>	34 Months
<b>Part C: Additional ISTS feed to Navi Mumbai 400/220 kV substation of POWERGRID</b>		
1.	Padghe (PG) - Kharghar 400 kV D/c (quad) line to be terminated into one ckt. of Kharghar- Ghatkopar 400 kV D/c (quad) line (thus forming Padghe (PG) - Kharghar 400 kV S/c (quad) line, Padghe (PG)- Ghatkopar 400 kV S/c (quad) line)	42 months
2.	LILLO of Padghe (PG)- Ghatkopar 400 kV S/c line at Navi Mumbai GIS (PG) (with quad conductor)	42 months
3.	LILLO of Apta- Kalwa/Taloja 220 kV D/c line (i.e. Apta-Kalwa and Apta Taloja 220 kV lines) at Navi Mumbai (PG)	30 months
<b>Part D: North Eastern Region Strengthening Scheme – IX</b>		
1.	Pare HEP (NEEPCO) (from near LILLO point) -North Lakhimpur (AEGCL) 132 kV D/c line (with ACSR Zebra	36 months

	conductor) along with 2 no. 132 kV line bays at North Lakhimpur end.	
2.	LILO of one circuit of Pare HEP-North Lakhimpur (AEGCL) 132 kV D/c line (with ACSR Zebra) at Nirjuli (POWERGRID) sub-station.	36 onths

15. The identified Long Term Transmission Customers (LTTCs) of the Project, who have signed the TSA, are as under:

S. No.	Name of the Long Term Transmission Customers
1.	Maharashtra State Electricity Distribution Company Limited
2.	Gujarat Urja Vikas Nigam Limited
3.	M.P. Power Management Company Limited
4.	Chhattisgarh State Power Distribution Company Limited
5.	Goa Electricity Department
6.	DNH Power Distribution Corporation Limited
7.	Electricity Department, Daman & Diu
8.	Department of Power, Arunachal Pradesh
9.	Assam Power Distribution Company Limited
10.	Manipur State Power Distribution Company Limited
11.	Meghalaya Energy Corporation Limited
12.	Power and Electricity Department, Mizoram
13.	Department of Power, Nagaland
14.	Tripura State Electricity Corporation Ltd.

16. As per the decision of the Empowered Committee on Transmission, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

a)	Smt. Kamlesh Sekhon, Sr. Vice President & Head, SBI Capital Markets Limited, New Delhi	Chairman
b)	Shri S.P.Gupta, Chief Engineer (Procurement), M.P.Power Transmission Co. Limited	Member
c)	Shri Khanindra Narayan Adhikary, General Manager (UA T&T), Assam Electricity Grid Corporation Limited	Member
d)	Shri Sanjay Srivastava, Chief Engineer, (PSETD), CEA	Member
e)	Shri Awdhesh Kumar Yadav, Director (PSPA-I), CEA	Member
f)	Shri VND Manavalan, Chairman, Vapi II-North Lakhimpur Transmission Limited, New Delhi	Convener-Member

17. Responses to RfQ were received from the following eight bidders:

<b>S. No.</b>	<b>Name of Bidders</b>
1.	ReNew Power Limited
2.	The Tata Power Company Limited
3.	Sterlite Grid 13 Limited
4.	Smart Power Grid Limited
5.	Torrent Power Limited
6.	Adani Transmission Limited
7.	CLP India Private Limited
8.	Alfanar Company

18. The responses to RfQ were opened on 13.9.2018 in the presence of BEC and the representatives of the bidders. Based on the evaluation of the responses to RfQ, the BEC declared seven of the eight bidders (except for Alfanar Company), as qualified to participate in RfP stage.

19. Out of the seven qualified bidders, the following two bidders submitted RfP (Non-Financial and Financial) bids:

<b>S.No.</b>	<b>Name of Bidders</b>
1.	Adani Transmission Limited
2.	Sterlite Grid 13 Limited

20. The RfP (Non-Financial) Bids of both the bidders were opened through MSTC portal on 27.5.2019 by the BEC in the presence of representative of the bidders. The RfP (Financial) Bids-Initial Price Offer of both the bidders was opened online by the BEC on 20.6.2019. The lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 3250.04 million per annum for participating in the e-Reverse auction. BEC recommended both the bidders to participate in the e-Reverse auction stage and to submit their final

offers. These two bidders quoted the Initial Price Offer (Levelised Transmission Charges) as under:

<b>S.No.</b>	<b>Name of Bidders</b>	<b>Levelised Transmission Charges from the Initial Offer (Rs. in Million)</b>	<b>Rank</b>
1.	Sterlite Grid 13 Limited	3250.04	L1
2.	Adani Transmission Limited	3600.80	L2

21. The e-Reverse auction was carried out at MSTC portal on 21.6.2019 in the presence of members of BEC after intimating above two bidders regarding lowest initial price offer. After 86 rounds of bidding, the following levelised transmission tariff emerged for each bidder (in ascending order):

<b>S.No</b>	<b>Name of Bidders</b>	<b>Levelised Transmission Charges from the Final Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Sterlite Grid 13 Limited	2565.92	L-1
2.	Adani Transmission Limited	2572.38	L-2

22. Pursuant to the completion of e-Reverse auction, BEC in its meeting held on 10.7.2019 observed that as per norms specified in the Tariff Regulations of the Commission and costs provided by Cost Committee, the levelised transmission charges for the Project worked out to Rs. 1767.17 million per annum and that the levelised transmission charges of Rs. 2565.92 million per annum as discovered through the bidding process were higher by 45.2%. Accordingly, BEC advised BPC to consult the Cost Committee (to review the cost of estimates if required) and CEA to assess the reasonability of the discovered price.

23. Accordingly, BPC requested CEA to convene meeting of the Cost Committee to discuss the cost estimate of the Project. The Cost Committee prepared its report dated

16.10.2020 and pursuant thereto, the matter was once again taken up by BEC in its meeting held on 31.10.2020. After detailed deliberation on the report of Cost Committee, BEC proposed to recommend to BPC for issuance of Lol to the successful bidder (L-1) even though the discovered levelised Transmission Charges were higher as compared to the levelised tariff calculated as per the norms specified in the Tariff Regulations of the Commission. In this regard, BEC sought appropriate guidance from Empowered Committee/NCT as to whether the BEC should recommend to BPC to issue Lol to the lower bidder or advice otherwise. Consequently, the matter was discussed in NCT meetings held on 3.1.2020 and 22.1.2020. In the said meetings, NCT opined the following:

*“In view of the urgent requirement of the various elements of the ISTS transmission scheme (WRSS-XIX & NERSS-IX) and to facilitate utilization of the Navi Mumbai 400/220 kV S/s which is lying stranded, the implementation of the WRSS-XIX & NERSS-IX scheme need to be taken up on priority basis.*

*ii. The levelized tariff discovered for the transmission scheme “Western Region Strengthening Scheme-XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme-IX (NERSS-IX)” is comparable with the levelized tariff discovered for the intra-State transmission scheme 400 kV Vikhroli Receiving Station and Associated Incoming Transmission Lines for Strengthening of Mumbai Transmission System bid out by MSETCL in December 2019.*

*iii. The levelized tariff for the ISTS transmission scheme (WRSS-XIX & NERSS-IX) has been discovered through a transparent bidding process involving e-Reverse Auction. Therefore, it can be taken to reflect the prevailing market price.”*

24. Considering the opinion of NCT, BEC in its meeting held on 19.2.2020 recommended to issue Lol to Sterlite Grid 13 Limited with the lowest levelised transmission charges of Rs. 2565.92 million per annum.

25. Consequently, BPC issued Lol to the successful bidder i.e. Sterlite Grid 13 Limited on 2.3.2020. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted the

final result of the evaluation of the bids for selection of developer for the Project on the website of PFCCL.

26. In accordance with the provisions of the bid documents and Lol issued in its favour, the Petitioner has prayed for adoption of the transmission charges for the Project which has been discovered through the process of competitive bidding.

27. In accordance with Clause 2.4 of RfP, the selected bidder shall within 10 days of issue of Lol, accomplish the following tasks:

- a) Provide Contract Performance Guarantee in favour of the LTTCs;
- b) Execute the Share Purchase Agreement;
- c) Acquire, for the acquisition price, one hundred percent equity shareholdings of Vapi-II North Lakhimpur Transmission Limited along with all its related assets and liabilities;
- d) Make an application to this Commission for adoption of transmission charges under Section 63 of the Act; and
- e) Apply to this Commission for grant of transmission licence.

28. The proviso to Clause 2.4 of the RfP provides that "Provided further that, if for any reason attributable to the BPC, the above activities are not completed by the selected bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day for day basis till the end of the Bid validity period". Though Lol was issued on 2.3.2020, BPC, vide its letter dated 23.6.2020, in terms of Clauses 2.4, 2.5 and 2.6 of RfP, extended the date upto 3.7.2020 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee to the Long Term Transmission Customers of the Project for Rs.

37.64 crore and acquired hundred percent equity-holding in the applicant company on 23.6.2020 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the present Petition for adoption of transmission tariff under Section 63 of the Act on 25.6.2020.

29. In accordance with the Competitive Bidding Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. In the minutes of Bid Evaluation Committee meeting held on 19.2.2020, the following has been recorded:

*“3. The BEC in its meeting held on July 10, 2019 (Copy of minutes enclosed at Annexure-A) for evaluation of final offer has noted the following:*

*(i) The final offer (Levelised Transmission Charges) of each Bidder as quoted at the time of closing of e-reverse bidding is as under:*

<b>S.No.</b>	<b>Name of Bidders</b>	<b>Levelised Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Levelised Transmission Charges from the Final Offer (in Rs. Million)</b>	<b>Rank</b>
1.	<b>Sterlite Grid 13 Limited</b>	3250.04 (L-1)	<b>2565.92</b>	<b>L-1</b>
2.	<i>Adani Transmission Limited</i>	3600.80 (L-2)	2572.38	L2

.....

10. Based on the deliberations and opinion of NCT, BEC proposes to go ahead with issuance of Lol to the successful Bidder based on the tariff discovered through e-RA held on 21.06.2019.

11. In view of above, BEC decided the following:

- (i) M/s Sterlite Grid 13 Limited is the Successful Bidder after the conclusion of the e-Reverse Auction with the lowest Levelised Transmission Charges of Rs. 2565.92 million per annum.*
- (ii) The Levelised Transmission Charges have been discovered through a transparent bidding process involving e-Reverse Auction and is acceptable.*
- (iii) In view of (i) and (ii) above, **M/s Sterlite Grid 13 Limited** may be issued Letter of Intent (Lol)..."*



30. Bid Evaluation Committee vide its certificate dated 19.2.2020 has certified as under:

*"It is hereby certified that:*

*1. M/s Sterlite Grid 13 Limited has emerged as the Successful Bidder with the lowest levelised transmission charge of Rs. 2565.92 million per annum for the subject project after completion of e-reverse bidding at MSTC portal.*

*2. The levelised transmission charges have been discovered through a transparent bidding process involving e-Reverse Auction is acceptable.*

*3. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time and the Standard Bid Documents (RfQ, RfP & TSA) notified by Ministry of Power, Govt. of India."*

31. In light of the discussions in preceding paragraphs, it emerges that selection of the successful bidder and the levelised tariff of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. BEC has also certified that the process is in conformity with the Guidelines. BEC in its certificate dated 19.2.2020 has certified that Sterlite Grid 13 Limited has emerged as the successful bidder after conclusion of e-Reverse auction with lowest levelised transmission charges of Rs. 2565.92 million per annum. BEC has further certified that the levelised tariff computed on the basis of rates quoted by the successful bidder, during e-Reverse auction, is acceptable. The year-wise tariff quoted by the successful bidder for computation of the levelised tariff of Rs. 2565.92 million per annum is contained in Schedule 6 of the TSA. Based on the certification of the BEC, we approve and adopt the transmission charges for the Project as per the **Appendix** (Schedule 6 of the TSA) to this order which shall remain valid throughout the period covered in the TSA. The sharing of the transmission charges by the LTTCs shall be governed by the provisions of the Central Electricity Regulatory

Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020.

32. A copy of this order shall be sent to CTU and Long Term Transmission Customers of the Transmission System.

33. Petition No. 561/AT/2020 is disposed of in terms of the above.

**Sd/-**  
**(P. S. Mhaske)**  
**Member**

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

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

**sd/-**  
**(I.S.Jha)**  
**Member**

**sd/-**  
**(P. K. Pujari)**  
**Chairperson**

## Appendix

Year (Term of Licence)	Commencement Date of Contract Year	End Date of Contract Year	Non- Escalable Transmission Charges (Rs. in Millions)	Escalable Transmission Charges (Rs. in Millions)
1	22-Dec-22	31-Mar-23	3508.32	28.02
2	1-Apr-23	31-Mar-23	3508.32	Same as above
3	1-Apr-24	31-Mar-24	3115.05	Same as above
4	1-Apr-25	31-Mar-25	2765.86	Same as above
5	1-Apr-26	31-Mar-26	2490.90	Same as above
6	1-Apr-27	31-Mar-27	2490.90	Same as above
7	1-Apr-28	31-Mar-28	2490.90	Same as above
8	1-Apr-29	31-Mar-29	2490.90	Same as above
9	1-Apr-30	31-Mar-30	2490.90	Same as above
10	1-Apr-31	31-Mar-31	2490.90	Same as above
11	1-Apr-32	31-Mar-32	2490.90	Same as above
12	1-Apr-33	31-Mar-33	2490.90	Same as above
13	1-Apr-34	31-Mar-34	2490.90	Same as above
14	1-Apr-35	31-Mar-35	2490.90	Same as above
15	1-Apr-36	31-Mar-36	2490.90	Same as above
16	1-Apr-37	31-Mar-37	2490.90	Same as above
17	1-Apr-38	31-Mar-38	2490.90	Same as above
18	1-Apr-39	31-Mar-39	2490.90	Same as above
19	1-Apr-40	31-Mar-40	2490.90	Same as above
20	1-Apr-41	31-Mar-41	2490.90	Same as above
21	1-Apr-42	31-Mar-42	2490.90	Same as above
22	1-Apr-43	31-Mar-43	2490.90	Same as above
23	1-Apr-44	31-Mar-44	2490.90	Same as above
24	1-Apr-45	31-Mar-45	2490.90	Same as above
25	1-Apr-46	31-Mar-46	2490.90	Same as above
26	1-Apr-47	31-Mar-47	2490.90	Same as above
27	1-Apr-48	31-Mar-48	2490.90	Same as above
28	1-Apr-49	31-Mar-49	2490.90	Same as above
29	1-Apr-50	31-Mar-50	2490.90	Same as above
30	1-Apr-51	31-Mar-51	2490.90	Same as above
31	1-Apr-52	31-Mar-52	2490.90	Same as above
32	1-Apr-53	31-Mar-53	2490.90	Same as above
33	1-Apr-54	31-Mar-54	2490.90	Same as above
34	1-Apr-55	31-Mar-55	2490.90	Same as above
35	1-Apr-56	31-Mar-56	2490.90	Same as above
36	1-Apr-57	35 <sup>th</sup> anniversary of the Scheduled COD	2490.90	Same as above