

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 599/TL/2020**

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

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

**In the matter of**

Application under Sections 14, 15 and 79(1)(e) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2009 with respect to grant of Transmission Licence to Vapi-II North Lakhimpur Transmission Limited.

**And**

**In the matter of**

Vapi-II North Lakhimpur Transmission Limited (VNLTL)  
F-1, The Mira Corporate Suites,  
1&2 Ishwar Nagar,  
Mathura Road,  
New Delhi – 110 065

**....Petitioner**

**Vs**

- 1) Maharashtra State Electricity Distribution Company Limited  
Hongkong Bank Building, M.G. Road, Fort,  
Mumbai- 400001
- 2) Gujrat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhawan, Race Course Road,  
Vadodara, Gujarat -390007
- 3) M. P. Power Management Company Limited  
Shakti Bhawan, Vidyut Nagar, Rampur,  
Jabalpur, Madhya Pradesh - 482008
- 4) Chhattisgarh State Power Distribution Company Limited  
Vidyut Sewa Bhavan, Danganiya, Raipur,  
Chhattisgarh – 492013
- 5) Goa Electricity Department  
Electricity Department, 3rd Floor, Vidyut Bhavan,  
Panjim, Goa – 403001



- 6) DNH Power Distribution Corporation Limited  
Vidhyut Bhavan, 66 KV Road, Near Secretariat,  
Amlı, Silvassa,  
U.T. of Dadra & Nagar Havelı – 396230
- 7) Electricity Department, Daman & Diu  
Vidyut Bhavan, Somnath,  
Kachigam Road, Kachigam,  
Daman -396210
- 8) Department of Power, Arunachal Pradesh  
Vidyut Bhavan, Zero Point Tinalı, Itanagar,  
Arunachal Pradesh - 791111
- 9) Assam Power Distribution Company Limited  
5th Floor, Bijulee Bhawan,  
Paltan Bazar,  
Guwahati-781001
- 10) Manipur State Power Distribution Company Limited  
3rd Floor, New Directorate Building, Near 2nd MR Gate,  
Imphal-Dimapur Road,  
Imphal, Manipur – 795001
- 11) Meghalaya Energy Corporation Limited  
Lumjingshai, Short Round Road,  
Shillong-793001  
Meghalaya
- 12) Power and Electricity Department, Mizoram  
Kawlphetha Building,  
New Secretariat Complex,  
Khatla, Aizawl  
Mizoram – 796001
- 13) Department of Power, Nagaland  
Electricity House,  
A.G. Colony, Kohima,  
Nagaland- 797001
- 14) Tripura State Electricity Corporation Limited  
Bidyut Bhaban, Banamalipur, Agartala,  
Tripura – 799001
- 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 Abhishek Kumar, Advocate, VNLTL  
Ms. Harneet Kaur, Advocate, VNLTL  
Shri TAN Reddy, VNLTL  
Shri Pulkit Sharma, VNLTL

**ORDER**

The Petitioner, Vapi-II North Lakhimpur Transmission Limited, has filed the present Petition for grant of transmission licence under Sections 14, 15 and 79(1)(e) of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “ the Transmission Licence Regulations”) to establish transmission system for “Western Region Strengthening Scheme- XIX (WRSS-XIX) and North Eastern Region Strengthening Scheme- IX (NERSS-IX)”, on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to as “the Project”) consisting of the following elements:

S. No.	Name of the Transmission Element	Line length (in Km)	Scheduled COD from effective date
<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	17.84	28 months
<b>Part B: Establishment of new substation at Vapi/Ambethi area and its associated transmission lines.</b>			
1.	Establishment of 2x500MVA, 400/220 kV GIS S/s near Vapi / Ambethi (Vapi-II)	-	34 Months
2.	LILO of KAPP-Vapi 400 kV D/c line at Vapi-II	5.96	34 Months
3.	125 MVar bus reactor at Vapi-II	-	34 Months



	Substation Bus Reactor: 1x125MVAR -Bus Reactor Bay: 1 no -Space for 420kV additional Bus Reactor 1 no		
4.	Vapi-II-Sayali 220 kV D/c line -From Vapi-II upto LILO point of one circuit of Vapi(PG)-Khadoli 220 kV D/c line at Sayali substation with ampacity equivalent to twin zebra conductor.  - Interconnection with LILO section (of LILO of one circuit of Vapi (PG)-Khadoli 220 kV D/c line at Sayali sub-station) so as to form Vapi-II-Sayali 220 kV D/c line and Vapi- Khadoli 220 kV D/c line. (The LILO section is with zebra conductor)	19.87	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)	68.76	42 months
2.	LILO of Padghe (PG)- Ghatkopar 400 kV S/c line at Navi Mumbai GIS (PG) (with quad conductor)	16.31	42 months
3.	LILO of Apta- Kalwa/Taloja 220 kV D/c line (i.e. Apta- Kalwa and Apta Taloja 220 kV lines) at Navi Mumbai (PG)	2.55	30 months
<b>Part D: North Eastern Region Strengthening Scheme – IX</b>			
1.	Pare HEP (NEEPCO) (from near LILO point)-North Lakhimpur (AEGCL) 132 kV D/c line (with ACSR Zebra conductor) along with 2 no. 132 kV line bays at North Lakhimpur end.	29.52	36 months
2.	LILO of one circuit of Pare HEP-North Lakhimpur (AEGCL) 132 kV D/c line (with ACSR Zebra) at Nirjuli (POWERGRID) sub-station	13.08	36 months

*Scheduled COD for overall Project: 42 months from the Effective Date*

2. The Petitioner has made the following prayers:

*“(a) Issue the Transmission License to the Petitioner for establishing, operating and maintaining the Project as provided under the TSA;*

*(b) Allow the Project to be part of the Inter-State Transmission System and direct that the recovery of transmission charges shall be in accordance with the terms of the CERC (Sharing of Inter-state Transmission Charges and Losses) Regulations, 2010;*

*(c) Condone any inadvertent errors omissions/ errors / shortcomings and permit the Petitioner to add/change/modify/alter these filings and make further submissions as may be required at a future date.”*



3. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by Ministry of Power, Government of India, under Section 63 of the Act, PFC Consulting Limited (PFCCL) was notified by Ministry of Power, Government of India vide Gazette notification dated 4.5.2018 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) 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 on BOOM basis.

4. PFC Consulting Limited in its capacity as the BPC initiated the bid process on 14.8.2018 and completed the same on 23.6.2020 in accordance with the Guidelines. Sterlite Grid 13 Limited was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 2565.92 million per annum in order to establish the Project and to provide transmission service to the following identified Long Term Transmission Customers (LTTCS) of the Project as specified in the TSA.

<b>S. No.</b>	<b>Name of the Long Term Transmission Customers</b>
1.	Chhattisgarh State Power Distribution Company Limited
2.	Goa Electricity Department
3.	Maharashtra State Electricity Distribution Company Limited
4.	Electricity Department, Daman and Diu
5.	DNH Power Distribution Corporation Limited
6.	Gujarat Urja Vikas Nigam Limited
7.	M.P. Power Management Company Limited
8.	Department Of Power, Arunachal Pradesh
9.	Assam Electricity Grid Corporation 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.

5. At RfQ (Request for Quote) stage, eight bidders, namely, ReNew Power Limited, the Tata Power Company Limited, Sterlite Grid 13 Limited, Smart Power Grid Limited, Torrent Power Limited, Adani Transmission Limited, CLP India Private Limited and Alfanar Company submitted their offers. Based on the evaluation of the responses to RfQ, Bid Evaluation Committee (BEC) declared seven (7) bidders out of eight bidders as qualified for participation in next stage of bid process i.e. RfP (Request for Proposal) stage, namely, ReNew Power Limited, the Tata Power Company Limited, Sterlite Grid 13 Limited, Smart Power Grid Limited, Torrent Power Limited, Adani Transmission Limited and CLP India Private Limited.

6. Two bidders, namely, Adani Transmission Limited and Sterlite Grid 13 Limited submitted their offers at RfP stage (Non-Financial and Financial). The RfP (Non-Financial) Bids of the two bidders were opened online on 27.5.2019 at MSTC (Metal Scrap Trading Corporation Ltd.) portal. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of the two bidders were opened on 20.6.2019. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 3250.04 million per annum. Both bidders were qualified to participate in the e-reverse auction stage. The e-reverse auction was carried out at MSTC portal on 21.6.2019 and after 86 rounds of bidding, the following levelised transmission tariff for each bidder (in ascending order) emerged:

S.No	Name of Bidders	Levelised Transmission Charges from the final offer (in Rs. Million)	Rank
1.	Sterlite Grid 13 Limited	2565.92	L-1
2.	Adani Transmission Limited	2572.38	L-2



7. As per the final Bid Evaluation Report dated 19.2.2020, Sterlite Grid 13 Limited emerged as the successful bidder with the lowest levelised transmission charges of Rs. 2565.92 million per annum. BEC vide its certificate dated 19.2.2020 has certified that entire bid process has been carried out in accordance with the Guidelines issued by the Ministry of Power under Section 63 of the Act. BEC has further certified that the levelised transmission charges have been discovered through a transparent bidding process involving e-Reverse Auction and is acceptable.

8. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to Sterlite Grid 13 Limited by the BPC on 2.3.2020 which was accepted by it. Under the terms of Request for Proposal (RfP) and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

(a) Provide Contract Performance Guarantee in favour of Long Term Transmission Customers (LTTCS);

(b) Execute Share Purchase Agreement and all other RfP documents;

(c) Acquire, for the Acquisition Price, 100% share equity share holding of Vapi-II North Lakhimpur Transmission Limited from PFCCL along with all its related assets and liabilities;

(d) Make an application to this Commission for adoption of transmission charges, as required under Section 63 of the Act; and

(e) Apply to this Commission for grant of transmission licence.

9. The Petitioner has furnished the Contract Performance Guarantee (CPG) for an aggregate value of Rs. 37,64,00,000 (Rupees Thirty Seven Crores Sixty Four Lakhs only) on 23.6.2020 and has acquired one hundred percent equity holding in Vapi-II North Lakhimpur Transmission Limited on 23.6.2020. Accordingly, the



Transmission Service Agreement executed between the TSP and the LTTCs dated 7.12.2018 became effective from 23.6.2020.

10. 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 juridical person. The Petitioner has been incorporated under the Companies Act, 2013. 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, 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”*

11. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified Transmission Licence Regulations in this regard. Regulation 3 of the Transmission Licence Regulations provides that the Empowered Committee shall identify the Projects included in the transmission plan to be developed under the Guidelines issued under Section 63 of the Act. Regulation 4 of the Transmission Licence Regulations provides that in case of project identified by the Empowered Committee for development under the Guidelines for competitive bidding, selection of the project





developer shall be made in accordance with the procedure laid down in the Guidelines. The Project under consideration has been identified by the Empowered Committee. Central Electricity Authority, vide its letter No. CEA-PS-11-21(25)/1/2018-PSPA-I division dated 7.1.2019 had issued prior approval to the Project under Section 68 of the Act. The selection of the Project developer, Vapi-II North Lakhimpur Transmission Limited (VNLTL), has been made in accordance with the Guidelines for competitive bidding.

12. Regulation 7 of the Transmission Licence Regulations provides for the procedure for grant of transmission licence as under:

*“(1) The application for grant of transmission 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 serve a copy of the application on each of the long-term customers of the project and shall submit evidence to that effect along with the application and shall also post the complete application along with annexures and enclosures on its website, the particulars of which shall be given in the application.*

*(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 making the application, publish a notice of its application in Form-II attached to these regulations, in at least two daily newspapers, one in English language and one in vernacular language, having circulation in each State or Union Territory where an element of the project or a long term customer is situate, in the same language as of the daily newspaper in which the notice of the application is published.*

*(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 in the newspapers 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 applicant shall within 15 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published, indicating the newspapers in which the notice has been published and the date and place of their publication and shall also file before the Commission the relevant copies of the newspapers, in original, in which the notice has been published.*

*(11) 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.*

*(12) 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 public notice published by him, within 45 days of serving copy of the application on 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.*

*(13) 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.”*

13. The Petitioner has approached the Commission by a separate application for adoption of transmission charges in respect of the Transmission System which is presently under consideration of the Commission and order in that Petition will be issued separately. The Petitioner has filed the present Petition for grant of transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the LTTCs and Central Transmission Utility and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of the transmission licence in terms of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for



grant of transmission licence to Vapi-II North Lakhimpur Transmission Limited (VNLTTL) with respect to the Transmission System as per details given in paragraph 1 above.

14. The Petitioner has made the Application as per Form-I and paid fee of Rs. one lakh as prescribed by the Central Government. On perusal of the Application, it is noted that the Petitioner has served copy of the Application on the LTTCs for the Project. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 2565.92 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee and proof of making the evaluation report public by the BPC as per the Guidelines.

15. The Petitioner vide its affidavit dated 9.7.2020 has placed on record the relevant copies of the newspapers wherein notices were published in terms of the Regulation 7(10) of the Transmission Licence Regulations. The Petitioner has published the notices on 1/2.7.2020 in Western Times (Ahmedabad and Gandhi Nagar editions), Business Standard (Mumbai edition), Assam Post (Guwahati edition), The Arunachal Pioneer, Silvassa Mirror, Janadesh (Silvassa edition), Thane Vaibha, Krushival (Raigad edition) and Dainik Batori Kakot (Guwahati edition). No objection has been received from the general public in response to the public notices.

16. The Petition was heard on 27.8.2020 after notice to the Respondents. None was present on behalf of the Respondents despite notice. The representative of the Petitioner during the hearing submitted that the Petitioner has complied with all the

requirements for grant of transmission licence and requested for grant of transmission licence to the Petitioner.

17. The Petitioner has served a copy of the Application on the Central Transmission Utility (CTU) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. However, CTU is required to submit its recommendations in terms of Section 15(4) of the Act and Regulation 9(11) of the Transmission Licence Regulations within thirty days after receipt of the copy of the application. In the present case, the recommendations of CTU have not been received so far. Section 15(4) of the Act provides as under:

*“(4) The Central Transmission Utility or the State Transmission Utility , as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission:*

*Provided that such recommendations shall not be binding on the Commission.”*

A reading of the above provision reveals that the CTU is under a statutory obligation to send its recommendations, if any, within 30 days. The Commission expects that CTU faithfully discharges its statutory responsibility under Section 15(4) of the Act, so that the Commission gets the advantage of considering the recommendations of CTU before granting the licence. Accordingly, CTU is directed to file its statutory recommendations on the proposal made in the application in terms of Section 15 (4) of the Act and Regulation 7 (11) of the Transmission Licence Regulations.

18. Further, CTU is also directed to submit the details to the effect that CTU has complied with the provisions of Regulations 9.1 and 9.2 of the Central Electricity Regulatory Commission (Planning, Coordination and Development of Economic and

Efficient inter-State Transmission System by Central Transmission Utility and other related matters) Regulations, 2018 before 15.02.2021.

19. We have considered the submissions of the Petitioner and BPC. The proviso to Clause 2.4 of the RfP provides that "*if for any reason attributable to the BPC, the said 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 to 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 an amount of Rs. 37.64 crore and has 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 Application for grant of transmission licence and adoption of tariff through e-portal on 25.6.2020. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the Transmission System as described in para 1 of this order. We therefore, 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 of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 20.2.2021.



20. In order to ensure that the Project is implemented within the time schedule as provided in the TSA, the licensee should not approach the Commission for extension of time for execution of the Project or for increase in the transmission charges over and above what is permissible under the provisions of the TSA. Accordingly, the Petitioner is directed to file an affidavit by 15.2.2021 to the effect that the execution of the Project shall not be delayed due to time taken in obtaining statutory clearances required under the RfP and or adjudication of any claim of the Petitioner arising under the TSA.

21. It is observed that as per Article 5.1.1 of the TSA, the TSP at its own cost and expense, shall be responsible for designing, constructing, erecting, completing and commissioning each element of the Project by Scheduled COD in accordance with the various regulations of the Central Electricity Authority regarding Technical Standards and Grid Standards, Prudent Utility Practices and other applicable laws. Further, Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workman like manner using sound engineering and construction practices and using only materials and equipment that are new and of international utility grade quality such that the useful life of the Project will be till the expiry date. Further, the design, construction and testing of all equipment, facilities, components and systems of the Project shall be in accordance with Indian Standards and Codes issued by Bureau of India Standards. Accordingly, the Petitioner is directed to submit the information by 15.2.2021 with regard to quality control mechanism available or to be put in place by to ensure the compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

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

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

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

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

