

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.24/AT/2022**

**Coram:**

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

**Shri Arun Goyal, Member**

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

**Date of Order: 27<sup>th</sup> May, 2022**

**In the matter of**

Petition under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to Transmission System to be implemented by Nangalbibra-Bongaigaon Transmission Limited.

**And**

**In the matter of**

Nangalbibra- Bongaigaon Transmission Limited,  
F-1, The Mira Corporate Suites, 1 & 2,  
Ishwar Nagar, Okhla Crossing,  
Mathura Road,  
New Delhi – 110065

**... Petitioner**

**VERSUS**

1. Assam Power Distribution Company Limited,  
4<sup>th</sup> Floor, Bijulee Bhawan,  
Paltan Bazar,  
Guwahati- 781001, Assam

2. Meghalaya Energy Corporation Limited,  
Lumjingshai, Short Round Road,  
Shillong- 793001, Meghalaya

3. Tripura State Electricity Corporation Limited,  
Bidyut Bhaban, Banamalipur,  
Agartala- 799001, Tripura

4. Department of Power, Arunachal Pradesh,  
Power Department Office, Kharsang,  
Arunachal Pradesh- 792122

5. Manipur State Power Distribution Corporation Limited,  
3<sup>rd</sup> Floor, New Directorate Building,  
Near 2<sup>nd</sup> MR Gate, Imphal-Dimapur Road,  
Imphal – 795001, Manipur

6. Department of Power, Nagaland,  
Electricity House, A.G Colony,  
Kohima-797001, Nagaland

7. Department of Power & Electricity, Mizoram,  
Power & Electricity Department,  
Kawipheta Building,  
New Secretariat Complex, Khatla,  
Aizawl- 796001, Mizoram

8. HVDC BNC Powergrid,  
Power Grid Corporation of India Limited,  
Biswanath Ghat Road, Biswanath Chariali,  
P.O: Burigang,  
Sonitpur- 784176, Assam

9. PFC Consulting Limited,  
First Floor, Urjanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi- 110001

10. Central Electricity Authority,  
Seva Bhawan, R.K. Puram,  
New Delhi- 110066

11. Central Transmission Utility of India Limited,  
Saudamini, Plot No.2, Sector 29,  
Near IFFCO Chowk,  
Gurgaon - 122001, India

... Respondents

**Parties present:**

Shri Deep Rao, Advocate, NBTL  
Ms. Harneet Kaur, Advocate, NBTL  
Shri TAN Reddy, NBTL  
Shri Balaji Sivan, NBTL  
Shri Pulkit Sharma, Advocate, NBTL  
Shri Manish Ranjan Keshari, CTUIL  
Shri Swapnil Verma, CTUIL  
Shri Siddharth Sharma, CTUIL  
Shri Ranjeet Singh, Rajput, CTUIL  
Shri Akshayavat Kislay, CTUIL

## ORDER

The Petitioner, Nangalbibra-Bongaigaon 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 “New 220/132 kV sub-station at Nangalbibra” (hereinafter referred to as ‘the Transmission System’ or ‘the Project’) to be established on Build, Own, Operate and Maintain (BOOM) basis. The Petitioner has made the following prayers:

*“(a) Allow the present application and adopt the transmission charges discovered through the TBCB Process as quoted by SGL26 i.e., the successful bidder in terms of Section 63 of the Electricity Act, 2003;*

*(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, 2020;*

*(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 going forward;*

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

2. On receipt of the present Petition, BPC, vide letter dated 28.1.2022 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 21.2.2022.

### Hearing dated 21.3.2022

3. The matter was called out for virtual hearing on 21.3.2022. Notice was issued to the respondents to file their reply. However, no reply has been filed by the Respondents. The Petitioner, vide Record of Proceedings for the hearing dated 21.3.2022 was

directed to confirm that the route of transmission line or location of sub-station selected by the Petitioner factors into its own survey and field investigation as specified in clause 2.5.7.4 of RfP.

4. The Petitioner vide its affidavit dated 8.4.2022 mainly has submitted as under:

“8. SGL26, the successful bidder who later acquired the Petitioner Company, undertook preliminary surveys and preliminary field investigations before submission of its bid in compliance with Clause 2.5.7.4 of the RfP.

9. TBCB process for award of the Project commenced with the issuance of the RfP on 4.2.2021. BPC issued its Survey Report on 5.4.2021 in terms of Clause 1.6.2.1 (a) of the RfP. The said report contained initial information regarding the Project including on the transmission line, indicative route alignment, conductor type configuration and type of terrain likely to be encountered. After queries raised by the bidders including on the boundary limits of the substation, final clarifications on the bidding documents were issued by the BPC on 28.6.2021. The RfP technical and financial bids were submitted by the bidders on 18.8.2021, post which SGL26 emerged as the successful bidder in the e-reverse auction process held on 30.9.2021

10. 51 days between the date of issuance of clarifications by the BPC i.e., 28.6.2021 and the date of submission of bid i.e., 18.8.2021, SGL26 undertook its pre-bid survey which included desktop study of the route indicated by the BPC in its Survey Report followed by preliminary ground survey, geo-technical analysis and bid estimation. However, exhaustive, empirically precise survey cannot be feasibly completed in 51 days, and it is not standard market practice for an exhaustive survey to be conducted at the pre-bid stage.

11. In view of the limited time available with the bidders in general, a prima facie survey is done during the pre-bid stage followed by a detailed survey post-bid which takes close to 180 days to complete. The self-survey conducted by the bidders at the pre-bid stage relies substantially on the Survey Report. It is imperative for the bidders to be able to place reliance on the Survey Report as limited time is available with them before submitting their bids to examine the bidding documents, undertake surveys, field investigations, and commercial/technical studies. During such limited time, the bidders cannot be expected to undertake a detailed survey/investigation of the entire area where the Project is required to be implemented. In fact, this is the precise reason BPC as a

specialised agency undertakes such detailed survey/investigation, prepares survey reports and provides them to the bidders for their reference.

12. In terms of Clause 5.1.4 of the TSA, after the award of the Project, the Petitioner is *inter alia* responsible for final selection of the substation site including its geo-technical investigation, and survey and geo-technical investigation of the line route in order to determine the final route of the transmission lines. Therefore, the final route of the transmission line and location of the sub-station selected by the Petitioner factors into its own survey and field investigation. The perimeter coordinates/peripheral limitations in terms of radius from the substation coordinates and termination points for transmission lines are fixed in the BPC Report and all bidders are bound by them.”

5. It is noticed that as per timelines informed by BPC, more than 180 days time was available to bidders for their own survey before bid submission:

Issuance of Request for Proposal	4.2.2021
Submission of RfP technical bid and financial bid	18.8.2021

6. Therefore, Petitioner has considered and factored in its own survey and field survey investigation in terms of clause 2.5.7.4 of RfP. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clause 2.5.7.3, clause 2.5.7.4 and clause 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of bidding documents and TSA for commissioning of the Project within SCOD.

**Hearing dated 20.5.2022**

7. During the course of hearing, learned counsel for the Petitioner submitted that the Petitioner has filed additional affidavit in compliance with the direction of the Commission vide Record of Proceedings for the hearing dated 21.3.2022 and thus, appropriate order may be passed in the matter expeditiously.

8. We have considered the submissions of the Petitioner and perused the documents on record. Section 63 of the Electricity Act, 2003 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.”*

9. Government of India, Ministry of Power has notified the ‘Tariff based Competitive bidding Guidelines for Transmission Service’ and ‘Guidelines for Encouraging Competition in Development of Transmission Projects’ (hereinafter referred to as ‘the Guidelines’) under Section 63 of the Act vide Resolution No. 11/5/2005-PG(i) dated 13.4.2006 as amended from time to time. 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) 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. Approval of

the Appropriate Commission would be necessary, if any material deviation is proposed to be made in the Standard Bid Documents. Intimation about the initiation of the bid process shall be sent by the BPC 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, 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 after referred to as 'the TSA') proposed to be entered 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, the 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 'Grid Code').

h) To ensure competitiveness, the minimum number of qualified bidders shall be two. The BPC shall constitute a committee for evaluation of the bids with at least one member from Central Electricity Authority (CEA) and 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 the 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 the 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 the award.

i) The Guidelines provide for suggested time tables 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 the 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 Lol or signing of TSA, whichever is later, subject to further extension of time as provided under Clause 2.4 of the RfP. TSA shall be signed with the selected bidder in accordance with the terms and conditions as finalized in the bid document before the RfP stage.

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.

10. 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 levelized transmission charges and for selection of the successful bidder.

11. Ministry of Power, Government of India, vide its Notification dated 25.9.2020 notified PFC Consulting Limited (hereinafter referred to as "PFCCL") as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider to establish 'new 220/132 kV substation at Nangalbibra' through tariff based competitive bidding process.

12. Nangalbibra-Bongaigaon Transmission Limited was incorporated on 9.4.2021 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCL with the

objective to establish 'new 220/132 kV substation at Nangalbibra' and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company 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, substations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of 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”.*

13. 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. The notice for RfP was published on 4.2.2021 in all editions of India Express (English), Jansatta (Hindi), The Financial Express (English) and Financial Times (Worldwide) with last date of submission of response to RfQ as 12.4.2021. Intimation regarding initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide dated 8.2.2021.

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

Sr. No.	Events	Date
2	Issuance of Request for Proposal	4.2.2021
2	Submission of RfP technical bid and financial bid	18.8.2021
3	Opening of RfP (Non-financial bid)	18.8.2021
4	Opening of RfP financial bid (Initial offer)	29.9.2021
5	e-Reverse Auction	30.9.2021
6	Issuance of Letter of Intent to successful bidder	14.10.2021
7	Signing of Share Purchase Agreement and transfer of Special Purpose Vehicle	16.12.2021

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

Sr. No.	Name of the Element	Scheduled COD in months from Effective Date
1.	<p><i>Establishment of new 220/132 kV, 2x160 MVA substation at Nangalbibra:</i></p> <ul style="list-style-type: none"> <li><i>i. 220/132 kV, 160 MVA ICT - 2 No.</i></li> <li><i>ii. 220 kV ICT bays - 2 No.</i></li> <li><i>iii. 132 kV ICT bays - 2 No.</i></li> <li><i>iv. 220 kV Line bays: 2 No. [for termination of Bongaigaon (POWERGRID) - Nangalbibra 400 kV D/c line (initially operated at 220 kV) - under this scheme]</i></li> <li><i>v. 132 kV Line bays: 2 No. [for termination of Nangalbibra -existing Nangalbibra (MePTCL) 132 kV D/c (Single Moose) line of MePTCL]</i></li> <li><i>vi. Bus reactor 245kV, 31.5 MVA - 2 No.</i></li> <li><i>vii. 220 kV Bus reactor bays - 2 No.</i></li> </ul> <p><b>Additional space for future expansion:</b></p> <ul style="list-style-type: none"> <li><i>- 220/132 kV, 200 MVA ICT - 1 No. (along with associated bays at both levels)</i></li> <li><i>- 400/220 kV, 500 MVA ICT - 3 No. (along with associated bays at both levels)</i></li> </ul> <p><b>Space for 400 kV upgradation:</b></p> <ul style="list-style-type: none"> <li><i>- Line bays along with space for switchable line reactor: 8 No. [2 No. for 400 kV operation of Bongaigaon (POWERGRID) - Nangalbibra 400 kV D/c line (initially operated at 220 kV) and 6 No. for other lines]</i></li> <li><i>- Bus reactor 420 kV, 125 MVA - 3 No.</i></li> <li><i>- 400 kV Bus reactor bays - 3 No.</i></li> </ul> <p><b>Space for future 220 kV line bays:</b> 6 No. (2 No. for termination of Mawngap (Meghalaya) – Nangalbibra 220 kV D/c line of MePTCL and 4 No. for future lines]</p> <p><b>Space for future 132 kV line bays:</b> 6 No. (for future lines)</p>	24 Months
2.	<p><i>Extension at 220 kV GIS in Bongaigaon (POWERGRID) 400/220 kV S/s:</i></p> <ul style="list-style-type: none"> <li><i>2 No. of GIS line bays for termination of Bongaigaon (POWERGRID) - Nangalbibra 400 kV D/c line (initially operated at 220 kV)</i></li> <li><i>220 kV line bays - 2 No.</i></li> </ul>	

3.	<i>Extension at Hatsinghmari (Assam) S/s: 2 No. of 132 kV line bays for termination of Hatsinghmari (Assam) - Ampati (Meghalaya) 132 kV D/c line 132 kV line bays – 2 No.</i>	
4.	<i>Extension at Ampati (Meghalaya) S/s: 2 No. of 132 kV line bays for termination of Hatsinghmari (Assam) - Ampati (Meghalaya) 132 kV D/c line 132 kV line bays - 2 No.</i>	
5.	<i>Bongaigaon (POWERGRID) - Nangalbibra 400 kV D/c (Twin ACSR Moose) line (initially operated at 220 kV)</i>	
6.	<i>Hatsinghmari (Assam) - Ampati (Meghalaya) 132 kV (Single ACSR Panther) D/c line</i>	

Note:

- i. *POWERGRID to provide space for extension at Bongaigaon (POWERGRID) S/s: 2 No. of 220 kV line bays for termination of Bongaigaon (POWERGRID) - Nangalbibra 400 kV D/c line (initially operated at 220kV).*
- ii. *AEGCL/Assam, to provide space for extension at Hatsinghmari (Assam) 5/s: 2 No. of 132 kV line bays for termination of Hatsinghmari (Assam) - Ampati (Meghalaya) 132 kV D/c line.*
- iii. *MePTCL/Meghalaya to provide space for extension at Ampati (Meghalaya) S/s: 2 No. of 132kV line bays for termination of Hatsinghmari (Assam) - Ampati (Meghalaya) 132 kV D/c line.*
- iv. *To be implemented by MePTCL, Meghalaya under intra-state scheme in matching time frame of this ISTS scheme*
  - a. *Mawngap (Meghalaya) - Nangalbibra (ISTS) 220 kV D/c line alongwith 220 kV line bays at both ends (space for construction of 2 No. 220 kV line bays at Nangalbibra (ISTS) to be provided by licensee to MePTCL)*
  - b. *Nangalbibra (ISTS) - existing Nangalbibra (MePTCL) 132 kV D/c (Single Moose) line (2 No.132kV line bays at Nangalbibra (MePTCL) is to be implemented by MePTCL, however, 2 No.132 kV line bays at Nangalbibra (ISTS) is under the scope of this ISTS scheme)”*

16. The identified Long Term Transmission Customer (LTTCs) of the Project as specified in the TSA are as under:

<b>Sr. No.</b>	<b>Name of the Long Terms Transmission Customer</b>
1	Assam Power Distribution Company Limited
2.	Meghalaya Energy Corporation Limited

3.	Tripura State Electricity Corporation Limited
4.	Department of Power, Arunachal Pradesh
5.	Manipur State Power Distribution Company Limited
6.	Department of Power, Nagaland
7.	Department of Power & Electricity, Mizoram
8.	HVDC BNC, Powergrid

17. For the purpose of evaluation of bids, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

a)	Sh. Umesh Kumar Madan, EVP & Regional Head, SBI Capital Market	Chairman
b)	Sh. A.Kharpan, Chief Engineer (Transmission), Meghalaya Power Transmission Corporation Limited	Member
c)	Sh. B. Lyngkhoi, Member Secretary (IC), North Eastern Regional Power Committee	Member
d)	Sh. Y. K. Swarnkar, Director (PSETD), Central Electricity Authority	Member
e)	Sh. Awdhesh Kumar Yadav, Director (PSPA-1), Central Electricity Authority	Member
f)	Sh. V.N.D. Manavalan, Chairman, Nangalbira-Bongaigaon Transmission Limited	Convener-Member

18. Responses to RfQ were received from the four bidders as per details given below:

Sr. No.	Name of Bidders
1	Sterlite Grid 26 Limited
2	Power Grid Corporation of India Limited
3	Adani Transmission Limited
4	Megha Engineering and Infrastructures Limited

19. The RfP (Non-Financial) Bids of four bidders were opened online through MSTC portal in the presence of representative of the bidders on 18.8.2021. Based on the recommendation of the Bid Evaluation Committee (BEC), all bidders were qualified at RfP stage. RfP (Financial) Bids-Initial Price Offers of the four bidders were opened on

29.9.2021. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs.1030.00 million per annum. The initial price offers quoted by the four bidders are as under:

<b>Sr. No.</b>	<b>Name of Bidder</b>	<b>Levelised Transmission Charges from the Final Offer (Rs.in Million)</b>	<b>Rank</b>
1.	Sterlite Grid 6 Limited	1030.00	L-1
2.	Megha Engineering and Infrastructures Limited	1064.03	L-2
3.	Adani Transmission Limited	1100.01	L-3
4.	Power Grid Corporation of India Limited	1144.53	L.4

20. As per the provisions of RfP documents, BEC recommended all four bidders, to participate in the e-reverse auction stage and to submit their final offers.

21. The e-reverse auction was carried out at MSTC portal on 30.9.2021 in the presence of members of BEC after intimating to above four bidders regarding lowest initial price offer. The levelised transmission charges for each bidder (in ascending order) emerged as under:

<b>Sr. No.</b>	<b>Name of Bidder</b>	<b>Levelised Transmission Charges from the Final Offer (Rs.in Million)</b>	<b>Rank</b>
1.	Sterlite Grid 6 Limited	558.59	L-1
2.	Megha Engineering and Infrastructures Limited	560.00	L-2
3.	Adani Transmission Limited	797.90	L-3
4.	Power Grid Corporation of India Limited	802.57	L.4

22. Based on e-reverse bidding, BEC in its meeting held on 11.10.2021 recommended Sterlite Grid 26 Limited with the lowest Levelised Transmission Charges of Rs.558.59 million per annum as the successful bidder.

23. Letter of Intent was issued by the BPC on 14.10.2021 to the successful bidder i.e. Sterlite Grid 26 Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of PFCCCL, the final result of the evaluation of the bids for selection of developer for the Project.

24. 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.

25. In accordance with Clause 2.4 of RfP, the selected bidder shall within 10 days of issue of the Letter of Intent, 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 Nangalbibra-Bongaigaon Transmission Limited along with all its related assets and liabilities;
- d) Make an Application to this Commission for adoption of charges under Section 63 of the Act; and
- e) Apply to this Commission for grant of transmission licence.

26. 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 14.10.2021, BPC, vide its letter dated 16.12.2021, in terms of Clause 2.4, Clause 2.5 and Clause 2.6 of RfP extended the date up to 27.12.2021 for completion of all activities by the successful bidder. The selected bidder furnished the

Contract Performance Guarantee to the LTTCs of the Project for an amount of Rs.10.37 crore on 16.12.2021 and has acquired hundred percent equity-holding in the applicant company on 16.12.2021 after execution of the Share Purchase Agreement. The TSP filed the Petition through e-filing for adoption of tariff on 22.12.2021.

27. The Petitioner has approached the Commission by a separate application for grant of transmission licence. The Commission vide order dated 23.5.2022 in Petition No.33/TL/2022 on being satisfied that the Petitioner, prime facie, qualifies for grant of transmission licence as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/ objections to the proposal of the Commission. Accordingly, notices have been published.

28. 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 11.10.2021, the following has been recorded:

*“1. Based on the decision taken by the Bid Evaluation Committee (BEC) in its meeting held on September 27, 2021 the Financial Bid (Initial Order) for the following four (04) qualified bidders was opened online in the presence of BEC members on September 29, 2021 at 15:00 hrs (IST):*

- (a) Power Grid Corporation of India Limited*
- (b) Adani Transmission Limited*
- (c) Sterlite Grid 2G Limited.*
- (d) Megha Engineering & Infrastructures Limited*

*2. The lowest Initial Offer at MSTC portal was 1030.00 Million per annum which was communicated to all the four (04) bidders qualified for participating in the e-reverse bidding process.*

*3. The e-reverse bidding process was held on MSTC portal from September 30, 2021 at 11:00 hrs (IST) and continued up to October 01, 2021 at 14:30 hrs*



(IST) which involved 202 rounds of bidding. All four (04) qualified bidders participated in e-reverse bidding.

4. 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 the Bidder</b>	<b>Levelised Transmission Charges (in Indian Rupees Million per annum)</b>	<b>Rank</b>
1.	<i>Sterlite Grid 3G Limited</i>	558.59	L1
2.	<i>Megha Engineering &amp; Infrastructure Limited</i>	560.00	L2
3.	<i>Power Grid Corporation of India Limited</i>	797.90	L3
4.	<i>Adani Transmission Limited</i>	802.57	L4

6. As per Clause 3.5.1.1(a) of RfP document, as the financial bids have been submitted on August 18, 2021, the following Annual Escalation Rate and Discount Rate, based on the rates notified by CERC vide notification No. Eco T1/2021-CERC dated April 23, 2021 (effective from April 01, 2021 and valid up to 30<sup>th</sup> September, 2021) have been used for the purpose of evaluation of Levelised Transmission Charges:

- Annual Escalation rate applicable to Quoted Escalable Transmission Charges : 6.07%
- Discount rate for computation of Levelised Transmission Charges: 8.87%

7. BPC in their evaluation report has confirmed the following:

(a) The estimated levelised for this project computed based on the estimated cost as communicated by the Cost Committee, constituted by Central Electricity Authority (CEA), and methodology to calculation of tariff as per CERC norms worked out to Rs. 850.14 million per annum.

(b) 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.

8. After detailed discussions on the evaluation report prepared by BPC, the BEC decided the following:

(a) *“M/s Sterlite Grid 2G Limited” is the successful Bidder after the conclusion of the e-reverse bidding process with the lowest Levelised Transmission Charges of Rs. 558.59 million per annum.*

(b) *The levelised tariff computed on the basis of rates quoted by the successful bidder, during e-reverse auction, is lower than the Levelised Tariff estimated by BPC {para 8(a)}, hence the levelised tariff discovered through e-reverse action is acceptable.*

(c) *In view of (a) and (b) above, “M/s Sterlite Grid 2G Limited” may be issued Letter of Intent (LoI) by BPC.”*

29. Bid Evaluation Committee (BEC) vide its certificate dated 16.12.2021 certified as under:

*“It is hereby certified that:*

1. *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.*

2. *M/s Sterlite Grid 2G Limited emerged as the successful bidder after the conclusion of e-reverse Bidding Process with the lowest Levelised Transmission Charges of Rs. 558.59 million per annum.*

3. *The Levelised Tariff computed on the basis of rates quoted by the Successful Bidder, during e-reverse auction, is lower than the estimated Levelised Tariff calculated based on CERC norms, hence, the Levelised Tariff discovered through e-reverse auction is acceptable.”*

30. In the light of the discussions in preceding paragraphs, it emerges that selection of the successful bidder and the discovery of 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 certified that the process is in conformity with the Ministry of Power Guidelines. BEC in its certificate dated 11.10.2021 has certified that Sterlite Grid 26 Limited has emerged as the successful bidder after conclusion of e-

Reverse auction with lowest levelized transmission charges of Rs. 558.59 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 lower than the levelised tariff calculated based on CERC norms. Based on the certification of the BEC, we approve and adopt the transmission charges for the Project as per the Appendix to this order which shall remain valid throughout the period covered in the TSA.

31. In view of above, the Commission approves and adopts the transmission charges for the Project as per the Appendix to this order subject to issuance of transmission licence to the Project 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 as amended from time to time.

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

33. The Petition No. 24/AT/2022 is disposed of in terms of the above.

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

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

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

**Appendix**

<b>Contract Year</b>	<b>Commencement date of contract year</b>	<b>End date of contract year</b>	<b>Quoted Non-Escalable Transmission Charges (Rs. in Millions)</b>	<b>Quoted Escalable Transmission Charges (Rs. in Millions)</b>
1	20-Sep-23	31-Mar-24	672.16	8.91
2	1-Apr-24	31-Mar-25	672.16	Same as above
3	1-Apr-25	31-Mar-26	672.16	Same as above
4	1-Apr-26	31-Mar-27	672.16	Same as above
5	1-Apr-27	31-Mar-28	672.16	Same as above
6	1-Apr-28	31-Mar-29	672.16	Same as above
7	1-Apr-29	31-Mar-30	672.16	Same as above
8	1-Apr-30	31-Mar-31	477.23	Same as above
9	1-Apr-31	31-Mar-32	477.23	Same as above
10	1-Apr-32	31-Mar-33	477.23	Same as above
11	1-Apr-33	31-Mar-34	477.23	Same as above
12	1-Apr-34	31-Mar-35	477.23	Same as above
13	1-Apr-35	31-Mar-36	477.23	Same as above
14	1-Apr-36	31-Mar-37	477.23	Same as above
15	1-Apr-37	31-Mar-38	477.23	Same as above
16	1-Apr-38	31-Mar-39	477.23	Same as above
17	1-Apr-39	31-Mar-40	477.23	Same as above
18	1-Apr-40	31-Mar-41	477.23	Same as above
19	1-Apr-41	31-Mar-42	477.23	Same as above
20	1-Apr-42	31-Mar-43	477.23	Same as above
21	1-Apr-43	31-Mar-44	477.23	Same as above
22	1-Apr-44	31-Mar-45	477.23	Same as above
23	1-Apr-45	31-Mar-46	477.23	Same as above
24	1-Apr-46	31-Mar-47	477.23	Same as above
25	1-Apr-47	31-Mar-48	477.23	Same as above
26	1-Apr-48	31-Mar-49	477.23	Same as above
27	1-Apr-49	31-Mar-50	477.23	Same as above
28	1-Apr-50	31-Mar-51	477.23	Same as above
29	1-Apr-51	31-Mar-52	477.23	Same as above
30	1-Apr-52	31-Mar-53	477.23	Same as above
31	1-Apr-53	31-Mar-54	477.23	Same as above
32	1-Apr-54	31-Mar-55	477.23	Same as above
33	1-Apr-55	31-Mar-56	477.23	Same as above
34	1-Apr-56	31-Mar-57	477.23	Same as above
35	1-Apr-57	31-MAR-58	477.23	Same as above
36	1-Apr-58	35 <sup>th</sup> anniversary of the Schedule COD	477.23	Same as above