

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 30/TL/2022  
and IA No. 32/2022**

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

**Date of Order: 18<sup>th</sup> July, 2022**

**In the matter of**

Application under Section 14, Section 15 and Section 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 Transmission Licence to Kallam Transmission Limited.

**And  
In the matter of**

**Kallam Transmission Limited,**  
Unit No 101, First Floor, Windsor Village,  
KoleKalyan Off CST Road,  
Vidyanagari Marg, Santacruz (East),  
Mumbai-400098, Maharashtra

.....Petitioner

**Vs**

- 1. Renew Solar Power Private Limited,**  
Renew Hub Commercial,  
Bolck-1, Zone-6, Golf Course Road  
DLF City Phase-V  
Gurgram-122009, Haryana
- 2. REC Power Development and Consultancy Limited,**  
D Block REC Headquarters,  
Plot No. 1-4, Sector 29  
Gurugram-122001, Haryana
- 3. Central Transmission Utility of India Limited (CTUIL)**  
Saudamini, Plot No.– 2, Sector – 29  
Near IFFCO Chowk Metro Station  
Gurgaon – 122 001, Haryana
- 4. Western Transco Power Limited,**  
Adani Corporate House,

Shantiharan,  
Near Vaishnodevi Circle, SG Highway,  
Ahmedabad-382421, Gujarat.

...Respondents

**Parties present:**

Shri Apoorva Mishra, Advocate, KTL  
Shri Lokendra Ranawat, KTL  
Shri Ketan Patil, KTL  
Shri Prateek Mohan Rai, KTL  
Shri Partha Sarthi Das, CTUIL  
Shri Swapnil Verma, CTUIL  
Shri Siddharth Sharma, CTUIL  
Shri Ranjeet Singh Rajput, CTUIL  
Ms. Kavya Bhardwaj, CTUIL

**ORDER**

The Petitioner, Kallam Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish ‘Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra’, on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to “Transmission System” or “Project”) consisting of the following elements:

<b>Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra</b>		
<b>SL. No.</b>	<b>Scope of Transmission Elements</b>	<b>Scheduled COD in Months from Effective Date</b>
1.	<b>Establishment of 2x500 MVA, 400/220kV substation near Kallam PS</b> 2x500MVA, 400/220kV 400kV ICT bay-2 220kV ICT bay-2 400kV line bay-4 220kV line bay-4  <b>Space for Future Provisions:</b>	18 Months

	400/220 kV ICTs along with bays: 2 nos. 400kV line bays including the space for switchable line reactor: 6 nos. 220kV line bays: 4 nos. 400 kV bus reactor along with bays: 1 no.	
2.	1x125MVA bus reactor at Kallam PS 400 kV reactor bay -1	18 Months
3.	LILO of both circuits of Parli(PG) – Pune(GIS) 400kV D/c line at Kallam PS	18 Months
4.	Provision of new 50MVA switchable line reactor with 400 ohms NGR at Kallam PS end of Kallam – Pune (GIS) 400kV D/c line 2x50 MVA, 400 kV Reactor bay - 2	18 Months

Note:

Space for future provisions for 400 kV line bays kept including the space for switchable line reactors

**IA. No.32 /2022**

2. Western Transco Power Limited had filed IA No. 32/2022 to implead the WTPL as a party to the Respondent in the Petition which has been dealt with vide order dated 27.5.2022.

3. Based on the competitive bidding carried out by REC Project Development and Consultancy Limited (RECPDCL) in its capacity as the Bid Process Coordinator (BPC) in accordance with the Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act, consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) emerged as the successful bidder with the lowest levelized transmission charges of Rs. 167.36 million per annum.

4. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 27.5.2022, *prima facie* proposed to grant transmission licence to the Petitioner.

Relevant extract of order dated 27.5.2022 is extracted as under:

“ 27. The Petitioner has served the copy of the Application on the Central Transmission of Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTUIL in its letter dated 4.2.2022 has recommended for grant of transmission licence to the Petitioner. Relevant portion of the said letter dated 4.2.2022 is extracted as under:

“This has reference to the email dated 5.1.2022 vide which M/s Kallam Transmission Ltd. has requested CTU for issuance of its recommendations for grant of Transmission License for subject transmission scheme against the application/petition already filed before CERC. In this regard, the following is submitted:

1. M/s Kallam Transmission Ltd. has filed an application/petition under Section 14, 15 and 79 (1) (e) of the Electricity Act, 2003 and CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license to establish “Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra” project on Build, Own, Operate and Maintain (BOOM) basis as ISTS.

2. As per Section 15(3) of the Electricity Act, 2003 copy of the application for grant of transmission license, for the above transmission system has been received on 5.1.2022 for recommendation required U/S 15(4) of the Electricity Act, 2003.

3. In reference to the Transmission Scheme “Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra”, the following is submitted:

i) The Government of India has set a target for establishing 175 GW renewable capacity by 2022, which also includes 1 GW RE potential in Osmanabad area of Maharashtra under ISTS. The subject transmission scheme involves the establishment of Kallam Pooling Station and its interconnection with the ISTS grid for evacuation of RE power from Osmanabad area of Maharashtra.

ii) The Transmission Scheme was agreed in the 1<sup>st</sup> WRSCT, 2<sup>nd</sup> WRSCT and 2<sup>nd</sup> WRPC(TP) meetings held on 5.9.2018, 21.5.2019 and 4.9.2020 respectively.

iii) The transmission system was discussed and agreed on in the 4<sup>th</sup> meeting of the National Committee on Transmission (NCT) (constituted vide MoP office order 13.4.2018) held on 31.7.2019 and 4<sup>th</sup> NCT (re-constituted vide MoP office order 4.11.2019) meeting held on 20.1.2020 & 28.1.2020.

iv) The Transmission System was agreed upon in the 38<sup>th</sup> WRPC meeting held on 28.6.2019.

v) Ministry of Power, GOI vide Gazette notification dated 27.1.2020 had appointed REC Transmission Project Company Ltd. (subsequently, amalgamated with REC Power Distribution Company Ltd. and renamed as REC Power Development and Consultancy Ltd.) as the Bid Process Coordinator (BPC) for selection of Bidder as Transmission Service Provider (TS) to establish the subject transmission scheme through Tariff Based Competitive Bidding (TBCB) process. Subsequently, MoP vide gazette notification dated 19.7.2021 has modified the scope of the subject transmission scheme after examining the

recommendations of the 4<sup>th</sup> NCT meeting (held on 20.1.2020 & 28.1.2020) and CEA.

vi) Hon'ble Commission has also granted Regulatory Approval for the subject transmission scheme, vide order dated 10.10.2019 in Petition No. 197/MP/2019 and vide order dated 8.11.2021 in Petition No. 616/MP/2020.

4. Pursuant to the process of competitive bidding conducted by the BPC, a consortium of IndiGrid 1 Ltd. (Lead Member) and IndiGrid 2 Ltd. emerged as the successful bidder after the conclusion of the e-reverse auction. Thereafter, the BPC issued a Letter of Intent in favour of the Consortium on 30.11.2021. Subsequently, the Consortium has acquired 100% equity shareholding of M/s KTL on 28.12.2021, upon execution of the Share Purchase Agreement (SPA) and after completion of all procedural requirements as specified in the bid documents. The scheduled COD for the proposed ISTS schemes is 18 months from the effective date (i.e. date of acquisition on SPV) which is 28.6.2023.

5. In line with Section 15 (4) of the Electricity Act, 2003, based on details furnished by M/s Kallam Transmission Ltd., CTU recommends the grant of transmission license to M/s Kallam Transmission Ltd. for executing the transmission scheme as mentioned in Para 1 above.”

28. We have considered the submissions of the Petitioner, BPC and CTUIL. The proviso to Clause 2.15.2 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 30.11.2021, BPC, vide its letter dated 4.1.2022, in terms of Clauses 2.15.2 of RfP extended the date up to 14.1.2022 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. 12.60 million (Rs. 9.75 crore) on 21.12.2021 which was further reduced to Rs. 5.03 crore and has acquired hundred percent equity holding in the applicant company on 28.12.2021 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the Application through e-filing for grant of transmission licence and adoption of tariff on 5.1.2022. 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 paragraph 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 14.6.2022.”

5. A public notice under Sub-section (5) of Section 15 of the Act was published on 1.6.2022 in all editions of Times of India (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from the members of the public in response to the public notice.

6. The Petitioner, vide order dated 27.5.2022, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken in obtaining statutory clearances required under RfP and the Transmission Service Agreement (TSA) or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its affidavit dated 6.6.2022 has submitted that it will execute the Project in timely manner to ensure that the execution of the Project is not delayed due to time taken in obtaining statutory clearances required under the RfP from this Commission (i.e., Tariff adoption and transmission Licence) subject to the provisions of TSA and applicable laws. The Petitioner has submitted that it will implement the Project in accordance with the terms and conditions as contained in the TSA and applicable laws. Any claim of whatsoever nature, that may be raised by the Petitioner will have to be dealt with in accordance with terms of the TSA and applicable laws.

7. In the order dated 27.5.2022, the following provisions of the TSA with regard to quality control and workmanship were taken note of:

(a) 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.

(b) 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.

(c) 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.

8. Accordingly, the Petitioner was directed to submit information with regard to quality control mechanism available or to be put in place by to ensure compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

9. The Petitioner, vide its submission dated 6.6.2022, has submitted that in terms of the TSA, it would implement the Project as per the provisions of the Article 5 of the TSA dealing with construction of the Project. We have considered the submission of the Petitioner. In the TSA, there is provision for the lead LTTC to designate upto three employees for inspection of the progress of the Project. Further, the Petitioner is required to give a monthly progress report to the lead LTTC and the CEA about the Project and its execution. The TSA also vests a responsibility in the CEA to carry out random inspection of the Project as and when deemed necessary. We consider it necessary that CEA devises a mechanism for random inspection of the Project every three months to ensure that the Project is not only being executed as per the schedule, but the quality of equipment and workmanship of the Project conform to the Technical Standards and Grid Standards notified by CEA and IS Specifications.

10. Case was called out for virtual hearing on 15.7.2022 through video conferencing. It was submitted by the learned counsel of the Petitioner that as per order dated 27.5.2022, the Petitioner has submitted the information called for. He further submitted that in response to public notice published by the Commission, no objection has been received.

11. As regards grant of transmission licence, Clauses (15) and (16) of Regulation 7 of Transmission Licence Regulations provide as under:

*“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.*

*(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or the person who has filed suggestions and objections, or any other person:*

*Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”*

12. In our order dated 27.5.2022, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/ objections have been received. CTU in its letter dated 4.2.2022 has recommended for grant of transmission licence to the Petitioner. We are satisfied that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, Kallam Transmission Limited, to establish Transmission System for Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra’ on Build, Own, Operate and Maintain basis as per the details given in paragraph 1 above.

13. 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.

14. The grant of transmission licence to the Petitioner (hereinafter referred to as “the licensee”) is subject to the fulfilment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof and the terms and condition of the TSA during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the Project, the licensee may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13(2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the licence fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the

Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, as amended from time to time or any subsequent re-enactments thereof;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;

(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA;

(m) The licensee shall as far as practicable coordinate with the licensee (including deemed licensee) executing the upstream or downstream transmission projects and the Central Electricity Authority for ensuring execution of the Project in a matching timeline; and

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance Regulations, Transmission Service Agreement or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

15. Central Electricity Authority shall monitor the execution of the Project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Act and the Transmission Licence Regulations.

16. Petition No. 30/TL/2022 and IA 32/2022 are allowed in terms of the above.

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

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

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