

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 30/TL/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**

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,

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

...Respondents

**Parties present:**

Shri Apoorva Mishra, Advocate, KTL  
Shri Hemant Singh, Advocate, WTPL  
Shri Venkatraman Inumula, KTL  
Shri Ketan Patil, KTL  
Shri Prateek Mohan Rai, KTL  
Shri Partha Sarthi Das, CTUIL  
Shri Bhaskar Laxmanrao Wagh, 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	18 Months

	<p><b>Space for Future Provisions:</b>  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.</p>	
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 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

2. The Petitioner has made the following prayers:

*“(a) Issue the Transmission Licence to the Petitioner for establishing, operating and maintaining the Project as provided in 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 Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges and losses 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 at a future date.*

*(d) Pass such other order(s) and/or direction(s) as this Hon'ble Commission may deem just and proper in the facts and circumstances of the present case.*

**Hearing dated 22.2.2022**

3. The matter was called out for virtual hearing on 22.2.2022 and notice was issued to the parties to complete pleadings.

### **Hearing dated 13.4.2022**

4. The Petition was called out for hearing on 13.4.2022 through video conferencing. During the course of hearing, learned counsel appearing on behalf of Western Transco Power Limited (“WTPL”) had submitted that WTPL has filed Interlocutory Application (IA) to implead WTPL as party to the present Petition. Learned counsel submitted that scope of work for the project provided in the RfP provides the right to the Petitioner to lay OPGW cables on the asset WTPL i.e., Pune-Parli transmission line. Vide Record of Proceedings for the hearing dated 13.4.2022, the Petitioner was directed to implead WTPL as party to the Petition.

### **IA. No.32 /2022**

5. The Applicant, Western Transco Power Limited has filed IA for along with the following prayers:

*‘(a) Allow the present application and implead the Applicant/WTPL as a party to the Respondent in the present Petition; and*

*(b ) Consequently, direct the Petitioner to provide the Applicant/WTPL with a copy of the complete set of the present Petition in order to enable the said applicant to file its reply on merits.”*

7. The Applicant has mainly submitted as under:

(a) As per the TSA, since there is no OPGW in the Pune Pali transmission line, it was decided that the TSP, i.e. the Petitioner herein has to install one OPHW containing 24 fibres in place of one conventional earth wire on the Pune-Parli transmission line of the Applicant;

(b) No third party has the right, whatsoever, to install any OPGW on the Pune-Parli transmission line owned and operated by WTPL under the agies of the transmission licence granted to it.

(c) Installation of OPGW as being sought by the Petitioner on the existing Pune-Parli transmission line would not fall under the ambit and scope of 'any other business' as envisaged under Section 41 of the Act as the Section 41 of the Act categorically mandates that 'other business' can only be carried out by the 'transmission licensee' for optimum utilization of 'its own assets'.

(d) The underlying transmission assets on which 'other business' has to be carried out, is required to belong to the transmission licensee, and it is only the said licensee which can be permitted to carry out other business, including laying of OPGW.

(e) As per the first proviso of Section 41 of the Act, specific percentage of the revenue generated out of the 'other business' is required to be utilized for reduction of the transmission charges as may be decided by the Commission. This is impossible to be implemented in the event the OPGW is being allowed to be laid by an entity, which does not have transmission licence for underlying transmission assets.

(f) As per Power Transmission Agreement entered by the Applicant, Pune-Parli transmission line is required to be executed on Build, Own and Operate basis. Therefore, the Commission cannot permit a third party to undertake any works, including installation of OPGW, on the transmission line/assets owned by the Applicant.

8. The Petitioner vide its affidavits dated 19.4.2022 and dated 29.4.2022 has mainly submitted as under:

(a) The Applicant is mainly seeking permission for laying optical ground wire on its licensed transmission asset i.e., 765/400kV Pune (PG) (GIS) – 400kV

Parli (PG), as per the terms stipulated in the original Request for Proposal qua the Petitioner issued by the bid process coordinator.

(b) Pursuant to the amendment dated 28.9.2021 in the Request for Proposal (RfP), the clause referred in original RfP stood amended to the effect that the Petitioner would not be encroaching upon the transmission assets i.e., Pune-Parli Line of the Applicant in any manner by laying OPGW. Since the TSA was signed after the Amendment dated 28.9.2021, the amended clause was included in the TSA, which does not include the condition vide which WTPL has raised the grievance. The said amended clause is reproduced as under:

*"LILO of both circuits of Parli(PG)-Pune(GIS) 400kV D/c line at Kallam PS*

*On LILO of 400 kV D/c Parli (PG) - Pune (GIS) 400kV D/c line at Kallam PS, TSP to install & commission Two (2) no. OPGW cable containing 24 Fibres (24F each) on both the Earthwire peaks of Multi Circuit Towers (for Loop in and Out M/C towers to be used).*

*The TSP shall install OPGW cables from gantry of Kallam PS up to the LILO tower with all associated hardware including Vibration Dampers, mid-way Joint Boxes (called OPGW Hardware hereafter) and finally terminate in Joint Boxes at Kallam PS. Repeater equipment is not envisaged for the LILO of 400 kV D/c Parli(PG) - Pune (GIS) 400kV D/c line.*

*Maintenance of OPGW Cable & OPGW Hardware shall be responsibility of TSP*

*The protection system of 400 kV and higher voltage transmission line and the line compensating equipment shall have hundred percent back up communication channels i.e., two channels for tele-protection in addition to one channel for speech plus data for each direction."*

(c) Perusal of the above clause of the TSA and the Amendment dated 28.9.2021 demonstrates that the Petitioner will in no manner be encroaching upon the assets of WTPL for laying OPGW cables or installing OPGW hardware. Amendment dated 28.9.2021 was brought in to avoid any issues

relating to one inter-State transmission licensee encroaching upon the assets of another inter-state transmission licensee.

(d) Bid submitted by the parent Companies of the Petitioner was prepared taking into consideration the said amended clause of RfP and the above referred clause of the TSA. Therefore, it has always been the understanding of the parent Companies of the Petitioner that the scope of the work for the Project under the TSA does not envisage laying of any OPGW cables on the lines of WTPL.

(e) There is no reason or basis for WTPL to be aggrieved in any manner by grant of inter-State licence to the Petitioner. The Petitioner will in no way make any attempt to encroach upon the assets of WTPL or any other transmission licensee.

9. WTPL in its reply dated 29.4.2022 has mainly submitted as under:

(a) The Applicant was not aware of the amendment of the TSA, and based on the factual statement made by the Petitioner, the issue raised by the Applicant can be resolved in the event the Commission records the aforesaid submission/ statement of the Petitioner, in the final order to be issued, by categorically clarifying that any licence granted to the Petitioner will not involve any scope of work or permission, whatsoever, which requires the Petitioner to lay OPGW or carry out any other works covered under or related to Section 41 of the Act on the licensed transmission line of the Applicant (Pune-Parli Line).

(b) As per reply of the Petitioner, the grievance of the Applicant appears to have been addressed on account of the amendment dated 28.9.2021 carried out in the TSA.

(c) In view of the foregoing submissions, in the event, the Commission clarifies the issue at hand, in terms of the aforesaid, then the Applicant will not have any objection for issuance of transmission license to the Petitioner, and that, IA seeking Impleadment ought to be disposed of accordingly.

(d) The Commission may record the submissions of the Petitioner that any licence granted by the Petitioner will not involve any scope of work or permission, whatsoever, which requires the said Petitioner to lay OPGW or carry out any other works covered under or related to Section 41 of the Act on the licensed transmission line of the Applicant (Pune-Pali transmission line).

### **Hearing dated 24.5.2022**

10. The matter was called out through video conferencing. Learned counsel for the Petitioner submitted that during the course of hearing on 13.4.2022, it was stated on behalf of WTPL that it wished to object to the grant of transmission licence to the Petitioner because the clause relating to specific technical requirement in the Transmission Service Agreement (TSA) provided that the Petitioner has to install one OPGW containing 24 fibers in place of one convention earth wire on the Pune-Parli transmission line of WTPL. However, the Petitioner, in its affidavit dated 19.4.2022, has pointed out that in terms of the Amendment to TSA dated 28.9.2021 which clearly demonstrates that the Petitioner will not in any manner be encroaching upon the assets of WTPL for laying OPGW cables or installing OPGW hardware. Learned



counsel submitted that in response, WTPL vide its affidavit dated 29.4.2022 has, *inter-alia*, stated that it was not aware of the said amendment and that in view of the factual statement made by the Petitioner in its affidavit, the issue raised by WTPL can be resolved in the event the Commission records the submission/statement made by the Petitioner in final order to be issued by clarifying that any licence granted to the Petitioner will not involve any scope of work or permission which requires the Petitioner to lay OPGW or carry out any other works covered under or related to Section 41 of the Electricity Act, 2003 on the licenced transmission line of WTPL. Learned counsel submitted that the Petitioner has no objection to the above and the Commission may proceed to grant the transmission licence to the Petitioner.

11. Learned counsel appearing on behalf of WTPL submitted that in the event the Commission clarifies the issue at hand in terms of the submission made by WTPL at paragraph 5 of its affidavit, WTPL will not have any objection towards grant of the transmission licence to the Petitioner.

12. We have considered the submissions of the Petitioner and WTPL. According to the Petitioner, the scope of work in the TSA which was executed after the issuance of the Amendment dated 28.09.2021 does not in any manner overlaps or encroaches upon any asset of WTPL. *Per contra*, the Applicant, WTPL has submitted that it was not aware of the amendment in the TSA, and based on the factual statement made by the Petitioner, the issue raised by the Applicant can be resolved in the event the Commission records the submission of the Petitioner by clarifying that any licence granted to the Petitioner/KTL will not involve any scope of work or permission,

whatsoever, which requires the said Petitioner to lay OPGW or carry out any other works.

13. Since amended clause of TSA excluded the system of WTPL for installation of OPGW, the grievance projected by the Applicant no more survives. Accordingly, IA. No. 32/2022 is disposed of.

14. We now proceed to consider the prayer of the Petitioner for grant of transmission licence under Section 14 of the Act.

15. 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, REC Power Development and Consultancy Limited (RECPDCL) was notified by Ministry of Power, Government of India vide Gazette Notification F. No. 15/3/2018- Trans-Pt(1) dated 27.01.2020 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish ‘Transmission Scheme for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra’, through tariff based competitive bidding process on BOOM basis. REC Transmission Projects Company Limited has amalgamated with REC Power Distribution Company Limited and was later renamed as REC Power Development and Consultancy Limited (RECPDCL).

16. RECPDCL in its capacity as the BPC initiated the bid process on 5.3.2020 and completed the same on 28.12.2021 in accordance with the Guidelines.

Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 167.36 million per annum in order to establish the Project and to provide transmission service to initial identified Long Term Transmission Customer (LTTC) of the Project, namely, ReNew Solar Power Private Limited as specified in the TSA.

17. At RfP stage, five bidders, namely, (i) Power Grid Corporation of India Limited, (ii) Adani Transmission Limited, (iii) Torrent Power Limited, (iv) ReNew Transmission Ventures Private Limited, and (v) Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) submitted their offers. The RfP (Non-Financial) Bids of five bidders were opened online on 20.10.2021 at MSTC portal. Based on the recommendation of the Bid Evaluation Committee (BEC), four bidders qualified to participate in the next stage. The RfP (Financial) Bids-Initial Price Offer of all four bidders were opened on 16.11.2021. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 245.45 million per annum. Based on the recommendation of BEC, four bidders were qualified to participate in the e-reverse auction stage. The e-reverse auction was carried out at MSTC portal on 17.11.2021 and the following levelised transmission tariff for each bidder (in ascending order) emerged:

<b>S. No.</b>	<b>Name of Bidder</b>	<b>Levelised Transmission Charges from the Final Offer (Rs.in Million)</b>	<b>Rank</b>
1	Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%)	167.36	L-1
2	Adani Transmission Limited	167.78	L-2
3	Torrent Power Limited	199.08	L-3
4	ReNew Transmission Ventures Private Limited	213.96	L-4

18. Accordingly, as per the final Bid Evaluation Report dated 24.11.2021, Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) emerged as the successful bidder with the lowest levelised transmission charges of Rs. 167.36 million per annum. BEC vide its certificate dated 24.11.2021 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 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. Therefore, the levelised tariff discovered through e-reverse auction is acceptable.

19. Consequent to its selection as the lowest bidder, Letter of Intent (Lol) was issued to Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) by the BPC on 30.11.2021 which was accepted by Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%). Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

- a. Provide Contract Performance Guarantee in favour of LTTCs;
- b. Execute Share Purchase Agreement and all other RfP documents;
- c. Acquire, for the Acquisition Price, 100% share equity share holding of Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) from RECPDCL 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.

20. The Petitioner has furnished the Contract Performance Guarantee (CPG) for an aggregate value of Rs. 12.60 million on 21.12.2021 and has acquired hundred

percent equity holding in Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) on 28.12.2021. Accordingly, the Transmission Service Agreement executed between the TSP and the LTTCs dated 30.9.2021 became effective from 28.12.2021.

21. 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”*

22. 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 projects identified 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 for development under competitive bidding by competent authority in the Ministry of Power/ CEA. Central Electricity Authority, vide its letter No. CEA-PS-11-23(20)/1/2018-PSPA-I Division dated 7.10.2021 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%), has certified to have been made in accordance with the Guidelines.

23. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 passed in Petition No.1/SM/2022 [whereby the Commission, in the exercise of 'Power to Relax' under Regulation 24 of the Transmission Licence Regulations, modified/amended Clause (4), Clause (7), Clause (9) and Clause (12) and dispensed with Clause (10) of Regulation 7] provide 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 submit the original application in electronic form along with annexures and enclosures on the e-filing portal of the Commission so that the same is served electronically on all the long-term customers of the project registered on the e-filing portal of the Commission. Also, a copy of the same be served through e-mail on the longterm customers of the project not registered on the e-filing portal of the Commission. Further, the applicant shall also post the complete application along with annexures and enclosures in English and in the vernacular language, on its website.*

(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 filing the application, post the application on the e-filing portal of the Commission and on its website in Form-II attached to these regulations in English language and in Vernacular language of the State or Union Territory where an element of the project or a long-term customer is situated, inviting comments from the general public.*

(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 on the e-filing portal of the Commission and on the applicant's website 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).....

(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 notice posted on the e-filing portal of the Commission and on the applicant's website by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notice posted on the e-filing portal of the Commission and on the applicant's website, with an advance copy to 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."*

24. 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 LTTC 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 Transmission Licence in terms of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for grant of transmission licence to Consortium of IndiGrid 1 Limited (70%) and IndiGrid 2 Limited (30%) with respect to the Transmission System as per details given in paragraph 1 above.

25. The Petitioner has made the Application as per Form-I and paid the prescribed 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 LTTC for the Project. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 167.36 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee and proof of making the final results of evaluation of all bids public by the BPC as per the Guidelines.

26. The Petitioner vide its affidavit dated 27.1.2022 has placed on record the relevant copies of the notices wherein notices were published in terms of the Regulation 7(7) of the Transmission Licence Regulations. The Petitioner has published the notices on 11.1.2022 in the State of Maharashtra in New Indian Express (Mumbai, Pune, Ahmednagar and Nagpur editions) and Lok Satta (Mumbai,



Pune, Ahmednagar, and Nagpur editions). No objection has been received from the general public in response to the public notices.

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> WRSCCT, 2<sup>nd</sup> WRSCCT 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.

29. 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 6.6.2022 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.

30. 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 6.6.2022 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.

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

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

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

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