

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 280/TL/2021

Coram:

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 21st February, 2022

In the matter of

Application under Section 14 of the Electricity Act, 2003 read with the 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 Koppal-Narendra Transmission Limited.

And

In the matter of

Koppal-Narendra Transmission Limited
138, Ansal Chambers-II, Bhikaji Cama Place,
Delhi – 110066

.....Petitioner

Vs

1. ReNew Surya Ojas Private Limited,
Renew Hub, Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase V,
Gurugram, Haryana- 122009.
2. ReNew Solar Power Private Limited,
Renew Hub, Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase V,
Gurugram, Haryana- 122009.
3. Chief Executive Officer,
PFC Consulting Limited,
9th Floor, A-Wing Statesman House,
Connaught Place, New Delhi-110001
4. Chief Operating Officer,
Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurugram-122001

.....Respondents

Parties present:

1. Shri Amit Kumar, KNTL
2. Shri Mohit Jain, KNTL
3. Shri Sanjay Nayak, PFCCL
4. Shir Manish Agarwal, PFCCL
5. Ms. Nirmala Meena, PFCCL

ORDER

The Petitioner, Koppal-Narendra 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 “the Transmission Licence Regulations”) to establish Transmission System for “Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500 MW)”, on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to as “the Project”) consisting of the following elements:

S. No.	Name of the Transmission Element	Scheduled COD from Effective Date	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective element
1	Establishment of 5x500 MVA, 400/220 kV Pooling Station near Munirabad /suitable location in Koppal district		
1 (a)	With SCOD of 18 months 400 kV <ul style="list-style-type: none">• ICT: 3x500 MVA, 400/220 kV• ICT bay: 3 nos.• Line bay: 2 nos.• Bus Reactor bay: 2 nos. 220 kV <ul style="list-style-type: none">• ICT bay: 3 nos.• Line bay: 5 nos.• Bus coupler bay: 1 nos.• Transfer Bus coupler bay: 1 nos.	18 months	Element at Sl. No 2, 3 & 4

S. No.	Name of the Transmission Element	Scheduled COD from Effective Date	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective element
1 (b)	<p>With SCOD of 24 months</p> <p>400 kV</p> <ul style="list-style-type: none"> • ICT: 2x500 MVA, 400/220 kV • ICT bay: 2 nos. <p>220 kV</p> <ul style="list-style-type: none"> • ICT bay: 2 nos. • Line bay: 4 nos. • Bus sectionalizer bay: 2 nos. (One no. bay for each Main Bus)* • Bus coupler bay: 1 nos. • Transfer Bus coupler bay: 1 nos. <p>Future provisions:</p> <ul style="list-style-type: none"> • Space for future 400 kV line bay with switchable line reactor: 6 nos. • Space for future 400/220 kV ICT along with associated bay: 3 nos. • Space for future 220 kV line bay: 7 nos. 	24 months	Element at Sl. No 1(a)
2	Pooling station (near Munirabad /suitable location in Koppal distt.) – Narendra (New) 400 kV D/c Line (with Quad Moose ACSR conductor)	18 Months	Element at Sl. No 1 (a), 3 & 4
3	<ul style="list-style-type: none"> • 400 kV GIS Line bay at Narendra (New): 2 nos. • 400 kV GIS Bay for future 765/400kV Transformer: 2 nos.# • 400 kV Auxiliary GIS bay module for switching of future 765/400 kV Transformer: 1 no.# 	18 Months	Element at Sl. No 1 (a), 2, & 4
4	2x125 MVA, 420 kV bus reactor at Pooling station (near Munirabad /suitable location in Koppal distt.)	18 Months	Element at Sl. No 1 (a), 2, & 3

Note:

- i. PGCIL to provide space for 2 nos. 400kV GIS line bays, 2 nos. of 400kV GIS bays for future 765/400kV Transformer and 1 no. 400kV Auxiliary GIS bay at Narendra (New) GIS S/S.

* Required as per CEA's planning criteria.

As per RfQ 02 nos. of 400kV GIS bays for interconnection with Koppal was envisaged. However, it is proposed to implement 02 nos. of complete GIS diameter of One and half breaker scheme, so as the provision of 04 nos of outlet shall be available. Out of these 04 no bays, 02 shall be utilized for termination of 400kV D/c line and balance 02 nos. shall be utilized in future for termination of 765/400kV ICTs.

II. For establishment of 5x500MVA, 400/220 kV Pooling Station near Munirabad /suitable location in Koppal distt, it may be noted that 220 kV bus sectionaliser to be placed such that the 220 kV line bays are uniformly distributed on its both side

2. The Petitioner has made the following prayers:

“(a) Grant Transmission Licence to the Applicant for establishing, operating and maintaining the Project as provided under the Transmission Service Agreement;

(b) Allow the sharing and recovery of Transmission Charges for Transmission system “Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500MW)” as per Sharing of Inter-State Transmission Charges and Losses CERC Regulations, 2020 and any other amendment thereon issued from time to time by CERC;

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

3. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by Ministry of Power, Government of India, under Section 63 of the Act, PFC Consulting Limited (PFCCCL) was notified by Ministry of Power, Government of India vide Gazette notification No. 15/3/2018-Trans-Pt(1) dated 10.10.2019 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish ‘Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500 MW)’, through tariff based competitive bidding process on BOOM basis.

4. PFCCCL in its capacity as the BPC initiated the bid process on 21.10.2019 and completed the same on 13.12.2021 in accordance with the Guidelines. Pursuant to the said bid process, ReNew Transmission Ventures Private Limited (RTVPL) was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 611.25 million per annum in order to establish the

Project and to provide transmission service to identified Long Term Transmission Customers (LTTCs) of the Project, namely, ReNew Surya Ojas Private Limited and ReNew Solar Power Private Limited as specified in the TSA.

5. At RfP stage, five bidders, namely, (i) Torrent Power Limited, (ii) ReNew Transmission Ventures Private Limited, (iii) Power Grid Corporation of India Limited, (iv) Adani Transmission Limited and (v) Sterlite Grid 11 Limited submitted their offers. The RfP (non-financial) bids of the five bidders were opened online on 6.9.2021 at MSTC (Metal Scrap Trade Corporation Limited) portal. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of all the five bidders were opened on 23.9.2021. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 725 million per annum. As per the criteria prescribed in the RfP and 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 24.9.2021 and after 61 rounds of bidding, the following levelised transmission tariff for each bidder (in ascending order) emerged:

S. No.	Name of Bidder	Levelised Transmission Charges from the final offer (Rs.in Million)	Rank
1	ReNew Transmission Ventures Private Limited	611.25	L-1
2	Sterlite Grid 11 Limited	613.41	L-2
3	Adani Transmission Limited	691.94	L-3
4	Torrent Power Limited	712.22	L-4

6. Accordingly, as per the final Bid Evaluation Report dated 1.10.2021, ReNew Transmission Ventures Private Limited emerged as the successful bidder with the lowest levelised transmission charges of Rs. 611.25 million per annum. BEC vide its certificate dated 1.10.2021 has certified that entire bid process has been carried

out in accordance with the Guidelines. BEC has further certified that the levelised transmission charges have been discovered through a transparent bidding process involving e-reverse auction and is acceptable.

7. Consequent to its selection as the lowest bidder, Letter of Intent (Lol) was issued to ReNew Transmission Ventures Private Limited by the BPC on 13.10.2021 which was accepted by it. 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 Koppal-Narendra Transmission Limited from PFCCL along with all its related assets and liabilities;
- d. Make an application to this Commission for adoption of transmission charges, as required under Section 63 of the Act; and
- e. Apply to this Commission for grant of transmission licence.

8. ReNew Transmission Ventures Private Limited has furnished the Contract Performance Guarantee (CPG) for an aggregate value of Rs. 178.1 million on 9.12.2021 and has acquired hundred percent equity holding in the Petitioner on 13.12.2021. Accordingly, the Transmission Service Agreement executed between the TSP and the LTTCs dated 26.8.2021 became effective from 13.12.2021.

9. 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”

10. 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 National Committee on Transmission in its 2nd meeting held on 4.12.2018. Central Electricity Authority, vide its letter No. CEA-PS-12-14(20)/1/2018-PSPA-II division dated 31.1.2020 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer i.e. the Petitioner, Koppal-Narendra Transmission Limited, has certified to have been made in accordance with the Guidelines.

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

“(1) The application for grant of transmission licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fees as may be prescribed by the Central Government from time to time.

(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.

(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.

(4) Before making an application, the applicant shall serve a copy of the application on each of the long-term customers of the project and shall submit evidence to that effect along with the application and shall also post the complete application along with annexures and enclosures on its website, the particulars of which shall be given in the application.

(5) The application shall be kept on the website till such time the licence is issued or the application is rejected by the Commission.

(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.

(7) The applicant shall, within 7 days after making the application, publish a notice of its application in Form-II attached to these regulations, in at least two daily newspapers, one in English language and one in vernacular language, having circulation in each State or Union Territory where an element of the project or a long term customer is situate, in the same language as of the daily newspaper in which the notice of the application is published.

(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.

(9) In the notice published in the newspapers under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice.

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

(11) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:

Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant:

Provided further that these recommendations of the Central Transmission Utility shall not be binding on the Commission.

(12) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the public notice published by him, within 45 days of serving copy of the application on the Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.

(13) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant transmission licence or for reasons to be recorded in writing, reject the application.”

12. 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 web posting of the complete application. On perusal of the Application, it is also noted that the Petitioner has served copy of the Application on LTTCs for the Project. The Petitioner has served a copy of the Application on the Central Transmission Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. The Petitioner has prayed for grant of transmission licence with respect to the transmission system as per details given in paragraph 1 above.

13. The Petitioner has made the Application as per Form-I and paid the prescribed fee of Rs. one lakh. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is

Rs. 611.25 million per annum. The recommendations of the Bid Evaluation Committee and proof of making the final results of evaluation of all bids public by BPC as per the Guidelines have also been furnished.

14. The Petitioner vide its affidavit dated 4.1.2022 has placed on record the relevant copies of the newspapers wherein notices were published in terms of the Regulation 7(10) of the Transmission Licence Regulations. The Petitioner has published the notices on 24.12.2021 in Business Standard (Karnataka edition - English) and Vijayavani (Karnataka edition – Vernacular). No objection has been received from the general public in response to the public notices.

15. The matter was called out for virtual hearing on 15.2.2022 after notice to the Respondents. The representative of the Petitioner during the hearing submitted that the Petitioner has complied with all the requirements for grant of transmission licence and requested for grant of transmission licence to the Petitioner.

16. CTUIL vide its letter dated 31.1.2022 has recommended for grant of transmission licence to the Petitioner. Relevant portion of the said letter dated 31.1.2022 is extracted as under:

“3. In reference to the Transmission Scheme “Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500 MW)” following is submitted:

(i) Government of India has set a target for establishing 175 GW renewable capacity by 2022, which also includes 2.5 GW RE potential in Koppal area of Karnataka. The subject transmission scheme involves establishment of Koppal Pooling Station and its interconnection with ISTS grid for evacuation of RE power from Koppal area of Karnataka.

(ii) The transmission scheme was agreed in the 1st and 2nd meeting of Southern Region Standing Committee on Transmission (SRSCCT) held on 07.09.2018 and 10.06.2019 respectively. Extract of the minutes of 1st and 2nd SRSCCT meetings are enclosed at Annexure-II.

(iii) The transmission scheme was discussed in the 28th and Special meetings of Southern Regional Power Committee (SRPC) held on 23.12.2020 and 14.07.2021 respectively. Extract of the minutes of meetings are enclosed at Annexure-III.

(iv) The National Committee on Transmission (NCT) in its 3rd meeting held on 01.03.2019 has recommended the implementation of the subject transmission scheme through TBCB route. Extract of the minutes of 3rd NCT meeting are enclosed at Annexure-IV.

(v) The transmission scheme was also deliberated in the 4th meeting of Empowered committee on Transmission held on 12.07.2019. Ministry of Power vide its letter No. 15/3/2019-Trans-pt(3) dated 15.10.2019 (copy enclosed at Annexure-V) has appointed PFC Consulting Ltd. as BPC for bidding of the subject scheme through TBCB route.

(vi) The Commission has also granted regulatory approval for the transmission scheme vide order dated 26.11.2021 in Petition No. 200/MP/2019.

4. BPC vide letter dated 19.01.2022 has intimated that M/s ReNew Transmission Ventures Private Limited has acquired M/s Koppal-Narendra Transmission Limited on 13.12.2021 (copy of SPV transfer intimation enclosed at Annexure-VI). The Commissioning schedule for part of the scheme is 18 months (14.06.2023) and balance system is 24 months (14.12.2024) respectively from the date of transfer of SPV

5. In line with Section 15 (4) of the Electricity Act, 2003, details furnished by M/s Koppal-Narendra Transmission Limited (KNTL), CTU recommends grant of transmission licence to M/s Koppal-Narendra Transmission Limited for executing the transmission scheme as mentioned in Para-1 above”

17. We have considered the submissions of the Petitioner, BPC and CTUIL. 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 13.10.2021, BPC, vide its letter dated 13.12.2021, in terms of Clauses 2.4, 2.5 and 2.6 of RfP extended the date up to 23.12.2021 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. 178.1 million (Rs. 17.81 crore) on 9.12.2021 and has acquired hundred percent equity holding in the Petitioner on 13.12.2021 after execution of the Share Purchase Agreement. TSP on behalf of the selected bidder filed the

application for grant of transmission licence through e-portal on 20.12.2021. 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 Project 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 15.3.2022.

18. 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 11.3.2022 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.

19. 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 11.3.2022 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.

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

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member