

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 351/TL/2022

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

Date of Order: 26th February, 2023

In the matter of:

Application under Section 14 & 15 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 Gadag II-A Transmission Limited.

**And
In the matter of:**

Gadag II-A Transmission Limited
138, Ansal Chambers-II, Bhikaji Cama Place,
Delhi-110066.

....Petitioner

Vs

1. Chief Operating Officer,
Central Transmission Utility of India Limited
Saudamini, Plot No.2, Sector-29, Gurugram-12200
2. Chief Executive Officer,
REC Power Development and Consultancy Limited
REC Corporate Head Quarter, D Block,
Plot No. I – 4, Sec – 29, Gurugram – 122001
3. Solar One Energy Private Limited,
The Oberoi Center, Building No.-11,
Level-6, DLF Cyber City, Ph-II,
Gurugram- 122002, Haryana
4. Project Eight Renewable Power Private Limited,
S2904, 29th Floor, World Trade Centre,
Brigade Gateway Campus, Rajajinagar,
Bangalore-560055, Karnataka

5. Serentica Renewable India Private Limited,
DLF Cyber Park, 9th Floor, Tower B,
Udyag Vihar, Phase-3, Sector 20,
Gurgaon-122008, Haryana
6. ReNew Naveen Urja Private Limited,
Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase V,
Gurugram, Haryana 122009
7. Kerala State Electricity Board Limited,
Vaidhyuthi Bhawan, Pattom,
Thiruvananthapuram, Kerala- 695004
8. Tamil Nadu Generation and Distribution Company Limited,
NPKRR Maaligai, 144, Anna Salai,
Chennai- 600002
9. Southern Power Distribution Company of Andhra Pradesh Limited,
D.NO:19-13-65/A, Srinivasapuram
Tiruchanoor Road Tirupati - 517503
10. Eastern Power Distribution Company of Andhra Pradesh Limited,
P&T Colony, Seethammadhara,
Visakhapatnam- 530017
11. Southern Power Distribution Company of Telangana Limited,
Corporate Office: # 6-1-50, Mint Compound,
Hyderabad-500 063
12. Northern Power Distribution Company of Telangana Limited,
Corporate Office # 2-5-31/2 Vidyuth Bhavan, Nakkalgutta,
Hanamkonda, Warangal-506001
13. Bangalore Electricity Supply Company Limited,
Corporate Office, BESCO K.R.Circle,
Bengaluru-560001
14. Gulbarga Electricity Supply Company Limited,
Station Road, Kalaburagi,
Karnataka 585102
15. Hubli Electricity Supply Company Limited,
Corporate Office, Navanagar, P.B.Road,
Hubli-580025
16. Mangalore Electricity Supply Company Limited,
Corporate Office, MESCOM, Kavoov Cross Road,
Bejai, Mangalore – 575004

17. Chamundeswari Electricity Supply Corporation Limited,
No. 29, Vijaynagar 2nd Stage, Hinkal,
Mysore- 570017
18. Electricity Department, Govt of Puducherry,
137, NSC Bore Road, Electricity Department,
Puducherry- 605001

.....Respondents

Parties present:

1. Shri Agam Kumar, GTL
2. Shri Venkatesh Gorli, CTUIL
3. Shri Swapnil Verma, CTUIL
4. Shri Siddharth Sharma, CTUIL
5. Shri Ranjeet Singh, CTUIL
6. Shri Lashit Sharma, CTUTIL

ORDER

The Petitioner, Gadag II-A Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14 and Section 15 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 “Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II”, on Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as “the Project”) consisting of the following elements:

Sl. No.	Name of the Transmission Element	Scheduled COD from Effective Date
1	Gadag PS - Koppal PS 400 kV (high capacity equivalent to quad moose) D/C Line	18 Months
2	400kV Line bays at Koppal PS: 2 nos. & 400kV Line bays at Gadag PS: 2 nos. [for termination of Gadag PS Koppal PS 400 kV (high capacity equivalent to quad moose) D/C Line]	18 Months

Sl. No.	Name of the Transmission Element	Scheduled COD from Effective Date
3	400/220 kV, 3x500 MVA ICT Augmentation at Gadag Pooling Station <ul style="list-style-type: none"> • 400/220 kV, 500 MVA ICT –3 nos. • 400 kV ICT bays – 3 nos. • 220 kV ICT bays – 3 nos. • 220 kV line bays – 4 nos. • 220 kV Sectionalization bays: 1 sets • 200 kV Bus Coupler (BC) Bay – 1 nos. • 220 kV Transfer Bus Coupler (TBC) Bay – 1 nos 	18 Months

Note:

(i) Developer of Koppal PS shall provide space for 2 no. of 400 kV line bays at Koppal PS. for termination of Gadag PS-Koppal PS 400 kV (high capacity equivalent to quad moose) D/C Line.

(ii) Developer of Gadag PS under phase-I scheme shall provide space for augmentation of Gadag PS for above mentioned elements and space for ICT augmentation at Gadag pooling station.

2. 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, ReNew Transmission Ventures Private Limited (RTVPL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 245.43 million.

3. 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 6.2.2023, *prima facie* proposed to grant transmission licence to the Petitioner.

Relevant extract of order dated 6.2.2023 is extracted as under:

“23. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission

system as described in para 1 of this order. We therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 17.2.2023”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 10.2.2023 in all editions of the 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.

5. The Petitioner, vide order dated 6.2.2023, 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 Request for Proposal (RfP) and/ or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its submission dated 9.2.2023 has submitted that the transmission project is being governed by the TSA dated 18.11.2022 and all the terms of the TSA including Article 16 of the TSA are integral part of the TSA and are binding on the signatories of the agreement. The Petitioner has submitted that in terms of the TSA, it would implement the Project as per the provisions of the Article 16.4 of the TSA which is extracted as under:

"16.4. Parties to Perform Obligation: Notwithstanding the existence of any Dispute and difference referred to the Commission as provided in Article 16.3 and save as the Commission may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.”

6. The Petitioner has submitted that any time over-run or cost over-run shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, bidding documents and the Regulations of the Commission.

7. In the order dated 6.2.2023, 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 to ensure compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

9. The Petitioner, vide its affidavit dated 9.2.2023, 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 submissions of the Petitioner. As per TSA, the Independent Engineer (being

appointed by CTUIL) is also duty-bound to inspect the progress of the Project. Further, the Petitioner is required to give a monthly progress report to the CTUIL, Independent Engineer and the CEA about the Project and its execution. We consider it necessary that CTUIL, its appointed Independent Engineer and Central Electricity Authority 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. In case of slippage in execution of the Project within the timeline specified in the TSA or any nonconformance to the Grid Standards/Technical Standards/IS Specifications, CTUIL / CEA is requested to promptly bring the same to the notice of the Commission so that appropriate direction can be issued to the licensee for compliance.

10. Case was called out for hearing on 22.2.2023. It was submitted by the representative of the Petitioner that as per order dated 6.2.2023, 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. He further submitted that the Petitioner has co-ordinated with the both the transmission licensees i.e Koppal-Narendra Transmission Limited (owner of Koppal PS) and Gadag Transmission Limited (owner of Gadag PS) with regard to availability of required space for substation/ bays /augmentation works to be done by Gadag II-A Transmission Limited. The Petitioner has further submitted that it had also visited both the sub-stations (i.e Koppal PS and Gadag PS) and is aware about the layout of the sub-stations, which are being developed

11. The representative of CTUIL submitted that CTUIL vide its letter dated 14.12.2022 has recommended for grant of transmission licence to the Petitioner for the Project which include 3x500 MVA, 400/220 kV ICTs augmentation at Gadag Pooling station, Gadag PS-Koppal PS 400 KV D/C line and 400 kV line bays at both end. He further submitted that the CTUIL has submitted the information called for.

12. No reply has been filed by the Respondents despite notice.

13. 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.”

14. In our order dated 6.2.2023, 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 14.12.2022 has recommended for grant of transmission licence to the Petitioner. We find 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, Gadag II-A Transmission Limited, to establish Transmission System for “Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II”, on Build, Own, Operate and Transfer basis as per the details given in paragraph 1 above.

15. 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 license 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; and the Central Electricity

Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.;

(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.

16. CTUIL/ its appointed Independent Engineer and 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 Transmission Service Agreement executed between the licensee & Nodal Agency, the Act and the Transmission Licence Regulations.

17. 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 the SCOD.

18. Let an extract copy of this order be sent to CTUIL and CEA for information and necessary action.

19. Petition No. 351/TL/2022 is allowed in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(I.S. Jha)
Member