

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 123/TL/2023

Coram:

Shri Jishnu Barua, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P.K. Singh, Member

Date of order: 4th January, 2024

In the matter of:

Application under Sections 14, 15, 79(1)(e) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 seeking Transmission Licence for Kallam Transmission Limited for the Transmission Project to be constructed through Regulated Tariff Mechanism (RTM).

And

In the matter of

Kallam Transmission Limited,
Windsor, 1st Floor, Unit No. 101,
Kalina, Santacruz East-400 098,
Mumbai, Maharashtra

...Petitioner

Vs

1. Central Transmission Utility of India Limited,
CTU-Planning (1st Floor-A Wing), Saudamini,
Plot No. – 2, Sector- 29,
Near IFFCO Chowk Metro Station,
Gurugram-122 001

2. Veh Aarush Renewables Private Limited,
Plot No-38, Phase-2, 1st floor N-Heights,
Hitech City, Siddiq Nagar, Hyderabad,
India, 50008

3. JSW Neo Energy Limited,
JSW Center, BKC, Mumbai

4. Serentica Renewables India 4 Private Limited,
DLF Cyberpark, Tower-B, 9th Floor, Udyog Vihar,
Sector-20, Gurugram, Haryana-122008

- 5. Torrent Solar Power Private Limited,**
SUGEN Mega Power Project, Torrent Power Ltd,
Village -Akhakhol, Dist-Surat-394155
- 6. Chhattisgarh State Power Distribution Company Limited,**
Post: Sundernagar, Dangania-492013, Raipur
- 7. Goa Electricity Department,**
Curti, Ponda-403401
- 8. Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhavan,
Racecourse, Vadodara-390007
- 9. Heavy Water Board,**
O Floor Vikram Sarabhai Bhavan,
Trombay, Anushaktinagar,
Mumbai-400094, Maharashtra
- 10. HVDC Bhadrawati, PGCIL,**
PGCIL RHQ, WR-1, Sampriiti Nagar,
Off National Highway No.8,
Taluka-Kamrej, Po: Uppalwadi,
Nagpur-440026, Maharashtra
- 11. HVDC Vindhyachal, PGCIL,**
PGCIL RHQ, WR-1, Sampriiti Nagar,
Off National Highway No.8,
Taluka-Kamrej, Po: Uppalwadi,
Nagpur-440026, Maharashtra
- 12. M.P. Power Management Company Limited,**
14, Shakti Bhavan, Rampur,
Jabalpur-482008
- 13. Maharashtra State Electricity Distribution Company Limited,**
Plot No-9, Prakashgad, A.K Marg, Bandra East,
Mumbai-400051
- 14. ACB India Limited,**
7th Floor, Corporate Tower, Ambience Mall,
NH-8, Gurugram-122001, Haryana
- 15. Torrent Power Limited,**
Naranpura Zonal Office,
Sola Road, Ahmedabad-380013

16. West Bengal State Electricity Distribution Company Limited,
6th floor, Vidyut bhavan, Karunamoyee,
Salt Lake, Kolkata-700091, West Bengal

17. Thermal Powertech Corporation India,
6-3-1090, Clock-C, Level-2
TSR, Towers, Rajbhavan Road,
Somajiguda, Hyderabad-500082,
Telangana

18. Bhabha Atomic Research Centre,
Anushakti Nagar, Mumbai-400085,
Maharashtra

19. GMR Warora Energy Limited,
Plot B-1, Mohabala MIDC Growth Centre,
Post-Warora, Dist-Chandrapur-442907,
Maharashtra

20. HVDC Champa,
PGCIL RHQ, WR-1, Sampriiti Nagar,
Off National Highway No.8,
Taluka-Kamrej, Po: Uppalwadi, Nagpur,
440026, Maharashtra

21. West Central Railway Head Office,
General Manager's Office,
Electrical Branch, Jabalpur-482001

22. Western Railway,
CEDE, Office of Chief Electrical Engineer,
Mumbai

23. East Central Railway,
CEDE, Office of Chief Electrical Engineer,
ECR, Zonal Head Quarter,
Dighikala-844101, Bihar

24. DB Power Limited-Untied,
Opp Dena Bank, C-31,
G-Block, Mumbai

25. Chhattisgarh State Power Trading Company Limited,
2nd floor, Vidyut Sewa Bhavan, Raipur

26. TRN Energy Private Ltd-Untied,
7th floor, Ambience Office Block, Gurugram

- 27. Adani Power (Mundra) Limited,**
Adani Corporate House, Shantigram
Near Vaishnavdevi Circle, SG Road,
Ahmedabad
- 28. Raigarh HVDC Station,**
RPT HVDC office, Hebbal,
Bangalore-560094
- 29. Arcelor Mittal Nippon Steel India Limited,**
27, AMNS House, 2th Km Surat,
Hazira Road, Hazira-394270, Gujarat
- 30. Central Railway,**
Pcee's office, 2nd Floor, Parcle Building,
Csmt, Mumbai-400001
- 31. Dadra and Nagar Haveli and Daman and
Power Distribution Corporation Limited,**
1st & 2nd floor, Vidyut Bhavan,
Next Silvassa & Daman
- 32. MPSEZ Utilities Limited,**
3rd Floor, Adani Corporate House,
Ahmedabad

...Respondents

The following were present:

Ms Aparajita Upadhyay, Advocate KTL
Shri Lokendra Singh Ranawat, KTL
Shri Saurav Kr. Jha, KTL
Shri Venkatesh, Advocate, Veh Aarush
Shri Ashutosh Srivastava, Advocate, Veh Aarush
Shri P. Bhutani, Advocate, Veh Aarush
Shri Swapnil Verma, CTUIL
Shri Ranjeet Singh Rajput, CTUIL
Shri Shashank, CTUIL

ORDER

The Petitioner, Kallam Transmission Limited (KTL), has filed the present Petition under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') read with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions for grant of Transmission Licence and other related matters) Regulations,

2009 (hereinafter referred to as 'the Transmission Licence Regulations') for the grant of a separate transmission licence under the Regulated Tariff Mechanism (RTM) mode. The scope of the project for which a separate transmission licence has been sought is as under:

(a) *“Augmentation of Transformation Capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd & 4th) along with 220 kV bays for RE interconnection” (hereinafter referred to as “**Kallam Augmentation Part-1**”); and*

(b) *“Implementation of 1 no. 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Pvt. Ltd.” (hereinafter referred to as “**Kallam Augmentation Part-2**”)*

2. The Petitioner has made the following prayers:

“(a) Issue/Grant the Transmission Licence to the Applicant/ Petitioner in terms of Sections 14, 15 and 79 (1) (e) of the Electricity Act for establishing, operating and maintaining the Transmission System comprising:

i. Augmentation of Transformation Capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd & 4th) along with 220 kV bays for RE interconnection, comprising of elements as detailed in the present petition; and

ii. Implementation of 1 no. 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Pvt. Ltd. comprising of elements as detailed in the present petition.

(b) Condone any inadvertent errors omissions/ errors / shortcomings and permit the Applicant to add/change/modify/alter these pleadings and make further submissions as may be required at a future date;

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

3. KTL was incorporated as a Special Purpose Vehicle (SPV) by the REC Project Development and Consultancy Limited (RECTPCL) as part of the Tariff Based Competitive Bidding ('TBCB') process for the implementation of the “Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra’, on a Build, Own, Operate and Maintain (BOOM) basis. A consortium of

IndiGrid 1 Limited and IndiGrid 2 Limited participated in the competitive bidding process conducted by RECTPCL, and upon emerging as the successful bidder, a Letter of Intent (LoI) was issued by RECTPCL to Consortium on 30.11.2021. In accordance with the bidding documents, Consortium acquired 100% of the shareholding in KTL by executing a Share Purchase Agreement (SPA) with RECTPCL on 28.12.2021. KTL entered into a Transmission Service Agreement (TSA) with LTTCs on 30.9.2021. The Commission, in its order dated 18.7.2022 in Petition No. 30/TL/2022, granted the transmission licence to KTL to establish the '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:

Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra		
SL. No.	Scope of Transmission Elements	Scheduled COD in Months from Effective Date
1	Establishment of 2x500 MVA, 400/220kV substation near Kallam PS 2x500MVA, 400/220kV 400kV ICT bays-2 220kV ICT bay-2 400kV line bay-4 220kV line bay-4 Space for Future Provisions: 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	18 Months
2	1x125MVar 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 50MVAR switchable line reactor with 400 ohms NGR at Kallam PS end of Kallam – Pune (GIS) 400kV D/C line 2x50 MVAR, 400 kV Reactor bay - 2	18 Months
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4. The Petitioner has submitted that the estimated completion cost of the transmission scheme as per Office Memorandums (OM) dated 15.11.2022 and 8.6.2023 issued by the Central Transmission Utility of India Limited (CTUIL) is Rs. 156.89 crore (for Kallam Augmentation Part-1) and Rs.17.1 crore (for Kallam Augmentation Part-2). After completion of the transmission scheme, the Petitioner shall approach the Commission for determination of the transmission charges in accordance with Sections 61 and 62 of the Act and as per Regulation 8 (2) of the Transmission Licence Regulations.

Hearing dated: 20.6.2023

5. The matter was heard on 20.6.2023. During the course of the hearing, the learned counsel for the Petitioner submitted that after the filing of the present Petition, CTUIL vide its OM dated 8.6.2023 has awarded an additional 400 kV bay in the scope of the Petitioner to be implemented through RTM mode and the Petitioner may, therefore, be permitted to amend the present Petition so as to also include the said element in the scope of the Project.

6. In response to the specific query of the Commission regarding the Scheduled Commercial Operation Date (SCOD) of the Project and the status of renewable generators, the representative of the CTUIL submitted that the Petitioner is required to implement the Kallam Augmentation Part-1 within 18 months as per the OM issued by CTUIL dated 15.11.2022, which works out to May 2024. He further submitted that 3 Nos. of 220 kV line bays have been proposed for three generators, namely, Veh Aarush, JSW

Neo and Serentica Renewables. Subsequently, an additional 400 kV bay has also been assigned to the Petitioner for another generator, namely, Torrent Solar. However, keeping in view the timeline of this generator, the implementation schedule of this additional bay is different from the other bays.

7. After hearing the learned counsel for the Petitioner and the representative of the CTUIL, the Commission observed that CTUIL should ensure that there is no mismatch in the commissioning of these 220 kV bays (all 3 Nos.) and the 400 kV Bay, to be implemented by the Petitioner and the commissioning schedules of the corresponding generating stations. Accordingly, the Commission deemed it appropriate to direct the CTUIL to conduct a joint meeting with such generators and the Petitioner to ascertain that their respective timelines are aligned so as to avoid the eventualities of mismatch in their commissioning. Pursuant to such a meeting, CTUIL will file its affidavit confirming the schedule of such generators and SCOD of the Project, including all 4 Nos. bays as mentioned above.

8. The Petitioner, vide Record of Proceedings for the hearing dated 20.6.2023 was permitted to file an amended Petition (including a revised memo of parties by impleading the beneficiaries of the Western Region) for inclusion of the additional element(s) as assigned to it by CTUIL and the Petitioner was further directed to comply with the requirement specified in the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2009 read with Commission's order dated 22.1.2022 in Petition No. 1/SM/2022 in respect of this amended Petition.

9. Vide Record of Proceedings for the hearing dated 20.6.2023, the CTUIL was directed to submit the (a) Status of RE Projects, which have been granted Stage-II connectivity at Kallam PS along with the status of their LTA, and (b) Status of RE Projects for whom the “Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra” is planned.

10. The CTUIL vide affidavit dated 5.7.2023 has submitted the details as under:

“The status of RE Projects which have been granted Stage-II connectivity at Kallam PS along with the status of their LTA (as on May’23) is as under based on the information received from respective RE Generator:

Sr. No.	Name of RE Generator	Stage-II Quantum (MW)	LTA Quantum (MW)	Status (Generation Schedule)	Transmission Scheme details	Bay Details (220kV/400kV)
1	Renew Solar Power Private Limited	300	300	Land acquired – 35%. All POs placed and 40% Supply done. Construction in Progress. Anticipated CoD: Planned from Jan - Mar’24 in Phased manner.	Kallam 1GW Scheme	220kV: 1No. (Kallam 1GW scheme)
2	Viento Renewables Pvt Ltd	150	150	Turbine order done, FC achieved, EPC order done. Anticipated CoD: 50 MW: 31.12.2023 50 MW: 31.01.2024 50 MW: 29.02.2024		220kV: 1No. (Kallam 1GW scheme)
3	Anupavan Renewables Private Limited	150	148.75	Tariff Adoption order from CERC not yet received; Turbine order done, FC not yet achieved, EPC order done. Anticipated CoD (provided CERC order is received by Aug 2023) 50 MW: 31.10.2024 50 MW: 30.11.2024 50 MW: 31.12.2024		

Sr. No.	Name of RE Generator	Stage-II Quantum (MW)	LTA Quantum (MW)	Status (Generation Schedule)	Transmission Scheme details	Bay Details (220kV/400kV)
4	TEQ Green Power XI Private Limited	299 (200+99)	-	EHV line and PSS contract has been awarded and work on EHV line started. Anticipated CoD: 21.6 MW- 30.09.2024 50 MW- 31.12.2024	200MW: Kallam 1GW Scheme 99MW: Kallam Augmentation Scheme	220kV: 1No. (Kallam 1GW scheme)
5	TEQ Green Power XI Private Limited (enhancement on behalf of O2 Renewable Power III Pvt Ltd)	21.6	-	49MW- 30.06.2025 200 MW- 30.06.2025	Kallam Augmentation Scheme	
6	ReNew Green (MHP One) Private Limited	150 (117+33)	-	Land acquired- 38% All POs placed and 30% Supply done. Construction in Progress. Anticipated CoD: Planned in Dec'23 to Mar'24 in Phased manner.		220kV: 1No. (Kallam 1GW scheme)
7	Veh Aarush Renewables Pvt Ltd	201	-	More than 50% of the Land required for the Project has been acquired. Balance Land acquisition for the project is in progress. We are in the finalization of WTGs for the Project. Anticipated CoD: 50MW- 15.04.2025 50MW- 30.04.2025 101MW- 31.05.2025		220kV: 1No. (Kallam Augmentation Scheme)
8	JSW Neo Energy Limited	300	-	Land acquired for Generation Park: 40/700 acres. FC to be done. Anticipated COD: 100 MW: 30.06.2024 100 MW: 31.07.2024 100 MW: 31.08.2024		220kV: 1No. (Kallam Augmentation Scheme)

Sr. No.	Name of RE Generator	Stage-II Quantum (MW)	LTA Quantum (MW)	Status (Generation Schedule)	Transmission Scheme details	Bay Details (220kV/400kV)
9	Serentica Renewables India 4 Private Limited	210	200 (Under process)	PSS & EHV: PSS Civil works started. EHV – Route – 13.2 Kms, Route Survey completed, and foundation expected to start by end of July'23. Completion timeline: March'24 Anticipated COD: 100 MW: 10.06.2024 100 MW: 15.09.2024 150 MW (10+140): 30.12.2024	200MW: Kallam 1GW Scheme 10MW: Kallam Augmentation Scheme	220kV: 1No. (Kallam Augmentation Scheme)
10	Torrent Solar Power Private Limited	66	-	Line route survey has been completed based on 400 kV bay allocated, PSS land identified and under progress for procurement. Anticipated CoD: 66 MW- 31.03.2025 92 MW- 30.06.2025	*400kV level	400kV: 1No
11	Serentica Renewables India 4 Private Limited (Under process)	140	-	Same as indicated at Sl. No. 9	Kallam Augmentation Scheme	Shall share the bay with Serentica at Sl. No. 4
12	Torrent Solar Power Private Limited (Enhancement) (Under process)	92	-	Same as indicated at Sl. No. 10	*400kV level	Shall share the bay with Torrent at Sl. No. 10
13	Teq Green Power XI Private Limited (Under process - GNA)	29.7	-	-	Kallam Augmentation Scheme	Shall share the bay with Teq Green at Sl. No. 4&5

Kallam 1GW scheme: 2x500MVA, 400/220kV substation near Kallam including 4Nos. of 220kV line bays & LILO of both circuits of Parli (PG) – Pune (GIS) 400kV D/C line at Kallam PS.

Kallam Augmentation scheme: Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd & 4th) along with 3 Nos. of 220kV bays for RE interconnection.

**The capacity of RE generators indicated in the above table shall be pooled at 220kV level of Kallam PS except Torrent Solar Power Private Limited, which shall be pooled at 400kV level. The implementation of 1no. 400kV bay at ISTS end for Torrent Solar Power Private Limited is under implementation under RTM mode by KTL (in addition to the Kallam augmentation scheme)*

In addition to the above, the Western Region Network Expansion scheme in the Kallam area of Maharashtra is also required for RE injection beyond 1GW at Kallam PS. The subject scheme includes LILO of both circuits of Parli(M) – Karjat(M)/Lonikandli(M) 400 kV D/C line (twin moose) at Kallam PS & is approved in 14th NCT held on 9.6.2023 and recommended to be implemented under TBCB route (Minutes awaited) with commissioning schedule of 18 months from SPV transfer.”

(b) With regard to the status of RE Projects for whom the “Transmission System for Evacuation Power for RE Projects in Osmanabad Area (1 GW) in Maharashtra” is planned, the list of RE Generators linked with the Transmission Scheme for evacuation of 1GW RE capacity in Osmanabad has been indicated in the table at point number 1. Presently, 4 nos. RE Generators (Renew Solar Power Private Limited, Viento Renewables Pvt Ltd, Anupavan Renewables Private Limited & Serentica Renewables India 4 Private Limited) with a cumulative capacity of 798.75MW are linked with the above transmission scheme (for 1GW) & 200MW capacity of TEQ Green Power XI Private Limited would also be associated with the subject scheme (as per relative priority during GNA transition). For evacuation of RE capacity beyond 1GW at Kallam PS, the transmission systems under phase-II, i.e. the Kallam Augmentation scheme and Western Region Network Expansion scheme in the Kallam area of Maharashtra, are required. Further, 1 no. of 400 kV bay at ISTS end for Torrent Solar Power Private Limited is presently under implementation under RTM mode by KTL (in addition to the Kallam augmentation scheme).

11. The CTUIL, vide affidavit dated 17.7.2023, has submitted that it has conducted a meeting through video conference on 3.7.2023. CTUIL has submitted the Record Notes for Discussion of the Meeting held on 3.7.2023 amongst CTUIL, KTL, Veh Aarush Renewables Private Limited, JSW Neo Energy Limited, Serentica Renewables India 4

				31.07.2024 100MW: 31.08.2024 DTL: 31.01.2024	Renewables Pvt. Ltd & JSW Neo Energy Limited (JSW NEL) (iii) 1x125 MVAR, 420kV bus reactor (2 nd) at Kallam PS	
4.	Torrent Solar Power Private Limited (TSPPL)	66 + 92 (Under Process)	31.12.2024	66MW: 31.03.2025 92MW: 30.06.2025 DTL: 31.03.2025	1 no. 400 kV line bay for RE interconnection at Kallam PS B. Western Region Network Expansion scheme in Kallam area of Maharashtra (i) LILO of both circuits of Parli(M)-Karjat(M)/Lonikand-II(M) 400kV D/c line (twin moose) at Kallam PS (ii) 4 nos. 400kV line bays at Kallam PS for LILO of both circuits of Parli(M) – Karjat(M)/ Lonikand-II(M) 400kV D/c line (twin moose) at Kallam PS (iii) 63MVAR, 420kV switchable line reactor (with NGR bypassing arrangement) on each ckt at Kallam PS end of Karjat- Kallam 400 kV D/c line	30.12.2024 (CTU OM for RTM) Transmission system approved in 14 th NCT held on 9.6.2023 and recommended to be implemented under TBCB route. SCOD:18 months from SPV transfer

12. CTUIL has further submitted that based on the updates provided by the generators and the ISTS licensee, the following observations were made by CTUIL in the Record Notes of Discussion:

(a) Transmission system under Kallam 1GW scheme [at sl. No. 1(A) in the above table] and 01 no. of 220 kV line bay [at sl. No. 1(B) in the above table] are required for the transfer of power for 200 MW LTA of the SRI4PL generation project.

(b) ISTS systems required for the evacuation of power from the generation projects are Veh Aarush (201MW), JSW Neo(300MW), SRI4PL (balance quantum of 150 MW out of 350 MW): Transmission system mentioned at Sl. No. 2 & 4 (B) in

the above table, and Torrent Solar Power Private Limited (66MW+92MW): Transmission system mentioned in Sl. No. 4 in the above table.

(c) The generation projects, namely, Serentica Renewables India 4 Private Limited and JSW Neo Energy Limited, are expected to be commissioned progressively from 10.6.2024 & 30.6.2024 respectively, and the commissioning schedule of associated 2 nos. of 220 kV line bays is 14.5.2024, which needs to be matched to avoid the non-utilization of 220 kV line bays.

(d) Veh Aarush Renewables Private Limited is expected to be commissioned progressively from 15.4.2025, and the commissioning schedule of its associated 01 No. of 220 kV line bay is 14.5.2024, which needs to be matched to avoid the non-utilization of 220 kV line bay.

(e) Torrent Solar Power Private Limited is expected to be commissioned progressively from 31.3.2025, and the commissioning schedule of its associated 01 No. of 400 kV line bay is 30.12.2024, which needs to be matched to avoid non-utilization of 400 kV line bay.

13. Vide Record of Proceedings for the hearing dated 20.6.2023, the Petitioner was directed to submit the (a) SCOD of the “Kallam Augmentation Scheme”, (b) Status of implementation of the associated Transmission Scheme, namely “Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra” which is being implemented by the Petitioner under TBCB route, and Copy of Form II posted on its website along with the date of posting (required as per the Sub-Section 7 of Section 7 of the CERC (Procedure, Terms and Conditions for Grant of Transmission

License and other related matters) Regulation, 2009 read with the Order dated 22.01.2022 in Petition No. 1/SM/2022. The Petitioner, vide its affidavit dated 20.7.2023, filed the amendment Petition and submitted the information called for vide ROP dated 20.6.2023 as under:

(a) With regard to the SCOD of the Kallam Augmentation Scheme, the Kallam Augmentation Part-1 was awarded by the National Committee on Transmission (NCT) through CTUIL with an implementation timeframe of eighteen (18) months from 15.11.2022. Accordingly, the Scheduled Commercial Operation Date (SCOD) of Kallam Augmentation Part-1 is 15.5.2024. Kallam Augmentation Part-2 was awarded by CTUIL to the Applicant with an implementation timeframe till 30.12.2024. Accordingly, the SCOD of Kallam Augmentation Part-2 is taken as 30.12.2024.

(b) With regard to the Status of implementation of the transmission system awarded to the Petitioner through the TBCB route, the Petitioner is implementing the Inter-State Transmission scheme, viz. *Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra, which was awarded to the Applicant under tariff based competitive bidding route. The construction of the TBCB Project is in advanced stages, and as on 30.6.2023 following is the status of implementation of the TBCB Project:*

- (i) Foundation: 25 of 47 locations completed.
- (ii) Erection: 11 of 47 towers erected.
- (iii) Stringing: 0 of 16 km strung.
- (iv) Equipment and material received at the site for both SS and TL: 95 % of equipment required under the scope has been received.
- (v) Sub-station construction: 65% of construction work completed.

(c) With regard to the Form-II as per the provisions of the Transmission Licence Regulations read with the Order dated 22.01.2022 in Petition No. 1/SM/2022, a copy of the Form-II giving details of the scheme to be implemented under Kallam

Augmentation Part-I and Kallam Augmentation Part-2 has posted on the website.

Hearing dated: 26.7.2023

14. The matter was heard on 26.7.2023. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner has already submitted the information called for vide Record of Proceedings for the hearing dated 20.6.2023. It was submitted that the Petitioner has also filed an amended Petition (including a revised memo of parties by impleading the beneficiaries of the Western Region) for inclusion of the additional element(s) as assigned to it by CTUIL.

15. Vide Record of Proceedings for the hearing dated 26.7.2023 notice was issued to the Respondents to file their respective replies. Reply to the Petition has been filed by the VEH Aarush Renewables Private Limited.

16. CTUIL, vide Record for Proceedings for the hearing dated 26.7.2023, was directed to submit its recommendation for the grant of a separate transmission licence to the Petitioner company in terms of Section 15 (4) of the Electricity Act, 2003 for implementation of an additional element i.e. 400 kV line bay at Kallam PS for the inter-connection of Torrent Solar Power Private Limited (TSPPL) awarded vide CTUIL's OM dated 8.6.2023. CTUIL, vide its affidavit dated 8.8.2023, has recommended the grant of a separate transmission licence to the Petitioner company for "Augmentation of Transformation Capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd and 4th) along with 220 kV bays for RE interconnection" and Implementation of 1 no. 400kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Private Limited".

Reply by Respondent No.2, VEH Aarush Renewables Private Limited

17. Respondent No.2, VEH Aarush Renewables Private Limited (VARPL) vide affidavit dated 8.9.2023, has submitted that it has no objection to the grant of a separate transmission licence as prayed for by the Petitioner. VARPL has mainly submitted as under:

(a) VARPL is developing a 201 MW hybrid (Wind & Solar) Project at Latur, Maharashtra. Pertinently, on 30.8.2022, VARPL was granted Stage-I and Stage-II Connectivity by CTUIL for 300 MW and 201 MW, respectively, in line with the provisions of 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 (“Connectivity Regulations 2009”). As per the Stage-II Connectivity, the start date of connectivity is 31.12.2024. In the meanwhile, the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (“GNA Regulations”) were notified by this Commission. Accordingly, in terms of Regulation 27 of the GNA Regulations, VARPL, *vide* its letter dated 2.5.2023, furnished its confirmation/acceptance for the transition of its connectivity from the earlier regime to the GNA Regulations.

(b) On 3.7.2023, in compliance with the RoP dated 20.6.2023, CTUIL/ Respondent No.1 conducted a meeting regarding the Implementation of Augmentation of Transformation Capacity at Kallam Pooling Station (“Kallam PS”) by 2x500 MVA, 400/220 kV ICT’s (3rd and 4th) along with 220 kV bays for RE interconnection” along with the developers being connected to the Kallam PS. However, the Minutes of Meeting (“MoM”) issued by CTUIL dated 14.7.2023 states that the VARPL is expected to be commissioned progressively from 15.4.2025 and its associated 1 No. of 220kV line bay commissioning schedule is 14.5.2024, which needs to be matched to avoid non-utilization of 220 kV line bay. Accordingly, on 19.7.2023, VARPL *vide* its letter, apprised CTUIL that the construction activities achieving the commissioning targets as suggested for 14.5.2024 will be very

onerous and VARPL would not be able to match the date of commissioning of the 220-kV bay by 14.5.2024. Thereafter, on 24.8.2023, CTUIL issued its Meeting Notice & Agenda for the 21st Consultation Meeting for evolving Transmission Schemes in the Western Region to be held on 28.8.2023 and 29.8.2023. As per the Meeting Notice & Agenda, the start date of GNA for the instant transmission project is 30.6.2025. However, the Project being developed by VARPL would be ready and commissioned by 31.12.2024 i.e. the date on which connectivity was supposed to be granted to VARPL by the Petitioner/CTUIL. There appears to be no rationale/logic as to why the start date of connectivity has been shifted from 31.12.2024 to 30.6.2025. Therefore, the Petitioner/CTUIL be directed to comply with the timeline of 31.12.2024 as the start date of connectivity and/or to compensate VARPL for the loss it would incur on account of the unavailability of the transmission system.

(c) The Ministry of Power (“MoP”), vide its letter dated 21.6.2021 has extended the waiver of ISTS charges/ losses on transmission of electricity generated from solar and wind sources of energy commissioned up to 30.6.2025 and accordingly, there should not be an impediment for VARPL for claiming waiver of the transmission charges on account of delayed grant of the connectivity and any delays in the commissioning of the Project, on behalf of the Petitioner.

Hearing dated: 12.9.2023

18. The matter was called out for the hearing on 12.9.2023. During the course of the hearing, the representative of the Petitioner submitted that the Petitioner has also complied with the directions issued by the Commission vide Record of Proceedings for the hearing dated 20.6.2023 and 26.7.2023. In response to the specific query of the Commission regarding the Scheduled Commissioning Date of these Projects, the learned counsel for the Petitioner submitted that Kallam Augmentation Part 1 is scheduled to be commissioned in July 2024, whereas Kallam Augmentation Part 2 is scheduled to be commissioned on 31.12.2024. It was submitted that the Petitioner has already awarded

the works in relation to Kallam Augmentation Part 1. The representative of the CTUIL submitted that the start date of connectivity to Respondent No. 2 had been indicated as per the date sought for/requested by it in its application.

19. The Commission observed that CTUIL ought to ensure that the commissioning of Kallam Augmentation Part 1 and Part 2 matches with the corresponding generators and that the said transmission elements do not remain stranded upon their commissioning. The Commission also noted that in the event of a mismatch in the scheduling of the above transmission projects and the generators, CTUIL should also ensure that the concerned entities are made aware of their liability to pay the transmission charges as per the applicable Regulations and sign the necessary agreements to this effect. In response, the representative of CTUIL submitted that CTUIL would conduct a meeting with concerned entities in this regard and will place on record the minutes of the said meeting. Accordingly, CTUIL was directed to conduct a meeting with all concerned entities and to place on record the minutes of the said meeting thereafter.

CTUIL's affidavit dated 5.12.2023

20. In compliance with the directions of the Commission in the ROP dated 12.9.2023, CTUIL, vide its affidavit 1.12.2023, has submitted that CTUIL had conducted meetings with the Petitioner and the generators on 9.10.2023, 2.11.2023 and 8.11.2023 and has placed on record the Record Notes of Discussion of these meetings. Relevant extracts of the Record Notes of Discussion filed by CTUIL are reproduced hereinbelow:

"7. M/s SRI4PL informed that they are planning to commission their 200MW associated with Kallam 1GW scheme & Kallam Augmentation Part-1 progressively from 10.06.2024 to 15.09.2024 & balance 150MW power associated with Kallam Augmentation Part-1 & Western Region Network Expansion scheme in Kallam area of Maharashtra from 30.12.2024.

M/s Veh Aarush informed that they are planning to commission their 201MW power progressively from 31.12.2024 to 28.02.2025.

M/s JSW NEL informed that they are planning to commission their 300MW power progressively from 31.12.2024 to 31.05.2025.

The above 3 nos. generators informed that they are planning to evacuate their power before GNA effectiveness date and would seek T-GNA accordingly based on the margins available.

It was further informed by CTUIL that as per Clause 22.4 of CERC (Connectivity and GNA to ISTS) Regulations, 2022, Connectivity grantees seeking part effectiveness where GNA is yet to become effective shall be eligible for T-GNA subject to availability of transmission system.

8. It was informed to all the stakeholders that in case, COD of the ISTS bay of Connectivity line is achieved earlier than COD of the Generation project (but not earlier than the start date of Connectivity as per grant of Connectivity to the Generator under CERC Connectivity Regulations 2009), the liability of payment of applicable transmission charges for such mismatch period shall be governed by CERC Sharing Regulations, 2020

9. In view of the above, following is observed:

Transmission system required under GNA:

i. Transmission system under Kallam 1GW scheme [at Sl. No.(1)(I)(A) in above table] and 01 no. of 220kV line bay [at Sl. No.1(I)(B) in above table] are required for transfer of 200MW power of M/s SRI4PL generation project.

ii. Transmission system required for power evacuation from the other generation projects are:

1. M/s Veh Aarush (201MW), M/s JSW NEL(300MW), M/s SRI4PL (balance quantum of 150 MW out of 350 MW): Transmission system mentioned at Sl. No. 2 in above table (i.e. Kallam Augmentation Scheme Part-1 & Kallam expansion Scheme)

2. M/s Torrent Solar Power Pvt. Ltd (66MW+92MW): Transmission system mentioned at Sl. No. 4 in above table (i.e. Kallam Augmentation Scheme Part-2 & Kallam expansion Scheme)

Timeline of Generators:

iii. M/s SRI4PL generation project is expected to be commissioned progressively from 10.06.2024 and associated 1 no. of 220kV line bay commissioning schedule is 14.05.2024, which needs to be matched to avoid non-utilization of 220 kV line bay.

iv. Both M/s Veh Aarush Renewables Pvt Ltd and M/s JSW NEL are expected to be commissioned progressively from 31.12.2024 & it's associated 02 Nos. of 220kV line bays commissioning schedule is 14.05.2024, which needs to be matched to avoid non-utilization of 2nos. of 220 kV line bays.

v. M/s TSPPL is expected to be commissioned progressively from 31.03.2025 & it's associated 01 No. of 400kV line bay commissioning schedule is 30.12.2024, which needs to be matched to avoid non-utilization of 400 kV line bay.

Further, following new applications have also been received at Kallam PS (with quantum with quantum & connectivity start date requested) and proposed for sharing of above dedicated transmission system for connectivity of TSPPL:

1. 2200000075: Avaada Energy Private Limited (50MW) – Dec-24
2. 2200000193: Tata Power Renewable Energy Limited (TPREL) (101MW) – Jun-25
3. 2200000277: Serentica Renewables India Private Limited (200MW) – Mar-25

In this respect, M/s Avaada vide letter dated 26.10.2023 has requested to implement the 400kV bay along with dedicated transmission infrastructure at Kallam PS at their own cost considering the early schedule of the project. The matter was deliberated in series of meetings held on 02.11.2023 & 08.11.2023 amongst CEA, CTU, KTL (TSP) and project developers wherein, following was deliberated and agreed:

- Indigrid (TSP) stated that 1 no. 400kV bay is available apart from TSPPL bay. However, it was deliberated that it would not be prudent to utilize another 400kV bay for grant of connectivity under GNA to Avaada or any other applicant when another 400kV bay has already been allocated to M/s TSPPL with capacity of 1250MW, especially considering that no more than 1250MW can be evacuated from 400kV level of Kallam PS (beyond 2000W at 220kV level).
- M/s Indigrid (TSP) shall implement the 400kV bay at Kallam PS (originally planned for M/s TSPPL) by Dec-24, which was confirmed by Indigrid in the meeting.
- TSPPL PS – Kallam PS 400kV line for terminating at Kallam PS at 400kV bay (allotted to M/s TSPPL & under implementation by M/s Indigrid) shall be implemented by TSPPL in two phases.
- In Ph-I (Dec'24), M/s Avaada shall construct a 400/33kV Pooling Station and utilize a part of TSPPL PS – Kallam PS 400kV line for terminating at Kallam PS through 400kV bay.
- In Phase-II (Mar'25), complete TSPPL PS – Kallam PS 400kV along with 400/220kV TSPPL PS would be implemented by TSPPL & M/s Avaada shall terminate directly at TSPPL's 400/220kV PS at 400kV bay.
- M/s TSPPL shall construct a 400/220kV Pooling Station around 5 km. from Kallam PS. Serentica and TPREL shall connect at 220kV level of TSPPL PS for which both the developers agreed during the meeting & M/s Avaada shall connect at 400kV level of the pooling station (in final arrangement)
- M/s Avaada shall undertake to bear applicable transmission charges for the 400kV bay at Kallam PS being implemented by M/s Indigrid in case of any delay in commissioning of RE generation beyond the commissioning date of 400kV bay (for period of mismatch between Dec-24 Mar-25) and in case of any default in payment of applicable transmission charges, the submitted Conn-BGs may be encashed to the extent of default.

Confirmation from Avaada in this regard is awaited.

Conclusion:

vi. In view of the above, it was deliberated in the meeting that based on the requirement as provided by above Generators, Hon'ble CERC may give direction to TSP (i.e M/s KTL) for Kallam Augmentation Scheme in the license recommendation (being developed under RTM mode) for the following:

- *1 no. 220kV line bay under Kallam Augmentation Part-1 associated with M/s SRI4PL generation project is required to be implemented by 10.06.2024 instead of 14.05.2024 to avoid non-utilization of subject bay. (Power may be evacuated with establishment of Kallam 1GW scheme including 2 nos. of ICTs (1st & 2nd) and subject bay)*
- *2 nos. 220kV line bays under Kallam Augmentation Part-1 associated with M/s Veh Aarush & M/s JSW NEL generation project are required to be implemented by 31.12.2024 instead of 14.05.2024 to avoid non-utilization of subject bays.*
- *In addition to above, balance system under Kallam Augmentation Part-1 scheme including 2 nos. of ICTs (3rd & 4th) are required to be implemented by 31.12.2024. (Power from above generation projects may be evacuated under T-GNA with establishment of above scheme based on the margins available).*
- *1 no. 400kV line bay under Kallam Augmentation Part-2 associated with TSPPL generation project is required to be implemented by 31.12.2024 (i.e. as per the original schedule of TSPPL bay) for evacuation of power from Avaada generation project. Confirmation from M/s Avaada in this regard is awaited i.r.o. sharing of the bay allocated to TSPPL (anticipated commissioning schedule - Mar'25). Further, M/s Avaada is liable to bear applicable transmission charges for the 400kV bay at Kallam PS being implemented by M/s Indigrid in case of any delay in commissioning of RE generation beyond the commissioning date of 400kV bay (for period of mismatch between Dec-24 & Mar-25)."*

Analysis and Decision

21. We have considered the submissions of the Petitioner and Respondent, CTUIL and VARPL. The Petitioner has filed the present Petition for the grant of a separate transmission licence for augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd & 4th) along with 220 kV bays for RE interconnection ("Kallam Augmentation Part-1"); and implementation of the 1 no. 400 kV bay at Kallam PS for inter-connection of RE project of Torrent Solar Power Pvt. Ltd." ("Kallam Augmentation Part-2) under Regulated Tariff Mechanism (RTM) mode.

22. The transmission scheme Kallam Augmentation Part-1 was approved in the 9th meeting of Evolving Transmission Schemes in Western Region held on 28.7.2022, and Kallam Augmentation Part-2 was agreed in the 15th meeting of Evolving Transmission Schemes in Western Region held on 30.1.2023. The Ministry of Power, Government of India, vide its letter dated 28.10.2021, had issued terms of Reference of the NCT and *inter alia* directed that NCT shall approve the ISTS costing between Rs.100 crore and Rs. 500 crore or such limit as prescribed by the Ministry of Power from time to time, along with their mode of implementation under intimation to the Ministry of Power. The Ministry of Power further directed that ISTS costing less than or equal to Rs. 100 crore, or such limit as prescribed by the Ministry of Power from time to time, will be approved by the Central Transmission Utility of India Limited (CTUIL) along with the mode of implementation under intimation to the NCT and the Ministry of Power, Government of India. The relevant portion of the said order dated 28.10.2021 is extracted as under:

*“2. Terms of Reference (ToR) of the NCT are as under: i.***** VIII. The NCT shall recommend to Ministry of Power (MoP) for implementation of the ISTS for projects with cost more than Rs 500 crore, along with their mode of implementation i.e. Tariff Based Competitive Bidding (TBCB) / Regulated Tariff Mechanism (RTM), as per the existing Tariff Policy. However, the NCT shall approve the ISTS costing between Rs100 crore to Rs.500 crore or such limit as prescribed by MoP from time to time, along with their mode of implementation under intimation to MoP. The ISTS costing less than or equal to Rs. 100 crores, or such limit as prescribed by MoP from time to time, will be approved by the CTU along with their mode of implementation under intimation to the NCT and MoP. After approval of the ISTS by the NCT or the CTU (as the case may be), the TBCB project shall be allocated to Bid Process Coordinators through Gazette Notification, while the RTM project shall be allocated to CTU.”*

23. Based on the above, CTUIL vide its Office Memorandums dated 15.11.2022 and 8.6.2023 approved the implementation of Kallam Augmentation Part-1 and Kallam Augmentation Part-2 respectively, on RTM mode along with identified implementing agency and addressed the same to Ministry of Power, Government of India and NCT. The

relevant portion of the said Office Memorandum dated 15.11.2022 & 8.6.2023 is extracted as under:

Office Memorandum dated 15.11.2022:

“Sub: Inter-State Transmission Scheme approved by NCT in its 9th meeting held on 28.9.2022 under Regulated Tariff Mechanism (RTM). NCT vide letter dated 15.11.2022 has awarded the following ISTS Transmission Scheme to CTUIL for their implementation under RTM mode by Consortium of Indigrid 1 Ltd. (Lead Member) and Indigrid 2 Ltd. as indicated in the table below:

Sl.	Name of Transmission Scheme	Implementing Agency
1	Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICT (3rd & 4th) along with 220 kV bays for RE interconnection	Consortium of Indigrid 1 Ltd. (Lead Member) and Indigrid 2 Ltd.

Office Memorandum dated 8.6.2023

“Sub: Inter-State Transmission Scheme (costing upto Rs. 100 Cr.) to be taken up for implementation under Regulated Tariff Mechanism (RTM). The undersigned is directed to inform that CTU has approved implementation of the following ISTS costing less than or equal to Rs. 100 crore in line with MoP Office order dated 28.10.2021 under the Regulated Tariff mechanism (RTM) mode by the implementing agencies as indicated in the table below:

Sl.	Name of Transmission Scheme	Implementing Agency
Western Region		
1	Implementation of 1 no of 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Pvt. Ltd. (TSPPL)	Kallam Transmission Ltd. (a subsidiary of India Grid Trust)

24. 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 company has been incorporated under the

Companies Act, 2013 and is already a transmission licensee. 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”

25. 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 Clauses (4), (7), (9) and (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 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 long-term 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."*

26. The Petitioner has filed the present Petition for the grant of a separate 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 a copy of the application on the LTTCs for the Project.

27. The Petitioner has made the application as per Form-I prescribed in the Transmission Licence Regulations. The Petitioner has posted its application for the Kallam Augmentation Part-1 and for the Kallam Augmentation Part-2 on its website and posted the Form -II on its website on 29.3.2023 & 20.7.2023 respectively, in English, Hindi and Marathi languages. It has been submitted by the Petitioner that no objection has been received in response to the public notices. The Petitioner has served a copy of the Application on CTUIL as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations.

28. CTUIL, vide its letter dated 21.4.2023 and 8.8.2023, has recommended the grant of a separate transmission licence to the Petitioner for Kallam Augmentation Part-1 & 2 respectively. Relevant portions of the said letter dated 21.4.2023 & 8.8.2023 are extracted as under:

Kallam Augmentation Part-1 (letter dated 21.4.2023)

Sub: Recommendation of CTU under Section 15(4) of Electricity Act, 2003 on application filed by M/s Kallam Transmission Ltd. (KTL) for grant of Transmission License for "Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICT (3rd & 4th) along with 220 kV bays for RE interconnection".

This has reference to the letter dated 31.3.2023 vide which M/s Kallam Transmission Ltd. (KTL) has requested CTU for issuance of its recommendation for grant of Transmission

License for subject transmission scheme against the application/petition already filed before CERC. In this regard, following is submitted:

1. M/s Kallam Transmission Ltd. has filed an application/petition under Section 14,15, 79(1) (e) of the Electricity Act, 2003 read with CERC (Procedures, Terms & Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license for Kallam Augmentation ISTS scheme to be implemented through RTM mode. The detailed scope of the transmission scheme is enclosed at Annexure-I.

2. As per section 15(3) of the Electricity Act, 2003 and regulation 7(6) of Transmission License Regulation, 2009, a copy of the application for the grant of transmission license, for the above transmission system has been received on 31.3.2023 for recommendation required u/s 15(4) of the Electricity Act, 2003.

3. In reference to the Kallam Augmentation Scheme, the following is submitted:

i) The government of India has a target for establishing 500 GW non-fossil generation capacity by 2030, which also includes 2 GW RE potential in the Osmanabad area of Maharashtra under ISTS (1 GW under 66.5 GW REZ & 1 GW under 181.5 GW REZ).

ii) Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra under 66.5 GW REZ is being implemented by KTL through TBCB route. The subject transmission scheme involves establishment of 2x500 MVA, 400/220 kV ICTs near Kallam PS alongwith LILO of both circuits of Parli (PG)-Pine (GIS) 400 kV D/C line at Kallam PS.

iii) For integration of 181.5 GW RE capacity by 2030 in ISTS, which includes additional 1 GW REZ potential at Kallam PS, Augmentation scheme at Kallam was discussed and agreed in 9th consultation meeting for evolving transmission schemes in western region (CMETs-WR) held on 28.7.2022. The subject scheme includes augmentation of Kallam Pooling Station by 2x500 MVA, 400/220 kV ICTs (3rd & 4th) along with 3 nos. of 220 kV bays for RE interconnection for evacuation of RE power from Osmanabad area in Maharashtra. Extract of minutes of 9th WR-CMETS meeting is enclosed at Annexure-II.

iv) The transmission system was discussed and agreed to be implemented under RTM mode in the 9th NCT meeting held on 28.9.2022 as the estimated cost of the scheme lies between Rs. 100 to 500 Crore in terms of MoP's office order dated 28.10.2021, which stipulates that NCT has been empowered to approve inter-state transmission systems costing between Rs. 100 crores and Rs. 500 crores (or such limit as prescribed by MoP from time to time), along with their mode of implementation under intimation to MoP & and as the works are of the nature of technical upgradation. Extract of the minutes of the 9th NCT meeting is enclosed at Annexure-III.

v) NCT vide letter dated 15.11.2022 awarded the Kallam Augmentation scheme to CTUIL for their implementation under RTM mode by Consortium of Indigrd 1 Ltd. (Lead Member) and Indigrd 2 Ltd. (wholly owned SPV of Kallam Transmission Ltd.) with implementation timeframe of 18 months from date of issue of above letter. Copy of NCT allocation letter is enclosed at Annexure-IV. CTUIL vide letter dated 15.11.2022 to KTL forwarded NCT's referred letter and informed regarding allocation of the Kallam Augmentation Scheme under RTM mode. Copy of CTU letter is enclosed at Annexure-V.

4. 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.

Kallam Augmentation Part-2 (letter dated 8.8.2023)

“Sub: Recommendation of CTU under Section 15(4) of Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulation, 2009 on an application filed by M/s Kallam Transmission Ltd. (KTL) for grant of Transmission License for “Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICT (3rd & 4th) along with 220 kV bays for RE interconnection and RE project of 1 no. 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Private Limited” projects.

This is in continuation to our earlier letter dated 21.4.2023 i.r.o. recommendation for grant of license to KTL for execution of “Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICT (3rd & 4th) along with 220 kV bays for RE interconnection and RE project of 1 no. 400 kV bay at Kallam PS for RE interconnection” project in line with section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.

Subsequently, KTL has filed the amended petition on 20.7.2023 under Section 14, 15, & 79 (1) (e) of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for “Augmentation of Transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICT (3rd & 4th) along with 220 kV bays for RE interconnection” and “Implementation of 1 no. of 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Private Limited” project to be constructed through RTM. The detailed scope of the latter transmission scheme i.e implementation of 1 no. of 400 kV bay at Kallam PS is enclosed at Annexure-I.

In reference to the Transmission Scheme of “Implementation of 1 no. of 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Private Limited”, the following is submitted:

i) The transmission system was discussed and agreed upon in the 15th CMETS-WR meeting held on 30.1.2023. Extract of the minutes of the CMETS-WR meeting is enclosed at Annexure-II.

ii) CTU vide OM dated 8.6.2023 approved implementation of the above ISTS project costing less than Rs. 100 cr.in line with the MoP office order dated 28.10.2021 under the RTM mode by KTL. Extract of the CTU vide OM dated 8.6.2023 is enclosed at Annexure-III. The implementation timeframe for the above ISTS scheme is 30.12.2024.

In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of the Transmission License Regulation, 2009 and 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 at Annexure-I viz. “Implementation of 1 no. of 400 kV bay at Kallam PS for interconnection of RE project of Torrent Solar Power Private Limited”.”

29. Further, in line with the directions of the Commission to ensure that the commissioning of Kallam Augmentation Part-1 and Part-2 matches with the corresponding generators and that the said transmission elements do not remain stranded upon their commissioning, CTUIL conducted meetings with the generators and the Petitioner. CTUIL provided the minutes of the meeting held on 9.10.2023, 2.11.2023 and 8.11.2023. In these Minutes of the Meeting provided by CTUIL, it is observed that the Commissioning schedule of the generators connecting at Kallam PS has varied from the date of award of the augmentation project to the Petitioner.

30. The revised schedule of the generators seeking connectivity to Kallam Augmentation Part-1 is as under:

(a) The SRI4PL generation project is expected to be commissioned progressively from 10.06.2024, and the associated 1 no. of 220kV line bay commissioning schedule is 14.05.2024, which needs to be matched to avoid non-utilization of 220 kV line bay.

(b) Both Veh Aarush Renewables Pvt Ltd and M/s JSW NEL are expected to be commissioned progressively from 31.12.2024 & its associated 02 Nos. of 220kV line bays commissioning schedule is 14.05.2024, which needs to be matched to avoid non-utilization of 2nos. of 220 kV line bays.

(c) TSPPL is expected to be commissioned progressively from 31.03.2025 & its associated 01 No. of 400kV line bay commissioning schedule is 30.12.2024, which needs to be matched to avoid non-utilization of 400 kV line bay.

31. The CTUIL has further submitted that new applications have also been received from the generators seeking connectivity at Kallam PS (with quantum & connectivity start

date requested) and have proposed the sharing of a dedicated transmission system for connectivity of TSPPL. The developers are Avada Energy Private Limited (50MW): December 2024, Tata Power Renewable Energy Limited (TPREL) (101MW): January 2025; and Serentica Renewables India Private Limited (200MW): March 2025

32. CTUIL, in its recommendation to the Commission, has submitted that based on the requirement as provided by the Generators, the system can be operationalised in the following manner:

(a) The 1 no. 220 kV line bay under Kallam Augmentation Part-1 associated with the SRI4PL generation project is required to be implemented by 10.6.2024 instead of 14.5.2024 to avoid the non-utilization of the subject bay. (Power may be evacuated with the establishment of the Kallam 1GW scheme, including 2 nos. of ICTs (1st & 2nd) and subject bay).

(b) The 2 nos. 220 kV line bays under Kallam Augmentation Part-1 associated with Veh Aarush & M/s JSW NEL generation project are required to be implemented by 31.12.2024 instead of 14.5.2024 to avoid the non-utilization of subject bays.

(c) In addition to the above, the balance system under the Kallam Augmentation Part-1 scheme, including 2 nos. of ICTs (3rd & 4th) is required to be implemented by 31.12.2024. (Power from above generation projects may be evacuated under T-GNA with the establishment of the above scheme based on the margins available).

(d) 1 no. 400 kV line bay under Kallam Augmentation Part-2 associated with the TSPPL generation project is required to be implemented by 31.12.2024 (i.e. as per the original schedule of the TSPPL bay) for evacuation of power from the Avaada generation project. Confirmation from Avaada in this regard is awaited towards sharing of the bay allocated to TSPPL (anticipated commissioning schedule - Mar'25). Further, Avaada is liable to bear applicable transmission charges for the 400 kV bay at Kallam PS being implemented by Indigrd in case of any delay in commissioning of the RE generation beyond the commissioning date of the 400 kV bay (for a period of mismatch between December 2024 & March 2025).

33. After evaluating the submissions made in the minutes of the meeting provided by CTUIL as well as the recommendation submitted by CTUIL, the Commission is of the view that the Petitioner shall complete the Kallam Augmentation Part-1 & Part-2 in the following manner:

S No.	ISTS Scheme	Original Commissioning time frame	Availability of Generator from	Revised commissioning timeframe to match generation
1.	Kallam Augmentation Part-1:			
1(a)	1 no. 220 kV line bay for SRI4PL	14.05.2024	10.06.2024	10.06.2024
1(b)	1 no. 220 kV line bay for Veh Arush	14.05.2024	31.12.2024	31.12.2024
1(c)	1 no. 220 kV line bay for JSW Neo	14.05.2024	31.12.2024	31.12.2024
1(d)	2 nos. ICTs	14.05.2024	31.12.2024	31.12.2024
2.	Kallam Augmentation Part-2:			
2(a)	1 no. 400kV line bay for Torrent	31.12.2024	31.12.2024	31.12.2024

34. Further, the Commission is of the view that the generators and the Petitioner should develop the system in an integrated manner and should strictly adhere to the commissioning schedules provided in the table above so that there is no mismatch between the respective commissioning schedules of the generators and the Petitioner (ISTS licensee).

35. The scope of the work of the transmission system on the Regulated Tariff Mechanism (RTM) mode/ Kallam Augmentation Scheme is as under:

S.No	Scope of the Transmission Scheme	Item descriptions	Implementation time frame	Total estimated cost by CTUIL (Rs. in crore)
Kallam Augmentation Part-1				
1	Augmentation of transformation capacity at Kallam PS by 2x500 MVA, 400/220 kV ICTs (3rd&4th) along with 220 kV bays for RE interconnection	<ul style="list-style-type: none"> Augmentation of Kallam Pooling Station by 2x500 MVA 500 MVA,400/220 kV ICT: 2 nos. 400 kV ICT bays: 2 nos. 400/220 kV ICTs 220 kV ICT bays: 2 nos. 3 nos. 220 kV line bays for RE interconnection 220 kV line bays: 3 nos. 1x125 MVAr bus reactor (2nd) at Kallam PS 125 MVAr, 420 kV bus reactor-1 no. Bus reactor-1 no. 	18 months from the date of issue of NCT letter dated 15.11.2022.	156.89
Kallam Augmentation Part-2				
2	400 kV line bay at Kallam PS for interconnection of Torrent Solar Power Pvt. Ltd. (TSPPL)	<ul style="list-style-type: none"> 400 kV line bay (including associated tie bay)-1 no. 	30.12.2024	17.1

36. Section 14 of the Act provides that the Appropriate Commission may, on an application made to it under Section 15, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licensee. Section 16 of the Act provides that the Appropriate Commission may specify any general or specific conditions which shall apply either to a licensee or class of licensees, and such

conditions shall be deemed to be conditions of such licence. The Commission has specified the Transmission Licence Regulations. Regulation 6 of the said Regulation lays down the eligibility criteria for the grant of transmission licence as under:

“6. Eligibility for Grant of licence:

(a) No person shall be eligible for grant of licence unless it is—(a) selected through the process under the guidelines for competitive bidding, or

(b) a State owned or controlled company identified as a project developer on or before 5.1.2011, or

(c) a generating company which has established the dedicated transmission line, and intends to use such dedicated transmission line as the main transmission line and part of the inter-State transmission system.”

37. In the present case, the Petitioner does not fulfil any of the eligibility conditions for the grant of transmission licence. However, in the 6th meeting of the National Committee on Transmission, it was indicated that as per the revised Terms of Reference issued by the Ministry of Power, Government of India, ISTS projects costing up to Rs. 100 crore or such limit as may be prescribed by the Ministry of Power from time to time would be approved by CTUIL including its mode of implementation. The scheme has been identified for implementation through RTM mode by CTUIL. Non-grant of a transmission licence to any agency nominated by the NCT to implement a transmission scheme through a regulated tariff mechanism in view of the provisions of Regulation 6 defeats the purpose of the Policy decision of the Government. We are of the view that considering the strategic importance of the transmission line, it is a fit case for relaxation of the provisions of Regulation 6 by invoking the power vested under Regulation 24 of the Transmission Licence Regulations.

38. Regulation 24 of the Transmission Licence Regulations dealing with the power to relax in appropriate cases, provides as under:

“24. The Commission may, when it considers necessary or expedient to do so and for reasons to be recorded in writing, relax or depart from any of the provisions of these regulations”.

39. It is an established principle of law that the power to relax has to be strictly construed and is to be exercised judiciously and with caution. Further, the power to relax is to be exercised only when undue hardship is caused by the application of the rules or regulations. In the present case, the Petitioner is a transmission licensee who is already implementing the project defined under its scope through the TBCB mechanism. The present Petition is consequent to the office order 28.10.2021 notified by the Ministry of Power Government of India wherein CTUIL has been authorized to determine the mode of implementation of ISTS projects less than or equal to Rs.100 crore. Pursuant to the direction of the Ministry of Power, CTUIL, vide its Office Memorandums dated 21.4.2023 & 8.6.2023, has determined a list of Projects to be implemented or through Regulated Tariff Mechanism, which also includes the instant Petition for the subject transmission scheme.

40. It is noticed that as per the Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021, notified by the Ministry of Power on 1.10.2021, NCT is required to recommend the scheme for approval of the Central Government, Ministry of Power which shall approve the scheme. CTUIL is directed to submit a copy of the approval of the Central Government as required under the above Rules within three weeks.

41. Since the Petitioner is already an inter-State transmission licensee and has been identified as an agency to implement the project as per RTM, the Commission, in the exercise of power under Regulation 24, hereby relaxes the provision of Regulation 6 of the Transmission Licence Regulations and holds that the Petitioner is eligible for the grant of a transmission licence. We, hereby, direct that a public notice under clause (a) of subsection (5) of Section 15 of the Act be published to invite suggestions or objections to the grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by **30.1.2024**.

42. The Petition shall be listed for hearing on **7.2.2024**.

Sd/-
(P.K.Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(Jishnu Barua)
Chairperson