

CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 156/TL/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Arun Goyal, Member

Shri Ramesh Babu V., Member

Date of order: 24th June, 2024

In the matter of:

Application for amendment of the transmission licence No. 79/Transmission/2022/CERC of Warora Kurnool Transmission Limited granted under Sections 14 and 15 of the Electricity Act, 2003 and the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.

And

In the matter of

Warora Kurnool Transmission Limited,
Adani House, Shantigram,
3rd Floor, South Wing, SG Highway,
Ahmedabad – 382421.

...Petitioner

Vs

1. Tamil Nadu Generation and Distribution Corporation Limited,
144, Anna Salai,
Chennai-600002.

2. Southern Distribution Company of Andhra Pradesh Limited,
D. No. 19-13-65/A, Srinivasapuram,
Tiruchhanur Road,
Kesavayana Gunta,
Tirupati - 517503, Andhra Pradesh.

3. Eastern Distribution Company of Andhra Pradesh Limited,
P&T Colony, Seethmmadhara,
Vishakhapatnam - 530013,
Andhra Pradesh.

4. Southern Distribution Company of Telangana Limited,

2nd Floor, H. No. 6-1-50,
Mint Compound,
Hyderabad-500063.

5. Northern Power Distribution Company of Telangana Limited,
H. No. 2-5-31/2, Corporate Office Vidyut Bhavan,
Hanamkonda, Warangal-506 001.

6. Bangalore Electricity Supply Company Limited,
Krishna Rajendra Circle,
Bangalore-560 001.

7. Gulbarga Electricity Supply Company Limited,
Station Road, Kalaburagi,
Karnataka-585 102.

8. Hubli Electricity Supply Company Limited,
Corporate Office, P.B. Road,
Navanagar, Hubli-580025.

9. Mangalore Electricity Supply Company Limited,
Paradigm Plaza, A. B Shetty Circle,
Pandeshwar, Mangalore-575001.

10. Chamundeswari Electricity Supply Company Limited,
No. 29, CESC Corporate Office, Hinkal,
Vijaynagar 2nd Stage, Mysuru-570017.

11. Kerala State Electricity Supply Company Limited,
Vydyuthi Bhavanam, Pettom,
Thiruvananthapuram, Kerala - 695004.

12. Electricity Department,
Govt. of Puducherry 137,
NSC Bose Salai,
Puducherry-605 001.

13. Electricity Department, Government of Goa,
Vidyut Bhavan, Near Mandvi Hotel,
Panaji, Goa-403001.

14. Central Transmission Utility of Indian Limited,
Saudamini, Plot No. 2, Sector 29,
Gurgaon-122001.

...Respondents

The following were present:

Shri Bhavesh Kundalia, WKTL
Shri Ranjeet Singh Rajput, CTUIL

ORDER

The Petitioner, Warora Kurnool Transmission Limited (hereinafter referred to as 'WKTL'), has filed the present Petition under Sections 14, 15, and 18 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 amendment of transmission licence for the Implementation of "Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor for transmission lines implemented by WKTL under the scheme 'Additional inter Regional AC link for import into Southern Region, i.e., Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link.' – Part-A" on the Regulated Tariff Mechanism (RTM) mode (hereinafter referred to as the 'transmission scheme'). The scope of the project for which a transmission licence has been sought is as under:

(a) Implementation of Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor for transmission lines implemented by WKTL:

S. No.	Scope of the Transmission Scheme	Implementation timeframe
1	Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor for transmission lines implemented by WKTL under the scheme "Additional inter-Regional AC link for import into Southern Region i.e., Warora-Warangal and Chilakaluripeta-Hyderabad- Kurnool 765kV link." – Part-A	6 months from the issue of OM by CTUIL, i.e., 2.7.2024
Total Estimated Cost:		Rs. 2.08 crore

2. WKTL was incorporated as a special purpose vehicle by PFC Consulting Limited (PFCCL) as part of the Tariff Based Competitive Bidding ('TBCB') process for implementing the "Additional inter-Regional AC link for import into Southern Region, i.e., (a) Warora - Warangal, and (b) Chilakaluripeta - Hyderabad - Kurnool 765kV link" on a Build, Own, Operate, and Maintain (BOOM) basis. Essel Infraprojects Limited participated in the competitive bidding process conducted by PFCCL, and upon emerging as the successful bidder, a Letter of Intent (LOI) was issued by PFCCL to Essel Infraprojects Limited on 29.2.2016. Thereafter, in accordance with the RFP documents, Essel Infraprojects Limited on 6.7.2016, acquired the Warora Kurnool Transmission Limited after execution of the Share Purchase Agreement and completing all procedural requirements specified. The Commission, in its order dated 29.9.2016 in Petition No. 111/TL/2016, granted a transmission licence to WKTL for inter-State transmission of electricity to establish the "Additional inter-Regional AC link for import into Southern Region, i.e., (a) Warora - Warangal, and (b) Chilakaluripeta-Hyderabad-Kurnool 765kV link" on a Build, Own, Operate, and Maintain ("BOOM") basis consisting of the following elements:

Sr.	Name of the Transmission Element	Scheduled COD in months from Effective Date
1.	Establishment of 765/400kV substations at Warangal (New) with 2x1500 MVA transformers and 2x240 MVAR bus reactors	40 months
2.	Warora Pool- Warangal (New) 765 kV D/c line with 240 MVAR switchable line reactor at both ends	40 months
3.	Warangal (New)-Hyderabad 765 kV D/c line with 240 MVAR switchable line reactor at Warangal end	40 months
4.	Warangal (New)-Warangal (existing) 400 kV (quad) D/c line	40 months

5.	Hyderabad- Kurnool 765 kV D/c line with 240 MVAR switchable line reactor at Kurnool end	40 months
6.	Warangal (New) – Chilakaluripeta 765 kV D/c line with 240 MVAR switchable line reactor at both ends	40 months
7.	240 MVAR switchable line Reactors at Warora Pool end in each circuit of Warora Pool-Rajnandgaon 765 kV D/C line with NGR (700 Ohms)	Nov 2018

3. Consequently, the lenders of the Applicant had filed Petition No. 71/MP/2020 under Sections 17(3) and (4) of the Act read with Regulation 12 of the Transmission Licence Regulations and Article 15.3 of the TSA dated 6.1.2016 seeking approval of the Commission for substitution of Essel Infra with Adani Energy Solutions Limited (AESL) [“Previously known as Adani Transmission Limited (ATL)”] for execution of the Project. The Commission, vide its order dated 27.1.2021, allowed the transfer of shareholdings of the Applicant from Essel Infra to AESL.

4. Warora Kurnool Transmission Limited was granted a separate transmission licence No. 79/Transmission/2022/CERC for the construction, operation, and maintenance of an inter-State transmission system for implementation of the “80 MVAR reactor at 765 kV Warangal New” on RTM mode vide order dated 13.9.2022 in Petition No. 145/TL/2022 with the following scope of works:

“Implementation of 80 MVAR reactor at 765 kV Warangal New”

S. No.	Scope of the Transmission Scheme	Capacity	Implementation timeframe
1.	<i>One spare unit (1-Ph) of 80 MVAR reactor at 765 kV Warangal New along with necessary arrangement to take spare reactor units into</i>	<i>80 MVAR (1-Ph)</i>	<i>15 months from issue of OM by CTU</i>

	<i>service as per the operational requirement.</i>		
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5. Further, in addition to the above-mentioned scope, the Central Transmission Utility, vide Office Memorandum dated 2.1.2024, has notified the 'Scheme to bypass NGR to use Switchable line Reactor as BUS Reactor for transmission line` implemented on the Regulated Tariff Mechanism (RTM) to Warora Kurnool Transmission Limited (WKTL) while referring to the MoP office order dated 28.10.2021. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, vide its order dated 6.6.2024, *prima facie* held that the Petitioner is eligible for the grant of a transmission licence. The relevant extract of the order dated 6.6.2024 is extracted as under:

“20. Since the Petitioner is already an inter-State transmission licensee and has already been granted a transmission licence for the implementation of 80 MVAR reactor at 765 k V Warangal sub-station through RTM mode and again has been identified as an agency to implement the project as per the 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 sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant a transmission licence aforesaid. The objections or suggestions, if any, shall be filed by any person before the Commission by 16.6.2024.”

6. A public notice under Sub-section (5) of Section 15 of the Act was published on 8.6.2024 in all editions of the Times of India (English) and Dainik Jagran (Hindi). No suggestions/objections have been received from members of the public in response to the public notice.

7. The case was called out for the hearing on 18.6.2024. The representative of the Petitioner submitted that no objection has been received in response to the public notice

published by the Commission under sub-section (5) of Section 15 of the Act. Accordingly, it was requested that a separate transmission licence be granted. The representative of CTUIL further submitted that CTUIL has already recommended the grant of the transmission licence.

8. It is noticed that CTUIL, vide its letter dated 15.12.2023, has requested the Ministry of Power to clarify the requirement of approval of the Central Government to transmission schemes under the Transmission System Planning Rules, 2021 for the Projects costing up to Rs. 500 crores approved by NCT/CTUIL as per the Ministry's Order dated 28.10.2021. CTUIL is directed to place on record the response received from the Ministry of Power as and when it is received. Meanwhile, we proceed to grant the transmission licence to the Petitioner Company so that the construction work of the transmission line may not be delayed.

9. As regards the grant of the transmission licence, Clauses (15) and (16) of Regulation 7 of the 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.”

10. In our order dated 6.6.2024, we had proposed to grant the transmission licence to the Petitioner company and directed the issue of a public notice, against which no suggestions/objections have been received as stated above. Further, CTUIL, in its letters dated 16.4.2024, has recommended the grant of a transmission licence to the Petitioner. The Commission, in its order dated 6.6.2024, had observed that the Petitioner fulfils the eligibility conditions for the grant of a transmission licence. Since, in the present case, the Petitioner is a transmission licensee that is already implementing the project defined under its scope through the TBCB mechanism and the RTM mode, and the present Petition is consequent to the office order 28.10.2021 notified by the Ministry of Power Government of India, the Commission, vide said order dated 6.6.2024 held that the Petitioner is eligible for the grant of a transmission licence. Accordingly, we direct that the existing transmission licence of WKTL granted vide order in Petition No. 145/TL/2022 dated 13.9.2022 under RTM mode may be amended to include the assets covered in the instant Petition. Accordingly, the transmission licence granted to Warora Kurnool Transmission Limited under RTM mode shall comprise the following scope of works:

(i) “Implementation of 80 MVAR reactor at 765 kV Warangal New”

S. No.	Scope of the Transmission Scheme	Capacity	Implementation timeframe
1.	One spare unit (1-Ph) of 80 MVAR reactor at 765 kV Warangal New, along with necessary arrangements to take spare reactor units into service as per the operational requirement.	80 MVAR (1-Ph)	15 months from issue of OM by CTUIL

(ii) Implementation of Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor for transmission lines implemented by WKTL:

S. No.	Scope of the Transmission Scheme	Implementation timeframe
1.	Scheme to bypass NGR to use Switchable Line Reactor as Bus Reactor for transmission lines implemented by WKTL under the scheme “Additional inter-Regional AC link for import into Southern Region, i.e., Warora-Warangal and Chilakaluripeta-Hyderabad- Kurnool 765kV link.” – Part-A	6 months from the issue of OM by CTUIL, i.e., 2.7.2024

11. The grant of the 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 Central Electricity Regulatory Commission (Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024 (hereinafter referred to as ‘the 2024 Transmission Licence Regulations’) or any subsequent enactment thereof during the period of subsistence of the licence;

(c) The licensee may make an application, two years before the expiry of the initial licence period, for the grant of the 2024 transmission licence for another term in accordance with Regulation 9 (2) of the 2024 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 a 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 subsection (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 provisions of Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide the 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 (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2023; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time or any subsequent reenactments thereof;

- (i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;
- (j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;
- (k) The licensee shall remain bound by the provisions of the Act, the Rules and Regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;
- (l) The licensee shall ensure the execution of the Project as per the Technical Standards and Grid Standards of CEA; and
- (m) The licensee shall submit all such report or information as may be required under 2024 Transmission Licence Regulations, Standard of Performance Regulations or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.
- (n) The licensee shall ensure that the EPC contract for the execution of work under the scope of the project is awarded through a competitive bidding process.

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

13. An extract of a copy of this order be sent to the Central Government in the Ministry of Power and the Central Electricity Authority in terms of sub-section (7) of Section 15 of the Electricity Act, 2003, for their information and record.

14. Petition No. 156/TL/2024 is allowed in terms of the above.

Sd/-
(Ramesh Babu V.)
Member

sd/-
(Arun Goyal)
Member

sd/-
(Jishnu Barua)
Chairperson