

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 176/TL/2024

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member**

Date of order: 15th July, 2024

In the matter of:

Application under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for the grant of a separate transmission licence to POWERGRID Parli Transmission Limited for implementation of the 400 kV line bay at 765/400 kV Parli (New) S/s for interconnection of RE project through "Regulated Tariff Mechanism" (RTM) mode.

And

In the matter of

**POWERGRID Parli Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016**

... Petitioner

Vs.

**1. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th Floor,
Bandra (East), Mumbai-400051**

**2. MP Power Management Company Limited,
Block No-11, Ground Floor,
Shakti Bhawan, Vidhyut Nagar, Rampur,
Jabalpur-482008, Madhya Pradesh**

**3. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh**

**4. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Race Course,
Vadodara-390007, Gujarat**

5. Goa Electricity Department,
Govt. of Goa, Curti, Ponda-403401

6. Dadra and Nagar Haveli and Daman Power Distribution Corporation Ltd.
1st & 2nd Floor, Vidyut Bhavan,
Near Secretariat, Amil, Silvassa-396230

7. Electricity Department, Administration of Daman & Diu,
Plot No.-35, OI DC Complex, Near Fire Station,
Somnath-396210, Daman

8. ReNew Pawan Shakti Private Limited,
Renew Hub, Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase V
Gurugram-122009, Haryana

9. Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurugram -122001

....Respondents

Parties present:

Shri Subham Arya, Advocate, PPTL
Ms. Reeha Singh, Advocate, PPTL
Shri Dbuyanshu Sharma, PPTL
Shri Ranjeet Rajput, CTUIL
Shri Akshayvat Kislay, CTUIL
Shri Swapnil Verma, CTUIL

ORDER

The Petitioner, POWERGRID Parli Transmission System Limited, (in Short, 'PPTL'), has filed the present Petition under Section 14 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 for the implementation of 400kV line bay at 765/400kV Parli (New) S/s for interconnection of

RE project through “Regulated Tariff Mechanism” (RTM) mode (hereinafter referred to as the ‘transmission scheme/project’). The scope of the project for which a transmission licence has been sought is as follows:

Sl. No.	Scope of the Transmission Scheme	Estimated cost (Rs. in crore)	Implementation Time Frame
1	400kV line bay at 765/400kV Parli (New) S/s for interconnection of RE Project	18	31.12.2025

2. The Petitioner company, erstwhile Gadawara (B) Transmission Limited (the name of the Petitioner company was changed from ‘Gadawara (B) Transmission Limited’ to ‘POWERGRID Parli Transmission Limited (PPTL) with effect from 21.7.2015), was incorporated as a special purpose vehicle by REC Transmission Projects Company Limited (RECTPCL) as part of the Tariff Based Competitive Bidding (TBCB) process for implementing the transmission project “Transmission System associated with Gadawara STPS (2X800 MW) of NTPC (Part-B)” on a Build, Own, Operate, and Maintain (BOOM) basis. Power Grid Corporation of India (PGCIL) 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 PGCIL on 11.3.2015. In accordance with the bidding documents, PGCIL acquired 100% of the shareholding in the Petitioner Company by executing a Share Purchase Agreement with RECTPCL on 24.4.2015. The Petitioner Company entered into a Transmission Service Agreement (TSA) with LTTCs on 9.2.2015. The Commission, vide its order dated 10.7.2015 in Petition No. 128/TL/2015, granted a transmission licence to the Petitioner Company for inter-State transmission of electricity to establish the transmission project “Transmission System

associated with Gadarwara STPS (2X800 MW) of NTPC (Part-B)” on a Build, Own, Operate, and Maintain (BOOM) basis. The implementation status of the project is as under: -

S. No.	Project elements	SCOD	COD
1.	Warora (Pooling Station)-Parli (New) 765kV D/C line	31.01.2018	04.06.2018
2.	Parli (New)-Solapur 765 kV D/C line	31.01.2018	27.04.2018
3.	Parli (New)-Parli (PG) 400 kV D/C (Quad) line	31.01.2018	27.04.2018
4.	<p>Establishment of 2X1500 MVA 765/400kV Parli (New) S/S</p> <ul style="list-style-type: none"> • 765 kV ICTs :7X500MVA 765/400kV (One Spare Unit) ICT Bays: 2 Nos. Line Bays: 4 Nos. Bus Reactor: 3X110 MVAR Bus Reactor Bays: 1 Nos. Line Reactors: 7X110 MVAR (one spare unit) along with associated NGR and its auxiliaries (for Warora PS-Parli (New) 765 kV D/C line) Space for 765kV Bays: 4 Nos. • 400kV ICT Bays: 2 Nos. Line Bays: 2 Nos. <p>Spare for 400kV Bays: 4 Nos.</p>	31.01.2018	27.04.2018

3. Subsequently, the Central Transmission Utility of India Limited (CTUIL) issued an Office Memorandum dated 2.1.2024 to the Petitioner, in which CTUIL has approved and nominated the Petitioner to implement the transmission scheme of 400 kV line bay at 756/400kV Parli (New) sub-station for interconnection of RE project through RTM mode.

4. The Petitioner has submitted that after the grant of a separate transmission

licence, the Petitioner shall proceed to implement the transmission scheme under RTM mode. The estimated cost of the transmission scheme, as per CTUIL's Office Memorandum (OM) dated 2.1.2024, is Rs.18 crore. 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 Tariff Regulations in vogue as per Regulation 8 (2) of the 2009 Transmission Licence Regulations.

5. 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 25.6.2024, *prima facie* proposed to grant a separate transmission licence to the Petitioner to implement the transmission projects detailed in paragraph 1 of the order. The relevant extracts of the order dated 25.6.2024 are extracted as under:

“18. In the present case, the Petitioner does not fulfil any of the eligibility conditions for the grant of a transmission licence. However, the subject transmission scheme has been approved by CTUIL vide its OM dated 16.2.2024, and the scheme was allocated to the Petitioner under RTM mode. The non-grant of a transmission licence to any agency nominated by the MoP 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 a relaxation of the provisions of Regulation 6 by invoking the power vested under Regulation 24 of the Transmission Licence Regulations.

19. 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”.

20. 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 costing up to Rs.100 crore. Pursuant to the direction of the Ministry of Power, CTUIL, vide its Office Memorandum dated 2.1.2024, has informed regarding a list of Projects to be implemented through a Regulated Tariff Mechanism, which also includes the transmission scheme of the present petition.

21. *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 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 **5.7.2024.***

6. A public notice under Sub-section (5) of Section 15 of the Act was published on 29.6.2024 in all editions of the Hindustan Times (English) and Amar Ujala (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 a hearing on 11.7.2024. The learned counsel for the Petitioner submitted that no objection had 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 to the Petitioner Company. The representative of CTUIL further submitted that CTUIL has already recommended the grant of the transmission licence.

8. It is noted that the CTUIL, vide its letter dated 14.5.2024, 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 crore 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 a 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 25.6.2024, we had proposed to grant a transmission licence to the Petitioner company and directed for the issuance of public notice. In response to the public notice, no suggestions/ objections have been received. CTUIL, vide its letter dated 30.4.2024, has recommended the grant of a transmission licence to the Petitioner. The Commission, in its order dated 25.6.2024, had observed that the Petitioner does not fulfill

the eligibility conditions for the grant of a transmission licence. Since, in the present case, the Petitioner is a transmission licensee that has already implemented the project defined under its scope through the TBCB mechanism, 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 25.6.2024 relaxed the provision of Regulation 6 of the Transmission Licence Regulations and held that the Petitioner is eligible for the grant of a transmission licence. Considering the submissions of the Petitioner and CTUIL, we, accordingly, direct that the transmission licence be granted to the Petitioner, POWERGRID Parli Transmission Limited, to establish the transmission scheme through the RTM route as per the details given in paragraph 1 above.

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 Transmission Licence Regulations, 2024’) 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 transmission licence for another term in accordance with Regulation 9 (2) of the Transmission Licence Regulations, 2024, 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 re-enactments 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, 2024, 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;

(m) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, 2024, 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 in meeting the schedule for further appropriate action in accordance with the provisions of the Act and the Transmission Licence Regulations, 2024.

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. 176/TL/2024 is allowed in terms of the above.

Sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson