

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 178/TL/2024**

**Coram:**

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

**Date of order: 26<sup>th</sup> August, 2024**

**In the matter of:**

Petition under Sections 14, 15 and 79(1) (e) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of transmission licence and other related matters) Regulations, 2009 for grant of a separate Transmission Licence for augmentation of transformation capacity at 765/400 kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat-Part A on the Regulated Tariff Mechanism (RTM) route.

**And**

**In the matter of**

**WRSS XXI (A) Transco Limited,**  
Adani Corporate House, Shantigram,  
Near Vaishno Devi Circle, S G Highway,  
Khodiyar, Ahmedabad - 382421  
**Petitioner**

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**Vs.**

- 1. Adani Green Energy Limited,**  
Adani House, 4<sup>th</sup> Floor, South Wing,  
Shantigram, SG Highway,  
Ahmedabad.
- 2. Adani Green Energy (MP) Limited,**  
Adani House, 4<sup>th</sup> Floor, South Wing,  
Shantigram, SG Highway,  
Ahmedabad.
- 3. Netra Wind Pvt. Limited,**  
DLF Cyber Hub, Building No. 53,  
Phase-2, Gurgaon-122002.
- 4. POWERGRID Corporation of India Limited,**  
**Chief Executive Officer, CTU Planning,**  
Saudamini, Plot No.2, Sector-29,  
Gurgaon-122001.

**Parties present:**

Shri Prashant Kumar, WRSS TL  
Shri Ranjeet Singh Rajput, CTUIL

**ORDER**

The Petitioner, WRSS XXI (A) Transco Limited (hereinafter referred to as ‘the Petitioner’), 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 the “Augmentation of transformation capacity at 765/400 kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat – 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 is being amended is as under:

<b>S. No.</b>	<b>Name of the scheme and Implementation timeframe</b>	<b>Estimated cost (₹ in crore)</b>	<b>Remark</b>
1	Augmentation of transformation capacity at 765/400 kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat – Part A  Tentative Implementation timeframe: 18 months (By 30.6.2025 on best effort basis)	142	Approved to be implemented under RTM by WRSS XXI (A) Transco Limited

The detailed scope of the Scheme is as under:

<b>SN</b>	<b>Scope of the Transmission Scheme</b>	<b>Capacity/ km</b>
1	Creation of 220kV switchyard at Lakadia 765/400kV S/s along with 220kV line bays for RE Interconnection	220 kV switchyard & 220kV line bays – 2 Nos. 220 kV Bus coupler – 1 No. 220 kV Transfer bus coupler – 1 No.
2	Installation of 2x500 MVA, 400/220 kV ICTs (1st & 2nd) at Lakadia PS along with	400/220kV, 1x500MVA ICT – 2 No. 400kV bay – 2 No. 220kV bay – 2 No.

SN	Scope of the Transmission Scheme	Capacity/ km
	associated ICT bays	Associated 400 kV Bus Bar extension

3. The Petitioner is an Inter-State transmission licensee and was awarded a Transmission system to establish the transmission project “Western Region Strengthening Scheme-21 (WRSS-21) Part A-Transmission System Strengthening for Relieving Over Loadings Observed in Gujarat Intra-State System due to RE Injections in Bhuj PS”. The Commission vide order dated 24.1.2020 in Petition No. 409/TL/2019 granted a transmission licence to the Petitioner for the aforesaid transmission Project consisting of the following scope of the work:

Sl. No.	Name of the Transmission Element	Completion Target
1.	<p>Establishment of 2x1500 MVA, 765/400 kV Lakadia PS with 765 kV (1x330 MVAR) and 420 kV (1x125 MVAR) bus reactor</p> <ul style="list-style-type: none"> <li>• 2 x1500 MVA, 765/400 kV</li> <li>• 400 kV ICT bay-2</li> <li>• 765 kV ICT bay-2</li> <li>• 400 kV line bay-4</li> <li>• 765 kV line bay-2</li> <li>• 1 x 330 MVA, 765 kV</li> <li>• 1 x 125 MVA, 420 kV</li> <li>• 765 kV Reactor bay- 1</li> <li>• 420 kV Reactor bay -1</li> <li>• 1 x 500 MVA, 765/ 400 kV, 1-ph ICT (spare unit)</li> <li>• 1x110 MVAR, 765 kV, 1-ph Reactor (spare unit) (for both 1x330 MVAR bus reactor under Part-A and 1x330 MVAR line reactor on Lakadia-Vadodara line- under Part-B)</li> </ul> <p>Future provisions: Space for:</p> <ul style="list-style-type: none"> <li>(i) 765/ 400 kV ICTs along with bays: 2 nos.</li> <li>(ii) 400/220 kV ICTs along with bays: 8 nos.</li> <li>(iii) 765 kV line bays: 8 nos.</li> <li>(iv) 400 kV line bays: 6 nos.</li> <li>(v) 220 kV line bays: 16 nos.</li> <li>(vi) 765 kV bus reactor along with bays: 1 no.</li> </ul>	December, 2020

Sl. No.	Name of the Transmission Element	Completion Target
	(vii) 400 kV bus reactor along with bays: 1 no.	
2	LILO of Bhachau-EPGL 400 kV D/C (triple) line at Lakadia PS	
3	Bhuj PS-Lakadia PS 765 kV D/C line	
4	2 nos of 765 kV bays at Bhuj PS for Bhuj PS Lakadia PS 765 kV D/C line	

4. The Central Transmission Utility of India Limited (CTUIL) had issued an Office Memorandum dated 16.2.2024 to the Petitioner wherein CTUIL has approved and nominated the Petitioner to implement the transmission scheme of Augmentation of transformation capacity at 765/400kV Lakadia S/s (WRSS XXI(A) Transco Ltd.) in Gujarat - Part A through RTM mode.

5. The Petitioner has submitted that after the grant of a separate transmission licence, the Petitioner shall proceed to implement the transmission scheme under the RTM mode. The subject transmission scheme was discussed and agreed upon in the 2nd sitting of the 21st CMETS-WR meeting held on 29.8.2023. NCT had approved implementation of the Communication Schemes in its 17th meeting held on 31.01.2024. Based on the same, CTUIL, vide its Office Memorandum dated 16.2.2024, approved the subject transmission scheme under the Regulated Tariff Mechanism (RTM) mode. After completion of the transmission scheme, the Petitioner shall approach the Commission for the determination of the transmission charges in accordance with the Transmission Licence Regulations.

6. 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 21.6.2024, *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 21.6.2024 are extracted as under:

*“19. 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.*

*20. 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”.*

*21. 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 16.2.2024, 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.*

*22. 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 grant a transmission licence aforesaid. The objections or suggestions, if any, shall be filed by any person before the Commission, by 30.6.2024.”*

7. A public notice under sub-section (5) of Section 15 of the Act was published on 5.8.2024 in all editions of ‘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.

8. The case was called out for a hearing on 4.7.2024. The representative of 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.

9. Vide Record of Proceeding dated 4.7.2024, the Commission raised a specific query regarding the need for granting of a separate transmission licence to the Petitioner herein since the Project has been allocated to the CTUIL for implementation, which is already a deemed transmission licensee and can get the said Project implemented through the implementing agency by entering into a Concessionaire Agreement. In response, CTUIL, vide its affidavit dated 1.8.2024, has submitted as under:

a) CTUIL, a wholly owned subsidiary of POWERGRID, was incorporated on 28.12.2020. The Government of India officially designated CTUIL as the Central Transmission Utility on 9.3.2021. The Commission, vide its order dated 25.2.2022 in Petition 02/SM/2022 (Suo-Moto), held that PGCIL and CTUIL shall maintain the separate and proper accounts for expenditure incurred and keep the same reconciled.

b) Further, the Ministry of Power vide Office Order dated 28.10.2021 re-constituted NCT. Since CTUIL is now responsible for approving the ISTS transmission projects costing up to Rs. 100 crore and determining their implementation, a Committee chaired by the COO of CTUIL has been formed to review these matters regularly. The second meeting of the CTUIL Committee on Transmission Projects (CCTP) was held on 17.12.2021. Following the Committee's recommendations on the separation of the CTUIL and POWERGRID and the reconstitution of NCT and CCTP deliberations, projects allocated to CTUIL under RTM are now assigned to POWERGRID or the owner of the ISTS sub-station.

c) The role of CTUIL under the proposed draft Concessionaire Agreement is equivalent to its role under the TSA executed in the TBCB projects, acting as a Nodal Agency for the efficient monitoring and implementation of projects awarded under the RTM mode. Article 4.1 (Satisfaction of Conditions Subsequent by the

Concessionaire) of the draft Concession Agreement stipulates that the Concessionaire must obtain a transmission licence from the Commission for the project. Additionally, Articles 5.2 and 6.4 outline the responsibilities of CTUIL in project implementation, as well as in progress monitoring and quality assurance, respectively.

d) In addition, CTUIL has further submitted that:

(i) The Ministry of Power (MoP) in the past had allocated augmentation works at existing/ under implementation sub-stations to its owners, and CTUIL has merely adopted the same practice under directions of the Ministry of Power and in the capacity similar to that of a nodal agency and a delegate.

(ii) CTUIL's current role and structure is a regulatory entity that discharges the functions of the planning and coordination of ISTS in consultation with the various stakeholders and is not that of an implementing agency for transmission projects.

(iii) Further, CTUIL has not been conceived as a facsimile of a transmission service provider and has been carved out as a neutral, non-business entity. Many of the CTU's statutory and regulatory functions, including the monitoring function of TSPs, require CTUIL to be non-partisan and non-conflicted in the development of the ISTS projects.

(iv) CTUIL performs functions of the Nodal Agency in TBCB projects, and a similar role has been assigned to the CTUIL in the Concessionaire Agreement, whereby the role assigned to CTUIL is for recommending the transmission licence on application by the TSP.

(v) The term "award" as it appears in the Terms of Reference under MoP Order dated 28.10.2021 may need to be construed in its practical context and with due consideration of the fact that the MoP Gazette/Office Memorandum's so-called "award" to CTUIL is further qualified by the name of the entity that shall implement the project without any choice or option with the CTUIL to choose such an entity in a contractual sense. CTUIL's role is limited to "intimate the implementing agency" in terms of its mandate.

(vi) CTUIL does not have the necessary manpower and wherewithal to perform the functions of the TSP.

10. We have noted the above submissions of the CTUIL and proceed to consider the application of the Petitioner for the grant of the transmission licence.

11. 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 longterm 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.”*

12. In our order dated 21.6.2024, 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 14.5.2024, has recommended the grant of a transmission licence to the Petitioner company. The Commission, in its order dated 21.6.2024, had observed that the Petitioner is a transmission licensee who is already implementing the project defined under its scope under the RTM mechanism, and the present Petition is consequent to the office order 28.10.2021 notified by the Ministry of Power Government of India. Pursuant to the direction of the Ministry of Power, the subject transmission scheme was discussed and agreed upon in the 2nd sitting of the 21st CMETS-WR meeting held on 29.8.2023. NCT had approved implementation of the Communication Schemes in its 17th meeting held on



31.01.2024. Based on the same, CTUIL, vide its Office Memorandum dated 16.2.2024, approved the subject transmission scheme under the Regulated Tariff Mechanism (RTM) mode. Considering the submissions of the Petitioner and CTUIL, we direct that the transmission licence be granted to the Petitioner, WRSS XXI (A) Transco Limited, to establish the transmission scheme through the RTM route as per the details given in paragraph 1 above.

13. It is noticed that as per the directions of the Commission, 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. 100 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 grant the transmission licence to the Petitioner Company so that the construction work of the transmission line may not be delayed.

14. 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 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 licence 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 the 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 sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the provisions of the 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 interState 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 the 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 2024 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 the CEA;

(m) The licensee shall submit all such report or information as may be required under the 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.

15. 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.

16. An extract of a copy of this order shall 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.

17. Petition No. 178/TL/2024 is allowed in terms of the above.

**Sd/-**  
**(Ramesh Babu.V)**  
**Member**

**Sd/-**  
**(Jishnu Barua)**  
**Chairperson**