

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 233/TL/2024

**Coram:
Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 16th October, 2024

In the matter of

Application under Section 14 & 15 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2024 with respect to Transmission License to Khavda IV-E2 Power Transmission Limited.

**And
In the matter of**

**Khavda IV-E2 Power Transmission Limited,
(Now known as POWERGRID Khavda IV-E2 Power Transmission Limited)
(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited)
Address for correspondence: C/o ED (TBCB), Power Grid Corporation of India Limited, Saudamini, Plot no.2, Sector -29, Gurgaon 122001.**

....Petitioner

Vs

- 1. Central Transmission Utility of India Limited,
Saudamini, Plot no.2, Sector -29,
Gurgaon 122001.**
- 2. REC Power Development and Consultancy Limited,
REC Corporate Head Quarter,
D Block, Plot No. I – 4,
Sec – 29 Gurugram – 122001.**
- 3. NTPC Renewable Energy Limited,
Room-408, NETRA Building, E-3,
Ecotech-II, Udyog Vihar, Greater Noida, Gautam
Buddha Nagar – 201306.**
- 4. Gujarat State Electricity Corporation Limited,
Vidyut Bhavan, Race Course,
Vadodara-390007, Gujarat.**
- 5. Gujarat Industries Power Company Limited,**

PO: Petrochemicals
Vadodara-391346, Gujarat.

- 6 Chhattisgarh State Power Distribution Co. Limited,**
Post: Sundernagar,
Dangania-492013, Raipur.
- 7 Goa Electricity Department-WR,**
Goa Electricity DeptCurti,
Ponda-403401
- 8 Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhavan,
Racecourse Vadodara – 390007, Gujarat.
- 9 Heavy Water Board,**
O Floor, Vikram Sarabhai Bhavan, Trombay,
Anushaktinagar,
Mumbai - 400094, Maharashtra.
- 10 HVDC Bhadrawati, PGCIL,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi ,
Nagpur- 440026, Maharashtra.
- 11 HVDC Vindhyachal, PGCIL,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur, 440026, Maharashtra.
- 12 M.P. Power Management Company Limited,**
14, Shakti Bhawan, Rampur,
Jabalpur – 482008, Madhya Pradesh.
- 13 MSEDCL,**
Plot No 9, "prakashgad", A K Marg,
Bandra East, Mumbai-400051.
- 14 ACB India Limited,**
7th Floor, Corporate Tower, Ambience Mall, NH-8,
Gurgaon-122001, Haryana.
- 15 Torrent Power Limited,**
Torrent Power Ltd. Naranpura Zonal Office, Sola Road,
Ahmedabad-380013, Gujarat.
- 16 Thermal Powertech Corporation India,**
6-3-1090, Clock C, Level 2, TSR, Towers,

Rajbhavan Road, Somajiguda,
Hyderabad-500082, Telangana.

- 17 **BARC,**
Bhabha Atomic Research Centre, Anushakti Nagar,
Mumbai– 400085 (Maharashtra).
- 18 **GMR Warora Energy Limited,**
Plot B-1, GMR Warora Energy Ltd, Mohabala MIDC
Growth Centre, Post – Warora,
Dist – Chandrapur-442907, Maharashtra.
- 19 **HVDC Champa,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur-440026, Maharashtra.
- 20 **West Central Railway Head Office,**
General Manager’s Office,
Electrical Branch, Jabalpur– 482001, Madhya Pradesh.
- 21 **Western Railway,**
Office of Chief Electrical Engineer,
Mumbai.
- 22 **DB Power Limited- Untied,**
Opp Dena Bank, C-31, G- Block,
Mumbai.
- 23 **Chhattisgarh State Power Trading Co. Limited,**
2nd floor Vidyut Sewa Bhawan,
Raipur-492013.
- 24 **TRN Energy Private Limited-Untied,**
7th Floor, Ambience Office Block,
Gurugram.
- 25 **Adani Power (Mundra) Limited,**
Adani Corporate House, Shantigram,
Near Vaishnavdevi Circle,
S G Road Ahmedabad – 382421, Gujarat.
- 26 **Raigarh HVDC Station,**
RPT HVDC Office, Hebbal, Bangalore – 560094.
- 27 **Arcelor Mittal Nippon Steel India Limited,**
27, AMNS House, 2TH KM Surat Hazira road,
Hazira-394270, Gujarat.

- 28 Central Railway,**
Pcee's office 2nd Floor Parcle Building,
Csmt Mumbai-400001.
- 29 Dadra and Nagar Haveli and Daman and Power
Distribution Corporation Limited,**
1st & 2nd Floor, Vidyut Bhavan,
NexSilvassa & Daman.
- 30 MPSEZ Utilities Limited,**
3rd Floor, Adani Corporate House, Ahmedabad.

....Respondents

Parties present:

Shri Rohit Jain, N2BTL
Shri Ranjeet Singh Rajput, CTUIL

ORDER

The Petitioner, Khavda IV-E2 Power Transmission Limited (now known as POWERGRID Khavda IV-E2 Power Transmission Limited) (hereinafter referred to as “Petitioner”), has filed the present Petition for the grant of a transmission licence under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024 (hereinafter referred to as “Transmission Licence Regulations”) to establish the Inter-State transmission system for “Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW) Part E2” on a Build, Own, Operate and Transfer basis (hereinafter referred to as “the Project”) consisting of the following elements:

Sl. No.	Name of the Transmission Element	Scheduled COD in months from the Effective Date	Percentage of Quoted Transmission Charges Recoverable on Scheduled COD of the Element of	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element

			the Project	
1(A)	Augmentation of transformation capacity at KPS2 (GIS) by 2x1500 MVA, 765/400 kV ICT on Bus section-I (5th & 6th) & 2 Nos. 400 kV bays at Bus Section-I for RE interconnection.	21 months from the date of SPV acquisition	46.63%	All the elements at sl. no. 1(A) are required to be commissioned simultaneously as their utilization is dependent on the commissioning of each other.
1(B)	Augmentation of transformation capacity at KPS2 (GIS) by 2x1500 MVA, 765/400 kV ICT on Bus section-II (7th & 8th) & 3 Nos. 400 kV bays at Bus Section-II for RE interconnection.		53.37%	All the elements at sl. no. 1(B) are required to be commissioned simultaneously as their utilization is dependent on the commissioning of each other.

Note:

- a) *The TSP shall implement two complete diameters (1 on Bus Section-I & 1 on bus section-II) at 765 kV level of KPS2 (GIS) consisting of 2 Main Bays & 1 Tie Bay required for completion of diameter (GIS) in one-and-half breaker scheme.*
- b) *The TSP shall implement five complete diameters (2 on Bus Section-I & 3 on Bus Section-II) at 400 kV level of KPS2 (GIS) consisting of 2 Main Bays & 1 Tie bay required for completion of diameter (GIS) in one-and-half breaker scheme.*
- c) *Further, TSP of KPS2 shall provide space to carry out the above augmentation work.*
- d) *2 Nos. 400 kV bays at Bus Section-I for RE interconnection and 1 No. 400 kV bays at Bus Section-II for RE interconnection are already under implementation at KPS2.*
- e) *The implementation timeframe: 21 months from the date of SPV acquisition.*

2. The Petitioner has made the following prayers:

“(a) Grant transmission licence to the Applicant; and

(c) Allow the sharing and recovery of the transmission charges for the Inter-State Transmission System for “Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW) Part E2” as per the Sharing of Inter-State Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC.

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

Hearing dated 22.7.2024

3. During the course of the hearing on 22.7.2024, the representative of the Petitioner submitted that the Petitioner has complied with the requirements, including publication of notice(s) under the provisions of the Transmission Licence Regulations. Additionally, CTUIL has submitted its recommendations for the grant of a transmission licence to the Petitioner under Section 15(4) of the Electricity Act, 2003.

4. The representative of CTUIL confirmed that CTUIL has already issued its recommendations for the grant of a transmission licence to the Petitioner Company.

5. Vide Record of Proceedings for the hearing dated 22.7.2024, the Commission observed that as per Regulation 18(8) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, the date of filing of the Petition is to be reckoned as the date of filing of hard copy, after removal of defects, if any and in the instant case, a hard copy of the Petition No. 233/TL/2024 has been filed by the Petitioner only on 27.6.2024, i.e., post publication of Transmission Licence Regulations, 2024 in Official Gazette on 14.6.2024, the proceedings for the grant of a transmission licence would be governed by the Transmission Licence Regulations, 2024. Accordingly, the Petitioner was directed to carry out suitable amendment(s) to the present Petition and to file an affidavit in this regard thereafter.”

6. In compliance with the Record of Proceedings dated 27.7.2024, the Petitioner, vide affidavit dated 8.8.2024, submitted the revised petition in accordance with the provisions of the Transmission Licence Regulations, 2024. Further, the Petitioner, vide affidavit dated 12.8.2024, has also submitted that a public notice, in compliance with Regulation 5(5) Transmission Licence Regulations, 2024, was published digitally in all editions of Free Press Gujarat (English) and Divya Bhaskar (Gujarati) on 10.8.2024. No suggestions/ objections have been received from the public in response to the public notice.

Hearing dated 26.9.2024

7. During the course of the hearing on 26.9.2024, the representative of the Petitioner submitted that the Petitioner has complied with the requirements listed in the Records of Proceedings for the hearing dated 22.7.2024 and that CTUIL has submitted its recommendations for the grant of a transmission licence to the Petitioner under Section 15(4) of the Electricity Act, 2003.

8. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by the Ministry of Power, Government of India, under Section 63 of the Act, REC Power Development & Consultancy Limited (RECPDCL) was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. 3733 [F. No. 15/3/2018-Trans-Part (1)] dated 4.9.2023 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish Inter-State transmission system for “Transmission System for Evacuation of

Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW) Part E2” on a Build, Own, Operate and Transfer basis.

7. RECPDCL, in its capacity as the BPC, initiated the bid process on 13.10.2023 and completed the same on 30.5.2024 in accordance with the Guidelines. Power Grid Corporation of India Limited was selected as the successful bidder, having quoted the lowest transmission charges of Rs. 932.07 million in order to provide the transmission services of the transmission system.

8. The RfP was issued on 13.10.2023. At the RfP (Technical and Financial) stage, three bidders, namely, (i) Adani Energy Solutions Limited (formerly known as Adani Transmission Limited), (ii) Power Grid Corporation of India Limited, and (iii) Sterlite Grid 33 Limited submitted their offers. The RfP (Technical bids) of the three bidders were opened by the Bid Opening Committee in the Central Electricity Authority on 7.3.2024 in the presence of the bidder’s representatives. Based on the recommendation of the BEC, the RfP (Financial) Bids-Initial Price Offer of the three bidders was opened on 18.3.2024. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 989.90 million. The details of the quoted transmission charges by the bidders are given below:

Sr. No.	Name of the Bidder	Quoted transmission charges as per the Initial Offer (in Rs. Million)	Rank
1.	Power Grid Corporation of India Limited	989.90	L1
2.	Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)	1203.21	L2
3.	Sterlite Grid 33 Limited	1305.50	L3

9. As per Clause 3.5.1 of the RfP document, Initial Offers shall be ranked on the basis of ascending order for the determination of the qualified bidders. The bidders holding the first fifty per cent of the ranks (with any fraction rounded off to a higher integer) or three Bidders, whichever is higher, shall be considered to be qualified for participating in the electronic reverse auction stage and submitting their final offer.

10. The e-reverse auction of three bidders was carried out at the MSTC portal on 19.3.2024. The following transmission charges, as quoted by each bidder, emerged:

Sr. No.	Name of the Bidder	Quoted transmission charges as per the Initial Offer (in Rs. Million)	Rank
1.	Power Grid Corporation of India Limited	932.07	L1
2.	Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)	934.41	L2
3.	Sterlite Grid 33 Limited	1305.50	L3

11. As per the Bid Evaluation Report dated 22.3.2024, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 932.07 million. BEC, vide its certificate dated 22.3.2024, has certified that the entire bid process has been carried out in accordance with the Guidelines issued by the Ministry of Power under Section 63 of the Act. BEC has further certified that the transmission charges discovered through the e-reverse auction are acceptable.

12. Consequent to its selection as the lowest bidder, a Letter of Intent (LoI) was issued to Power Grid Corporation of India Limited by the BPC on 15.4.2024, which was accepted by Power Grid Corporation of India Limited. Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

- (a) Provide Contract Performance Guarantee in favour of Central Transmission Utility of India Limited (CTUIL);
- (b) Execute Share Purchase Agreement and Transmission Service Agreement;
- (c) Acquire, for the Acquisition Price, 100% equity share of Khavda IV-E2 Power Transmission Limited (now known as POWERGRID Khavda IV-E2 Power Transmission Limited) from RECPDCL along with all its related assets and liabilities;
- (d) Make an application to this Commission for the adoption of transmission charges, as required under Section 63 of the Act; and
- (e) Apply to this Commission for the grant of a transmission licence;

13. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of Nodal Agency, i.e. CTUIL, for Rs. 30 crores on 29.5.2024 and has acquired a hundred per cent equity holding in Khavda IV-E2 Power Transmission Limited on 30.5.2024. The Petitioner entered into a Transmission Service Agreement (TSA) with CTUIL on 30.5.2024.

14. 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 has been incorporated under the Companies Act 2013. 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”

15. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified Transmission Licence Regulations in this regard. Regulation 4 (1) of the Transmission Licence Regulations provides that eligibility for the grant of a licence for inter-State transmission of electricity is contingent upon the entity being selected either through the competitive bidding process under Section 63 of the Electricity Act, 2003 or by the Central Government or its authorized agency to implement a project under the regulated tariff mechanism. Regulation 10(1) of the Transmission License Regulations provided that in case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission tariff in terms of the Transmission Service Agreement shall be adopted by the Commission under Section 63 of the Act. The Project under consideration has been identified for development under competitive bidding by a competent authority, and the selection of the project developer, Khavda IV-E2 Power Transmission Limited, has been certified to have been made in accordance with the Guidelines for competitive bidding.

16. Regulation 5 of the Transmission Licence Regulations, 2024 provides for the procedure for granting of transmission licence as under:

“(1) The application for the grant of licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fee as may be prescribed by the Central Government from time to time under sub-section (1) of section 15 of the Act.

(2) The application shall be supported with an affidavit in accordance with Regulation 17 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023.

(3) The applicant shall submit the original application in electronic form along with enclosures on the e-filing portal of the Commission and electronically serve a copy of such application on all the concerned DICs of the project and the Central Transmission Utility. The application shall be served through e-mail on the concerned DICs of the project who are not registered on the e-filing portal of the Commission.

(4) The applicant shall also upload the complete application along with annexures on its website, in English. The applicant shall also upload on its website, the details as per Form-I and Form-II appended to these regulations in the Indian language of the State or the Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated. The application shall be kept posted on the website of the applicant till such time the application is disposed of by the Commission.

(5) The applicant shall, within 3 working days of filing the application, publish a notice of its application in Form-II appended to these regulations in at least two leading daily digital newspapers, one in English language and another in the Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated, inviting comments from the general public. The notice shall also be kept posted on the website of the applicant.

(6) The Registry of the Commission shall carry out a preliminary scrutiny of the application and convey the defects, if any, as far as possible within 7 days of receipt of the application. The defects shall be rectified by the applicant within a period of 7 days from the date of such intimation from the Registry of the Commission.

(7) In the notice published in the digital newspapers and on the applicant's website under this Regulation, it shall be indicated that the suggestions and objections to the application, if any, may be filed by any person within 15 days of publication of the notice to The Secretary, Central Electricity Regulatory Commission at the address where the office of the Commission is situated and at email id: registry@cercind.gov.in. Any suggestion or objection received in response to the public notice shall be shared with the applicant and the respondents by the Registry of the Commission.

(8) The applicant shall within 3 working days from the date of publication of the notice in terms of Clause (5) of this Regulation submit to the Commission on

affidavit the details of the notice published, names of the digital newspapers in which the notice has been published, the dates and places of their publication and enclosing the relevant pages of the publication of notice.

(9) The CTUIL shall send its recommendations, if any, to the Commission on the proposal for grant of licence made in the application as far as practicable within a period of 10 (ten) days from the date of receipt of the application with a copy to the applicant:

Provided that if CTUIL is unable to submit its recommendations within a period of 10 days, it shall inform the Commission the reasons for the same and submit its recommendations within a period of 30 (thirty) days from the date of receipt of the application:

Provided further that along with its recommendations, CTUIL shall submit the copy of approval of the transmission project by the Central Government in terms of Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021 as amended from time to time. Explanation: The recommendations of the Central Transmission Utility shall not be binding on the Commission.

(10) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by CTUIL and the suggestions and objections, if any, received in response to the public notice within 7 working days of receipt of such suggestions and objections, with an advance copy to the CTUIL and the person, if any, who has filed the suggestions and objections on the proposal made in the application.

(11) The Commission after considering the suggestions and objections received from the DICs and in response to the public notice published by the applicant, and the recommendations, if any, received from CTUIL may either propose to grant the licence to the applicant or for reasons to be recorded in writing, reject the application.

(12) Before granting a licence, the Commission shall publish a notice of its proposal on the Commission's website and in two daily digital newspapers, having wide circulation, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to grant the licence, details of the project for which it proposes to grant a licence, location or route of the elements of the project, and any other details that the Commission may consider appropriate, to invite further suggestions and objections on its proposal within 15 days of the publication of the notice.

(13) The Commission may, after consideration of the further suggestions and objections, if any, received in response to the public notice in terms of Clause (12) of this Regulation, grant licence to the applicant in Form-III appended to these regulations or for reasons to be recorded in writing, reject the application.

(14) The Commission shall before granting licence or rejecting the application under the provisions of this Regulation provide an opportunity of hearing to the applicant, CTUIL, the concerned DICs, or the person who has filed suggestions and objections, or any other interested person.

(15) The Commission shall, within 7 days of making the order to grant the licence to an applicant send a copy of the licence to the Central Government,

the Central Electricity Authority, the Central Transmission Utility, the applicant and the concerned DIC(s)."

17. The Petitioner has approached the Commission with a separate application for the adoption of transmission charges in respect of the transmission system, which is presently under consideration of the Commission, and the order in that Petition will be issued separately. The Petitioner has filed the present Petition for the grant of a transmission licence in accordance with the provisions of the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the BPC, CTUIL and the beneficiaries and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of a transmission licence in terms of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for the grant of a transmission licence to Khavda IV-E2 Power Transmission Limited with respect to the transmission system as per the details given in paragraph 1 above.

18. The Petitioner has made the Application as per Form-I and paid a fee of Rs. one lakh as prescribed by the Central Government. As per the direction of the Commission, the Petitioner has served a copy of the Application on the beneficiaries of the transmission project for the Project. The transmission charges quoted by the Petitioner, which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 932.07 million. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

19. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English and in Gujarati. The Petitioner has also

published the notice digitally in all editions of Free Press Gujarat (English) and Divya Bhaskar (Gujarati) on 10.8.2024. In response, no objection has been received from the general public to the notices.

20. The Petitioner has served the copy of the Application on the Central Transmission of Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 5(3) of the Transmission Licence Regulations. CTUIL, vide its letter dated 18.6.2024, has recommended the grant of a transmission licence to the Petitioner. The Relevant portions of the said letter dated 18.6.2024 are extracted as under:

"This is with reference to Petition with Diary No. 302/24 filed by M/ Khavda IV-E2 Power Transmission Limited before Hon'ble Commission vide which M/s KIVE2PTL has requested CTU for issuance of recommendation for grant of Transmission License for implementation of subject transmission scheme. In this regard, following is submitted:

- 1. M/s KIVE2PTL has filed a petition under Section 14 & 15 of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License for implementation of "Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW) Part E2" project on Build, Own, Operate and Transfer (BOOT) basis as ISTS. 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 Regulations, 2009, a copy of the application for the grant of transmission license, for the above transmission system has been received on 06.06.2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.*
- 3. In reference to "Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW) Part E2", the following is submitted:*
 - i) The government of India has set a target for establishing 500 GW non fossil generation capacity by 2030, which also includes 30 GW RE potential in the Khavda area of Gujarat under ISTS.*

- ii) *As per planning carried out for Khavda RE Park, the transmission system for evacuation of total 30GW power from Khavda RE Park has been planned in 5 phases (Ph-I: 3GW, Ph-II: 5GW, Ph-III: 7GW, Ph-IV: 7GW & Ph-V: 8GW). KPS2 S/s has been planned to cater upto 10.5GW generation capacity in Khavda RE Park.*
 - iii) *The subject transmission scheme (under Part E2) includes augmentation of transformation capacity at KPS2 (GIS) by MVA, 765/400 kV ICT on Bus section-I (5th & 6th) & 2x1500 MVA, 765/400 kV ICT on Bus section-II (7th & 8th) & 2 Nos. 400 kv bays at Bus Section-I for RE interconnection and 3 Nos. 400 kV bays at Bus Section-II for RE interconnection.*
 - iv) *Establishment of KPS2 (GIS) is currently under implementation stage by POWERGRID KPS2 Transmission Limited covered under "Establishment of Khavda Pooling Station -2 (KPS2) in Khavda RE Park" scheme which involves establishment of 765/400 kV, 4x1500MVA, KPS2 (GIS).*
 - v) *The subject transmission scheme is a part of Transmission Scheme for evacuating 7GW additional power from the potential RE zone in the Khavda area in Gujarat (beyond 15GW). The subject scheme shall enable integration of additional 6GW (cumulative 9GW) generation capacity in Khavda RE Park & the Phase-IV (Part A to D) transmission schemes will further facilitate in dispersal of the power from Khavda area to other parts.*
 - vi) *The subject transmission scheme was discussed and agreed upon in the 19th Consultation meeting for Evolving Transmission Schemes in WR (CMETS-WR) held on 30.05.2023. Extracts of the minutes of 19th CMETS-WR meeting is enclosed at Annexure-II.*
 - vii) *The subject transmission scheme was also discussed in the 47th WRPC meeting held on 15.06.2023. Extracts of the minutes of 47th WRPC & 48th TCC meeting are enclosed at Annexure-III*
 - viii) *The subject transmission scheme was also discussed and agreed in the 14th NCT meeting held on 09.06.2023 wherein it was decided to implement the subject transmission scheme through TBCB route. Extracts of the minutes of 14th NCT meeting are enclosed at Annexure-IV.*
 - ix) *The Government of India, Ministry of Power, vide Gazette notification dated 04.09.2023 has appointed REC Power Development and Consultancy Limited (RECPDCL) as the Bid Process Coordinator (hereinafter referred to as BPC) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish the subject ISTS through Tariff Based Competitive Bidding (TBCB) process on build, own operate & transfer basis. Copy of Gazette notification is enclosed at Annexure-V.*
4. *Pursuant to the process of competitive bidding conducted by the BPC, Power Grid Corporation of India Ltd. emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent in favour of Power Grid Corporation of India Ltd. on 15.04.2024. Subsequently, Power Grid Corporation of India Ltd. acquired Khavda IV-E2 Power Transmission Limited on 30.05.2024, after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements specified in the RFP documents. The scheduled COD for the proposed ISTS scheme is 21 months from the date of SPV acquisition.*

5. *In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009, based on details furnished by M/S Khavda IV-E2 Power Transmission Limited, CTIJ recommends the grant of transmission license to M/S Khavda IV-E2 Power Transmission Limited for executing the transmission scheme as mentioned in Para-I above.”*

21. We have considered the submissions of the Petitioner, BPC, and CTUIL. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". As per the above provision, the selected bidder was required to complete all the activities, including the acquisition of SPVs, by 25.4.2024. Though Lol was issued on 15.4.2024, BPC, vide its letter dated 30.5.2024 in terms of Clauses 2.15.2 of RfP, extended the date up to 6.6.2024 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 30 crores on 29.5.2024 and acquired a hundred per cent equity-holding in the applicant company on 30.5.2024 after execution of the Share Purchase Agreement. As per clause 2.15.4 of the RfP, TSP is required to apply to the Commission for the grant of a transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. The successful bidder, namely M/s Power Grid Corporation of India Limited, acquired the SPV on 30.5.2024. Accordingly, the TSP has filed the instant Petition through e-filing for the grant of transmission license on 6.6.2024.

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

operation, and maintenance of the transmission system as described in para 1 of this order. We, therefore, direct that a public notice in two daily digital newspaper and on the Commission`s website under clause (a) of sub-section (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 **25.10.2024**.

23. The Petitioner has undertaken that it shall implement the Project as per the provisions of the TSA. The Petitioner has also undertaken that the time overrun and cost overrun, if applicable, shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, the bidding documents and the regulations of the Central Electricity Regulatory Commission.

24. It is observed that as per Article 5.1.1 of the TSA, the TSP, at its own cost and expense, shall be responsible for designing, constructing, erecting, testing and commissioning each element of the Project by scheduled COD in accordance with the various regulations of the Central Electricity Authority regarding Technical Standards and Grid Standards, Prudent Utility Practices and other applicable laws. Further, Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workman-like manner using sound engineering and construction practices and using only materials and equipment that are new and of international utility-grade quality such that the useful life of the Project will be till the expiry date. Further, the design, construction and testing of all equipment, facilities, components, and systems of the Project shall be in accordance with Indian Standards and Codes issued by the Bureau of India Standards. In this regard, the Petitioner has submitted that it would implement the Project as per the provisions of the TSA, including Article

16.4, Article 5.1.1, and Article 5.4 of the TSA. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clause 2.5.7.3, clause 2.5.7.4 and clause 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of the bidding documents and the TSA for the commissioning of the Project within the SCOD.

25. The Petitioner has informed that the name of the Petitioner company has been changed from 'Khavda IV-E2 Power Transmission Limited' to 'POWERGRID Khavda IV-E2 Power Transmission Limited' with effect from 26.7.2024. The certificate of change of name from 'Khavda IV-E2 Power Transmission Limited' to 'POWERGRID Khavda IV-E2 Power Transmission Limited' dated 26.7.2024 issued by the Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Khavda IV-E2 Power Transmission Limited' on the record of the Commission.

26. The Petition shall be listed for the hearing on **28.10.2024**.

Sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V)
Member

sd/-
(Jishnu Barua)
Chairperson