

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No. 32/TL/2024**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri Arun Goyal, Member**

**Date of order: 13<sup>th</sup> June, 2024**

**In the matter of:**

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

**And**

**In the matter of**

**Gadag Transmission Limited,**

138, Ansal Chambers II,  
Bhikaji Cama Place, New Delhi- 110066

**....Petitioner**

**Vs.**

**1. Central Transmission Utility of India,**

“Saudamini”, Plot No-2,  
Sector-29, Gurgaon  
Haryana – 122001.

**2. Kerala State Electricity Board Limited,**

Vaidhyuthi Bhawan, Pattom,  
Thiruvananthapuram, Kerala- 695004.

**3. Tamil Nadu Generation and Distribution Company Limited,**

NPKRR Maaligai, 144,  
Anna Salai, Chennai- 600002.

**4. Southern Power Distribution Company of Andhra Pradesh Limited,**

D. NO:19-13-65/A,  
Srinivasapuram Tiruchanoor Road,  
Tirupati – 517503.

**5. Eastern Power Distribution Company of Andhra Pradesh Limited,**

P&T Colony, Seethammadhara,  
Visakhapatnam- 530017.

**6.Southern Power Distribution Company of Telangana Limited,**  
6-1-50, Mint Compound,  
Hyderabad-500 063.

**7.Northern Power Distribution Company of Telangana Limited,**  
2-5-31/2 Vidyuth Bhavan, Nakkalgutta,  
Hanamkonda, Warangal-506001.

**8.Bangalore Electricity Supply Company Limited,**  
K.R. Circle, Bengaluru-560001.

**9.Gulbarga Electricity Supply Company Limited,**  
Station Road, Kalaburagi, Karnataka 585102.

**10. Hubli Electricity Supply Company Limited,**  
Navanagar, P.B. Road, Hubli-580025.

**11. Mangalore Electricity Supply Company Limited,**  
MESCOM Bhavan, Kavour Cross Road,  
Bejai, Mangalore – 575004.

**12. Chamundeshwari Electricity Supply Corporation Limited,**  
No. 29, Vijaynagar 2nd Stage,  
Hinkal, Mysore- 570017.

**13. Electricity Department, Govt of Puducherry,**  
137, NSC Bore Road, Electricity Department,  
Puducherry- 605001.

.... Respondents

**Following were present:**

Shri Girik Bhalla, Advocate, KNTL  
Ms. Anamika Rana, Advocate, KNTL  
Shri Mohit Jain, KNTL  
Ms. Priyadarshini, Advocate, PFCCCL  
Shri Anubhav Kansal, PFCCCL  
Siddharth Sharma, CTUIL  
Shri Akshyvat Kislay, CTUIL

**ORDER**

The Petitioner, Gadag Transmission Limited (hereinafter referred to as 'GTL'), has filed the present Petition under Sections 14, 15 and 79 (1) (e) 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

license 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 “Augmentation of transformation capacity at 400/200kV Gadag PS in Karnataka by 1x500 MVA, 400/200 kV ICT (6th)” under the Regulated Tariff Mechanism (RTM) mode (hereinafter referred to as ‘transmission scheme’) in line with Office Order dated 28.10.2021 (hereinafter referred to as the ‘Office Order dated 28.10.2021’) issued by the Ministry of Power. The scope of the project for which the transmission licence has been sought is as under:

<b>Name of the scheme and Implementation timeframe</b>	<b>Estimated Cost (₹ crore)</b>	<b>Remark</b>
Augmentation of Transformation Capacity at 400/220kV Gadag PS in Karnataka by 400/220kV, 1x500 MVA ICT (6th)	57.59	18 months from the date of issue of OM by CTUIL

2. The Petitioner company was incorporated as a Special Purpose Vehicle (‘SPV’) by the REC Project Development and Consultancy Limited (‘RECPDCL’) as part of the Tariff Based Competitive Bidding (‘TBCB’) process to establish the “Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A”, on a Build, Own, Operate and Maintain (‘BOOM’) basis. ReNew Transmission Ventures Private Limited (‘RTVPL’) participated in the competitive bidding process conducted by RECPDCL, and upon emerging as a successful bidder, a Letter of Intent (‘LoI’) was issued to RTVPL by RECPDCL on 27.1.2022. In accordance with the bidding documents, RTVPL acquired 100% shareholding in GTL. On 10.12.2021, GTL entered into a Transmission Service Agreement (‘TSA’) with the Long-Term Transmission Customer (‘LTTCs’), namely, with ReNew Solar Power Private Limited and Vena Energy Vidyuth Private Limited on a Build, Own, Operate and Maintain (‘BOOM’) basis under TBCB mechanism. The Commission, in its order dated 18.7.2022 in Petition No.

105/TL/2022, granted a transmission licence to GTL for the establishment of the “Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A”, on a BOOM basis consisting of the following elements:

<b>S. No.</b>	<b>Name of the Transmission Element</b>	<b>Scheduled COD from Effective Date</b>
1	<p><i>Establishment of 400/220 kV, 2x500 MVA Gadag Pooling Station with 400 kV (1X125 MVAR) bus reactor</i></p> <p><i>400/220 kV, 500 MVA ICT – 2 nos.</i>  <i>400 kV ICT bays – 2 nos.</i>  <i>220 kV ICT bays – 2 nos.</i>  <i>400 kV line bays – 2 nos.</i>  <i>220 kV line bays – 4 nos.</i>  <i>125 MVAR, 420 kV reactor – 1 no.</i>  <i>420 kV reactor bay – 1 no.</i>  <i>220 kV bus coupler (BC) bay -1 no.</i>  <i>220 kV transfer bus coupler(TBC) bay- 1 no.</i></p> <p><b>Future provisions:</b></p> <p><b>400 kV:</b></p> <ul style="list-style-type: none"> <li>• Space for 400 kV Line bay with switchable line reactor: 8 nos.</li> <li>• 400/220kV ICT along with associated bay: 4 nos.</li> </ul> <p><b>220kV:</b></p> <ul style="list-style-type: none"> <li>• Bus sectionalizer bay: 2 nos. (One no. bay for each Main Bus)</li> <li>• Bus coupler bay: 1 nos.</li> <li>• Transfer Bus coupler bay: 1 nos.</li> <li>• Space for future 400/220kV ICT bay: 4 nos.</li> <li>• Space for future line bay: 8 nos</li> </ul>	18 Months
2	Gadag PS - Narendra (New) PS 400 kV (high capacity equivalent to quad moose) D/c line	
3	400 kV GIS line bays at Narendra (new) for Gadag PS- Narendra (New) PS 400 kV D/c Line 400 kV GIS line bays – 2 nos	

Note:

- (i) POWERGRID to provide space for 2 no. of 400 kV GIS line bays at Narendra (New) 400 kV substation for termination of Gadag PS-Narendra (New) 400 kV (high capacity equivalent to quad moose) D/C line.
- (ii) The schedule of implementation of the scheme would be 18 months from the date of transfer of SPV.”

3. 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 completion cost of the transmission scheme, as per CTUIL's Office Memorandum (OM), is Rs. 57.59 crore. After completion of the transmission scheme, the Petitioner shall approach the Commission for determination of the transmission charges in accordance with the Transmission Licence Regulations.

4. 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 14.03.2024, 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 14.3.2024 are extracted as under:

“19. In the present case, the Petitioner does not fulfil any of the eligibility conditions for the grant of transmission licence. However, in the 23<sup>rd</sup> meeting of the National Committee on Transmission, it was indicated that as per the revised Terms of Reference issued by the Ministry of Power, Government of India, ISTS projects costing up to Rs. 100 crore or such limit as may be prescribed by Ministry of Power from time to time would be approved by CTUIL including its mode of implementation. The scheme has been identified for implementation through RTM mode by CTUIL. Non- grant of transmission licence to any agency nominated by NCT to implement a transmission system through a regulated tariff mechanism given the provisions of Regulation 6 defeats the purpose of the Government's Policy decision. We are of the view that considering the strategic importance of the transmission line, it is a fit case for relaxation of the provisions of Regulation 6 by invoking the power vested under Regulation 24 of the Transmission Licence Regulations.

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 applying 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 to 500 Crore. Pursuant to the direction n of the Ministry of Power, CTUIL, vide its Office Memorandum dated 10.7.2023, has determined a list of Projects to be implemented or through a Regulated Tariff Mechanism, which also includes the instant Petition for the subject transmission system.

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 grant of 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 5.4.2024.

5. A public notice under Sub-section (5) of Section 15 of the Act was published on 22.3.2024 in all editions of the Hindu (English) and Amar Ujala (Hindi). No suggestions/objections have been received from members of the public in response to the public notice.

6. The case was called out for a hearing on 10.4.2024. During the course of the hearing, the learned counsel for the Petitioner submitted that no objection was 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.

7. The representative of CTUIL submitted that CTUIL has already recommended the grant of the transmission licence. CTUIL further vide an additional affidavit dated 22.2.2024 placed on record the copy of a corrigendum dated 15.3.2024 to recommendation dated 12.2.2024 for the grant of a transmission licence to the

Petitioner. By way of the said corrigendum, CTUIL revised the date of the OM from 1.1.2024 to 1.2.2024 and revised the SCOD from 30.6.2025 to 1.7.2025.

8. Vide Record of proceedings for the hearing dated 10.4.2024, the CTUIL was directed to provide the details regarding the status of the commissioning of the generators and their start date of the connectivity, which has been granted connectivity at Gadag sub-station. The CTUIL, vide its affidavit dated 31.5.2024, has submitted the details of the status of commissioning and start date of connectivity of generators which have been granted connectivity at Gadag sub-station, as under:

Sl. No	Application ID	Name of the Applicant	Present Connectivity granted/ agreed (MW)	ISTS connectivity substation	Connectivity start date (as per grant)	Expected date of connectivity to be made effective (as per latest schedule)	Generation Schedule
1	1200002872	Vena Energy Vidyuth Pvt. Ltd.	160	Gadag PS	31.03.2023 or availability of common transmission system and transmission system strengthening scheme in WR whichever is later.	15.6.2024	160MW: 25.05.2024
2	1200003242	Renew Solar Power Pvt Ltd	300	Gadag PS	31.12.2022 or availability of common transmission system and transmission system strengthening scheme in WR whichever is later.	15.6.2024	99MW: 30.06.2024; 99MW: 31.10.2024; 102MW: 31.12.2024;
3	0251100003	Green Infra Wind Energy Limited	70	Gadag PS	31.05.2025 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.5.2025	70MW:31.5.2025
4	1200003497	Azure Power India Pvt. Ltd.	120	Gadag PS	16.07.2024	31.12.2024	120MW:31.7.2025
5	1200003534	Azure Power India Pvt. Ltd.	50	Gadag PS	31.12.2024	31.12.2024	50MW: 30.11.2025

Sl. No	Application ID	Name of the Applicant	Present Connectivity granted/ agreed (MW)	ISTS connectivity substation	Connectivity start date (as per grant)	Expected date of connectivity to be made effective (as per latest schedule)	Generation Schedule
6	1200003597	ReNew Naveen Urja Pvt. Ltd	297.5	Gadag PS	16.07.2024	31.12.2024	297.5MW: 30.6.2025
7	0351100002	Green Infra Wind Energy Limited	50	Gadag PS	30.09.2024 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	50MW: 30.9.2024
8	0451100011	Serentica Renewables India Pvt. Ltd	80	Gadag PS	01.10.2024 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	100MW: 30.4.2024; 50MW: 31.5.2024; 65MW: 30.6.2024; 70MW: 30.07.2024
9	1200003761	Serentica Renewables India Pvt. Ltd	65	Gadag PS	01.10.2024 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	
10	1200003828	Serentica Renewables India Pvt. Ltd	40	Gadag PS	01.10.2024 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	
11	0451100010	Serentica Renewables India Pvt. Ltd	100	Gadag PS	01.10.2024 (With the availability of the common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	
12	0451100007	Green Infra Wind Energy Limited	178.5	Gadag PS	16.07.2024	31.12.2024	50 MW: 30.04.2024; 50 MW: 31.05.2024;
13	SW5958957 243- M029_D001 _A007- 1670310631 002	Green Infra Wind Energy Limited	1.5	Gadag PS	16.07.2024 (With the availability of common transmission system required for effectiveness of Connectivity/ GNA)	31.12.2024	80 MW: 30.06.2024



Sl. No	Application ID	Name of the Applicant	Present Connectivity granted/ agreed (MW)	ISTS connectivity substation	Connectivity start date (as per grant)	Expected date of connectivity to be made effective (as per latest schedule)	Generation Schedule
14	-	Halvad Renewables Pvt. Ltd.*	140	Gadag PS	*Agreed for grant. Connectivity intimation couldn't be issued due sharing agreement submission pending.		
15	-	Halvad Renewables Pvt. Ltd.*	130	Gadag PS			
16	1200003790	Project Eight Renewable Power Private Limited \$	300	Gadag PS	\$ Consequent to cancellation of the LOA by SECI, Connectivity has been revoked.  However, the Hon'ble High Court of Karnataka has stayed the revocation and subsequent allocation of bays / capacity.		
17	1200003794	SolarOne Energy Private Limited ^	300	Gadag PS	^ Consequent to cancellation of the LOA by SECI, Connectivity was revoked.  However, vide order dated 21.4.2024 in Petition No. 291/MP/2023 & 292/MP/2023, CERC relaxed the provision of Regulations 24.6 and allow the applicant to convert connectivity granted under LOA route to any other route under Regulation 5.8(xi) of the GNA Regulations and submit the land documents/ land BG within 2 weeks.  Subsequently, vide order dated 04.05.2024 in IA(Diary) No. 230/2024 and 231/2024, CERC permit one time extension for submission of BG by 20.05.2024, failing which connectivity shall be revoked.		

9. The representative of CTUIL submitted during the course of the hearing that vide letter dated 15.12.2023, CTUIL 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. Any directions or observations received from the Ministry of Power in this regard shall be placed before the Commission. Considering the submissions, 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

10. 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.”*

11. In our order dated 14.3.2024, 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 12.2.2024, has recommended the grant of a transmission license to the Petitioner. The Commission, in its order dated 14.3.2023, had observed that the Petitioner does not fulfil 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 present Petition is consequent to the office order 28.10.2021 notified by the Ministry of Power, Government of India. The Commission vide Order dated 14.3.2024 relaxed the provision of Regulation 6 of the Transmission Licence Regulations and held that the Petitioner is eligible for the grant of a transmission license. Considering

the submissions of the Petitioner and CTUIL, we, accordingly, direct that the transmission licence be granted to the Petitioner, Gadag Transmission Limited, to establish the transmission scheme through the RTM route as per the details given in paragraph 1 above. The Petitioner shall implement its transmission scheme matching with the generation schedule.

12. 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 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 13 (2) of the 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 60 days shall be construed as 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 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, 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, 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.

13. The Central Electricity Authority/ CTUIL shall monitor the execution of the Project and bring to the notice of the Commission 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.

14. 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.

15. Petition No. 32/TL/2024 is allowed in terms of the above.

Sd/-  
**(Arun Goyal)**  
Member

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