

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 339/AT/2023**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri Arun Goyal, Member**

**Shri P. K. Singh, Member**

**Date of order: 6<sup>th</sup> February, 2024**

**In the matter of:**

Application under Section 63 of the Electricity Act, 2003 for Adoption of Transmission Charges with respect to the Transmission System being established by the Ananthpuram Kurnool Transmission Limited (a 100% wholly owned subsidiary of Power Grid Corporation of India Limited)

**And**

**In the matter of:**

Ananthpuram Kurnool Transmission Limited,  
**(Now known as 'POWERGRID Ananthpuram Kurnool Transmission Limited')**  
B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi-110 016

**Address for correspondence:**

ED (TBCB), Power Grid Corporation of India Limited,  
Saudamini, Plot No.2, Sector -29,  
Gurgaon-122001, Haryana

....Petitioner

**Vs**

**1. Chief Operating Officer,**  
Central Transmission Utility of India Limited,  
Saudamini, Plot no.2, Sector -29,  
Gurgaon-122001, Haryana

**2. General Manager,**  
PFC Consulting Limited 9th Floor,  
A-Wing, Statesman House Connaught Place,  
New Delhi- 110001,

**3. Andhra Pradesh Power Purchase Coordination Committee,**  
Andhra Pradesh Power Co-ordination Committee,  
Vidyut Soudha, Gunadala,  
Vijayawada-520004, Andhra Pradesh

**4. Bangalore Electricity Supply Company,**  
Corporate Office, BESCOM K.R.Circle  
Bangalore-560001

- 5. Gulberga Electricity Supply Company,**  
Gulbarga Electricity Supply Company,  
Gulbarga-585102.
- 6. Hubli Electricity Supply Company,**  
HESCOM, Navanagar, P.B Road,  
Hubballi-580025
- 7. Mangalore Electricity Supply Company,**  
3rd Floor, MESCOM Bhavan, Corporate Office,  
MESCOM, Kavoor Cross Road, Bejai,  
Mangalore- 575 004
- 8. Chamundeswari Elect. Supply Company Limited,**  
CESC Mysore, Corporate Office,  
#29, Vijayanagara 2nd Stage, Hinkal,  
Mysuru-570017.
- 9. KSEB Limited,**  
Kerala Electricity Board, Vydyuthi Bhavanam,  
Pattom, Thiruvananthapuram-695004,  
Kerala.
- 10. Tamil Nadu Generation and Distribution Company Limited,**  
Chief Financial Controller/Revenue / Eastern Wing,  
7th Floor, NPKRR Maaligai,144, Anna Salai,  
Chennai - 600 002
- 11. Telangana State PC Committee,**  
Vidyut Soudha, Khairathabad,  
Hyderabad-500082, Telangana
- 12. Puducherry Electricity Department,**  
1st Floor, Main Building, Electricity Department,  
Govt of Puducherry,  
Puducherry-605001
- 13. Goa Electricity Department-SR,**  
Electricity Department, Division No: III,  
Curti, Ponda- 403401, Goa.
- 14. HVDC, Kolar, Power Grid Corporation of India Limited,**  
SRTS# II, Pragati Mahalakshmi,  
South Block, (2nd & 3rd Floor),  
No.62, Bangalore, 560001, Karnataka
- 15. Thermal Powertech Corporation India,**  
Door No. 6-3-1090, 2nd Floor, C Block,  
Tsr Towers, Raj Bhavan Road,

Somajiguda, Hyderabad - 500082  
(Opposite Villae Marie College)

**16. SAIL-Salem Steel Plant,**  
Salem Steel Plant,  
Steel Authority of India Limited,  
Salem - 636 013

**17. Sembcorp Gayatri Power Limited,**  
6-3-1090, 5th Floor, A Block,  
TSR Towers, Raj Bhavan Road,  
Somajiguda, Hyderabad.

**18. South Western Railway,**  
Office of Senior Divisional Electrical Engineer,  
Divisional Railway Manager Building,  
Traction Distribution Branch, Ground Floor,  
Adjacent to City Railway Station, Bengaluru- 560 023

**19. Pugalur HVDC Station, POWERGRID,**  
HVDC-Pugalur Nochipalayam Post,  
Sirukinar Village Dharmapuram Taluk,  
Tiruppur -638706, Tamil Nadu

**20. Thrissur HVDC Station, POWERGRID,**  
Chief General Manager, HVDC-THRISSUR sub-station,  
Power Grid Corporation of India Limited,  
Near Cashew Research Station,  
Mannuthy Thannikudem Road,  
Madakathara, Thrissur-680651, Kerala

....Respondents

**Parties present:**

Shri Pankaj Pandey, AKTL  
Shri Mani Kumar, AKTL  
Ms. Priyadarshini, Advocate, PFCCCL  
Shri Deepak Singh, PFCCCL  
Shri Venakatesh, CTUIL  
Shri Siddharth Sharma, CTUIL  
Shri Akshyvat Kislay, CTUIL  
Shri Lashit Sharma, CTUIL

**ORDER**

The Petitioner, Ananthpuram Kurnool Transmission Limited (now known as POWERGRID Ananthpuram Kurnool Transmission Limited), has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for adoption of transmission charges in respect of "Transmission Scheme for

Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW ) and Kurnool (1000 MW), Andhra Pradesh” (hereinafter referred to as ‘the Transmission System’ or ‘the Project’) to be established on a Build, Own, Operate and Transfer (BOOT) basis. The Petitioner has made the following prayers:

*“Adoption of Transmission Charges for **Inter-State Transmission System for “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh”** discovered through competitive bidding process.*

*b) Allow the sharing and recovery of Transmission Charges for **Inter-State Transmission System for “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh”** as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC.*

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

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), PFC Consulting Limited, vide letter dated 26.10.2023, was directed to submit the relevant documents regarding the complete process of competitive bidding. The necessary details have been filed by the BPC under an affidavit dated 14.11.2023.

### **Hearing dated 28.11.2023**

3. During the course of the hearing on 28.11.2023, the representative of the Petitioner submitted that the Petitioner has already impleaded the beneficiaries and has also served a copy of Petitions on them. However, no response has been received from them.

4. Vide Record of Proceedings for the hearing dated 28.11.2023, the Respondent beneficiaries were directed to file their replies/comments on the Petitions, if any. However, no reply has been filed by them. The Petitioner was directed to submit on

affidavit, within a week, a copy of Form II posted on its website along with the date of posting in terms of Regulation 7 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009, read with the order dated 22.1.2022 in Petition No. 1/SM/2022. The Petitioner, vide its affidavit dated 11.12.2023, submitted that the application was filed before the Commission on 05.10.2023. The same was despatched on 5.10.2023 and was also sent by e-mail to all the Respondents on 5.10.2023. The application was also hosted on Petitioner's website along with a notice for the grant of a transmission licence in the prescribed format of Form - II of relevant regulations on 6.10.2023. A copy of Form-II (English and Hindi), as hosted on the Petitioner's website, is submitted.

5. We have considered the submissions of the Petitioner, BPC and CTUIL and perused the documents available on record. Section 63 of the Act provides as under:

*“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”*

6. The Government of India, Ministry of Power has notified the “Tariff based Competitive-bidding Guidelines for Transmission Service” and “Guidelines for Encouraging Competition in Development of Transmission Projects” (hereinafter referred to as “the Guidelines”) under Section 63 of the Act vide Resolution No. 15/1/2017-Trans dated 10.8.2021 as amended from time to time. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding for

selection of Transmission Service Provider (TSP) for new transmission system on Build, Own, Operate and Transfer basis.

(b) For procurement of transmission services, required for any inter-State transmission Project, the Central Government shall notify the CTUIL or any Central Government Organization/ Central Public Sector Undertaking or its wholly owned subsidiary (Special Purpose Vehicle) to be the Bid Process Coordinator (BPC) who would be responsible for coordinating the bid process.

(c) The BPC shall prepare the bid documents in accordance with the Guidelines and obtain approval of the Appropriate Government or alternatively, the BPC can use the Standard Bid Documents notified by the Ministry of Power. Any material deviation from the Standard Bidding Documents shall be made only with the prior approval of the Appropriate Government. Intimation about initiation of the bidding process shall be sent by the BPC to the Appropriate Commission.

(d) For the procurement of transmission services under the guidelines, BPC shall adopt a single stage two envelope tender process featuring Request for Proposal (RFP). The entire bidding process shall be conducted online through electronic medium under e-reverse bidding framework.

(e) RFP notice should be published in at least two national newspapers, website of the BPC and preferably in trade magazines also, so as to accord it wide publicity. The bidding shall necessarily be by way of International Competitive Bidding (ICB). For the purpose of issue of RFP, minimum conditions to be met by the bidder shall be specified in the RFP.

(f) Standard documentation to be provided in the RFP shall include definitions of requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, Qualification requirements to be met by bidders including, minimum net-worth, etc. with necessary proof of the same, as outlined in the bid documents, Specified target dates/months for commissioning and commercial operations, Standard Transmission Service Agreement (TSA), agreement(s) under Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations as amended from time to time, period of validity of offer of bidder, TSA proposed to be entered with the SPV including amendments, bid evaluation methodology to be adopted by the BPC, specification regarding bid bond as well as the Contract Performance Guarantee to be furnished by the bidders, proposed indemnification agreement between the TSP and the Nodal Agency, liquidated damages that shall apply in event of delay in start of providing the transmission services and technical, operational and safety criteria to be met by the bidder/TSP and requirement of obtaining transmission licence from Appropriate Commission.

(g) The TSP on the date of acquisition of SPV from the BPC will enter into a Transmission Service Agreement with the Nodal Agency.

(h) To ensure competitiveness, the minimum number of qualified bidders shall be two. For inter-State transmission system, bids shall be opened in the office of CEA by a bid committee comprising of at least one member from CEA and one member from BPC. For inter-State transmission system, CEA shall constitute a committee for evaluation of the bids with at least one

representative from CEA and not less than two representatives from the concerned Regional Power Committees and one independent member. Further, in case project is inter-regional, there shall be at least one representative from every concerned RPC. The technical bids shall be examined to ensure that the bids submitted meet minimum eligibility criteria set out in the bid documents on all technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the bid documents shall be considered for further evaluation on the transmission charges bids. The online initial price bids shall be electronically opened by the bid opening committee in presence of the bid evaluation committee. The bidder, who has quoted the lowest transmission charge as per the evaluation procedure, shall be considered for the award.

(i) BPC is required to complete e-reverse bidding after opening of the initial offer within 75 days. The procurer may give extended time-frame indicated herein based on the prevailing circumstances and such alterations shall not be construed to be deviation from these guidelines.

(j) The TSP shall make an application for grant of transmission licence to the Appropriate Commission within five (5) working days from the date of execution of share purchase agreement for acquisition of SPV.

(k) BPC shall make the final result of evaluation of all bids public. The final TSA, along with the certification by the bid evaluation committee, shall be forwarded to the Appropriate Commission, for adoption of tariff discovered from the quoted annual transmission charges during the e-reverse bidding process in terms of Section 63 of the Act.



7. Therefore, we have to examine whether the Guidelines issued by the Central Government have been followed in the instant case in a transparent manner in the process of bidding. The following facts have been brought before us:

8. Ministry of Power, Government of India, vide its Gazette Notification No. CG-DL-E-03022020-215878 has notified PFC Consulting Limited (PFCCCL) as Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider to establish Inter-State Transmission System for “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh” on Build, Own, Operate and Transfer basis through tariff based competitive bidding process.

9. Ananthpuram Kurnool Transmission Limited (the Petitioner) was incorporated on 13.05.2020 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCCL with the objective to establish Inter-State Transmission System for “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh” and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company in its Memorandum of Association are 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 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”.*

10. BPC prepared the bidding document RfP in accordance with the Standard Bid

Documents issued by the Ministry of Power, Government of India.

11. BPC started the process of selection of successful bidder with the publication of a Global Invitation for Qualification for the selection of developer on a BOOT basis for the Project. The notice of RfP was published in National/International newspapers on 29.12.2022, with the last date of submission of response to RfP as 03.03.2023. Intimation regarding the initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide letter No. 04/ITP-37/22-23/RFP dated 03.01.2023.

12. The key milestones in the bidding process were as under:

<b>S. No.</b>	<b>Events</b>	<b>Date</b>
1	Publication of RFP	December 29, 2022
2	Intimation to the Hon'ble Commission	January 03, 2023
3	RFP (Technical)& Price Bid Submission	June 15, 2023
4	RFP (Technical) Bid Opening	June 15, 2023
5	RFP (Financial) Initial Price Offer -Opening	July 17, 2023
6	e-Reverse Auction	July 18, 2023
7	Final Bid Evaluation Committee Meeting	July 25, 2023
8	Issuance of Lol	July 28, 2023
9	Signing of Agreements & Transfer of SPV	September 27, 2023

13. The scope of the Project as per the Request for Proposal and the Transmission Service Agreement is as under:

<b>Sl. No.</b>	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>	<b>Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project</b>	<b>Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element</b>
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1.	<p>Establishment of 400/220 kV, 7x500 MVA pooling station at suitable border location between Ananthpuram &amp; Kurnool Distt with 400kV (2x125 MVAR) bus reactor</p> <p>A. 400kV</p> <p>i ICT: 7x500MVA, 400/220kV</p> <p>ii ICT bay: 7 nos.</p> <p>iii Line bay: 4 nos.</p> <p>iv Bus Reactor: 2x125 MVAR, 420kV</p> <p>v Bus Reactor bay: 2 nos.</p> <p>vi Line Reactor: 2x80 MVAR, 420kV</p> <p>vii Switchable line reactor bay: 2 nos.</p> <p>viii Space for future line bays along with switchable line reactor: 12 nos.</p> <p>ix Space for future 400/220kV ICTs along with associated bay: 4 nos.</p> <p>B. 220kV</p> <p>i ICT bay: 7 nos.</p> <p>ii Line bay: 12 nos.</p> <p>iii Bus sectionalizer: 2 sets</p> <p>iv Bus coupler bay: 3 nos.</p> <p>v Transfer Bus coupler bay: 3 nos.</p> <p>vi Space for future 400/220kV ICTs along with associated bays: 4 nos.</p> <p>vii Space for future line bays: 8 nos.</p> <p>viii Space for additional future 220kV Bus Sectionalizer : 1 set</p> <p>ix Space for additional future 220kV TBC bay : 1 nos.</p> <p>x Space for additional</p>	24 Months from SPV transfer	41.98	Element at Sl. No 2, 3, 4, 5 & 6
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	future 220kV BC bay : 1 nos			
2.	Ananthpuram PS-Kurnool-III PS 400 kV (Quad moose) D/c Line	24 Months from SPV transfer	20.99	Element at Sl. No 1, 3, 4, 5 & 6
3.	2 Nos 400 kV line bays at Kurnool-III PS for Ananthpuram PS-Kurnool-III PS 400 kV D/c line	24 Months from SPV transfer	2.22	Element at Sl. No 1, 2, 4, 5 & 6
4.	Ananthpuram PS-Cuddapah-400kV (Quad moose) D/c Line	24 Months from SPV transfer	31.49	Element at Sl. No 1, 2, 3, 5 & 6
5.	2 Nos 400 kV line bays at Cuddapah PS for Ananthpuram PS-Cuddapah 400 kV D/c line	24 Months from SPV transfer	2.22	Element at Sl. No 1, 2, 3, 4 & 6
6.	80 MVar, 420 KV switchable line reactor at Ananthpuram PS for each circuit of Ananthpuram PS-Cuddapah 400 kV D/c line along with associated switching equipment	24 Months from SPV transfer	1.10	Element at Sl. No 1, 2, 3, 4 & 5

Note:

- i. Developer of Kurnool-III PS shall provide space for 2 no. of 400 kV line bays at Kurnool-III PS for termination of Ananthpuram PS-Kurnool-III PS 400 kV (Quad Moose) D/c Line.
- ii. Powergrid shall provide space for 2 no. of 400 kV line bays at Cuddapah PS for termination of Ananthpuram PS-Cuddapah 400 kV (Quad Moose) D/c Line.

14. For the purpose of evaluation of bids, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

1.	Sh. Umesh Kumar Madan, Head, SBI Capital Markets,	Chairman of the Committee
2.	Sh. A.K.V. Bhaskar, Director (Grid & Transmission Management), AP TRANSCO	Member

3.	Sh. R Jayakumar, Director (Transmission), KPTCL	Member
4.	Sh. Bhanwar Singh Meena, Director (PSE&TD), Central Electricity Authority	Member
5.	Smt. Manjari Chaturvedi, Director, PSPA-I, Central Electricity Authority	Member
6.	Sh. D Manavalan, Chairman, Ananthpuram Kurnool Transmission Limited,	Convener- Member of the Committee

15. Responses to RfP were received from the five bidders as per details given below:

Sr. No.	Name of Bidders
1.	The TATA Power Company Limited
2.	Power Grid Corporation of India Limited
3.	ReNew Transmission Ventures Private Limited
4.	Megha Engineering & Infrastructures Limited
5.	Sterlite Grid 37 Limited

16. The responses of the Bidders (listed as per the table below) were opened on 15.6.2023 in the presence of the representatives of the bidders. Based on the recommendations of the Bid Evaluation Committee, the Initial Offers of all five bidders were opened on 17.7.2023 in the presence of the Bid Evaluation Committee. In the BEC meeting held on 17.7.2023, it was noted that the lowest transmission charges from the Initial Offer submitted by the bidders was Rs. 1345.00 million, which shall be the initial ceiling for quoting the Final Offer during the e-Reverse Auction. Accordingly, the rank of the bidders for participation in e-reverse auction:

Sr. No.	Name of Bidder	Single Annual Transmission Charges from Initial Offer (Rs.in Million)	Rank
1.	The TATA Power Company Limited	1345.00	L1
2.	Power Grid Corporation of India Limited	1361.20	L2
3.	ReNew Transmission Ventures Private Limited	1416.70	L3
4.	Megha Engineering & Infrastructures Limited	1985.00	L4

17. As per the provisions of RfP documents, BEC recommended four qualified bidders to participate in the electronic reverse auction stage and to submit their Final Offer.

18. The e-reverse auction was carried out at the MSTC portal on 18.7.2023 after intimating to the above four bidders regarding the lowest initial price offer. However, only three bidders participated in e-reverse auction. The transmission charges for the bidders (in ascending order) emerged as under:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Transmission Charges from the Final Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Power Grid Corporation of India Limited	1361.20	1288.88	L1
2.	ReNew Transmission Ventures Private Limited	1416.70	1292.12	L2
3.	Megha Engineering & Infrastructures Limited	1985.00	1318.29	L3
4.	The TATA Power Company Limited	1345.00	1345.00	L4 (Not Participated in e-RA)

19. Based on the e-reverse bidding, BEC, in its meeting held on 25.7.2023, recommended Power Grid Corporation of India Limited with the lowest transmission charges of Rs. 1288.88 million per annum as the successful bidder.

20. Letter of Intent was issued by the BPC on 28.7.2023 to the successful bidder i.e. Power Grid Corporation of India Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of PFCCL the final result of the evaluation of the bids for the selection of a developer for the Project.

21. In accordance with the provisions of the bid documents and upon issuance of Lol to the successful bidder (Power Grid Corporation of India Ltd.) and acquisition of SPV (the Petitioner) by the successful bidder, the Petitioner has prayed for the adoption of transmission charges for the Project which has been discovered through the process of competitive bidding.

22. In accordance with Clause 2.15.2 of RfP, the selected bidder shall, within 10 days of the issue of the Letter of Intent, accomplish the following tasks:

- a) Provide the Contract Performance Guarantee in favour of the Nodal Agency;
- b) Execute the Share Purchase Agreement and the Transmission Service Agreement;
- c) Acquire, for the Acquisition Price, one hundred percent (100%) equity shareholding of the Ananthpuram Kurnool Transmission Limited from PFC Consulting Limited, along with all its related assets and liabilities.

23. In accordance with Clause 2.15.4 of RfP, the selected bidder shall, within five working days of the issue of the acquisition of the SPV by the Successful Bidder, the TSP shall apply to the Commission for the grant of transmission license and make an application to the Commission for the adoption of Transmission Charges, as required under Section 63 of the Act.

24. 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, selected bidder was required to complete all the activities including acquisition of SPVs by 7.8.2023. Though Lol was issued on 28.7.2023, BPC, vide its letters dated 27.9.2023 in terms of Clauses 2.15.2 of RfP, extended the date upto 27.9.2023 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. 27.60 Crore on 27.9.2023 and has acquired hundred percent equity-holding in the applicant company on 27.9.2023 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 a grant of transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. The successful bidder, namely Power Grid Corporation of India Limited, acquired the SPV on 27.9.2023. Accordingly, the TSP has filed the instant Petition through e-filing for the adoption of transmission charges on 5.10.2023.

25. The Petitioner has approached the Commission with a separate application for a grant of a transmission licence. The Commission vide order dated 3.2.2024 in Petition No. 340/TL/2023, on being satisfied that the Petitioner, *prime facie*, qualifies for grant of transmission license as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/ objections to the proposal of the Commission.

26. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. In the minutes of the Third Meeting of the Bid Evaluation Committee meeting held on 25.7.2023, the following have been recorded:

*"..... Accordingly, following four (04) bidders were qualified to participate in the*



*e-reverse auction:*

- i. The Tata Power Company Limited*
- ii. Power Grid Corporation of India Limited*
- iii. ReNew Transmission Ventures Private Limited*
- iv. Megha Engineering & Infrastructures Limited*

*5. The lowest Initial Offer at MSTC portal i.e. Rs. 1345.00 million per annum was communicated to the above four (04) bidders qualified for participating in the e-reverse bidding process which was held at MSTC Portal on July 18, 2023 at 10:00 hrs (IST) onwards.*

*6. The e-reverse bidding process was closed after 17 rounds, on same day i.e. July 18, 2023 at 17:43 hrs (IST). 'The Tata Power Company Limited' ...*

*7. The Final Offer (Quoted Transmission Charges) of each bidder as quoted at the time of closing of e-reverse bidding is as under (copy of e-reverse bidding statement generated at MSTC portal is attached at Annexure-B):*

<b>Sr. No.</b>	<b>Name of the Bidder</b>	<b>Final Quoted Transmission Charges (in Indian Rupees million per annum)</b>	<b>Rank</b>
1.	<i>Power Grid Corporation of India Limited</i>	1288.88	L1
2.	<i>ReNew Transmission Ventures Private Limited</i>	1292.12	L2
3.	<i>Megha Engineering &amp; Infrastructures Limited</i>	1318.29	L3
4.	<i>The Tata Power Company Limited</i>	1345.00	L4 (Not Participated in e-RA)

*8. As per Clause 3.6.1 of RFP ".....The Bidder with the prevailing lowest Quoted Transmission Charges discovered from Final Offers at the close of the scheduled or extended period of e-reverse bidding as mentioned in clause 2.5 shall be declared as the Successful Bidder, subject to verification of the original hard copies of Annexure 3, Annexure 4 (if applicable), Annexure 6 (if applicable) and Annexure 14. The Letter of intent shall be issued to such Successful Bidder in two (2) copies"*

*9. Accordingly, as per the requirement, 'Power Grid Corporation of India Limited' (the Bidder with lowest Final Offer) vide letter dated 21.07.2023 has submitted the original hard copies of Annexure 3 and Annexure 14 to BPC on*

21.07.2023. The other annexures were not applicable to the bidder.

10. BPC has confirmed that the original hard copies of Annexure 3 and Annexure 14 submitted by 'Power Grid Corporation of India Limited' are in order and there is no discrepancy between the online submission and physical documents by 'Power Grid Corporation of India Limited'.

11. In view of above, 'Power Grid Corporation of India Limited' with the Final Offer (Quoted Transmission Charges) of Rs. 1288.88 million per annum, may be declared as the successful bidder.

12. BPC, in their evaluation report (Annexure-A) has confirmed the following:

- i. The levelised tariff for this project based on CERC norms works out to Rs. 2074.32 million per annum. This has been computed based on the estimated cost as communicated by the Cost Committee constituted by CEA and methodology for calculation of tariff as per CERC norms.
- ii. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

13. After detailed discussions on the evaluation report prepared by BPC (Annexure-A), the BEC decided the following:

- i. "Power Grid Corporation of India Limited" is the successful Bidder after the conclusion of the e-reverse bidding process with the lowest Quoted Transmission Charges of Rs. 1288.88 Million per annum..
- ii. The quoted tariff is lower than the Levelised Tariff estimated as per CERC norms. The quoted tariff discovered through e-reverse bidding process is acceptable.
- iii. In view of (i) and (ii) above, 'Power Grid Corporation of India Limited' may be issued Letter of Intent (LoI).

27. Bid Evaluation Committee (BEC) vide its certificate dated 25.7.2023 certified as under:

*"It is hereby certified that:*

1. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the

*Electricity Act, 2003 and as amended from time to time.*

2. *Power Grid Corporation of India Limited emerged as the Successful Bidder after the conclusion of e-reverse bidding process with the lowest Quoted Transmission Charges of Rs. 1288.88 million per annum.*

3. *The quoted tariff is lower than the Levelised Tariff calculated based on CERC norms considering the Capital Cost for the Project 'Transmission Scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000MW), Andhra Pradesh' as assessed by Cost Committee. The quoted tariff discovered through e-reverse bidding process is acceptable."*

28. In the light of the discussions in the preceding paragraphs, it emerges that selection of the successful bidder and the discovery of the annual transmission charges of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. BEC has certified that the process is in conformity with the Ministry of Power Guidelines. BEC, in its certificate dated 25.7.2023, has certified that Power Grid Corporation of India Limited has emerged as the successful bidder after the conclusion of the e-reverse auction with the lowest transmission charges of Rs. 1288.88 million. Based on the certification of the BEC, we approve and adopt the single annual Transmission Charges of Rs. 1288.88 million as per the final offer of the successful bidder subject to the grant of transmission licence to the Petitioner. The transmission charges shall remain valid throughout the period covered in the TSA.

29. The sharing of the transmission charges by the designated ISTS customers (DICs) shall be governed 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.

30. The Petitioner, vide its affidavit dated 22.11.2023, has informed that the name

of the Petitioner company has been changed from 'Ananthpuram Kurnool Transmission Limited' to 'POWERGRID Ananthpuram Kurnool Transmission Limited' with effect from 20.11.2023. The certificate of change of name from 'Ananthpuram Kurnool Transmission Limited' to 'POWERGRID Ananthpuram Kurnool Transmission Limited' dated 20.11.2023 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Ananthpuram Kurnool Transmission Limited' on the record of the Commission.

31. Let an extract copy of this order be sent to the Nodal agency.

32. The Petition No. 339/AT/2023 is disposed of in terms of the above.

Sd/-  
**(P.K. Singh)**  
Member

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

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