

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 340/TL/2023

**Coram:
Shri Arun Goyal, Member
Shri P.K. Singh, Member**

Date of Order: 29th February, 2024

In the matter of

Application under Sections 14 & 15 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for the grant of Transmission License and other related matters) Regulations, 2009 with respect to Transmission Licence to Ananthpuram Kurnool Transmission 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,**

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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,

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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 Mani Kumar, AKTL
Shri L Aditya Mahesh, 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 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, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish the Inter-State Transmission System for the “Transmission Scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh” on a Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to as “the Project”) consisting of the following elements:

S. No.	Name of the Transmission Element	Scheduled COD in months from the effective date
1.	<p><i>Establishment of 400/220 kV, 7x500 MVA pooling station at suitable border location between Ananthapuram & Kurnool Distt with 400kV (2x125 MVAR) bus reactor</i></p> <p>A. <u>400kV</u></p> <p><i>i ICT: 7x500MVA, 400/220kV</i> <i>ii ICT bay: 7 nos.</i> <i>iii Line bay: 4 nos.</i> <i>iv Bus Reactor: 2x125 MVAR, 420kV</i> <i>v Bus Reactor bay: 2 nos.</i> <i>vi Line Reactor: 2x80 MVAR, 420kV</i> <i>vii Switchable line reactor bay: 2 nos.</i> <i>viii Space for future line bays along with switchable line reactor: 12 nos.</i> <i>ix Space for future 400/220kV ICTs along with associated bay: 4 nos.</i></p> <p>B. <u>220Kv</u></p> <p><i>i ICT bay: 7 nos.</i> <i>ii Line bay: 12 nos.</i> <i>iii Bus sectionalizer: 2 sets</i> <i>iv Bus coupler bay: 3 nos.</i> <i>v Transfer Bus coupler bay: 3 nos.</i> <i>vi Space for future 400/220kV ICTs along with associated bays: 4 nos.</i> <i>vii Space for future line bays: 8 nos.</i> <i>viii Space for additional future 220kV Bus Sectionalizer:</i></p>	24 months from SPV transfer

	1 set ix Space for additional future 220kV TBC bay: 1 nos. x Space for additional future 220kV BC bay: 1 nos	
2.	Ananthpuram PS-Kurnool-III PS 400 kV (Quad moose) D/c Line	24 Months from SPV transfer
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
4.	Ananthpuram PS-Cuddapah-400kV (Quad moose) D/c Line	24 Months from SPV transfer
5.	2 Nos 400 kV line bays at Cuddapah PS for Ananthpuram PS-Cuddapah 400 kV D/c line	24 Months from SPV transfer
6.	80 MVA, 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

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.”

2. Based on the competitive bidding carried out by the PFC Consulting Limited (PFCCL), in its capacity as the Bid Process Coordinator (BPC), in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act, Power Grid Corporation of India Limited was declared a successful bidder with the lowest quoted annual transmission charges of Rs. 1288.88 million per annum.

3. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 3.2.2024, *prima facie* proposed to grant a transmission licence to the Petitioner. The relevant extracts of the order dated 3.2.2024 are extracted as under:

“24. Considering the material on record, we are *prima facie* of the view that the Petitioner satisfies the conditions for the grant of an inter-state transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for the transmission system as described in para 1 of this order. We therefore, 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 the grant of a transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by **19.2.2023.**”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 10.2.2024 in all editions of the Times of India (English) and Hindustan (Hindi). No suggestions/ objections have been received from members of the public in response to the public notice.

5. The case was called out for the hearing on 23.2.2024. It was submitted by the representative of the Petitioner that, in response to a public notice published by the Commission, no objection has been received. With regard to the approval of the Central Government as required under the Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021 (Planning Rules) notified by the Ministry of Power on 1.10.2021, the representative of the CTUIL submitted the Ministry of Power vide Gazette Notification dated 24.1.2020 has notified the scheme. As per Rule 3(5), Planning Rules, all Inter-State transmission projects, along with their timeline for implementation, are required to be approved by the Central Government. Subsequently, the National Committee on Transmission (NCT) was reconstituted *vide* Ministry of Power Office Order dated 28.10.2021 as per the decision taken in a meeting held under the Chairmanship of the Minister of Power & NRE on 5.10.2021 to discuss the transmission related issues for renewable energy. In the above order dated 28.10.2021, it was decided that (a) for the ISTS Projects costing more than Rs. 500 crore, NCT shall recommend to the Ministry of Power for the implementation of such projects along with their mode of implementation, (b) for ISTS Projects costing between Rs. 100 crore to Rs. 500 crore, NCT shall approve such projects along with their mode of implementation under intimation to the Ministry of Power, and (c) for ISTS Projects costing less than or equal to Rs. 100 crore, CTUIL will approve such projects along with their mode of implementation under intimation to

NCT and the Ministry of Power. In line with the above decision, for the ISTS Projects costing more than Rs. 500 crore, the Central Government approves these transmission projects through various Gazette Notifications. The Central Government also appoints Bid Process Coordinators for the approved transmission projects in the same Gazette. Accordingly, the appointment of BPC by the Ministry of Power's Gazette Notifications may be considered as approval of the transmission project.

6. As regards the grant of a transmission licence, Clauses (15) and (16) of Regulation 7 of the Transmission Licence Regulations provide as under:

“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or the person who has filed suggestions and objections, or any other person: Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”

7. In our order dated 3.2.2024, we had proposed to grant a transmission licence to the Petitioner company and directed the issue of a public notice. In response to the public notice, no suggestions/objections have been received. CTUIL, in its letter dated 27.10.2023, has recommended the grant of a transmission licence to the Petitioner. We find that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for the grant of a transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Considering the submissions of the Petitioner and CTUIL, we direct that a transmission licence be granted to the Petitioner, 'POWERGRID Ananthpuram Kurnool Transmission Limited,' for the grant of an inter-State transmission licence for the establishment of the Inter-

State Transmission System for the “Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh” on a Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

8. 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 sixty days shall be construed as a breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the provisions of 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.

9. CTUIL / its appointed Independent Engineer and the Central Electricity Authority 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 Transmission Service Agreement executed between the licensee & Nodal Agency, the Act and the Transmission Licence Regulations.

10. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clauses 2.5.7.3, 2.5.7.4 and 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 in letter and spirit.

11. Let an extract copy of this order be sent to CTUIL, CEA and BPC for information and necessary action.

12. Petition No. 340/TL/2023 is allowed in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member