

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 52/TL/2024

Coram:
Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri Ramesh Babu, V. Member

Date of Order: 2nd July, 2024

In the matter of

Application under Sections 14 & 15 of the Electricity Act, 2003 read with the 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 Koppal II Gadag II Transmission Limited.

**And
In the matter of**

Koppal II Gadag II Transmission Limited,
(now Known as POWERGRID Koppal Gadag Transmisison 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. Central Transmission Utility of India Limited,**
Saudamini, Plot no.2, Sector -29,
Gurgaon-122001, Haryana
- 2. PFC Consulting Limited,**
9th Floor, A-Wing, Statesman House,
Connaught Place, New Delhi- 110001
- 3. Tata Power Renewable Energy Limited,**
B, 6th floor, 34 Sant Tukaram Road
Maharashtra
- 4. Scatec India Renewables One Pvt. Limited,**
Atelier Airport Office Suites, Suite 4,
Level 2, (Ground Floor), Worldmark 2,
Asset 8, Aerocity, NH 8, New Delhi-110037

- 5. Torrent Saurya Urja 2 Pvt. Limited,**
SUGEN Mega Power Project,
Torrent Power Ltd., Village Akhakhhol,
Dist Surat- 394155
- 6. ABREL (RJ) Projects Limited,**
8th Floor, Parsvnath Capital Towers,
Bhai Vir Singh Marg, New Delhi
- 7. VEH Green Energy Pvt. Limited,**
9th Floor, My Home Twitza, Plot No.
30/A, TSIIIC, Hyderabad Knowledge
City, Raidurga, Hyderabad-500081
- 8. JSP Green Wind 1 Pvt. Limited,**
A-2, Shaheed Jeet Singh Marg,
National Trust of Handicapped,
Qutab Institutional Area, New Delhi 110067
- 9. Aditya Birla Renewables Subsidiary Limited,**
8th Floor Parsvnath Capital Towers
Bhai Vir Singh Marg, New Delhi
- 10. Tata Power Renewable Energy Limited,**
B, 6th floor, 34 Sant Tukaram Road,
Maharashtra
- 11. TP Saurya Limited,**
B, 6th floor, 34 Sant Tukaram Road
Maharashtra
- 12. Halvad Renewables Private Limited,**
1st Floor, Eastern Wing, Thapar House,
124, Janpath, Delhi
- 13. Green Infra Wind Energy Limited,**
5th Floor, Tower C, Building No. 8,
DLF Cybercity, Gurgaon-122002
- 14. SolarXL Beta Energy Private Limited,**
The Oberoi Center, Building 11,
Level 6, DLF Cyber City, Phase-II,
Gurgaon-122002
- 15. Project Nine Renewable Power Private Limited,**
S 2904, 29th floor, World Trade Center,
Brigade Gateway Campus, #26/1,
Dr. Rajkumar Road, Malleswaram-Rajajinagar
Bangalore – 560 055

- 16. Serentica Renewables India Private Limited,**
9th Floor, DLF Cyber Park, Sector-20,
Udyog Vihar, Phase-3,
Gurugram-122008
- 17. Greenko KA01 IREP Private Limited,**
15th Floor, Hindustan Times House,
18-20 KG Marg, Delhi
- 18. Andhra Pradesh Power Purchase Coordination Committee,**
Andhra Pradesh Power Co-ordination Committee,
Vidyut Soudha, Gunadala,
Vijayawada-520004, Andhra Pradesh
- 19. Bangalore Electricity Supply Company,**
Corporate Office, BESCOM K.R.Circle
Bangalore-560001
- 20. Gulbarga Electricity Supply Company,**
Gulbarga Electricity Supply Company,
Gulbarga-585102.
- 21. Hubli Electricity Supply Company,**
HESCOM, Navanagar, P.B Road,
Hubballi-580025
- 22. Mangalore Electricity Supply Company,**
3rd Floor, MESCOM Bhavan, Corporate Office,
MESCOM, Kavoor Cross Road, Bejai,
Mangalore- 575 004
- 23. Chamundeswari Electricity Supply Company Limited,**
CESC Mysore, Corporate Office,
#29, Vijayanagara 2nd Stage, Hinkal,
Mysuru-570017.
- 24. KSEB Limited,**
Kerala Electricity Board, Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram,
Pin: 695004, Kerala.
- 25. Tamil Nadu Generation and Distribution Company Limited,**
Chief Financial Controller/Revenue / Eastern Wing,
7th Floor, NPKRR Maaligai,144, Anna Salai,
Chennai - 600 002
- 26. Telangana State PC Committee,**
Vidyut Soudha, Khairathabad,
Hyderabad-500082, Telangana

27. Puducherry Electricity Department,
1st Floor, Main Building, Electricity Department,
Govt of Puducherry,
Puducherry-605001

28. Goa Electricity Department-SR
Electricity Department, Division No: III,
Curti, Ponda- 403401, Goa.

29. HVDC, Kolar, Power Grid Corporation of India Limited,
SRTS# II,Pragati Mahalakshmi,
South Block, (2nd & 3rd Floor),
No.62, Bangalore, 560001, Karnataka

30. Thermal Powertech Corporation India,
Door No. 6-3-1090, 2nd Floor, C Block,
Tsr Towers, Raj Bhavan Road,
(Opposite Villae Marie College)
Somajiguda, Hyderabad - 500082

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

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

33. 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

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

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

....Respondents

Parties present:

Shri Rohit Jain, KGTL
 Shri Sankalp Sharma, KGTL
 Shri S. Vallinayagam, Advocate, TANGEDCO
 Ms. Suparna Srivastava, Advocate, CTUIL
 Shri Tushar Mathur, Advocate, CTUIL
 Shri Swapnil Verma, CTUIL
 Shri Siddharth Sharma, CTUIL
 Shri Akshayvat Kislay, CTUIL
 Ms. Priyadarshini, Advocate, PFCCL
 Shri Deepak Singh, PFCCL

ORDER

The Petitioner, Koppal II Gadag II Transmission Limited (now known as POWERGRID Koppal Gadag 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 integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A & B) and Gadag-II (Phase- A) in Karnataka” on a Build, Own, Operate, and Transfer (BOOT) basis (hereinafter referred to as “the Project”) consisting of the following elements:

A. Transmission System for Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka

Sr. No	Name of the Transmission Element	Scheduled COD
A1	Establishment of 765/400 kV 2x1500 MVA, 400/220 kV, 2x500 MVA Koppal-II (Phase- A) Pooling Station with provision of two (2) sections of 4500 MVA each at 400 kV level and provision of four (4) sections of 2500 MVA each at 220 kV level 765/400 kV, 1500 MVA, ICTs –2 Nos. (7x500 MVA including 1 spare unit)	24 months from SPV transfer

	<ul style="list-style-type: none"> • 765 kV ICT bays – 2 Nos. • 400 kV ICT bays – 2 Nos. • 400/220 kV, 500 MVA, ICTs – 2 Nos. • 400 kV ICT bays – 2 Nos. • 220 kV ICT bays – 2 Nos. • 765 kV line bays – 2 Nos. (at Koppal-II for termination of Koppal-II-Narendra (New) 765 kV D/c line) • 220 kV line bays – 4 Nos. • 220 kV Bus Coupler (BC) Bay – 1 No. • 220 kV Transfer Bus Coupler (TBC) Bay – 1 No. <p>Future Space Provisions: (Including space for Phase-B)</p> <ul style="list-style-type: none"> • 765/400 kV, 1500 MVA, ICTs – 5 Nos. • 765 kV ICT bays – 5 Nos. • 400 kV ICT bays – 5 Nos. • 400/220 kV, 500 MVA, ICTs – 10 Nos. • 400 kV ICT bays – 10 Nos. • 220 kV ICT bays – 10 Nos. • 765 kV line bays – 8 Nos. (with provision for SLR) • 400 kV line bays – 14 Nos. (with provision for SLR) • 220 kV line bays – 12 Nos. • 220 kV Bus Sectionalizer: 3 sets • 220 kV Bus Coupler (BC) Bay – 3 Nos. • 220 kV Transfer Bus Coupler (TBC) Bay – 3 Nos. • 400 kV Bus Sectionalizer: 1 set 	
A2	<p>Koppal-II PS – Narendra (New) 765 kV D/c line with 240 MVar SLR at Koppal-II PS end</p> <ul style="list-style-type: none"> • 765 kV line bays – 2 Nos. (GIS) [at Narendra (New)] • 765 kV, 240 MVar SLR at Koppal-II PS – 2 Nos. (7x80 MVar including 1 switchable spare unit) 	
A3	<p>2x330 MVar (765 kV) & 2x125 MVar (400 kV) bus reactors at Koppal-II PS</p> <ul style="list-style-type: none"> • 765 kV, 330 MVar Bus Reactor – 2 Nos. (7x110 MVar including 1 switchable spare unit for both bus reactor and line reactor) • 765 kV Bus Reactor bays – 2 Nos. • 420 kV, 125 MVar Bus Reactors – 2 Nos. • 420 kV, 125 MVar Bus Reactor bays – 2 Nos 	
A4	<p>Establishment of 400/220 kV, 2x500 MVA Gadag-II (Phase -A) Pooling Station</p> <ul style="list-style-type: none"> • 400/220 kV, 500 MVA ICTs – 2 Nos. • 400 kV ICT bays – 2 Nos. • 220 kV ICT bays – 2 Nos. • 400 kV line bays – 2 Nos. (at Gadag-II for termination of Gadag-II – Koppal-II line) • 220 kV line bays – 4 Nos. 	

	<ul style="list-style-type: none"> • 220 kV Bus Coupler (BC) Bay –1 No. • 220 kV Transfer Bus Coupler (TBC) Bay – 1 No. <p>Future Space Provisions:</p> <ul style="list-style-type: none"> • 400/220 kV, 500 MVA, ICTs – 10 Nos. • 400 kV ICT bays – 10 Nos. • 220 kV ICT bays – 10 Nos. • 400 kV line bays – 6 Nos. (with provision for SLR) • 220 kV line bays – 10 Nos. • 220 kV Bus Sectionalizer: 3 set • 220 kV Bus Coupler (BC) Bay – 3 Nos. • 220 kV Transfer Bus Coupler (TBC) Bay – 3 Nos. 	
A5	<p>Gadag-II PS – Koppal-II PS 400 kV (Quad Moose) D/c line</p> <ul style="list-style-type: none"> • 400 kV line bays - 2 (at Koppal-II) 	
A6	<p>2x125 MVar 420kV bus reactors at Gadag-II PS</p> <ul style="list-style-type: none"> • 420 kV, 125 MVar bus reactors – 2 Nos. • 420 kV, 125 MVar bus reactor bays – 2 Nos 	

B Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka

Sr. No	Name of the Transmission Element	Scheduled COD
B1	<p>Koppal-II PS – Raichur 765 kV D/c line with 330 MVar SLR at Koppal-II PS end</p> <ul style="list-style-type: none"> • 765 kV line bays – 2 Nos. (at Koppal- II) • 765 kV line bays – 2 Nos. (at Raichur) • 765 kV, 330 MVar SLR at Koppal-II PS – 2 Nos. (6x110 MVar) • Switching equipment for 765 kV, 330 MVar SLR – 2 Nos. 	24 months from SPV transfer
B2	<p>Augmentation by 2x1500 MVA, 765/400 kV ICTs at Koppal-II PS</p> <ul style="list-style-type: none"> • 765/400 kV, 1500 MVA ICTs – 2Nos. • 765 kV ICT bays – 2 Nos. • 400 kV ICT bays – 2 Nos. 	
B3	<p>Augmentation by 2x500 MVA, 400/220 kV ICTs at Koppal-II PS.</p> <ul style="list-style-type: none"> • 400/220 kV, 500 MVA, ICTs – 2 Nos. • 400 kV ICT bays – 2 Nos. • 220 kV ICT bays – 2 Nos. 	

	<ul style="list-style-type: none"> • 220 kV line bays – 4 Nos. • 220 kV Bus Sectionalizer: 1 set • 220 kV Bus Coupler (BC) Bay – 1 No. • 220 kV Transfer Bus Coupler (TBC) Bay – 1 No. 	
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Note:

1. *Powergrid shall provide space for 2 No. of 765 kV line bays at Raichur for termination of Koppal-II PS – Raichur 765 kV D/c line.*
2. *Implementation timeframe: 24 Months from the date of transfer of SPV to the successful bidder.”*

2. The Petitioner has made the following prayers:

“(a) Grant Transmission Licence to the Applicant; and

(b) Allow the sharing and recovery of Transmission Charges for Inter-State Transmission System for “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A & B) and Gadag-II (Phase- A) in Karnataka” 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.

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

Hearing dated 27.2.2024

3. During the course of the hearing on 27.2.2024, the representative of the Petitioner submitted that as per the TSA, the Petitioner was required to file a Petition within five days from the acquisition of the SPV. However, there has been a delay of 8 days due to a delay in reflecting the filing fees status, and urged the Commission to condone the delay. He further submitted that the Petitioner company is in the process of changing the name of the company and will place the relevant documents by way of the additional affidavit pursuant to such change.

4. The representative of CTUIL submitted that, as of now, there is no issue of mismatch and they will place the relevant details of generation/ generating stations. The learned counsel for Respondent No.25, Tamil Nadu Generation and

Distribution Corporation Limited (hereinafter referred to as “TANGEDCO”), pointed out that no relevant details, as required under the Central Electricity Regulatory Commission (Grant of Regulatory Approval for the execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 (hereinafter ‘2010 Regulatory Approval Regulations’), in particular, Regulation 3(1) thereof, have been furnished by the Petitioner. Learned counsel sought liberty to file a reply in the matter.

5. Vide Record of Proceedings for the hearing dated 27.2.2024 the Petitioner was directed to clarify on an affidavit, the reason for not publishing its application in Form-II on its website in the vernacular language of the State of Karnataka, as the project is situated in the State of Karnataka. CTUIL was directed to provide the status of the connectivity granted to the generators at both of the sub-stations, i.e., Koppal-II and Gadag-II, along with ATS.

Hearing dated 20.3.2024

6. During the course of the hearing on 20.3.2024, the learned counsel for Respondent, TANGEDCO, submitted that the Petitioner has not complied with the provisions of the 2010 Regulatory Approval Regulations. The said Regulations mandate obtaining regulatory approval for the transmission schemes that are not recommended by RPCs and where the generators have applied for open access (the connectivity grantee is deemed a GNA grantee as per the GNA Regulations), and the Power Purchase agreements have not been signed by all the beneficiaries. However, no regulatory approval has been taken by the CTUIL for the subject transmission scheme. As per the Hon`ble Supreme Court’s judgment in [(2004) 10 SCC 603], once there are Regulations framed by CERC, the CTUIL,

and any other concerned entity are bound to follow the Regulations in letter and spirit. In response, the representative of the Petitioner submitted that pursuant to Tariff Based Competitive Bidding conducted by Power Finance Corporation Consulting Limited (hereinafter referred to as "PFCCL"), Power Grid Corporation of India Limited (ATL) was selected as the successful bidder, and Letter of Intent was issued on 5.12.2023. Post award of the Project, PGCIL acquired the SPV (the Petitioner) on 26.12.2023, which became its fully owned subsidiary. Therefore, the Petitioner was not required to take regulatory approval for the instant project.

7. Vide Record of Proceedings for the hearing dated 20.3.2024, the CTUIL and BPC were directed to clarify the reasons for not obtaining regulatory approval in the present case. The CTUIL was further directed to provide the status of the quantum of connectivity granted at both of the substations, namely, Koppal-II and Gadag-II, and the Status of the associated generators at both of the substations, namely, Koppal-II and Gadag-II.

Hearing dated 19.4.2024

8. During the course of the hearing, the representatives and the learned counsel for the parties argued at length. The parties were permitted to file their brief written submissions and in addition, the CTUIL and BPC were directed to clarify on an affidavit the reasons for not obtaining regulatory approval in the present case.

Hearing dated 29.5.2024

9. Since the orders in the matters (which were reserved on 19.4.2024) could not be issued prior to one Member of this Commission, who formed part of the Coram, demitting office, the matter was re-listed for the hearing. During the course

of the hearing, the representative of the Petitioner submitted that the matter has already been heard at length, and the parties have also filed their respective submissions, which may be considered by the Commission, and accordingly, the matter may be reserved for the order.

Submission of the Petitioner

10. The Petitioner vide affidavit dated 7.3.2024 has submitted that the Transmission Service Agreement is signed with an understanding that the opposite party / Nodal Agency (CTUIL), (representing all the long-term customers) with which the Transmission Service Agreement is signed, is registered at Gurgaon (Haryana), therefore, the Form II was hosted in Hindi. However, now the Petitioner has also hosted Form-II on its website in the vernacular language of Karnataka, i.e., Kannada, where the assets of the project are situated. Further, Form II in vernacular language, where the assets of the project are situated, are also mailed to all the parties that have been impleaded in the instant Petition.

Reply of Respondent TANGEDCO

11. Respondent, TANGEDCO vide its reply dated 8.3.2024, has mainly submitted as under:

(a) The mandates of the Act, National Electricity Policy, National Tariff Policy, and provisions of the various regulations of CERC are to be complied with by the stakeholders governed by these statutes.

(b) On 13.4.2006, the Ministry of Power, Government of India issued the "Guidelines for Encouraging Competition in Development of Transmission Projects," which were further revised vide Resolution dated 10.8.2021 wherein

the statutory requirement of a bilateral agreement between the TSP and the LTTC has been removed, and the Central Transmission Utility of India (CTUIL) has been authorized to enter into the TSA with the TSP. The obligation of the LTTCs to protect the interest of the consumer has been violated through the notification. The TSA provided under the said guidelines is contrary to the CERC advisory dated 22.6.2020. Respondent vide letter dated 6.9.2021 requested the SRPC, to take up the matter with MoP for withdrawing the notification of the revised guidelines.

(c) The revised Transmission Service Agreement entered into between TSP and the nodal agency CTUIL is not in compliance with Section 61 of the Act. The Guidelines are contrary to the provisions of the Sharing Regulations, 2020 and the Guidelines of MoP have no statutory value in the eyes of the law.

(d) The rights and protections given to the DICs are removed the revised TSA, and the nodal agency, being a planning agency and supposed to be a revenue neutral agency, has been empowered to act on behalf of DICs, without the consent of the DICs which is totally unlawful.

(e) The proposal for the subject transmission system was deliberated in the 9th CMETS-SR meeting and subsequently in the 41st meeting of TCC and 43rd meeting of SRPC held on 20.9.2022 and 23.9.2022, respectively. However, the scheme was not recommended by SRPC as there was no consensus among the DICs/stakeholders. Accordingly, as per the mandate of the Planning Regulations, CTUIL should have approached the Commission seeking regulatory approval for the implementation of the transmission

scheme. However, CTUIL failed to approach and rather recommended the scheme NCT for the grant of approval.

(f) Regulations 3.1(i), 4, and 5 of the 2010 Regulatory Approval Regulations mandate obtaining regulatory approval for the transmission schemes that are not recommended by RPCs and where the generators have applied for open access (the connectivity grantee are deemed GNA grantee as per the GNA Regulations), and the PPAs have not been signed by all the beneficiaries.

(g) Therefore, the present Petition seeking a transmission licence is not maintainable since CTUIL has not complied with the provisions of the 2010 Regulatory Approval Regulations.

Rejoinder of the Petitioner

12. The Petitioner has filed its rejoinder vide an affidavit dated 2.4.2024 and has mainly reiterated its oral submissions made during the course of the hearing before the Commission.

Reply of Respondent, CTUIL

13. CTUIL, vide affidavit dated 5.4.2024, has submitted as under:

(a) Connectivity of 1457.6 MW has been granted at Koppal-II PS at 220kV level and connectivity of 1983 MW (1083 MW at 220kV level and 900 MW at 400kV level) has been granted at Gadag-II PS with “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka” and “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka”.

(b) Additional connectivity of 2716.9 MW and 3293 MW has been granted /agreed upon for Koppal-II PS and Gadag-II, respectively, with further augmentation of the transmission system, which is under different phases of approval for implementation.

(c) The transmission system for Koppal-II / Gadag-II REZs has been identified on a potential basis as declared by the MNRE / SECI towards the achievement of over 500 GW installed capacity from non-fossil fuel-based generations without any connectivity applications from the RE developers. Therefore, this transmission system was not defined as ATS for any of the generation projects.

Reply of Respondent TANGEDCO

14. Respondent, TANGEDCO vide its written submission dated 27.4.2024, has reiterated its earlier submission and additionally has submitted as under:

(a) The proposal for the subject transmission system was deliberated in the 9th CMETS-SR meeting and, subsequently, in the 41st meeting of TCC and 43rd meeting of SRPC held on 20.9.2022 and 23.9.2022, respectively. As there was no consensus among the DICs/ stakeholders, the scheme was not recommended by SRPC, and the individual views of the constituents were consolidated and communicated to CTUIL by SRPC. As per the mandate of the CERC Planning Regulations, CTUIL should have approached the CERC seeking regulatory approval for the implementation of the transmission scheme. However, CTUIL failed to approach the Commission.

(b) The CERC (Planning, Coordination, and Development of Economic and Efficient Inter-State Transmission System by Central Transmission Utility and

other related matters) Regulations, 2018, which are also applicable to CTUIL, provide as under:

(i) This Regulations shall be in addition to the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License and other related matters Regulations), 2009; Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility Regulations), 2010; and the Tariff Regulations issued by the Central Commission from time to time under section 61 of the Act.

(ii) RPC(s), on receipt of proposal from CTU, shall consider and convey its recommendations to CTU within 2 months of receipt of such proposal.

(iii) In case RPC doesn't agree with the proposal either fully or partially and CTU is of the view that the scheme is in interest of grid security/ stability or decongesting the network or overcoming a contingency, it shall record this in writing and seek regulatory approval of the Central Commission. However, prior to seeking regulatory approval, CTU shall share the reasons for not agreeing with the recommendations of concerned RPC(s) with that RPC.

(c) CTUIL did not comply with the provisions of the above Regulations in the facts of the present case. Instead, it approached the National Committee on Transmission for approval. CTUIL, being a regulated entity under the Electricity Act, avoided compliance with the provisions of the CERC Regulations and the Bid Process Coordinator also proceeded to call for bids in a manner unknown to the regulatory regime.

(d) As per the 2010 Regulatory Approval Regulations, CTUIL/STU should undertake network expansion after identifying the requirements in consultation with the stakeholders and the execution after due regulatory approval under clause 1(i) of Regulation 3 of the 2010 Regulatory Approval Regulations.

(e) It is a well settled law that where tariffs are to be paid by the consumers, the need, usefulness, cost-benefit analysis, and other regulatory issues are required to be approved by the Regulator alone. The Regulations referred to

supra are interdependent and harmonious with each other, subject to the provisions of the Act. There is no exception in law, which enables the CTUIL to plead that the Regulations need not be complied with. If Regulations framed under Section 178 of the Act are in force, the same are required to be followed.

(f) The reliance placed by the CTUIL on approval granted by the National Committee for Transmission has no consequence in a petition seeking a transmission licence under the Transmission Licence Regulations. It is not the authority to approve a scheme in a petition seeking a grant of a license before the Central Commission, for which the Central Commission has specific Regulations. Otherwise, the relevant Regulations of CERC would become meaningless and redundant.

(g) The Rules of MoP and the National Committee for Transmission are framed without considering the existing Regulations framed under the delegated legislation [Section 178] and are after the Regulations. Section 176 of the Act regarding the rule-making power of the Central Government is pari materia with Section 178 of the Act regarding regulation - making power of the Central Commission.

Reply of Respondent CTUIL

15. With regard to the regulatory approval, CTUIL, vide its affidavit dated 15.5.2024, has submitted as under:

(a) In terms of Rule 3 under the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021 ("the Transmission Planning Rules, 2021"), CTUIL has been

mandated to draw plans for implementation of the transmission system under ISTS for up to five years on the rolling basis by identifying the required transmission system after considering the plans made by the Central Electricity Authority (CEA) and based on the progress in generation capacity and demands in different parts of the country. Further, in terms of sub-rule (3), for preparing the said plans, CTUIL is required to consult with the State Transmission Utilities (STUs), Central and State Governments, generating companies, Regional Power Committees (RPCs), CEA, System Operators, licensees, and other persons notified by the Central Government in that behalf and as per sub-rule (4), such transmission systems are required to be planned and developed matching with the growth of generation and load, as far as possible, so as to ensure that there is no wasteful investment.

(b) Additionally, the required transmission systems as planned by CTUIL have been mandated under sub-Rule (5) to be placed before the National Committee on Transmission (NCT) constituted by the Central Government, along with their timelines for implementation. The same are required to be approved by the Central Government after considering the recommendations of the NCT.

(c) The MoP, vide its office order dated 28.10.2021, has reconstituted the then-existing NCT and has issued new Terms of Reference (ToR) for the NCT, providing completely new dispensation regarding approvals of the transmission schemes and, therefore, the transmission schemes involving costs greater than Rs.500 crore are now required to be placed before the NCT by CTUIL after consultation with the State STUs, Central and State

Governments, generating companies, RPCs and once such schemes are recommended by the NCT, the same can be implemented, subject to final approval by the Central Government.

(d) Accordingly, with the promulgation of the Transmission Planning Rules, 2021 and the reconstitution of the NCT with the mandate to recommend transmission system schemes to the Ministry of Power for their implementation, obtaining regulatory approval for any transmission system being planned by CTUIL no longer required from this Commission under the 2010 Regulatory Approval Regulations.

(e) The Transmission Planning Rules, 2021 being statutory in nature, having been issued in the exercise of powers conferred under Section 176(1) and (2) (z) of the Act, have an overriding effect on any regulations framed by the Commission which are in the nature of a delegated legislation. In this regard, CTUIL has relied upon the judgment of the Hon'ble Supreme Court in the case of the Government of Andhra Pradesh Vs. P. Laxmi Devi [(2008) 4 SCC 720] dated 25.2.2008.

(f) Therefore, the transmission schemes forming the subject matter of the present Petition having evolved after due consultation with all the relevant stakeholders and the SRPC (which, in fact, has recommended for the same) and having received approvals by the NCT and the Central Government, has been planned strictly in accordance with the Transmission Planning Rules, 2021 and as such no regularly approval, as envisaged under the 2010 Regulatory Approval Regulations is required to be obtained by CTUIL.

Analysis and Decision

16. We have considered the submissions of the TANGEDCO and the CTUIL. The Respondent, TANGEDCO, has submitted that the rights and protections given to the DICs have been removed in the revised TSA, and the nodal agency, being a Planning agency and supposed to be a revenue-neutral agency, has been empowered to act on behalf of DICs without the consent of the DICs which is totally unlawful. It is noticed that the Ministry of Power, vide its revised Guidelines has assigned the responsibility to CTUIL to sign the TSA with the TSP. As regards the grievance of the Respondent that the nodal agency, i.e., CTUIL, being a Planning agency, has been empowered to act on behalf of the DICs without the consent of the DICs, the Respondent may take it up with the Ministry of Power, which is the custodian of the Standard Bidding Documents.

17. Further, the Respondent, TANGEDCO, has also raised certain objections towards the scheme of the Bidding Guidelines. It has been submitted that the TSA between the TSP and the Nodal Agency (CTUIL) is not a legally tenable agreement as the DICs are made liable to pay the charges/ agree for mutual resolution between the TSP and the Nodal Agency without DICs being signatory to the agreement. It has been stated that the rights & protection given to DICs are removed in the revised TSA, and the nodal agency, being the planning agency and supposed to be a revenue-neutral agency, has been empowered to act on behalf of the DICs without the consent of the DICs which is unlawful. We have considered the submissions made by the Respondent, TANGEDCO. The aspect of the signing of the TSA between the TSP and the nodal agency stems from the provisions of the Bidding Guidelines itself, as notified by the Central Government

under Section 63 of the Act. If, at all, the Respondent has any grievance to the said aspect, the Respondent may take it up with the Ministry of Power which is the custodian of the Standard Bidding Documents.

18. The Respondent, TANGEDCO, has further submitted that as per Regulations 3. 1(i), 4, and 5 of the 2010 Regulatory Approval Regulations, CTUIL was required to obtain the regulatory approval for the transmission schemes that are not recommended by RPCs and where the generators have applied for open access (The connectivity grantee are deemed GNA grantee as per the GNA Regulations) and the PPAs have not been signed by all the beneficiaries. However, in the present case, no such regulatory approval has been obtained by the CTUIL. Therefore, the present Petition seeking a transmission licence is not maintainable. *Per contra*, the CTUIL has submitted that the transmission schemes forming the subject matter of the present Petition have evolved after due consultation with all the relevant stakeholders and the SRPC (which, in fact, has recommended for the same) and having received approvals by the NCT and the Central Government, has been planned strictly in accordance with the provisions of the Transmission Planning Rules, 2021 and as such, no regularly approval, as envisaged under the 2010 Regulatory Approval Regulations, has been required to be obtained by CTUIL. CTUIL has also submitted that the Transmission Planning Rules, 2021 being statutory in nature having been issued in exercise of powers conferred under Section 176(1) and (2) (z) of the Act, have an overriding effect on any regulations framed by the Commission which are in the nature of a delegated legislation, In support, the CTUIL has placed reliance on the judgment of the Hon'ble Supreme Court dated 25.2.2008 in the case of Government of Andhra Pradesh Vs. P. Laxmi

Devi [(2008) 4 SCC 720]. CTUIL has submitted that the transmission schemes have been planned strictly in accordance with the provisions of the Transmission Planning Rules, 2021, and, as such, no regulatory approval, as envisaged under the 2010 Regulatory Approval Regulations, is required to be obtained by CTUIL.

19. We have considered the submissions of the parties. The Ministry of Power, Government of India, on 1.10.2021, notified the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021 (“Transmission System Planning Rules”) in exercise of the powers conferred by sub-section (1) and clause (z) of sub-section (2) of the Electricity Act, 2003. As per the provisions of the Transmission System Planning Rules, the ISTS plan drawn up by the CTUIL is required to be placed before the National Committee on Transmission (NCT) constituted by the Central Government, and the projects, along with their timeline for implementation shall be approved by the Central Government after considering the recommendations of the NCT and further the Central Government may approve any transmission project as deemed necessary from the system or strategic point of view, without waiting for the recommendation of the National Committee on Transmission. In the present case, the transmission scheme in question had been placed before the NCT in its 10th meeting held on 7.11.2022 wherein the NCT had recommended the implementation of the instant transmission scheme through the TBCB route, and thereafter, the Ministry of Power, Government of India vide Gazette Notification dated 23.2.2023 appointed the PFCCCL as the BPC for the bidding of the said transmission scheme. Thus, the procedure prescribed under Rule 3(5) has been fairly complied with by CTUIL in respect of the transmission scheme in question.

20. However, the Respondent, TANGEDCO, has sought to contend that CTUIL has not obtained the regulatory approval for the said transmission scheme as required under the 2010 Regulatory Approval Regulations of this Commission. *Per contra*, CTUIL has submitted that the transmission scheme, having been evolved after due consultation with the relevant stakeholders and SRPC and having received approval by the NCT and the Central Government, has been planned strictly in accordance with the Transmission System Planning Rules and as such, no regulatory approval as envisaged under 2010 Regulatory Approval Regulations is required to be obtained by the CTUIL.

21. We have considered the submissions made by the parties. Indisputably, both the Transmission System Planning Rules as well as the 2010 Regulatory Approval Regulations are in the nature of delegated legislations enacted under the enabling provisions of the Act. While the Transmission System Planning Rules have been notified by the Central Government under provisions of Sections 176(1) and 176(2)(z) of the Act, the 2010 Regulatory Approval Regulations have been notified by this Commission under Section 178(1) and 178(2)(ze) read with Section 79(1)(c) of the Act. We have also perused the judgment of the Hon'ble Supreme Court in the case of the Government of Andhra Pradesh Vs. P. Laxmi Devi [(2008) 4 SCC 720] dated 25.2.2008. The Relevant portions of the said judgments are extracted as under:

“34. In India the Grundnorm is the Indian Constitution, and the hierarchy is as follows:

(i) The Constitution of India;

(ii) Statutory law, which may be either law made by Parliament or by the State Legislature;

(iii) Delegated legislation, which may be in the form of rules made under the statute, regulations made under the statute, etc.;

(iv) *Purely executive orders not made under any statute.*

35. *If a law (norm) in a higher layer in the above hierarchy clashes with a law in a lower layer, the former will prevail. Hence a constitutional provision will prevail over all other laws, whether in a statute or in delegated legislation or in an executive order. The Constitution is the highest law of the land, and no law which is in conflict with it can survive. Since the law made by the legislature is in the second layer of the hierarchy, obviously it will be invalid if it is in conflict with a provision in the Constitution (except the directive principles which, by Article 37, have been expressly made non-enforceable)."*

22. The Hon`ble Supreme Court in the said judgment has held that both the Rules and the Regulations are delegated legislations and are below the statutory Act and above the executive orders. We note that the judgement is silent about *inter-se priority* between Rules and Regulations issued by the different authorities under the parent Act. We are of the view that the provisions of the Regulations and the Rules have to be read harmoniously. It is noticed that the CTUIL has followed the procedure laid down in the Transmission System Planning Rules in respect of the planning and approval of the transmission scheme involved in the matter.

23. We have perused the 2010 Regulatory Approval Regulations, which provides as under:

"3. Scope and applicability

(1) These regulations shall apply to :

(i) an ISTS Scheme proposed by Central Transmission Utility, for which generators have sought long-term access as per the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term Open Access to the Inter-State Transmission and Related Matters) Regulations, 2009, and for which consultation with Central Electricity Authority and beneficiaries if already identified has been held for setting up the ISTS Scheme, but for which Power Purchase Agreements with all the beneficiaries have not been signed on the date of application.

(ii) an ISTS Scheme for system strengthening / up-gradation, identified by Central Transmission Utility to enable reliable, efficient, co-ordinated and economical flow of electricity within and across the region for which consultation with Central Electricity Authority and beneficiaries if identified has been held.

(iii) ISTS Scheme proposed by CTU, for which the Central Government authorised Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the solar power generators to be set up in the Solar Park.

(2) These regulations shall not apply to ISTS Scheme, for which all the beneficiaries/respective STUs have signed Bulk Power Transmission Agreement to share the transmission charges.”

As per the above provisions, regulatory approval can be sought *inter alia* in the cases; (i) Where the long term access (LTA) has been sought by the generators under 2009 Connectivity Regulations and for which consultation with CEA and beneficiaries if identified, has been held but the PPA has not been signed, (ii) scheme for system strengthening / up-gradation, identified by CTUIL to enable the reliable, efficient, co-ordinated and economical flow of electricity within and across the region for which consultation with CEA and beneficiaries, if identified has been held, and (iii) where long term access has been sought by the Central Government authorised Solar Power Park Developer for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme.

24. We observe that the said scheme identified based on RE potential is not covered under the 2010 Regulatory Approval Regulations. We also note that in the past, CTUIL had approached the Commission in a few cases for the grant of regulatory approval for schemes based on RE potential. The Commission, after taking note of the absence of explicit provisions for regulatory approval for transmission system planning for RE potential, granted the regulatory approval after exercising the powers to relax. We also note that subsequently, the Ministry of Power (MOP) issued the Electricity (Transmission System Planning,

Development and Recovery of Inter-State Transmission Charges) Rules, 2021 (hereinafter referred to as “Transmission Planning Rules, 2021”), on 1.10.2021, which provides as under:

“3. Planning and Approvals.-(1)*The Central Electricity Authority shall draw up short term plan every year on rolling basis for upto next five years and perspective plan every alternate year on rolling basis for next ten years for development of the electricity system and co-ordinate the activities of the planning agencies for the optimal utilisation of resources to subserve the interests of the national economy and to provide reliable and affordable electricity in accordance with section 73 of the Act.*

(2) *The Central Electricity Authority shall also draw up the perspective plan for development of transmission system after consultation with all the relevant stakeholders such as, Central Transmission Utility, State Transmission Utilities, System Operators, generating and distribution companies, industry associations and the State Governments, etc., and after assessing the rate of growth in demand as well as the growth of generation in different areas of country.*

(3) *The Central Transmission Utility shall draw up plan for Inter-State Transmission System for upto next five years on rolling basis every year identifying specific transmission projects which are required to be taken up along with their implementation time lines, after considering the plans made by Central Electricity Authority and studying the progress in generation capacity and demand in different parts of the country as well as taking note of General Network Access requests made by Designated Inter-state Customers, any signals of any congestion in any part of the Inter-State Transmission System and difficulties in obtaining right of way for development of transmission corridors. For preparing this plan, Central Transmission Utility shall consult with State Transmission Utilities, Central Government, State Governments, generating companies, Regional Power Committees, Central Electricity Authority, System Operators, licensees and any other person notified by the Central Government in this behalf.*

(4) *The principle for planning of the Inter-State Transmission System shall be to ensure that it is available as per the requirements of the States and the generators, as reflected by their General Network Access requests and the planning should be such that the lack of availability of the transmission system does not act as a brake on the growth of different regions. The transmission system shall, be planned and developed matching with growth of generation and load, as far as possible and while doing the planning, care shall be taken that there is no wasteful investment.*

(5) *The Inter-State Transmission System projects drawn up by Central Transmission Utility shall be placed before the National Committee on Transmission constituted by the Central Government and the National Committee on Transmission shall also include a nominee of each Regional Power Committee. The projects along with their timeline for implementation shall be approved by the Central Government after considering the recommendations of the National Committee on Transmission:*

Provided that the Central Government may approve any transmission project as deemed necessary from the system or strategic point of view, without waiting for the recommendation of the National Committee on Transmission.

As per the above provisions, the ISTS plan drawn up by the CTUIL is required to be placed before the National Committee on Transmission (NCT) constituted by the Central Government, and the projects, along with their timeline for implementation, shall be approved by the Central Government after considering the recommendations of the NCT and further the Central Government may approve any transmission project as deemed necessary from the system or strategic point of view, without waiting for the recommendation of the National Committee on Transmission.

25. We observe that although RPC did not reach a consensus on the implementation of the instant scheme, CTUIL has brought out the reasons for going ahead with the Scheme in the RPC meeting as well as in the NCT. The NCT has approved the scheme in accordance with Transmission Planning Rules 2021. Considering the above, we are of the view that CTUIL has complied with the requirements of the statutory framework in force.

26. While the Respondent, TANGEDCO, has also sought to raise objections regarding the scope of the rule making power of the Central Government under Section 176 of the Act on the subject of transmission access, charges & losses, we are not inclined to consider such submissions/objections as they squarely fall beyond the purview of this Commission.

27. Now we proceed to examine whether the Petitioner has satisfied to the provisions under the Transmission Licence Regulations for the subject ISTS scheme for grant of transmission licence.

28. With regard to the status of the connectivity granted at Koppal-II PS and Gadag-II PS, Respondent, CTUIL vide its affidavit dated 5.4.2024, has submitted as under:

“(a). Connectivity of **1457.6 MW** has been granted at **Koppal-II PS** at 220kV level and connectivity of **1983 MW** (1083 MW at 220kV level and 900 MW at 400kV level) has been granted at **Gadag-II PS** with “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka” and “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka”. The details of the applications granted / agreed for grant are as below:

Sl. No.	Applicant name	Connectivity quantum (MW)	Start date of Connectivity
Koppal-II PS			
1.	Tata Power Renewable Energy Ltd.	85	December, 2025
2.	Tata Power Renewable Energy Ltd.	85	December, 2025
3.	Tata Power Renewable Energy Ltd.	300	December, 2025
4.	Scatec India Renewables One Pvt. Ltd.	300	December, 2025
5.	Torrent Saurya Urja 2 Pvt. Ltd.	300	December, 2025
6.	ABREL (RJ) Projects Ltd.	184	December, 2025
7.	Vena Energy Aura Pvt. Ltd.	50	Agreed for grant, however sharing agreement awaited
8.	VEH Green Energy Pvt. Ltd.	153.6	December, 2025
Total		1457.6	
Gadag-II PS			
1.	TP Saurya Ltd	200	December, 2025
2.	Halvad Renewables Pvt Ltd	160	December, 2025
3.	Azure Power India Private Limited	82.8	Agreed for grant, however sharing agreement awaited
4.	Green Infra Wind Energy Ltd	300	December, 2025
5.	Tata Power Renewable Energy Ltd.	170	December, 2025
6.	Tata Power Renewable Energy Ltd.	170	December, 2025
7.	Greenko KA01 IREP Pvt. Ltd.	640 (@400kV)	December, 2025
8.	Greenko KA01 IREP Pvt. Ltd.	260 (@400kV)	February, 2026
Total		1982.8	

(b). Further additional connectivity of **2716.9 MW** has been granted / agreed for grant at **Koppal-II PS** with further augmentation of transmission system which is under different phases of approval for implementation. Also, additional connectivity of **3293 MW** has been granted / agreed for grant at **Gadag-II PS** with further augmentation of the transmission system which is under different phases of approval for implementation. The details of the applications granted / agreed for grant are as below:

Sl. No.	Applicant name	Connectivity quantum (MW)	Start date of Connectivity
Koppal-II PS			
1.	Aditya Birla Renewables Subsidiary Ltd.	102	December, 2025
2.	Vena Energy Aura Pvt. Ltd.	50	Agreed for grant, however sharing agreement awaited
3.	Avaada Energy Pvt. Ltd.	250	December, 2025
4.	Avaada Energy Pvt. Ltd.	50	December, 2025
5.	JSP Green Wind 1 Pvt. Ltd.	400	December, 2025
6.	Tata Power Renewable Energy Ltd.	288	December, 2025
7.	Tata Power Renewable Energy Ltd.	225	March, 2026
8.	JSP Green Wind 1 Pvt. Ltd	300	December, 2025
9.	Clean Renewable Energy Hybrid Two Pvt. Ltd.	270	December, 2026
10.	Gadag Power India Pvt. Ltd.	300	December, 2025
11.	Torrent Solar Power Pvt Ltd	125.4	Agreed for grant from 31.01.2026
12.	Tata Power Renewable Energy Ltd	232.5	Agreed for grant from 01.03.2026
13.	Ayana Renewable Power Pvt. Ltd.	100	Agreed for grant from 31.12.2025
14.	Vena Energy Aura Pvt Ltd	24	Agreed for grant from 30.06.2026
	Total	2716.9	
Gadag-II PS			
1.	SolarXL Beta Energy Pvt. Ltd.	207	December, 2025
2.	Tata Power Renewable Energy Ltd.	400	December, 2025
3.	Project Nine Renewable Power Pvt. Ltd.	250	December, 2025
4.	Serentica Renewables India Pvt. Ltd.	50 (@400kV)	December, 2025
5.	Serentica Renewables India Pvt. Ltd.	50 (@400kV)	December, 2025

6.	Serentica Renewables India Pvt. Ltd.	50 (@400kV)	December, 2025
7.	Serentica Renewables India Pvt. Ltd.	50 (@400kV)	December, 2025
8.	Serentica Renewables India Pvt. Ltd.	150 (@400kV)	December, 2025
9.	Serentica Renewables India Pvt. Ltd.	550 (@400kV)	June, 2026
10.	ABREL (RJ) Projects Ltd.	184	December, 2025
11.	Aditya Birla Renewables Subsidiary Ltd.	102	December, 2025
12.	Avaada Energy Pvt. Ltd.	50	Agreed for grant. however Sharing agreement awaited
13.	Avaada Energy Pvt. Ltd.	250	June, 2026
14.	Renew Vayu Energy Pvt. Ltd.	300	March, 2027
15.	Green Infra Renewable Projects Ltd.	300	June, 2027
16.	NTPC Renewable Ltd	350	Agreed for grant from July, 2026
	Total	3293	

(c). Further, it may also be clarified that the Transmission System for Koppal-II / Gadag-II REZs has been identified on potential basis as declared by MNRE / SECI towards achievement of over 500 GW Installed Capacity from non-fossil fuel-based generations and without any connectivity applications from the RE developers. Therefore, this Transmission System was not defined as ATS for any of the generation projects.

29. 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, PFC Consulting Limited (PFCCL) was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. CG-DL-E-23022023-243845 dated 23.2.2023 as the Bid Process Coordinator (BPC) for the purpose of selection of the bidder as Transmission Service Provider (TSP) to establish the Inter-State Transmission System for the “Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A & B)

and Gadag-II (Phase- A) in Karnataka”, through tariff based competitive bidding process on BOOT basis.

30. PFCCCL, in its capacity as the BPC, initiated the bid process on 11.5.2023 and completed the same on 26.12.2023 in accordance with the provisions of the Guidelines. Power Grid Corporation of India Limited was selected as the successful bidder, having quoted the lowest transmission charges of Rs.3153.46 million per annum to provide the transmission services to the beneficiaries of the transmission system.

31. As per the BPC, RfP was issued on 11.5.23. At RfP (Technical and Financial) stage, four bidders, namely, (i) The Tata Power Company Limited, (ii) Power Grid Corporation of India Limited, (iii) Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited), and (iv) Sterlite Grid 38 Limited submitted their offers. The RfP (Technical bids of the four bidders were opened by the Bid Opening Committee in the Central Electricity Authority on 8.11.2023 in the presence of the representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of the four bidders was opened on 30.11.2023. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 3425.20 million per annum. The details of the quoted transmission charges by the bidders are given below:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million per annum)	Rank
1.	Power Grid Corporation of India Limited	3425.20	L-1
2.	Sterlite Grid 38 Limited	3889.00	L-2
3.	The Tata Power Company Limited	3926.00	L-3

4.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3957.81	L-4
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32. As per Clause 2.5 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 percent of the ranks (with any fraction rounded off to a higher integer) or four bidders, whichever is higher, shall be considered to be qualified for participating in the electronic reverse auction stage and submit their final offer. Accordingly, the rank of the bidders qualified for participating in the e-reverse auction stage, in the ascending order of the initial offer, is as under:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million per annum)	Rank
1	Power Grid Corporation of India Limited	3425.20	L-1
2	Sterlite Grid 38 Limited	3889.00	L-2
3	The Tata Power Company Limited	3926.00	L-3
4	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3957.81	L-4

33. E-reverse auction of all four qualified bidders was carried out at the MSTC portal on 1.12.2023, and the following transmission charges for the bidders (in ascending order) emerged:

S. No.	Name of the Bidder	Transmission Charges from the Initial Offer (in Rs. Million per annum)	Transmission Charges from the Final Offer (in Rs. Million per annum)	Rank
1.	Power Grid Corporation of India Limited	3425.20	3153.46	L-1
2.	Sterlite Grid 38 Limited	3889.00	3161.37	L-2
3.	The Tata Power Company Limited	3926.00	3193.21	L-3
4.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3957.81	3957.81 (not participated in e-RA)	L-4

34. As per the Bid Evaluation Report dated 5.12.2023, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 3153.46 million per annum. BEC, vide its certificate dated 5.12.2023, has certified that the entire bid process was 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 e-reverse auction is acceptable.

35. Consequent to its selection as the lowest bidder, a Letter of Intent (Lol) was issued to Power Grid Corporation of India Limited by the BPC on 5.12.2023 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 the Contract Performance Guarantee in favour of the Central Transmission Utility of India Limited;

(b) Execute the Share Purchase Agreement and the Transmission Service Agreement;

(c) Acquire, for the acquisition price, 100% share equity shareholding of Koppal II Gadag II Transmission Limited from PFCCL along with all its related assets and liabilities;

(d) Make an application to this Commission for the adoption of the transmission charges, as required under Section 63 of the Act; and

(e) Apply to this Commission for the grant of a transmission licence;

36. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of the Nodal Agency, i.e., CTUIL for an aggregate value of Rs. 126.00 crore on 26.12.2023 and has acquired a hundred percent equity holding in Koppal II Gadag II Transmission Limited on 26.12.2023. The Petitioner entered into a Transmission Service Agreement (TSA) with CTUIL on 26.12.2023.

37. 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”

38. 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 the Transmission Licence Regulations in this regard. Regulation 3 of the Transmission Licence Regulations provides that the Empowered Committee shall identify the

Projects included in the transmission plan to be developed under the Guidelines issued under Section 63 of the Act. Regulation 4 of the Transmission Licence Regulations provides that in case of projects identified for development under the Guidelines for competitive bidding, the selection of the project developer shall be made in accordance with the procedure laid down in the Guidelines. The Project under consideration has been identified for development under competitive bidding by a competent authority in the Ministry of Power/ CEA. Central Electricity Authority, vide its letter No. 25-17/29/2023-PG dated 13.12.2023 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, Koppal II Gadag II Transmission Limited, has been certified to have been made in accordance with the Guidelines.

39. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 in Petition No.1/SM/2022 [whereby the Commission, in the exercise of 'Power to Relax' under Regulation 24 of the Transmission Licence Regulations, modified/amended Clause (4), Clause (7), Clause (9) and Clause (12) and dispensed with Clause (10) of Regulation 7] provide for the procedure for the grant of a transmission licence as under:

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

(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.

(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.

(4) Before making an application, the applicant shall submit the original application in electronic form along with annexures and enclosures on the

efiling portal of the Commission so that the same is served electronically on all the long-term customers of the project registered on the e-filing portal of the Commission. Also, a copy of the same be served through e-mail on the long term customers of the project not registered on the e-filing portal of the Commission. Further, the applicant shall also post the complete application along with annexures and enclosures in English and in the vernacular language, on its website.

(5) The application shall be kept on the website till such time the licence is issued or the application is rejected by the Commission.

(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.

(7) The applicant shall, within 7 days after filing the application, post the application on the e-filing portal of the Commission and on its website in Form-II attached to these regulations in English language and in Vernacular language of the State or Union Territory where an element of the project or a long-term customer is situated, inviting comments from the general public.

(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.

(9) In the notice published on the e-filing portal of the Commission and on the applicant's website under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice

.....

(10) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:

Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant:

Provided further that these recommendations of the Central Transmission Utility shall not be binding on the Commission.

(11) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the notice

posted on the e-filing portal of the Commission and on the applicant's website by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notice posted on the e-filing portal of the Commission and on the applicant's website, with an advance copy to the Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.

(12) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant transmission licence or for reasons to be recorded in writing, reject the application.”

40. The Petitioner has approached the Commission with a separate application for the adoption of the transmission charges in respect of the transmission system, which is presently under consideration of the Commission and order in which the 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 Southern Region 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 Koppal II Gadag II Transmission Limited with respect to the transmission system as per the details given in paragraph 1 above.

41. The Petitioner 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. The transmission charges quoted by the Petitioner, which have been recommended by the Bid Evaluation Committee for

acceptance, is Rs. 3153.46 million per annum. The Petitioner has enclosed copies of the recommendations of the Bid Evaluation Committee.

42. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English language, in Hindi and Kannada (Vernacular) language. No objection has been received from the general public in response to the notices.

43. The Petitioner has served a 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 7(6) of the Transmission Licence Regulations. CTUIL, vide its letter dated 29.1.2024, has recommended the grant of a transmission licence to the Petitioner. The relevant portion of the said letter dated 29.1.2024 is extracted as under:

“This has reference to petition filed M/s Koppal II Gadag II Transmission Limited for grant of Transmission License for subject transmission scheme against the application / petition filed to CERC. In this regard, following is submitted:

1. M/s Koppal II Gadag II Transmission Limited has filed application / petition under Section 14 & 15 of the Electricity Act, 2003 and CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license to establish Transmission Schemes "Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka" and "Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka" on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the scheme is enclosed at Annexure-I.

2. As per section 15(3) of Electricity Act, 2003 copy of the application for grant of transmission license for the above transmission system has been received vide email dated 09.01.2024 for recommendation required U/S 15(4) of the Electricity Act, 2003.

3. In reference to the Transmission Schemes "Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka" and "Transmission Scheme for integration

of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka" following is submitted:

- i) Govt. of India has set a target of 500 GW generation capacity from non-fossil fuel resources by 2030. In this direction, MNRE has identified addition of 181.5 GW RE Potential in the States of Andhra Pradesh, Telangana, Karnataka, Rajasthan, Madhya Pradesh and Tamil Nadu (Offshore). Out of the identified 181.5 GW Potential, 86 GW RE Potential is identified in the State of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu (Offshore) in Southern Region. Out of the identified (86 GW) RE Potential in Southern Region, 17 GW has been identified in the State of Karnataka.
- ii) Out of the 17 GW identified REZs in Karnataka, Transmission System for Koppal-II and Gadag-II in Karnataka shall cater to 4 GW RE potential each in Koppal & Gadag areas of Karnataka. The subject transmission scheme involves establishment of Koppal-II & Gadag-II Pooling Stations and their interconnection with ISTS grid for evacuation of RE potential from Koppal & Gadag areas of Karnataka. The transmission system under present phase of the scheme [Koppal-II (Phase-A) & Koppal-II(Phase-B) and Gadag-II(Phase-A)] shall facilitate immediate integration and evacuation of 2 GW and 1 GW from Koppal-II and Gadag-II respectively.
- iii) The transmission scheme was discussed and agreed in the Joint Study meeting of Southern Region Constituents held on 30th June - 2nd July, 2022 at SRPC, Bengaluru. Extracts of the minutes of Joint Study meeting is enclosed at Annexure-II.
- iv) The scheme was also agreed in the 9th CMETS(SR) held on 29.07.2022. Extracts of the minutes of 9th CMETS(SR) is enclosed at Annexure-III.
- v) The scheme was also deliberated in the 43rd SRPC meeting held on 23.09.2022. Extracts of the minutes of 43rd SRPC meeting is enclosed at Annexure-IV
- vi) The National Committee on Transmission in its 10th meeting held on 07.11.2022 has recommended the implementation of the subject transmission scheme through TBCB route. Extracts of the minutes of 10th NCT meeting is enclosed at Annexure-V.
- vii) Ministry of Power vide Gazette notification dated 23.02.2023 has appointed PFCCL as BPC for bidding of the subject scheme through TBCB route (copy enclosed at Annexure-VI).
- viii) The scheme was also deliberated in the 15th National Committee on Transmission meeting held on 25.08.2023 wherein it was agreed to keep the implementation schedule of both the scheme "Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A) and Gadag-II (Phase- A) in Karnataka" and "Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-B) in Karnataka" as 24 months in view of receipt of large number

of connectivity applications at Koppal-II and Gadag-II. Extracts of the minutes of 15th NCT meeting is enclosed at Annexure-VII.

4. M/s Power Grid Corporation of India Limited is the successful bidder and has acquired M/s Koppal II Gadag II Transmission Limited on 26.12.2023 after execution of requisite Share Purchase Agreement. The Commissioning schedule of the schemes is 24 months (25.12.2025) from the date of transfer of SPV (26.12.2023).

5. The total connectivity applications granted / agreed for grant at Koppal-II PS are about 2900 MW and Gadag-II PS are about 4100 MW. As the connectivity quantum has already surpassed the capacity of above transmission system, accordingly, suitable augmentation of transformation capacity for facilitating immediate integration and evacuation has been identified and the same is under different phases of approval.

6. In line with Section 15(4) of the Electricity Act, 2003, based on details furnished by M/s Koppal II Gadag II Transmission Limited, CTU recommends grant of transmission license to M/s Koppal II Gadag II Transmission Limited for executing the transmission schemes as mentioned in Para-I above."

44. Accordingly, as per 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 14.12.2023. Though Lol was issued on 5.12.2023, BPC vide its letter dated 26.12.2023 in terms of proviso to Clause 2.15.2 of RfP has extended the date up to 26.12.2023 for completion of the activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of the Nodal Agency (CTUIL) for an amount of Rs. 126.00 crore on 26.12.2023 and acquired hundred percent equity-holding in the applicant company on 26.12.2023 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 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 Power Grid Corporation of India Limited, acquired the SPV on 26.12.2023. Accordingly, the TSP has filed the instant Petition through e-filing for the grant of a transmission license on 10.1.2024. There is a delay of eight days in filing the petition. In this regard, the petitioner, during the hearing dated 27.2.2024 submitted that it had paid the transmission license fees on 2.1.2024, however, the application could be filed online on 10.1.2024 due to the issue of reflection of payment in the e-filing portal. The Petitioner has prayed for condoning the delay in filing of the application. Since the Petitioner could not file the application due to procedural laps, the same is condoned.

45. 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 **16.7.2024**.

46. 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 bidding documents and TSA for the commissioning of the Project within the SCOD.

47. The Petitioner has informed that the name of the Petitioner company has been changed from 'Koppal II Gadag II Transmission Limited' to 'POWERGRID

Koppal Gadag Transmission Limited' with effect from 18.3.2024. The certificate of change of name from 'Koppal II Gadag II Transmission Limited' to 'POWERGRID Koppal Gadag Transmission Limited' dated 18.3.2024 issued by the Registrar of Companies, Delhi, has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Koppal Gadag Transmission Limited' on the record of the Commission.

48. The Petition shall be listed for the hearing on **22.7.2024**.

Sd/-
(Ramesh Babu V)
Member

sd/-
(Arun Goyal)
Member

sd/-
(Jishnu Barua)
Chairperson