

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 61/TL/2024**

**Coram:  
Shri Jishnu Barua, Chairperson  
Shri Arun Goyal, Member**

**Date of Order: 24<sup>th</sup> April, 2024**

**In the matter of**

Application under Section-14, 15, 79(1)(e) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to Grant of Transmission License to Halvad Transmission Limited.

**And  
In the matter of**

**Halvad Transmission Limited,**  
C 105, Anand Niketan,  
New Delhi 110021

.... **Petitioner**

**Vs**

- 1. Central Transmission Utility of India Limited,**  
Saudamini, Plot No.2, Sector-29,  
Gurgaon-122 001
- 2. PFC Consulting Limited,**  
Urjanidhi, 1, Barakhamba Lane, Connaught Place,  
New Delhi, DELHI - 110001
- 3. Madhya Pradesh Power Management Company Limited,**  
Block No. – 11, Ground Floor, Shakti Bhavan,  
Vidhyut Nagar, Rampur,  
Jabalpur – 482008, Madhya Pradesh
- 4. Chhattisgarh State Power Distribution Company Limited (CSPDCL),**  
P.O. Sunder Nagar, Dangania,  
Raipur- 492013, Chhattisgarh
- 5. Maharashtra State Electricity Distribution Company Limited,**  
Prakashgad, 4th Floor, Bandra (East),  
Mumbai – 400051
- 6. Gujarat Urja Vikas Nigam Limited,**

Vidhyut Bhavan, Race Course,  
Vadodara – 390007

7. **DNH Power Distribution Corporation Limited,**  
66 kV, Amlī Ind. Estate, Silvāsa – 396230  
Dadar Nagar Haveli

8. **Electricity department, Government of Goa,**  
Vidyut Bhavan, Near Mandvi Hotel,  
Panaji, Goa – 403001

9. **Electricity Department, Administration of Daman and Diu,**  
Plot No. 35, OI DC Complex, Near Fire Station,  
Daman – 396210

....Respondents

**Parties present:**

Shri Bhavesh Kundalia, HTL  
Ms. Priyadarshini, Advocate, PFCCL  
Shri Anushav Kansal, PFCCL  
Shri Siddharth Sharma, CTUIL  
Shri Akshyvat Kislay, CTUIL

**ORDER**

The Petitioner, Halvad Transmission Limited, has filed the present Petition for the grant of a transmission licence under Section 14, Section 15 and Section 79 (1) (e) 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 “Transmission scheme for evacuation of additional 7 GW of RE Power from Khavda RE Park under Phase III Part A” on a Build, Own, Operate and Transfer basis (hereinafter referred to as “the project”) consisting of the following elements:

	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>
1.	Establishment of 765 kV Halvad switching station with 765 kV, 2x330 MVA bus reactors	24 months
2.	KPS2(GIS) - Halvad 765 kV D/c line	

	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>
3.	240 MVAr switchable line reactor on each ckt at both ends of KPS2- Halvad 765 kV D/c line.	
4.	2 nos. of 765 kV GIS line bays at KPS2 for termination of KPS2 - Halvad 765 kV D/c line	
5.	LILO of Lakadia - Ahmedabad 765 kV D/c line at Halvad	

*Note: Developer of KPS2 shall provide space for implementation of 2 no. of 765 kV line bays along with switchable line reactors for termination of KPS2 (GIS) – Halvad 765 kV D/c line*

2. The Petitioner has made the following prayers:

*“a) Issue the Transmission License to the Petitioner for establishing, operating and maintaining the Transmission System as provided for in the Transmission Service Agreement;*

*b) Allow the “Transmission scheme for evacuation of additional 7 GW of RE power from Khavda RE park under Phase III Part A” to be part of PoC Pool as per Hon'ble CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020.*

*c) Condone any inadvertent errors omissions/ errors / shortcomings and permit the Petitioner to add/change/modify/alter these filings and make further submissions as may be required at a future date.*

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

### **Hearing dated 10.4.2024**

3. During the course of the hearing on 10.4.2024, the representative of the Petitioner submitted that the Petitioner has complied with all the requirements under the Transmission Licence Regulations including publishing of notice on its website inviting suggestions/objections on its application. However, no suggestion /objection has been received.

4. The representative of CTUIL during the course of hearing submitted that CTUIL vide its letter dated 10.1.2024 has already recommended the grant of a transmission licence to the Petitioner.

5. Vide Record of Proceedings for the hearing dated 10.4.2024, the Respondents were directed to file their reply within a week with a copy to the Petitioner, who may file its rejoinder within a week thereafter. However, no reply has been filed by the Respondents.

6. 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 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-15042023-245170 dated 13.4.2023 as the Bid Process Coordinator (BPC) for the purpose of selection of the bidder as the Transmission Service Provider (TSP) to establish the "Transmission scheme for evacuation of additional 7 GW of RE Power from Khavda RE Park under Phase III Part A" through tariff based competitive bidding process.

7. PFC Consulting Limited 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 Guidelines. Adani Energy Solutions Limited (AESL) was selected as the successful bidder having quoted the lowest transmission charges of Rs. 2710.54 million per annum in order to provide the transmission services to the beneficiaries of the transmission system.

8. RfP was issued on 11.5.2023. At RfP (Technical and Financial) stage, three bidders, namely, (i) Power Grid Corporation of India Limited, (ii) Sterlite Grid 34

Limited, (iii) Adani Energy Solutions Limited submitted their offers. The RfP (Technical bids of three bidders were opened by Bid Opening Committee through MSTC Portal on 6.11.2023 in the presence of representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of three bidders were opened on 22.11.2023. The details of the quoted transmission charges by bidders are given below:

<b>Sr. No.</b>	<b>Name of the Bidder</b>	<b>Quoted Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Power Grid Corporation of India Limited	3438.72	L1
2.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3954.61	L2
3.	Sterlite Grid 34 Limited	4319.90	L3

9. As per clause 2.5 of the RfP document, Initial Offers shall be ranked on the basis of ascending order for determination of the qualified bidders. The bidders holding first fifty percent of the ranks (with any fraction rounded off to 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 electronic reverse auction stage, in the ascending order of the Initial Offer, is as follows:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Quoted Transmission Charges from the Initial Offer (in Rs. Million)</b>	<b>Rank</b>
1.	Power Grid Corporation of India Limited	3438.72	L1
2.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3954.61	L2
3.	Sterlite Grid 34 Limited	4319.90	L3

10. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 3438.72 million per annum. E-reverse auction of all two bidders except 'Sterlite Grid

34 Limited' was carried out at MSTC portal on 23.11.2023 and the following transmission charges for bidders (in ascending order) emerged:

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	2710.54	L1
2.	Power Grid Corporation of India Limited	2717 .34	L2
3.	Sterlite Grid 34 Limited	4319.90 (not participated in e-RA)	L3

11. As per the Bid Evaluation Report dated 30.11.2023, Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited) emerged as the successful bidder with the lowest quoted transmission charges of Rs. 2710.54 million per annum. BEC vide its certificate dated 30.11.2023 has certified that the entire bid process has been carried out in accordance with the Guidelines issued by the Ministry of Power under Section 63 of the Act. BEC has further certified that the transmission charges discovered through e-reverse auction is acceptable.

12. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited) by the BPC on 4.12.2023 which was accepted by Adani Energy Solutions Limited. Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

(a) Provide Contract Performance Guarantee in favour of Central Transmission Utility of India Limited (CTUIL);

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

(c) Acquire, for the Acquisition Price, 100% share equity share holding of Halvad Transmission Limited from PFCCCL along with all its related assets and liabilities;

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

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

13. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of Nodal Agency i.e. CTUIL for an aggregate value of Rs. 50.00 crore on 22.12.2023 and has acquired hundred percent equity holding in Halvad Transmission Limited on 26.12.2023. The Petitioner entered into Transmission Service Agreement (TSA) with CTUIL on 26.12.2023.

14. Section 14 of the Act provides that the Appropriate Commission may, on an application made under Section 15 of the Act, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licence. The word “person” has been defined in Section 2(49) of the Act to include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person. The Petitioner has been incorporated under the Companies Act, 2013. The main objective of the Petitioner Company is as under:

*“To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of state, regional and national grid system, execution of turn-key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”*

15. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by

the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified Transmission Licence Regulations in this regard. Regulation 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, 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 competent authority in the Ministry of Power/ CEA. Central Electricity Authority/ Ministry of Power, vide its letter dated 17.11.2023 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, Halvad Transmission Limited, has certified to have been made in accordance with the Guidelines.

16. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 passed 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 grant of 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 e-filing 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.”*

17. The Petitioner has approached the Commission by a separate application for the adoption of transmission charges in respect of the transmission system which is presently under consideration of the Commission and order in that Petition will be issued separately. The Petitioner has filed the present Petition for the grant of a transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the BPC and CTUIL and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of 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 Halvad Transmission Limited with respect to the transmission system as per details given in paragraph 1 above.

18. The Petitioner has made the Application as per Form-I and paid fee of Rs. one lakh as prescribed by the Central Government. As per direction of the Commission, the Petitioner has served copy of the Application on the beneficiaries of the transmission project for the Project. The transmission charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs.2710.54 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

19. The Petitioner has made the application as per Form-I prescribed in the Transmission License Regulations. The Petitioner posted its application on its website in Form-II on 9.2.2024 in English and Gujarati. The Petitioner has submitted that no objection has been received in response to the Public Notice.

20. The Petitioner has served the copy of the Application on the Central Transmission of Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTUIL vide its letter dated 10.1.2024 has recommended for the grant of a transmission licence to the Petitioner. Relevant portion of the said letter dated 10.1.2024 is extracted as under:

*“This has reference to the Petition with Dairy No. 3/2024 dated 02.01.2024 filed by M/s Halvad Transmission Ltd. (HTL) before Hon'ble Commission vide which M/s HTL has requested CTU for issuance of recommendation for grant of Transmission License for implementation of subject transmission scheme. In this regard, the following is submitted:*

*1. M/s HTL has filed a petition under Section 14 of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License for implementation of "Transmission scheme for evacuation of additional 7 GW of RE Power from Khavda RE Park under Phase III Part A" project on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the transmission scheme is enclosed at Annexure-I.*

2. As per section 15(3) of the Electricity Act, 2003 and Regulation 7(6) of Transmission License Regulations, 2009, a copy of the application for the grant of transmission license, for the above transmission system has been received on 02.01.2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009.

3. In reference to "Transmission scheme for evacuation of additional 7 GW of RE Power from Khavda RE Park under Phase III Part A", the following is submitted:

- i) The government of India has set a target for establishing 500GW non-fossil generation capacity by 2030, which also includes 30GW RE potential in the Khavda area of Gujarat under ISTS. The subject transmission scheme, involves establishment of 765kV Halvad switching station, KPS2- Halvad 765 kV O/c line along with 240 MVar switchable line reactor on each ckt at both the ends and-LILO of Lakadia -Ahmedabad 765 kV O/c line at Halvad.
- ii) Lakadia PS is an existing substation and KPS2 S/s (Anticipated COD: Dec'24) & Ahmedabad S/s (Anticipated COD : Mar'25) are under construction. The subject transmission scheme has an implementation time frame of 24 months from the date of SPV transfer (i.e., from 26.12.2023).
- iii) The subject transmission scheme is also inter-linked with Part B of the Khavda Phase III project, which involves establishment of Vataman 765kV Switching station, Halvad-Vataman 765kV D/c line, LILO of Lakadia- Vadodara 765kV D/c line at Vataman, Vataman-Navsari (New) 765kV D/c line along with associated bays and line reactors & bus reactors. Khavda Phase III Part B scheme is under implementation by PGCIL. Implementation of these projects shall facilitate evacuation of 7GW additional power from the potential RE zone in the Khavda area in Gujarat.
- iv) The subject transmission scheme was discussed and agreed upon in the 3rd WRPC(TP) meeting held on 14.06.2021. Extracts of the minutes of 3rd WRPC(TP) meeUng is enclosed at Annexure-II.
- v) The subject transmission scheme was also discussed and agreed upon in the 45th WRPC meetings held on 02.12.2022. Extracts of the minutes of 45<sup>th</sup> WRPC meeting are enclosed at Annexure-III.
- vi) The subject transmission scheme was also discussed and agreed in the 11 th NCT meeting held on 28.12.2022 & 17.01.2023 wherein it was decided to implement this transmission scheme through TBCB route. Extracts of the minutes of 11 th NCT meeting is enclosed at Annexure-IV.
- vii) MoP, Govt. of India, vide Gazette notification dated 13.04.2023, had appointed M/s PFC Consulting Ltd. (PFCCL) as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the subject transmission scheme through Tariff Based Competitive Bidding (TBCB) process. Copy of Gazette notification is enclosed at Annexure-V.

4. Pursuant to the process of competitive bidding conducted by the BPC, M/s. Adani Energy Solutions Ltd. (AESL) (erstwhile Adani Transmission Ltd.) emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent (LoI) to M/s AESL on 04.12.2023. Subsequently, M/s. Adani Energy

*Solutions Ltd. has acquired Halvad Transmission Ltd. (HTL) on 26.12.2023, after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements as specified in the bid documents. The scheduled COD for the proposed ISTS scheme is 24 months from date of SPV transfer*

*5. In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2009, based on details furnished by M/s Halvad Transmission Ltd., CTU recommends the grant of transmission license to M/s Halvad Transmission Ltd. for executing the transmission scheme as mentioned in Para-1 above."*

21. We have considered the submissions of the Petitioner, BPC and CTUIL. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the selected bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". As per the above provision, selected bidder was required to complete all the activities including acquisition of SPVs by 26.2.2023. Lol was issued on 14.12.2023 & extended to 26.12.2023. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 50 crore on 22.12.2023 and has 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. Successful bidder, namely, Adani Energy Solutions Limited (Formerly known as Adani Transmission 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 licence on 1.1.2024.

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

construction, operation and maintenance of the transmission system as described in para 1 of this order. We therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by **13.5.2024**.

23. The Petition shall be listed for hearing on **22.5.2024**.

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

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