

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 64/AT/2024

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

Date of Order: 9th July, 2024

In the matter of

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

**And
In the matter of**

**Koppal II Gadag II Transmission Limited,
(now Known as POWERGRID KOPPAL GADAG TRANSMISSION LIMITED)**
Registered office: 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-22001, Haryana

....**Petitioner**

Vs

- 1. Central Transmission Utility of India Limited,**
Saudamini, Plot No.2, Sector-29,
Gurgaon-122 001
- 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,

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NH 8, New Delhi- 110037

- 5. Torrent Saurya Urja 2 Pvt. Limited,**
SUGEN Mega Power Project,
Torrent Power Ltd., Village Akhakhol
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 Pvt. 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 Pvt. Limited,**
The Oberoi Center, Building 11,
Level 6, DLF Cyber City, Phase-II,
Gurgaon-122002
- 15. Project Nine Renewable Power Pvt. Limited,**
S 2904, 29th floor, World Trade Center,
Brigade Gateway Campus, #26/1,
Dr. Rajkumar Road, Malleswaram – Rajajinagar

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Bangalore – 560 055

16. Serentica Renewables India Pvt. Limited,

9th Floor, DLF Cyber Park, Sector-20
Udyog Vihar, Phase-3 Gurugram-122008

17. Greenko KA01 IREP Pvt. Limited,

15th Floor, Hindustan Times House,
18-20 KG Marg, Delhi

18. Andhra Pradesh Power Purchase Coordination Committee,

Vidyut Soudha, Gunadala,
Vijayawada-520004, Andhra Pradesh

19. Banglore Electricity Supply Company,

Corporate Office, BESCOM K.R.Circle
Bangalore-560001

20. Gulberga Electricity Supply Company,

Gulbarga Electricity Supply Company,
Gulbarga-585102.

21. Hubli Electricity Supply Company,

HESCOM, Navanagar, P.B Road,
Hubballi-580025

22. Manglore Electricity Supply Company,

3rd Floor, MESCOM Bhavan, Corporate Office,
MESCOM, Kavour Cross Road, Bejai,
Mangalore- 575 004

23. Chamundeswari Elect. 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,
Somajiguda, Hyderabad - 500082
(Opposite Villae Marie College)
- 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
Ms. Suparna Srivastava, Advocate, CTUIL
Shri Tushar Mathur, Advocate, CTUIL
Shri Swapnil Verma, CTUIL
Shri Siddharth Sharma, CTUIL
Shri Akshayvat Kislay, CTUIL

ORDER

The Petitioner, Koppal II Gadag II Transmission Limited (now known as POWERGRID Koppal Gadag Transmission Limited), has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) for the adoption of transmission charges to establish 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 basis. The Petitioner has made the following prayers:

*“(a) Adoption 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”** discovered through competitive bidding process.*

*“(b) Allow the sharing and recovery of Transmission Charges for **Inter-State Transmission System for “Koppal II Gadag II Transmission Limited”** as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC.*

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

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), PFC Consulting Limited, (PFCCL), vide letter dated 14.2.2024, was directed to submit the relevant documents regarding the complete process of the competitive bidding. The necessary details have been filed by the BPC under an affidavit dated 23.2.2024.

Hearing dated 27.2.2024 & 19.4.2024

3. During the course of the hearing on 27.2.2024, the representative of the Petitioner submitted that the Petitioner has already impleaded the beneficiaries as parties to the Petition and has also served a copy of the Petition on them. Vide Record of Proceedings for the hearing dated 27.2.2024, notices were issued to the Respondents to file their respective replies. However, no reply has been received from the Respondents.

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

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

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

- (a) The Guidelines are applicable for the procurement of transmission services for transmission of electricity through tariff based competitive bidding for selection of the Transmission Service Provider (TSP) for new transmission system on a Build, Own, Operate and Transfer basis.

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

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

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

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

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

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

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

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

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

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

(k) BPC shall make the final result of evaluation of all bids public. The final TSA, along with the certification by the bid evaluation committee, shall be forwarded to the Appropriate Commission, for the adoption of tariff discovered

from the quoted annual transmission charges during the e-reverse bidding process in terms of Section 63 of the Act.

6. Therefore, we have to examine whether the Guidelines issued by the Central Government have been followed in the present case in a transparent process of bidding.

7. The Ministry of Power, Government of India, vide its Gazette Notification dated 23.2.2023, has notified the PFC Consulting Limited (PFCCL) as a Bid Process Coordinator (BPC) for the purpose of selection of bidder as a Transmission Service Provider to establish 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 through the tariff based competitive bidding process.

8. Koppal II Gadag II Transmission Limited (the Petitioner) was incorporated on 21.7.2023 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCL with the objective to establish the 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 ” and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company in its Memorandum of Association are as under:

“To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of regional and national grid system, execution of turn-key jobs for other utilities/organizations and

wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”.

9. BPC prepared the bidding document (RfP) in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India.

10. BPC started the process of selection of the successful bidder with the publication of a Global Invitation for Qualification for the selection of a developer on a BOOT basis for the Project. The notice of the RfP was published in National/International newspapers on 11.5.2023, with the last date of submission of response to the RfP as 8.11.2023. Intimation regarding the initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide letter No. 04/ITP-63/22-23/RFP dated 15.5.2023.

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

S. No.	Events	Date
1	Publication of RfP	11.05.2023
2	Intimation to the Commission	15.05.2023
3	RfP (Technical)& Price Bid Submission	08.11.2023
4	RfP (Technical) Bid Opening	08.11.2023
5	RfP (Financial) Initial Price Offer -Opening	30.11.2023
6	e-Reverse Auction	01.12.2023
7	Final Bid Evaluation Committee Meeting	05.12.2023
8	Issuance of Lol	05.12.2023
9	Signing of Agreements & transfer of SPV	26.12.2023

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

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	24 months from SPV transfer

	<p>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</p> <p>765/400 kV, 1500 MVA, ICTs –2 Nos. (7x500 MVA including 1 spare unit)</p> <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. • 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	Augmentation by 2x500 MVA, 400/220 kV ICTs at Koppal-II PS. <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. • 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.”

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

1.	Sh. Rajesh Kumar Singh, General Manager, SBI, CCGRO-II, New Delhi	Chairman of the Committee
2.	Shri R Jayakumar, Director (Transmission), KPTCL	Member
3.	Shri Saji Paulose, Director (Transmission), System operation, Planning (KSEBL)	
4.	Shri Bhanwar Singh Meena, Director (PSE&TD), Central Electricity Authority	Member
5.	Smt. Manjari Chaturvedi, Director, PSPA-I, Central Electricity Authority	Member
6.	Shri Neeraj Singh, Chairman, Koppal II Gadag II Transmission Limited, New Delhi	Convener-Member of the Committee

14. Responses to the RfP were received from the four bidders as per details given below:

Sr. No.	Name of the Bidders
1.	Power Grid Corporation of India Limited
2.	Sterlite Grid 38 Limited
3.	The Tata Power Company Limited
4.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)

15. The responses of the bidders were opened on 30.11.2023 in the presence of the representatives of the bidders. Based on the recommendations of the Bid Evaluation Committee, the Initial Offer of all four bidders was opened on 30.11.2023 in the presence of the Bid Evaluation Committee. In the BEC meeting held on 30.11.2023, it was noted that the lowest transmission charge from the Initial Offer submitted by the bidders was Rs. 3425.20 million per annum, which shall be the initial ceiling for quoting the final offer during the e-Reverse Auction. Accordingly, the rank of the bidders for participation in the e-reverse auction 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

16. As per the provisions of the RfP documents, BEC recommended the four qualified bidders to participate in the e-reverse auction stage and submit their final offer.

17. The e-reverse auction was carried out at the MSTC portal on 1.12.2023 after intimating to the bidders regarding the lowest initial price offer. The transmission charges for the bidders (in ascending order) emerged as under:

Sr. No.	Name of the Bidder	Transmission Charges as per the Final Offer (in Rupees Million per annum)	Rank
1.	Power Grid Corporation of India Limited	3153.46	L1
2.	Sterlite Grid 38 Limited	3161.37	L2

3.	The Tata Power Company Limited	3193.21	L3
4.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3957.81 (not participated in e- RA)	L4

18. Based on e-reverse bidding, BEC, in its meeting held on 5.12.2023, recommended Power Grid Corporation of India Limited, with the lowest transmission charges of Rs. 3153.46 million per annum, as the successful bidder.

19. Letter of Intent was issued by the BPC on 5.12.2023 to the successful bidder, i.e., Power Grid Corporation of India Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of PFCCL, the final result of the evaluation of the bids for the selection of a developer for the Project.

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

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

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

22. In accordance with Clause 2.15.4 of the RfP, the selected bidder shall, within five working days of the issue of the acquisition of the SPV by the successful bidder, shall apply to the Commission for the grant of a transmission licence and make an application to the Commission for the adoption of transmission charges, as required under Section 63 of the Act.

23. 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 15.12.2023. Though Lol was issued on 5.12.2023, BPC, vide its letter dated 26.12.2023 in terms of Clauses 2.15.2 of RfP, extended the date up to 26.12.2023 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 126 crore on 26.12.2023 and acquired a hundred per cent 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 adoption of transmission charges on 10.1.2024. In this regard, the Petitioner, during the course of the hearing dated 27.2.2024, had submitted that it had paid the fee for the adoption of transmission charges 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 the application. Since the Petitioner could not file the application due to procedural laps, the same is condoned.

24. The Petitioner has approached the Commission with a separate application for the grant of a transmission license. The Commission, vide order dated 2.7.2024 in Petition No. 52/TL/2024, on being satisfied that the Petitioner, *prime facie*, qualifies for grant of transmission license as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/ objections to the proposal of the Commission. Accordingly, notices have been published in the newspaper.

25. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with the prevailing market prices. In the minutes of the Third Meeting of the Bid Evaluation Committee meeting held on 5.12.2023, the following have been recorded:

“....Accordingly, following four (04) bidders were qualified to participate in the e-reverse auction:

- i. *Power Grid Corporation of India Limited*
- ii. *The Tata Power Company Limited*
- iii. *Sterlite Grid 38 Limited*
- iv. *Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited)*

*5. The lowest Initial Offer at MSTC portal i.e. **Rs. 3425.20 million per annum**, was communicated (duly acknowledged by bidders) to the above four (04) bidders qualified for participating in the e-reverse bidding process which was held on MSTC Portal on December 01, 2023 at 10:00 hrs (1ST) onwards.*

*6. The e-reverse bidding process was closed after 33 rounds, on December 01, 2023 at 17:351 hrs (1ST). 'Adani Energy Solutions Limited' did not participated in e-reverse bidding. The Evaluation Report is attached at **Annexure-A**.*

7. The Final Offer (Quoted Transmission Charges) of each bidder as quoted at

*the time of closing of e- reverse bidding is as under (copy of e-reverse bidding statement generated at MSTC portal is attached at **Annexure-B**):*

Sr. No.	Name of the Bidder	Final Quoted Transmission Charges (in Indian Rupees Million per annum)	Rank
1.	Power Grid Corporation of India Limited	3153.46	L1
2.	Sterlite Grid 38 Limited	3161.37	L2
3.	The Tata Power Company Limited	3193.21	L3
4.	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	3957.81 (not participated in e-RA)	L4

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

9. Accordingly, as per the requirement, 'Power Grid Corporation of India Limited' (the Bidder with lowest Final Offer) has submitted the original hard copies of Annexure 3 (Power of Attorney) and Annexure 14 (Bid bond) to BPC on 5.12.2023. The other annexures were not applicable to the bidder.

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

*11. In view of above, 'Power Grid Corporation of India Limited' with the Final Offer (Quoted Transmission Charges) of **Rs. 3153.46 million per annum**, may be declared as the successful bidder.*

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

- i The levelised tariff for this project based on CERC norms works out to Rs.4246.62 million per annum. This has been computed based on the estimated cost as communicated by the Cost Committee constituted by CEA and methodology for calculation of tariff as per CERC norms.*
- ii. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the*

Transmission Projects" issued by Ministry of Power, Govt, of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

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

- i. *'Power Grid Corporation of India Limited' is the successful Bidder after the conclusion of the e- reverse bidding process with the lowest Quoted Transmission Charges of **Rs. 3153.46 million per annum.***
- ii. *The quoted tariff is lower than the Levelised Tariff estimated as per CERC norms. The quoted tariff discovered through e-reverse bidding process is acceptable.*
- iii. *In view of (i) and (ii) above, 'Power Grid Corporation of India Limited' may be issued Letter of Intent (LoI)."*

26. Bid Evaluation Committee (BEC) vide its certificate dated 5.12.2023 certified as under:

"It is hereby certified that:

1. *The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.*
2. *'The Power Grid Corporation of India Limited' emerged as the successful Bidder after the conclusion of e-reverse bidding process with the lowest Quoted Transmission Charges of **Rs. 3153.46 million per annum.***
3. *The quoted tariff is lower than the Levelised Tariff calculated based on CERC norms considering the Capital Cost for the project "**Transmission Scheme for integration of Renewable Energy Zone (Phase-II) in Koppal-II (Phase-A & B) and Gadag-II (Phase- A) in Karnataka**" as assessed by the cost committee. The quoted tariff discovered through e-reverse bidding process is acceptable."*

27. In the light of the discussions in the preceding paragraphs, it emerges that the selection of the successful bidder and the discovery of the annual transmission charges of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power,

Government of India under Section 63 of the Act. BEC has certified that the process is in conformity with the Ministry of Power Guidelines. BEC, in its certificate dated 5.12.2023, has certified that Power Grid Corporation of India Limited has emerged as the successful bidder after the conclusion of the e-reverse auction with the lowest transmission charges of Rs. 3153.46 million per annum. Based on the certification of the BEC, we approve and adopt the single annual transmission charges of Rs. 3153.46 million per annum as per the final offer of the successful bidder subject to the grant of transmission licence to the Petitioner company. The transmission charges shall remain valid throughout the period covered in the TSA.

28. The sharing of the transmission charges by the designated ISTS customers (DICs) shall be governed by the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020, as amended from time to time.

29. The Petitioner, vide its affidavit dated 19.3.2024, 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 the '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.

30. An extract of a copy of this order shall be sent to the Nodal Agency, CTUIL.

31. Petition No. 64/AT/2024 is disposed of in terms of the above.

Sd/-
(Ramesh Babu V.)
Member

sd/-
(Arun Goyal)
Member

sd/-
(Jishnu Barua)
Chairperson