CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 477/TL/2024

Coram:

Shri Jishnu Barua, Chairperson Shri Ramesh Babu V., Member Shri Harish Dudani, Member

Date of Order:17th January, 2025

In the matter of

Petition under Section 14 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, 2024 for grant of separate RTM Transmission License to POWERGRID Neemuch Transmission System Limited.

And

In the matter of

POWERGRID Neemuch Transmission System Limited
(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited)
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016. Petitioner

Vs

- Madhya Pradesh Power Management Company Limited, Shakti Bhawan, Rampur, Jabalpur-482008.
- 2. Maharashtra State Electricity Distribution Company Limited, Prakashgad, Plot No G-9, A K Marg, Bandra (East), Mumbai-400051.
- 3. Gujarat Urja Vikas Nigam Limited,

Sardar Patel Vidyut Bhawan, Race Course Road, Vadodara -390007.

4. Electricity Department,

Vidyut Bhawan, Govt. of Goa, Panaji–403001, Goa.

5. DNHDD Power Distribution Corporation Limited,

Vidyut Bhawan, 66kv road, Near secretariat, Amli, Silvassa–396230.

6. Chhattisgarh State Power Distribution Company Limited,

P.O. Sunder Nagar, Dangania, Raipur-492013, Chhattisgarh.

7. Central Transmission Utility India Limited,

Saudamini, Plot No.2, Sector-29, Gurgaon-122001.

8. Central Electricity Authority,

Sewa Bhawan, R. K. Puram, Sector-1, New Delhi -110066.

.... Respondents

Parties present:

Shri V. C. Sekhar, PNTSL Shri Amit Kumar Chachan, PNTSL Shri Prashant Kumar, PNTSL Shri Akshayvat Kislay, CTUIL

ORDER

The Petitioner, POWERGRID Neemuch Transmission System Limited (hereinafter referred to as 'Petitioner'), has filed the present Petition under Section 14 of the Electricity Act, 2003 (hereinafter referred to as the 'Act') read with the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2024 (hereinafter referred to as 'the Transmission Licence Regulations') for the grant of a separate RTM Transmission Licence to POWERGRID Neemuch Transmission System Limited for "Transmission System for enabling interconnection of REGS at Neemuch S/s" under the Regulated Tariff Mechanism (RTM) mode (hereinafter referred to as the 'transmission project'). The scope of the project for which a separate transmission licence has been sought is as under:

Transmission Scheme: "Transmission System for enabling interconnection of REGS at Neemuch S/s"

S.No	Scope of the Transmission	Capacity/km	Implementation
-	Scheme		timeframe
1.	01 No. of 220kV bay at Neemuch S/s for RE Interconnection [ACME Cleantech Solutions Pvt. Ltd. (2200000709) for 300MW]	220kV bays- 1 no.	31.1.2026
	Total E	stimated Cost:	Rs 5.57 crores

2. The Petitioner has made the following prayers:

- a) Grant the separate RTM Transmission License to Petitioner to implement transmission project "Transmission System for enabling interconnection of REGS at Neemuch S/s" as detailed at para 4 hereinabove.; and
- b) Allow the Petitioner the liberty to approach the Hon'ble Commission with actual cost on completion of works for determination of transmission charges for the aforementioned transmission scope in accordance with the Transmission License Regulations, 2024.
- c) Condone any inadvertent omissions/ shortcomings/ errors and permit the Petitioner to add/ modify/ alter this Petition and make further submissions as may be required at a future date.
- d) Pass such other order / orders, as may be deemed fit and proper in the facts & circumstances of the case.
- 3. The Petitioner company was incorporated as a special purpose vehicle by REC Power Development and Consultancy Limited (RECPDCL) as part of the Tariff Based Competitive Bidding ('TBCB') to establish the Inter-State transmission system for the "Transmission System for Evacuation of Power from Neemuch SEZ" (hereinafter referred to as 'Project'). Power Grid Corporation of India Limited (hereinafter referred to as 'PGCIL') participated in the competitive bidding process conducted by RECPDCL, and upon emerging as the successful bidder, a Letter of Intent (LOI) was issued by RECPDCL to PGCIL on 7.7.2022. In accordance with the bidding documents, PGCIL acquired 100% of the shareholding in the Petitioner Company by executing a Share Purchase Agreement with RECPDCL on 24.8.2022. The Petitioner, herein, entered into a Transmission Service Agreement (the TSA) with the CTUIL on 24.8.2022. The Commission, vide order dated 27.12.2022 in Petition No.

247/TL/2022, had granted a transmission licence (TBCB Licence) to the Petitioner for the TBCB Project consisting of the following scope of the work:

Sr. Name of the Transmission Element 1. Establishment of 2x500 MVA, 400/220 kV Pooling Station (AIS) at Neemuch with 1x125 MVAr Bus Reactor 400/220 kV, 500 MVA ICT –2 nos. 400 kV ICT bays – 2 nos. 220 kV ICT bavs – 2 nos. 400 kV line bays -4 nos. (2 each for Chittorgarh & Mandsaur lines) 220 kV line bays – (2 nos. of bays corresponding to 500 MW Connectivity / LTA granted to M/s RUMSL) 220kV Bus coupler bav- 1 no.# 220kV Transfer Bus Coupler (TBC) bay – 1 no.# 125 MVAR, 420 kV reactor-1 no. 420 kV reactor bay – 1 no. Future provisions: Space for 400/220 kV ICTs along with bays: 2 nos. 400 kV line bays: 6 nos. 220 kV line bays: 5 nos. 420kV bus reactor along with bays:1 2. Neemuch PS - Chhittorgarh (PG) s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage) 2 nos. of 400 kV line bays at Chhittorgarh (PG) 400 kV s/s for Neemuch PS - Chhittorgarh (PG) s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage) 4. Neemuch PS- Mandsaur s/s 400 kV D/C line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage) 5. 2 no. of 400 kV line bays at Mandsaur 400 kV s/s for Neemuch PS-Mandsaur s/s 400 kV D/c line (conductor with minimum capacity of 2100 MVA/Ckt at nominal voltage)

To fulfill the requirement of bus switching scheme.

Note:

- i. Powergrid to provide space for 2 no. of 400 kV line bays at Chhittorgarh (PG) 400 kV S/s for termination of Neemuch PS- Chhittorgarh (PG) 400 kV D/c line.
- ii. MPPTCL to provide space for 2 no. of 400 kV line bays at Mandsaur 400 kV S/s for termination of Neemuch PS- Mandsaur 400 kV D/c line."
- 4. Subsequently, CTUIL vide OM dated 5.9.2024 has assigned the Transmission

Project "Transmission System for enabling interconnection of REGS at Neemuch S/s" to the Petitioner under RTM mode.

5. The Petitioner has submitted that after the grant of the transmission licence, the Petitioner shall proceed to implement the transmission scheme under the RTM mode. The estimated completion cost of the transmission scheme, as per CTUIL's Office Memorandum (OM) dated 5.9.2024, is Rs. 5.57 crores. After completion of the transmission scheme, the Petitioner shall approach the Commission for the determination of transmission charges in accordance with the provisions of the Tariff Regulations/ Transmission Licence Regulations.

Hearing dated 10.12.2024

- 6. During the course of the hearing on 10.12.2024, the representative of the Petitioner submitted that the Petitioner has complied with all the requirements under the Transmission Licence Regulations, 2024.
- 7. The representative of the Respondent, CTUIL, submitted that CTUIL had given its recommendations under Section 15(4) of the Act for the grant of a transmission licence to the Petitioner.
- 8. Vide Record of Proceedings for the hearing dated 10.12.2024, notices were issued to Respondents to file their reply. However, no reply has been received from them.

Hearing dated 6.1.2025

9. During the course of the hearing on 6.1.2025, the representative of the Petitioner submitted that the Petitioner has complied with all the requirements under the Transmission Licence Regulations, 2024. He further submitted that no reply has

been received from the Respondents. Accordingly, the order in the matter was reserved.

Analysis and Decision

- 10. We have considered the submissions of the Petitioner and CTUIL. The Petitioner has filed the present Petition for the grant of a separate RTM Transmission Licence for "Transmission System for enabling interconnection of REGS at Neemuch S/s" under the Regulated Tariff Mechanism (RTM) mode.
- 11. The Ministry of Power, Government of India, vide its letter dated 28.10.2021, issued terms of reference to the NCT and, *inter-alia*, directed that the NCT will approve the ISTS costing between Rs.100 crores and Rs. 500 crores or such limit as prescribed by the Ministry of Power from time to time, along with their mode of implementation under intimation to the Ministry of Power. The Ministry of Power further directed that ISTS costing less than or equal to Rs. 100 crores, or such limit as prescribed by the Ministry of Power from time to time, will be approved by the Central Transmission Utility (CTU) along with the mode of implementation under intimation to the NCT and the Ministry of Power, Government of India. The relevant portion of the said order dated 28.10.2021 is extracted as under:

"2. Terms of Reference (ToR) of the NCT are as under:

VIII. The NCT shall recommend to Ministry of Power (MoP) for implementation of the ISTS for projects with cost more than Rs 500 crore, along with their mode of implementation i.e. Tariff Based Competitive Bidding (TBCB) / Regulated Tariff Mechanism (RTM), as per the existing Tariff Policy. However, the NCT shall approve the ISTS costing between Rs100 crore to Rs.500 crore or such limit as prescribed by MoP from time to time, along with their mode of implementation under intimation to MoP. The ISTS costing less than or equal to Rs. 100 crores, or such limit as prescribed by MoP from time to time, will be approved by the CTU along with their mode of implementation under intimation to the NCT and MoP. After approval of the ISTS by the NCT or the CTU (as the

case may be), the TBCB project shall be allocated to Bid Process Coordinators through Gazette Notification, while the RTM project shall be allocated to CTU."

12. The subject transmission scheme was discussed and agreed upon in the 29th 'Consultation Meeting for Evolving Transmission Schemes (CMETS) in Western Region' and, vide its Minutes of the Meeting dated 12.6.2024, CMETS-WR notified as under:

S n	Application ID	Applicant Name	 Connectivity Location Requested	Quantum (MW)	Connectivity Sought from and Actual Start Date*	Dedicated Transmission System for Connectivity	Associated Transmission System for GNA	Common Transmission System Augmentation	BG details and remarks (if any)
3	220000709	ACME Cleantech Solutions Private Limited	 Neemuch SEZ PP	300	30.04.2025 Revised Start Date: 31.12.2025 Actual Start Date: 31.12.2025	ACME - Neemuch 220kV S/C line along with associated bay at the generation end (under the scope of the applicant) -1 no 220 kv line bay at Neemuch S/s (to be implemented under ISTS based on the feedback of applicant)	Nil	Nil	• Conn BG-1: 0.5 Crs • Conn BG-2: 3 Crs • Conn BG-3: 6 Crs

13. Based on the above, CTUIL, vide its Office Memorandum dated 5.9.2024, has approved for Implementation of the transmission project viz. "Transmission System for enabling interconnection of REGS at Neemuch S/s" along with identifying the implementing agency and also addressing the same to the Ministry of Power, Government of India, and NCT. The relevant portion of the said Office Memorandum dated 05.09.2024 is extracted as under:

"Sub: Inter-State Transmission Schemes (Costing up to Rs 100 Cr) to be taken up for implementation under Regulated Tariff Mechanism (RTM).

The undersigned is directed to inform that CTU has approved the implementation of the following ISTS costing less than or equal to Rs.100 Cr. In line with the MoP office order dated 28.10.2021 under Regulated Tariff Mechanism (RTM) mode by the implementing agencies as indicated in the table below:

S.No.	Scope of the Transmission Scheme	Implementing agency				
Western Region						
1.	Transmission System for enabling interconnection of REGS at Neemuch S/s					

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 company has been incorporated under the Companies Act 2013 and is already a transmission licensee. 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 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 4 (1) of the Transmission Licence Regulations provides that eligibility for the grant of a licence for inter-State

transmission of electricity is contingent upon the entity being selected either through the competitive bidding process under Section 63 of the Electricity Act, 2003 or by the Central Government or its authorized agency to implement a project under the regulated tariff mechanism. The transmission project under consideration has been identified for development under the regulated tariff mechanism by a competent authority, and the selection of the project developer, POWERGRID Neemuch Transmission System Limited, has been certified to have been made in accordance with the MOP order dated 28.10.2021.

- 16. Regulation 5 of the Transmission Licence Regulations provides for the procedure for grant of a transmission licence as under:
 - "(1) The application for the grant of licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fee as may be prescribed by the Central Government from time to time under subsection (1) of section 15 of the Act.
 - (2) The application shall be supported with an affidavit in accordance with Regulation 17 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023.
 - (3) The applicant shall submit the original application in electronic form along with enclosures on the e-filing portal of the Commission and electronically serve a copy of such application on all the concerned DICs of the project and the Central Transmission Utility. The application shall be served through email on the concerned DICs of the project who are not registered on the efiling portal of the Commission.
 - (4) The applicant shall also upload the complete application along with annexures on its website, in English. The applicant shall also upload on its website, the details as per Form-I and Form-II appended to these regulations in the Indian language of the State or the Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated. The application shall be kept posted on the website of the applicant till such time the application is disposed of by the Commission.
 - (5) The applicant shall, within 3 working days of filing the application, publish a notice of its application in Form-II appended to these regulations in at least two leading daily digital newspapers, one in English language and another in the Indian language of the State or Union Territory where an element of the project

or concerned transmission line is situated or proposed to be situated, inviting comments from the general public. The notice shall also be kept posted on the website of the applicant.

- (6) The Registry of the Commission shall carry out a preliminary scrutiny of the application and convey the defects, if any, as far as possible within 7 days of receipt of the application. The defects shall be rectified by the applicant within a period of 7 days from the date of such intimation from the Registry of the Commission.
- (7) In the notice published in the digital newspapers and on the applicant's website under this Regulation, it shall be indicated that the suggestions and objections to the application, if any, may be filed by any person within 15 days of publication of the notice to The Secretary, Central Electricity Regulatory Commission at the address where the office of the Commission is situated and at email id: registry@cercind.gov.in. Any suggestion or objection received in response to the public notice shall be shared with the applicant and the respondents by the Registry of the Commission.
- (8) The applicant shall within 3 working days from the date of publication of the notice in terms of Clause (5) of this Regulation submit to the Commission on affidavit the details of the notice published, names of the digital newspapers in which the notice has been published, the dates and places of their publication and enclosing the relevant pages of the publication of notice.
- (9) The CTUIL shall send its recommendations, if any, to the Commission on the proposal for grant of licence made in the application as far as practicable within a period of 10 (ten) days from the date of receipt of the application with a copy to the applicant:

Provided that if CTUIL is unable to submit its recommendations within a period of 10 days, it shall inform the Commission the reasons for the same and submit its recommendations within a period of 30 (thirty) days from the date of receipt of the application:

Provided further that along with its recommendations, CTUIL shall submit the copy of approval of the transmission project by the Central Government in terms of Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021 as amended from time to time. Explanation: The recommendations of the Central Transmission Utility shall not be binding on the Commission.

- (10) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by CTUIL and the suggestions and objections, if any, received in response to the public notice within 7 working days of receipt of such suggestions and objections, with an advance copy to the CTUIL and the person, if any, who has filed the suggestions and objections on the proposal made in the application.
- (11) The Commission after considering the suggestions and objections received from the DICs and in response to the public notice published by the

- applicant, and the recommendations, if any, received from CTUIL may either propose to grant the licence to the applicant or for reasons to be recorded in writing, reject the application.
- (12) Before granting a licence, the Commission shall publish a notice of its proposal on the Commission's website and in two daily digital newspapers, having wide circulation, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to grant the licence, details of the project for which it proposes to grant a licence, location or route of the elements of the project, and any other details that the Commission may consider appropriate, to invite further suggestions and objections on its proposal within 15 days of the publication of the notice.
- (13) The Commission may, after consideration of the further suggestions and objections, if any, received in response to the public notice in terms of Clause (12) of this Regulation, grant licence to the applicant in Form-III appended to these regulations or for reasons to be recorded in writing, reject the application.
- (14) The Commission shall before granting licence or rejecting the application under the provisions of this Regulation provide an opportunity of hearing to the applicant, CTUIL, the concerned DICs, or the person who has filed suggestions and objections, or any other interested person.
- (15) The Commission shall, within 7 days of making the order to grant the licence to an applicant send a copy of the licence to the Central Government, the Central Electricity Authority, the Central Transmission Utility, the applicant and the concerned DIC(s)."
- 17. The Petitioner has filed the present Petition for the grant of a separate RTM transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on CTUIL and the 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 POWERGRID Neemuch Transmission System Limited with respect to the transmission project as per the details given in paragraph 1 above.
- 18. The Petitioner has 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.

- 19. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English and Vernacular language. The Petitioner has also published the notice digitally in all editions of 'The Times of India' and 'Patrika' (in English and Hindi, respectively) on 6.11.2024. In response, no objection has been received from the general public to the notices.
- 20. The Petitioner has served a copy of the application on CTUIL as required under Section 15(3) of the Act and Regulation 5(3) of the Transmission Licence Regulations. CTUIL, vide its letters dated 14.11.2024, has recommended the grant of a transmission licence to the Petitioner. The relevant portions of the said letter dated 14.11.2024 are extracted as under:

"Sub: Recommendation of CTU under Section 15(4) of Electricity Act, 2003 and Regulation 5(9) of the CERC Transmission License Regulations, 2024 on application filed by M/s POWERGRID Neemuch Transmission System Ltd. before Hon'ble Commission seeking the grant of Transmission License for implementation of "Transmission System for enabling interconnection of REGS at Neemuch S/s" project — reg.

This has reference to the Petition with Dairy No. 819/24 dated 01.11.2024 filed by M/s POWERGRID Neemuch Transmission System Ltd. before Hon'ble Commission vide which M/s POWERGRID Neemuch Transmission System Ltd. has requested CTU for issuance of recommendation for grant of separate RTM Transmission License for implementation of subject transmission scheme. In this regard, the following is submitted:

- 1. M/s POWERGRID Neemuch Transmission System Ltd. 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, 2024 for grant of separate RTM Transmission License for "Transmission System for enabling interconnection of REGS at Neemuch S/s" project through RTM under ISTS. The detailed scope of the transmission scheme is enclosed at Annexure-I.
- 2. M/s POWERGRID Neemuch Transmission System Ltd. has mapped Nodal Agency i.e., CTUIL on the e-portal of Hon'ble Commission, to serve a copy

- of the application for the grant of Transmission License, for the above transmission system as per section 15(3) of the Electricity Act, 2003 and Regulation 5(3) of Transmission License Regulations, 2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 5(9) of Transmission License Regulations, 2024.
- 3. In reference to "Transmission System for enabling interconnection of REGS at Neemuch S/s", the following is submitted:
 - i) Neemuch 400/220kV Pooling Station is an existing substation implemented by M/s POWERGRID Neemuch Transmission System Ltd. under TBCB route for evacuation of RE power from Neemuch area including 500MW from RUMS Solar Power Park at Neemuch, Madhya Pradesh. Application was received from M/s ACME Cleantech Solutions Pvt. Ltd. (ACSPL) for Connectivity for 300MW at Neemuch PS. The subject scheme has been planned to enable the interconnection of 300MW RE plant of ACSPL at 220kV level of Neemuch PS.
 - ii) The subject transmission scheme was discussed and agreed upon in the 29th CMETS-WR meeting held on 03.06.2024. Extracts of the minutes of 29th CM ETS-WR meeting is enclosed at Annexure-II.
- 4. CTU vide OM dated 05.09.2024 has awarded the scheme "Transmission System for enabling interconnection of REGS at Neemuch S/s" for implementation to M/s POWERGRID Neemuch Transmission System Ltd. (a subsidiary of POWERGRID) through RTM with implementation schedule as 31.01.2026 in matching timeframe of generation schedule of M/s ACSPL. CTU OM is enclosed at Annexure-III.
- 5. In line with Section 15(4) of the Electricity Act, 2003 and Regulation 5(9) of Transmission License Regulations, 2024, based on details furnished by M/s POWERGRID Neemuch Transmission System Ltd., CTU recommends the grant of separate RTM transmission license to M/s POWERGRID Neemuch Transmission System Ltd. for executing the transmission scheme as mentioned in Para-1 above."
- 21. It is noted that the CTUIL, vide its letter dated 14.5.2024, has requested the Ministry of Power to clarify the requirement of approval of the Central Government to transmission schemes under the Transmission System Planning Rules, 2021 for Projects costing up to Rs. 500 crores approved by NCT/CTUIL as per the Ministry's Order dated 28.10.2021 quoted in para 13 above. CTUIL is directed to place on record the response received from the Ministry of Power before the next date of hearing. Meanwhile, we proceed to grant the transmission licence to the Petitioner Company

so that the construction work of the transmission line may not be delayed. We have considered the Petitioner's submission. The Petitioner has filed the present Petition for the issuance of a separate transmission licence to implement the transmission project "Transmission System for enabling interconnection of REGS at Neemuch S/s".

- 22. Considering the material on record, we are *prima-facie* of the view that the Petitioner satisfies the conditions for the grant of a separate RTM transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for implementation of the transmission project as described in para 1 of this order. We, therefore, direct that a public notice in two daily digital newspapers and on the Commission's website 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 on or before **4.2.2025**.
- 23. The Petition shall be listed for hearing on **6.2.2025.**

Sd/-(Harish Dudani) Member sd/-(Ramesh Babu V.) Member sd/-(Jishnu Barua) Chairperson