CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No.72/AT/2025

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

Date of Order: 17th March, 2025

In the matter of

Application under Section 63 of the Electricity Act, 2003 for the adoption of Transmission Charges with respect to Transmission System Being established by the Khavda V-A Power Transmission Limited.

And
In the matter of

KHAVDA V-A POWER TRANSMISSION LIMITED,
(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited),

Registered office:
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi 110016.

Address for correspondence:
C/o ED (TBCB), Power Grid Corporation of India Limited,
Saudamini, Plot no.2, Sector -29, Gurgaon-122001. **…Petitioner**

Vs.

1. **Central Transmission Utility of India Limited,**
   Saudamini, Plot no.2, Sector -29,
   Gurgaon-122001.

2. **REC Power Development and Consultancy Limited,**
   REC Corporate Head Quarter,
   D Block, Plot No. I–4,
   Sec–29, Gurugram–122001.

3. **Gujarat Industries Power Company Limited,**
   PO: Petrochemicals,
   Gujarat.

4. **Adani Green Energy Limited,**
   4th Floor, South Wing,

Adani Corporate House,
Shantigram, SG Highway,
Ahmedabad-382421.

5. **Chhattisgarh State Power Distribution Co. Limited,**
CSPDCL,
Post: Sundernagar, Dangania,
Raipur-492013.

6. **Goa Electricity Department-WR,**
Goa Electricity DeptCurti,
Ponda-403401.

7. **Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhavan,
Racecourse, Vadodara-390007.

8. **Heavy Water Board,**
O Floor, Vikram Sarabhai Bhavan,
Trombay, Anushaktinagar,
Mumbai-400094, Maharashtra.

9. **HVDC Bhadrawati, PGCIL,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur-440026, Maharashtra.

10. **HVDC Vindhyachal, PGCIL,**
PGCIL RHQ, WR-I,
Sampriti Nagar, Off National Highway No. 8,
Taluka: Kamrej, PO: Uppalwadi,
Nagpur-440026, Maharashtra.

11. **M.P. Power Management Company Limited,**
14, Shakti Bhawan,
Rampur, Jabalpur-482008.

12. **MSEDCL,**
Plot No.9, "Prakashgad", A K Marg,
Bandra East, Mumbai-400051.

13. **ACB India Limited,**
7th Floor, Corporate Tower,
Ambience Mall, NH-8,
Gurgaon-122001, Haryana.

14. **Torrent Power Limited,**
Naranpura Zonal Office,
Sola Road, Ahmedabad-380013.

15. **Thermal Powertech Corporation India,**
    6-3-1090, Clock C, Level 2,
    TSR, Towers,
    Rajbhavan Road, Somajiguda,
    Hyderabad-500082, Telangana.

16. **BARC,**
    Bhabha Atomic Research Centre,
    Anushakti Nagar,
    Mumbai, Maharashtra–400085.

17. **GMR Warora Energy Limited**,
    Plot B-1, GMR Warora Energy Ltd,
    Mohabala MIDC Growth Centre,
    Post–Warora,
    Dist–Chandrapur-442907, Maharashtra.

18. **HVDC Champa,**
    PGCIL RHQ, WR-I, Sampriti Nagar,
    Off National Highway No. 8,
    Taluka: Kamrej,
    PO: Uppalwadi,
    Nagpur-440026, Maharashtra.

19. **West Central Railway Head Office,**
    General Manager's Office,
    Electrical Branch, Jabalpur–482001.

20. **Western Railway,**
    Office of Chief Electrical Engineer,
    Mumbai.

21. **DB Power Limited- Untied,**
    Opp. Dena Bank, C-31, G- Block,
    Mumbai.

22. **Chhattisgarh State Power Trading Co. Limited,**
    2nd floor Vidyut Sewa Bhawan, Raipur.

23. **TRN Energy Private Ltd-Untied,**
    7th Floor, Ambience Office Block,
    Gurugram.

24. **Adani Power (Mundra) Limited,**
    Adani Corporate House,
    Shantigram, Near Vaishnavdevi Circle,
    S G Road Ahmedabad-382421.

25. **Raigarh HVDC Station,**
RPT HVDC Office,
Hebbal, Bangalore–560094.

26. **Arcelor Mittal Nippon Steel India Limited,**
27, AMNS House,
2TH KM Surat Hazira road,
Hazira-394270, Gujarat.

27. **Central Railway,**
PCEE'S office,
2nd Floor Parcle Building CSMT,
Mumbai-400001.

28. **Dadra and Nagar Haveli and Daman and Power Distribution Corporation Limited,**
1st & 2nd Floor, Vidyut Bhavan,
NexSilvassa & Daman.

29. **MPSEZ Utilities Limited,**
3rd Floor, Adani Corporate House,
Ahmedabad. **…Respondents**

Parties present:

Shri Subham Arya, Advocate, KVAPTL
Shri Rohit Jain, KVAPTL
Shri Shashank Singh, RECPDCL
Shri Akshayvat Kislay, CTUIL

ORDER

The Petitioner, KHAVDA V-A Power Transmission Limited (hereinafter referred to as 'the Petitioner/ KVAPTL'), 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 in respect of "Transmission system for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-V (8 GW): Part A" (hereinafter referred to as 'the Transmission System' or 'the Project') to be established on a Build, Own, Operate and Transfer (BOOT) basis. The Petitioner has made the following prayers:

"a) Adoption of Transmission Charges for Inter-State Transmission System for "Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-V (8 GW): Part A" discovered through competitive bidding process.

b) Allow the sharing and recovery of Transmission Charges for Inter-State Transmission System for "Transmission System for Evacuation of Power from potential renewable energy zone in Khavda area of Gujarat under Phase-V (8 GW): Part A" 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 and circumstances of the case."

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), REC Power Development and Consultancy Limited (hereinafter referred to as "RECPDCL") vide letter dated 9.1.2025, was directed to submit the relevant documents regarding the complete process of the competitive bidding. The necessary details have been filed by the BPC vide affidavit dated 21.1.2025.

3. The Factual Matrix of the bidding is as under:

S. No.	Events	Date
1	Publication of Request for Proposal	4.12.2023
2	Intimation to the Commission	4.12.2023
3	RFP (Technical)& Price Bid Submission	6.9.2024
4	RFP (Technical) Bid Opening	6.9.2024
5	RFP (Financial) Initial Price Offer - Opening	19.9.2024
6	e-Reverse Auction	20.9.2024
7	No. of Bidders in E-Reverse Auction	3
8	Rounds of E-Reverse Auction	123
9	Final Bid Evaluation Committee Meeting	21.10.2024
10	Issuance of Letter of Intent (LoI)	24.10.2024
11	Signing of Agreements & Transfer of SPV	19.11.2024
12	Estimated Cost of the Project	Rs. 24610.94 million

Hearing dated 28.1.2025

4. During the course of the hearing on 28.1.2025, the representative of the Petitioner submitted that the present Petition has been filed for the adoption of the transmission charges in respect of the "Transmission System for evacuation of power from potential renewable energy zones in Khavda area of Gujarat under Phase – V (8 GW): Part A" as discovered pursuant to the tariff based competitive bidding process.

5. Vide Record of Proceedings dated 28.1.2025, the Petitioner was directed to file an affidavit within two weeks, stating the reasons for not considering certain factors in the initial cost estimation.

6. In compliance with the RoP dated 28.1.2025, the Petitioner, vide affidavit dated 18.2.2025, has submitted that pursuant to the Tariff-Based Competitive Bidding conducted by the Bid Process Coordinator, REC Power Development & Consultancy Limited (RECPDCL), Power Grid Corporation of India Limited (POWERGRID) emerged as the successful bidder. The Petitioner has further submitted that POWERGRID was not involved in the initial cost estimation of the project and that the reasons for not considering certain factors in the initial cost estimation have been submitted by the Respondent, RECPDCL.

7. In addition, vide Record of Proceedings dated 28.1.2025, the Bid Process Coordinator (BPC), i.e., REC Power Development & Consultancy Limited (RECPDCL), was directed to file an affidavit within two weeks explaining the rationale for the exclusion of certain factors in the preliminary cost estimates. These factors include but are not limited to, the useful life of the HVDC station, expenses associated with the

capital spares in HVDC projects, constraints related to the supply of the HVDC systems, the indoor DC yard for the HVDC terminal station, and the GIB duct.

8. In compliance with the RoP dated 28.1.2025, the BPC vide affidavit dated 14.2.2025, submitted as under: -

a) The Project cost is estimated by the Cost Committee based on the indicative survey report and in accordance with the item-wise detailed unit rates available in the latest cost matrix of CTUIL.

b) As per the estimated cost of the project and cost sheet finalized by the Committee, BPC works out the estimated annual transmission charges in accordance with the prevailing norms of CERC. After the discovery of annual transmission charges through bidding, these calculated transmission charges are then presented before the Bid Evaluation Committee for comparison.

c) The Cost Committee meeting for the subject project was initially held on 30.4.2024. During the meeting, the committee estimated the project cost to be Rs. 18,359.63 crores (including RoW compensation). The said Project cost estimate was derived from the indicative cost matrix data available as of September 2023.

d) Based on the above project cost, the BPC determined the transmission charges as Rs. 27,071.67 million, derived as per the available CERC regulations. This calculation was subsequently presented to the BEC during its meeting convened on 30th September 2024 after the discovery of the lowest quoted transmission charges from the bidding process.

e) It was observed that the discovered transmission charges were higher than the estimate, and BEC recommended reviewing the cost estimates of the project to ensure a fair evaluation and reasonability of the discovered tariff.

f) On 7.10.2024, a meeting of the cost committee was held, during which it was deliberated that the project cost should be aligned with the latest available cost data of CTUIL (March 2024). Further, MoP's revised guidelines dated 14th June 2024 (which were not available during the preliminary estimate) related to enhanced rates for RoW compensation were considered for revision in the estimate. Moreover, since the project has a longer gestation period, a completion factor of 1.17 (as available in the CTUIL Cost matrix of March 2024) was considered by the committee. After deliberations, the estimated project cost was revised to Rs. 24,610.95 crores.

g) Additionally, for a fair assessment of the reasonability of the discovered tariff, the committee recommended considering certain factors such as the expenses associated with capital spares in HVDC projects, constraints related to the supply of HVDC systems, the indoor DC yard for the HVDC terminal station, and the GIB duct, etc. The factors mentioned could not be considered while arriving at the project cost by the cost committee since there is no established methodology for quantifying the financial impact of the factors from the indicative cost data of CTUIL. However, it was acknowledged that actual project cost may vary from the estimated cost, on account of the said factors.

Hearing dated 19.2.2025

9. During the course of the hearing on 19.2.2025, the learned proxy counsel for the Petitioner submitted that the Petitioner had complied with all requirements. However, no

suggestions or objections were received, and accordingly, the matter was reserved for an order.

Analysis and Decision

10. We have considered the submissions of the Petitioner and perused the documents 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."*

11. The Ministry of Power, Government of India 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 Transmission Service Provider (TSP) for new transmission system on a Build, Own, Operate and Transfer basis.

(b) For procurement of 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 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 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) The 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 the International Competitive Bidding (ICB). For the purpose of issue of the 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 the requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, Qualification requirements to be met by 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 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 the bidder, the 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 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 Appropriate Commission.

(g) The TSP on the date of acquisition of 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 CEA by a bid committee comprising of at least one member from the CEA and one member from the BPC. For inter-State transmission system, CEA shall constitute a committee for evaluation of the bids with at least one representative from 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 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 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 the 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) The BPC shall make the final result of the 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.

12. Therefore, we have to examine whether a transparent process of bidding as per the Guidelines issued by the Central Government has been followed in the present case for selection of the successful bidder.

13. The Ministry of Power, Government of India, vide Gazette Notification. No. 3733 [F. No. 15/3/2018- Trans-Part (1)] dated 4.9.2023 notified RECPDCL as Bid Process Coordinator (BPC) for the purpose of selection of the bidder as the Transmission Service Provider (TSP) to establish the Transmission System for “Evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-V (8 GW): Part A” on a BOOT basis through tariff based competitive bidding process.

14. The Petitioner, KHAVDA V-A Power Transmission Limited, was incorporated on 10.10.2023 under the Companies Act, 2013 as a wholly owned subsidiary of RECPDCL with the objective to establish the Project 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:

> *"1. 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. The BPC prepared the bidding document, Request of Proposal (RfP), in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India.

16. The 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 the BOOT basis for the Project. The notice for the RfP was published on 4.12.2023 in all editions of Time of India with the last date of submission of response to the RfP as 5.2.2024. Intimation regarding the initiation of the bid process was given to the Commission, vide letter dated 4.12.2023, in accordance with Clause 4.2 of the Guidelines dated 10.8.2021.

17. The scope of the Project as per the Transmission Service Agreement is as under:

S. No.	***Name of the Transmission Element***	***Scheduled COD in months from Effective Date***	***Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project***	***Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element***
1A. #	*Establishment of 3000 MW, ± 800 kV KPS2 (HVDC) [LCC] terminal station*	*48 months for Bipole1*	*31.03%*	*All Elements (except Bipole 2*

	(2x1500 MW) (Bipole-1) along with associated interconnections with 400 kV HVAC Switchyard.*	*(2x1500 MW) and all other elements [mentioned at Sl. 1A, 2A, 3, 4, 5 & 6] and 54 months for Bipole 2 (2x1500 MW) [mentioned at Sl. 1B & 2B] (from date of SPV transfer.)*		*(2x1500MW)) are required to be commissioned simultaneously in 48 months as their utilization is dependent on commissioning of each other. The Bipole2 (2x1500MW) shall be commissioned in 54 months.*
2A. #	*Establishment of 3000 MW, ± 800 kV Nagpur (HVDC) [LCC] terminal station (2x1500 MW) (Bipole-1) along with associated interconnections with 400 kV HVAC Switchyard**			
1B. #	*Establishment of 3000 MW, ± 800 kV KPS2 (HVDC) [LCC] terminal station (2x1500 MW) (Bipole-2) along with associated interconnections with 400 kV HVAC Switchyard*.*		*31.03%*	
2B. #	*Establishment of 3000 MW, ± 800 kV Nagpur (HVDC) [LCC] terminal station (2x1500 MW) (Bipole-2) along with associated interconnections with 400 kV HVAC Switchyard**			
3.	*±800 kV HVDC Bipole line (Hexa lapwing) between KPS2 (HVDC) and Nagpur (HVDC) (1200 km) (with Dedicated Metallic Return) (capable to evacuate 6000 MW with overload as specified)*		*37.94%*	
4.	*Establishment of 6x1500 MVA, 765/400 kV ICTs at Nagpur S/s along with 2x330 MVAR (765 kV) & 2x125 MVAR, 420 kV bus reactors along with associated interconnections with HVDC Switchyard*.* *The 400 kV bus shall be established in 2 sections through 1 set of 400 kV bus sectionaliser so that 3x1500 MVA ICTs are placed in each section. The bus sectionaliser shall be normally closed and may be opened based on Grid requirement.* *• 765/400 kV, 1500 MVA ICT-6 (3 on each 400 kV section) (19 single phase units including one spare unit)* *• 765 kV ICT bays- 6 Nos.* *• 400 kV ICT bays- 6 Nos. (3 on each section)* *• 330 MVAR 765 kV bus reactor-2 Nos.*			

	• *125 MVAR 420 kV bus reactor-2 Nos. (one on each section)* • *765 kV reactor bay- 2 Nos.* • *765 kV line bay- 4 Nos.* • *400 kV reactor bay- 2 Nos. (one on each section)* • *400 kV Bus sectionaliser - 1 Set* • *110 MVAR, 765 kV, 1-ph reactor (spare unit for line/bus reactor) - 1 No.* *Future Provisions at Nagpur:* *Space for:* • *765/400 kV, 1500 MVA ICT- 4 (1 on 400 kV bus section-II & 3 on future 400 kV bus section-III)* • *765 kV line bays along with switchable line reactors – 10 Nos.* • *765 kV Bus Reactor along with bay: 2 No.* • *765 kV Sectionaliser bay: 1 -set* • *400 kV line bays along with switchable line reactor – 12 Nos.* • *400 kV Bus sectionaliser- 1 Set* • *400/220 kV ICT along with bays -9 Nos. (3 Nos. on 400 kV bus sections II & 6 Nos. on future bus section-III)* • *400 kV Bus Reactor along with bay: 4 No. (1 each on 400 kV bus sections I & II and 2 on future 400 kV bus section-III)* • *220 kV line bays: 16 Nos.* • *220 kV Sectionalization bay: 2 set* • *220 kV BC & TBC: 3 Nos.* • *80 MVAR, 765 kV, 1-ph reactor (spare unit for line reactor)-1*			
5.	*LILO of Wardha – Raipur 765 kV one D/c line (out of 2xD/c lines) at Nagpur*			
6.	*Installation of 240 MVAR switchable line reactor at Nagpur end on each ckt of Nagpur – Raipur 765 kV D/c line* • *240 MVAR, 765 kV switchable line reactors- 2 Nos. (at Nagpur end)* • *Switching equipment for 765 kV line reactor- 2 Nos. (at Nagpur end)* • *80 MVAR, 765 kV, 1-ph reactor (spare unit for line reactor)-1 No.*			

** The 400 kV interconnections (along with all associated equipment/ bus extension, etc.) between HVDC & HVAC switchyards shall be implemented by the TSP.*

 # Scope w.r.t. 6000 MW, ± 800 kV HVDC [LCC] terminal station (4x1500 MW) at KPS2 & Nagpur has been split into 3000 MW, ± 800 kV HVDC [LCC] terminal station (2x1500 MW) Bipole-1 (Sl. 1A & 2A) and 3000 MW, ± 800 kV HVDC [LCC] terminal station (2x1500 MW) Bipole-2 (Sl. 1B & 2B) for sake of calculation of Percentage of Quoted Transmission Charges.

Note:

i. The 2x1500 MW poles shall emanate from 400 kV bus section 1 of KPS2 and terminate at bus section 1 of Nagpur. Similarly, the other 2x1500 MW poles shall emanate from 400 kV bus section 2 of KPS2 and terminate at bus section 2 of Nagpur.

ii. HVDC System will be designed considering 100% power reversal capability. The rated power transmission capacity as well as the rated transmission voltage shall be defined and guaranteed at the rectifier end of the AC yard.

iii. TSP of KPS2 shall provide space for the establishment of the HVDC system as per above scope.

iv. The implementation timeframe: 48 months for Bipole-1 (2x1500 MW) and all other elements except Bipole 2 (2x1500MW) and 54 months for Bipole-2 (2x1500 MW) (from date of SPV acquisition).”

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

a)	Sh. Rajesh Kumar Singh, General Manager, SBI Commercial Client Group Regional Office - II, New Delhi	Chairman
b)	Sh. Bhagwan Sahay Bairwa- Chief Engineer (I/C)-PSPA-II, CEA Member	Member
c)	Sh. Bhanwar Singh Meena, Director (PSETD), CEA, Member	Member
d)	Sh. P.D.Lone, SE, WRPC	Member
e)	Sh. S.M.Soni, SE, GETCO	Member
f)	Sh. Rajkumar Sonkar, Chairman-SPV	Convener Member

19. Responses to the RfP were received from the three bidders as per details given below:

S. No.	Name of Bidders
1	Adani Energy Solutions Limited
2	Power Grid Corporation of India Limited

3	Sterlite Grid 8 Limited

20. The responses of the three bidders were opened on 6.9.2024 in the office of the CEA in the presence of the representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the Initial Offer of all three bidders were opened on 19.9.2024 in the presence of the Bid Evaluation Committee. In the BEC meeting held on 19.9.2024, it was noted that the lowest transmission charge from the initial offer submitted by the bidders was Rs. 55,550 Million, which shall be the initial price for quoting the final offer during the e-reverse auction. Accordingly, the following three bidders were qualified to participate in the e-reverse auction:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	Adani Energy Solutions Limited	55,550	L1
2.	Power Grid Corporation of India Limited	58,500	L2
3.	Sterlite Grid 8 Limited	68,517	L3

21. As per the provisions of the RfP documents, BEC recommended the above three qualified bidders to participate in the electronic reverse auction stage and submit their final offer.

22. The e-reverse auction was carried out at the MSTC portal on 20.9.2024 in the presence of members of BEC after intimating to the above four bidders regarding the lowest initial price offer, i.e., Rs. 40,828.67 Million. After the e-reverse auction, the transmission charges for three bidders (in ascending order) emerged as under:

S. No.	**Name of the Bidder**	**Quoted Transmission Charges from the Initial Offer (in Rs. Million)**	**Rank**
1.	Power Grid Corporation of India Limited	40,828.67	L1
2.	Adani Energy Solutions Limited	41,033.59	L3

S. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million)	Rank
3.	Sterlite Grid 8 Limited	54,721.91	L4

23. Based on e-reverse bidding, BEC, in its meeting held on 21.10.2024, recommended Power Grid Corporation of India Limited, with the lowest annual transmission charges of Rs. 40,828.67 Million, as the successful bidder.

24. Letter of Intent (LoI) was issued by the BPC on 24.10.2024 to the successful bidder, i.e., Power Grid Corporation of India Limited. In accordance with Clause 12.3 of the Guidelines, BPC has hosted on its website the final result of the evaluation of the bids for the selection of a developer for the Project.

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

26. In accordance with Clauses 2.15.2 of the RfP, the selected bidder shall, within 10 days of issuance of the LoI, 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, one hundred percent equity shareholdings of KHAVDA V-A Power Transmission Limited along with all its related assets and liabilities;

27. In accordance with Clause 2.15.4 of the RfP, the selected bidder shall, within five (5) working days of the issue of the acquisition of the SPV by the Successful Bidder, 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 Act.

28. 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 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 2.11.2024. Though LoI was issued on 24.10.2024, BPC vide its letter dated 19.11.2024, in terms of Clause 2.15.2 of RfP, extended the date to 26.11.2024 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. 714.00 crores on 19.11.2024 and acquired hundred percent equity-holding in the applicant company on 19.11.2024 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 19.11.2024. The TSP filed the Petition through e-filing for adoption of tariff on 27.11.2024.

29. The Petitioner has approached the Commission with a separate application for a grant of transmission licence. The Commission, vide order dated 12.3.2025 in Petition No. 71/TL/2025, on being satisfied that the Petitioner, *prime facie*, qualifies for the grant of a transmission licence 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.

30. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and that the tariff discovered is in line with the prevailing market prices. In the minutes of the Bid Evaluation Committee meeting held on 21.10.2024, the following has been recorded:

> *"1. The 5th meeting of Bid Evaluation Committee (BEC) of the subject cited project was held on 21.10.2024 at 1800 Hrs (IST) through video conference. All the members of the Bid Evaluation Committee were present.*
>
> *2. The 4th BEC meeting was held on 30.09.2024, wherein BPC appraised the BEC that after conclusion of e-RA on 21.09.2024 (123 rounds), M/s Power Grid Corporation of India Ltd is emerged as L1 bidder with lowest quoted annual transmission charges of Rs. 40,628.67 million and BEC had noted that the tariff discovered after e-RA Le Rs. 40,828.67 million is 50.82% higher than the tariff computed as per prevailing CERC norms based on cost estimated by cost committee. BEC had recommended to refer the matter to the Cost Committee for review of cost estimate of the project and present the same before the BEC for further decision.*
>
> *3. BPC has appraised that based on the recommendation of BEC, cost committee meeting was held on 07.10.2024 for review of cost estimate of the project and after detailed deliberation Cost Committee revised estimated cost of the project from Rs. 18.359.63 Crore to Rs. 24,610.94 Crore. Minutes of the meeting is enclosed Annexure 1.*
>
> *4. BPC has further appraised that, cost committee has recommended for consideration of following factors by Bid Evaluation Committee:*
>
> > *(a) The annual transmission charge was discovered after the healthy competition wherein 123 rounds of bids were received during e-Reverse Auction on MSTC portal. All three qualified bidders participated in the reverse auction.*

(b) The annual transmission tariff discovered through Tariff Based Competitive Bidding (TBCB) route is for a period of 35 years commencing from the Scheduled COD of the Project. Operation and maintenance of the Project for the entire period of 35 years is the responsibility of TSP. However, the useful life of HVDC station as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, is 25 years only. Therefore, the methodology for calculation of annual transmission tariff as per CREC regulation does not take into account the cost implication for the replacement of consumed spares, and replenishment/refurbishment of various transmission systems elements upon the end of their useful life of 25 years. There are certain components particularly electronics components which might need replacement/refurbishment at certain intervals and it was not possible to capture that expense by the cost committee, but bidder might have considered that cost in its bid.

(c) The cost of Capital Spares has not been taken in estimating tariff as per CERC Norms. As per norms of CERC, the capital spares in RTM Projects are directly reimbursed to the TSP. Unlike in AC projects, HVDC projects have significant Capital Spares replacement during life. Therefore, there will be additional cost of replacement of capital spares during the operation of 35 years of the Project.

(d) There has been increase in the HVDC projects worldwide due to increase in construction of offshore wind projects. Manufacturers of HVDC System are executing many Projects at a time and their order books are full. Since the project is to be completed within 48 months and 54 months for Bipole-1 and Bipole-2 respectively, on the one hand manufacturer may charge some premium, on the other hand TSP may have to consider the possibility of non-supply as per time schedule because of which TSP has to factor in some risk component in their bids.

(e) In addition to above, there are following aspects which could not be taken into consideration due to non-availability of unit rates/ methodology for arriving at the cost:

I. *As per the existing drawings of KPS2 substation, for the proposed HVDC terminal station at KPS2, TSP need to extend the GIS Substation with approximately 25 km of GIB duct.*
II. *The captioned scheme covers Indoor DC yard for HVDC Terminal Station at KPS2 due to proximity to the ocean with saline environment. The cost implication could not be taken into consideration due to unavailability of unit rate.*

5. The BEC deliberated and observed that based on the revised cost of the project Le. Rs. 24,610.94 Crores, the estimated tariff works out to Rs. 34,849.53 million as per CERC norms and the variation between L-1 discovered tariff (Le., Rs. 40,828.67 million) and estimated tariff has come down to 17.16% from 50.82%. Further BEC also observed that the

transmission charges have been discovered through a transparent bidding process involving e-reverse auction.

6. BPC in their evaluation report (Annexure 2) has also confirmed the following:

a) Lowest quoted annual transmission charges of Rs. 40,828.67 million has been discovered through 123 rounds of electronic reverse auction. The revised estimated annual transmission charges are Rs. 34,849.53 million, which is computed based on the revised estimated cost as finalised by cost committee (i.e. Rs. 24,610.94 Crore) and as per prevailing CERC norms.

b) 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 as amended from time to time.

7. Based on deliberations and considering the factors indicated at Para (4) above, BEC recommends for issuance of the Letter of Intent (LOI) to the successful bidder i.e. M/s Power Grid Corporation of India Ltd. based on the tariff discovered through e-Reverse Auction concluded on 21.09.2024.

8. In view of the above, BEC recommended the following:

a) M/s Power Grid Corporation of India Limited, with the lowest annual transmission charges of Rs. 40,828.67 million, is the successful Bidder after the conclusion of the electronic reverse auction.

b) The transmission charges have been discovered through a transparent bidding process and is acceptable.

c) In view of (a) and (b) above, the Letter of Intent (LOI) may be issued to M/s Power Grid Corporation of India Limited.

9. The certificate by BEC to be forwarded to CERC for adoption of tariff in terms of Section 63 of the Electricity Act, 2003 is attached at Annexure 3.

31. Bid Evaluation Committee, vide its certificate dated 21.10.2024, has certified as under:

"It is hereby certified that:

a. 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.

b. *M/s Power Grid Corporation of India Limited, with the lowest annual transmission charges of Rs. 40,828.67 Million, emerged as the successful Bidder after the conclusion of electronic reverse auction.*

c. *The transmission charges of Rs. 40,828.67 Million discovered after electronic reverse auction is acceptable."*

32. 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 12.9.2024, 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 annual transmission charges of Rs. 40,828.67 million. Although these annual transmission charges are, as the minutes of the BEC meeting held on 21.10.2024 records, still 17.16% higher than the levelized transmission charges computed as per the prevailing norms based on the Cost Committee's revised estimated cost of the project of Rs.24,610 crores, the Cost Committee has also indicated that the revised cost of project/methodology for calculation of levelized annual transmission charges as per the prevailing norms, as such, does not factor into certain aspects viz. expenses associated with capital spares in HVDC Projects, consumed spares and replenishment/refurbishment of various elements upon a useful life of 25 years, constraints related to the supply of HVDC system, the indoor DC yard for HVDC terminal station, the GIB duct, etc. and accordingly, it also asked BEC to also consider these factors while evaluating the bid. As the BEC, after having regard to the above recommendations of the Cost Committee, has found the annual transmission charges

of Rs. 40,828.67 million as acceptable, we find it appropriate to approve and adopt the single annual transmission charges of Rs. 40,828.67 million, subject to the grant of a transmission licence to the Petitioner. The transmission charges shall remain valid throughout the period covered in the TSA.

33. 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.

34. An extract copy of this order be sent to the Nodal Agency, CTUIL.

35. The Petition No. 72/AT/2025 is disposed of in terms of the above.

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