

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**No. L-1/270/2023/CERC**

**Date: 19.07.2024**

**In the Matter Of:**

Central Electricity Regulatory Commission (Procedure, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024

**STATEMENT OF REASONS**

**1. Introduction and Background**

1.1 The Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 was notified on 26.05.2009 and subsequently amended on 26.05.2010 (hereinafter referred to as "2009 Transmission Licence Regulations").

1.2 In recent past, the transmission sector has made various policy advancements viz. the constitution of the National Committee on Transmission (NCT) for centralised Transmission Planning, revised standard bidding documents dated 06.08.2021 and model Transmission Service Agreement (TSA).

1.3 To update the Transmission License regulations, the Central Electricity Regulatory Commission vide Public Notice dated 28.11.2023 invited suggestions/ objections and comments from the stakeholders on the Draft Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023 (hereinafter referred to as 'the Draft Regulations') by 26.12.2023.

1.4 Written Comments/ Suggestions have been received from 16 stakeholders, including DISCOMs, Transmission Licensees, RE Developers, and Associations. A list of stakeholders who submitted written comments is given in **Appendix-I**. Subsequently, the Public Hearing on the Draft Regulations was conducted on 02.01.2024 through video conferencing, wherein 4 stakeholders made their presentations/ submissions. A list of stakeholders who made their presentations/ oral submissions during the public hearing is given in **Appendix II**. The detailed comments and presentations made during the Public hearing are available on the website of the Commission at [www.cercind.gov.in](http://www.cercind.gov.in).

1.5 After due consideration of the comments/ suggestions/ objections on Draft Regulations and views of the participants in the Public Hearing, the Central Electricity Regulatory Commission (Procedure, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024 (hereinafter referred to as '2024 Transmission Licence Regulations') have been finalised and notified on 14.06.2024 and made effective from the date of notification.

1.6 The key highlights of the 2024 Transmission Licence Regulations are as follows:

- a) The processing timeline from the filing of the petition is shortened. The number of hearings has been reduced to one for the grant of transmission licence, unless otherwise required, such as due to lack of clarity of the proposal, the serious objection raised by a respondent, or there is a prima-facie case for rejection of licence.
- b) All communications are proposed to be done in a digital mode
- c) TBCB licensees winning another TBCB project can now amend their existing licence to include the new projects instead of seeking a separate licence.
- d) Bulk consumers are no longer required to seek a licence for developing, maintaining, and operating dedicated lines to connect their system with the inter-state transmission system.
- e) Transmission Licences granted to assets whose tariff is determined by the Commission under Section 62 of the Act shall get automatically renewed after 25 years unless sought for a lesser period by the licensee of application.

1.7 The proposed Regulations and the reasons for the decisions of the Commission are given in the succeeding paragraphs. While an attempt has been made to consider all the comments/ suggestions received, the names of all the stakeholders may not appear in the deliberations.

## **2. Preliminary Issue: Comments related to Regulation 2(1)(b), 2(1)(f), 4(c), 6 and 16 of Draft Regulations: Transmission Licence for the Connecting line for Bulk Consumer**

2.1 It was proposed in the Draft Regulations to allow a 'bulk consumer' to construct connecting transmission line through any existing transmission licensee or obtain a licence to execute the said line by itself. Further, the process of obtaining a licence for connecting lines of a bulk consumer was also proposed in the Draft Regulations.

2.2 A number of comments were received on the stated Regulations pertaining to the Connecting line.

2.3 Subsequent to the notification of Draft Regulations, the Ministry of Power issued amendments in the Electricity Rules, 2005, related to the construction of a dedicated transmission line by a bulk consumer. Accordingly, the Draft Regulations have been finalised, keeping in view the provisions introduced by the said Rules. The comments received on the Connecting line under the Draft Regulations are not reproduced here for the sake of brevity.

2.4 The Ministry of Power vide notification dated 10.01.2024 issued Electricity Amendment Rules, 2024, quoted as follows:

*“2. In the Electricity Rules, 2005 (hereinafter referred to as the said rules), the existing rule 21 shall be renumbered as rule 24 and before the said rule as so renumbered, the following rules shall be inserted, namely: -*

***“21. Establishment, operation and maintenance of dedicated transmission lines.– A generating company or a person setting up a captive generating plant or an Energy Storage System or a consumer having load of not less than twenty five Megawatt in case of Inter State Transmission System and ten Megawatt in case of Intra-State Transmission System shall not be required to obtain licence under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid, if such company or person or consumer complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Act.”***

As per the above, a consumer shall not be required to obtain a licence under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid, subject to stated conditions.

2.5 In light of the above notification, the provisions related to transmission licence for connecting lines of Bulk consumers have been dispensed with. A new Regulation 4(2) has been added as follows:

***“(2) The following persons shall not be required to seek a transmission licence for inter-State transmission of electricity:***

- (a) A distribution licensee, for developing, maintaining and operating the transmission lines for connecting its distribution system with the inter-State transmission system;*
- (b) A bulk consumer, for developing, maintaining and operating the dedicated transmission line for connecting its system with the inter-State transmission system.”*

### **3. Comments and Suggestions received for Regulation 2 of Draft Regulations:**

3.1 Torrent Power Limited (TPL) has suggested amending subclause (q) of the Regulation 2, definition of Long-Term Transmission Customer (LTTC), as there are other users as well (i.e., in addition to the Bidding route) of ISTS who have availed long term

Open access under the earlier regime and converted the same into GNA or new applicant to avail GNA. Even the CERC Tariff Regulations have defined LTTC as a person availing or intending to avail access to the inter-state transmission system for a period of twenty-five years or more, i.e., the definition is associated with the period of the open access.

3.2 POWERGRID has submitted that the terms 'licence' and 'licensee' may be defined. Alternatively, the term 'transmission licensee' may be replaced with 'transmission licensee including deemed transmission licence,' wherever it appears in the proposed regulations.

### 3.3 Analysis and Decision

3.3.1 With regard to the suggestion of TPL regarding the definition of 'Long Term Transmission Costumer,' it is clarified that the scope of the term LTTC in the instant Regulations has been limited to the TSA issued under Competitive Bidding Guidelines. The 2006 Bidding Guidelines specifically provided the term 'LTTC', and to deal with any references to such entity (ies) for cases covered under the 2006 Guidelines to be dealt with under these regulations, 'LTTC' has been retained under the definitions. Any open-access customers or other users who have availed long-term access under the earlier regime and converted the same into GNA or new applicants under GNA Regulations shall be governed by the provisions of the GNA Regulations.

3.3.2 The terms 'licence' and 'licensee' are already defined under the Electricity Act, 2003, and shall be dealt with accordingly.

3.3.3 The definition of 'Project Mode' has been inserted under subclause (q) of Regulation 2 of 2024 Transmission Licence Regulations.

## 4. Comments and Suggestions on Regulation 5 of Draft Regulations: 'Procedure for Grant of Licence':

### Regulation 5(3) of the Draft Regulations:

4.1 Central Transmission Utility India Limited (CTUIL) has suggested that the applicant may submit a copy of the application to the Central Transmission Utility in terms of the instructions notified by CTU on its official website.

### 4.2 Analysis and Decision

4.2.1 With regard to the suggestion of CTUIL to submit a copy of the application as notified by CTU on its website, it is observed that the Petitioner, while filing the Petition, also furnishes the copy to CTUIL. In case CTUIL needs further details for finalising recommendations, CTUIL can seek such information from the applicants.

### Regulation 5(4) of the Draft Regulations:

4.3 Following comments have been received on Regulation 5(4) of the Draft Regulations:

4.3.1 APP and Sipat Transmission Ltd. have suggested uploading only the executive summary in the local language instead of the entire application, in line with the procedure followed by many of the State Commissions for tariff determination petitions.

4.3.2 DMTCL, NRSS, and POWERGRID submitted that licence application language is highly technical in nature, and Petitioner shall only be dependent on the discretion of the translator. It will be difficult for the Petitioner to verify the translated contents, which may lead to legal issues. In view of the above, the applicant may be exempted from uploading a complete application in the concerned Indian language of the state on its website since all relevant details are already being provided in Form-II. DMTCL, NRSS also submitted that the timelines mentioned under Clauses (1) to (9) of Regulation 5 of the Draft Regulations may be reviewed.

4.3.3 ReNew Pvt. Ltd. submitted that it is difficult to upload the complete application along with annexures in the Indian Languages of the State or Union Territory and accordingly suggested changing it to only FORM-I required to be uploaded in the Indian Languages of the State or Union Territory.

#### 4.4 Analysis and Decision

4.4.1 The suggestions of stakeholders to translate only the executive summary or Form-I/Form-II in the local language have been agreed to, considering that specific details about the project are included in Form-I/Form-II and TSA, etc., which are Annexures based on standard bidding guidelines. Accordingly, in the 2024 Transmission Licence Regulations, it has been provided that 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.

#### **Regulation 5(5) of the Draft Regulations:**

4.5 Following comments have been received on Regulation 5(5) of the Draft Regulations:

4.5.1 DMTCL and NRSS have submitted that the requirement of publishing in two leading newspapers be reviewed. They stated that the complete licence application has already been placed by the applicant licensee on its website and is being served electronically to all DICs/ LTTCs, including CTUIL.

4.5.2 POWERGRID, Sterlite Power Transmission Limited, Tata Power, and Serentica Renewables India Private Limited have submitted that the Commission vide order in Petition no. 1/SM/2022, dispensed with the publication of notice in newspapers under CERC grant of transmission licence regulations. Similar dispensation may be

provided in the proposed regulations so as to reduce regulatory compliances and enhance the ease of doing business.

4.5.3 POWERGRID and ReNew Pvt. Ltd. suggested keeping the original timeline of 7 days as per Central Electricity Regulatory Commission (Procedures, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 in place of proposed three days, as Media House takes time for publication of notices in newspapers.

#### 4.6 **Analysis and Decision**

4.6.1 A number of stakeholders have suggested removing the requirement for publication in newspapers. We are of the view that newspapers are independent platforms where a notification can be seen by the public. If there is a provision for only uploading the licence application on the website of the Petitioner without any notice in the newspaper, the Public will not become aware of such uploading of the application, and hence it may not serve the purpose of public notification.

4.6.2 Keeping in view the suggestions and the requirement to reduce the overall timeline for granting a transmission licence, the time to publish notice has been modified to 3 working days.

#### **Regulation 5(8) of the Draft Regulations**

4.7 POWERGRID and Apraava Energy have submitted that at least 7 working days be allowed to e-file affidavits due to delays in obtaining copies of public notices from remote newspapers.

#### 4.8 **Analysis and Decision**

4.8.1 Keeping in view the suggestions and the requirement to reduce the overall timeline to grant a transmission licence, the time to submit the details of the notice published has been modified as 3 working days.

#### **Regulation 5(9) of the Draft Regulations**

4.9. Apraava Energy has submitted that the Commission may seek the Central Government approval from CTU at the time of filing its recommendations/ comments or prior to admitting the application itself so that the Commission is equipped with all the relevant procedural documentation at the outset.

4.10 SPTL and Serentica Renewables India Private Limited have submitted that the initial period for filing CTUIL reply may be extended to 15 days, and 30 days extension to submit their recommendations may be removed.

4.11.1 CTUIL has also submitted that to obviate procedural delay in the issuance of a recommendation for the grant of transmission licence, CTU may issue its recommendation in a standard format (as suggested by CTUIL in its Comments). CTUIL has also submitted that it may be allowed to file its recommendations up to 30 days from the date of filing of the TL application.

#### **4.12 Analysis and Decision**

4.12.1 The suggestions of Apraava Energy have been accepted, and accordingly, it has been provided that along with recommendations, CTUIL shall submit a copy of the 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.

4.12.2 With regard to suggestions of SPTL and Serentica Renewables India Private Limited, we are of the view that CTUIL should file recommendations within 10 days to reduce the overall timeline for processing the grant of transmission licence. However, the provision of filing recommendations within 30 days has been retained, keeping in view Section 15(4) of the Act.

4.12.3 Regarding the submission of recommendations by CTUIL in a standard format, we are of the view that CTU may devise a format and submit the recommendations accordingly.

#### **Regulation 5(10) of the Draft Regulations**

4.13 DMTCL & NRSS, Tata Power, Apraava Energy and POWERGRID have suggested increasing the timeline to furnish response from the three days proposed in the Draft Regulations to 7-15 days.

#### **4.14 Analysis and Decision**

4.14.1 Considering the suggestions, the timeline to file comments by the applicant has been increased to 7 working days.

#### **Regulation 5(12) of the Draft Regulations**

4.15 DMTCL and NRSS have suggested that a timeline, as 'within 15 days from the issuance of such notice, may be specified for the time-bound receipt of responses, if any.

#### **4.16 Analysis and Decision**

4.16.1 As suggested by stakeholders, the timeline to file objections has been provided as 'within 15 days of the publication of the days.

### **Regulation 5(13) of the Draft Regulations**

4.17 Apraava Energy suggested that in a case no comments or suggestions have been received against the Application, to ensure efficient disposal of such prima facie proceedings, it is proposed that this Commission can grant the licence or reject the application within 15 days of the Commission reserving the application for orders.

### **4.18 Analysis and Decision**

4.18.1 We observe that timeline to grant the licence shall be as per Section 15(6) of the Act.

4.18.2 We had vide the Explanatory memorandum provided as follows:

*“Further, at present the Commission conducts two hearings before granting of licence, however, to expedite the issuance of the licence and in order to facilitate ease of doing it is proposed that in normal cases, only one hearing may be carried out by the Commission, unless otherwise required such as due to lack of clarity of proposal, serious objection raised by a respondent, or there is a case of rejection of licence. Further, all communications are proposed to be done in a digital mode.”*

Under the 2024 Transmission Licence Regulations, the hearing shall be conducted after the issuance of public notice by the Commission under Regulation 5(12), prior to the grant of the licence. Hearing shall not be conducted prior to issuance of Public notice by the Commission as is being followed under the 2009 Transmission Licence Regulations. However, in case of rejection or in case of a specific issue, the hearing may be conducted prior to the issuance of a Public Notice by the Commission.

## **5 Comments on Regulation 10 of the draft Regulations: ‘Terms of Licence’:**

### **Regulation 10(1) and 10(2) of the draft Regulations**

5.1 Apraava Energy, DMTCL, and NRSS have submitted that as per the terms of the Ministry of Power’s Guidelines for Encouraging Competition in Development of Transmission Projects on 10 August 2021, the Commission may consider the term of the licence as 35 years. Further, it was also suggested that the transmission licence may be issued for a period of 25 years initially with an additional period of another 10 years thereafter, with due preference to the incumbent Transmission Licensee, subject to the Licensee committing to carry out the necessary strengthening activities of the licenced assets against which cost incurred to be recovered under tariff revisions, if any.

5.2 Torrent Power Limited has submitted that as per Rule 4(c) of Electricity (Amendment) Rule, 2023 dated 30.06.2023, the licence granted under section 14 of the



Electricity Act shall be deemed to be renewed unless the same is revoked. Hence, after completion of the initial period of 25 Years, the licence stands renewed as per the Rules.

### **5.3 Analysis & Decision**

5.3.1 Under the Act, the transmission licence can be granted for 25 years. Hence, suggestions to grant a transmission licence for 35 years in one instance cannot be accepted.

5.3.2 However, we observe that as per the Rule 4(c) Electricity (Amendment) Rule, 2023 dated 30.06.2023 the following has been introduced:

*“The licence granted by the Appropriate Commission under section 14 of the Act and the deemed licence under first, second and fifth proviso to said section 14 shall be deemed to be renewed unless the same is revoked:*

*Provided that such renewal, shall be for a period of twenty five years at a time or for a lesser period, if requested by the licensee:*

*Provided further that where the Appropriate Commission has renewed the licence for a particular period before the notification of these rules, the licence shall be deemed to be renewed for that particular period under these rules.*

*Provided also that this rule shall not apply to the licence granted to transmission developers, selected through tariff based bidding, under section 63of the Act”*

As per the above, it has been provided that the period of licence shall be extended automatically for Section 62 projects for another 25 years, or for a lesser period, if requested by the licensee. For Section 63 projects, the Commission may extend the licence based on application made by the licensee.

5.3.3 Keeping in view the above Notification, the provisions as per the stated Rules have been incorporated in the 2024 Transmission Licence Regulations.

### **Regulation 10(3) and 10(4) of the draft Regulations**

5.4 APP and Sipat Transmission Ltd suggested that while deciding tariff for the period beyond the 35th year, the Commission may consider the quoted tariff, if any, available for such period, as the tariff quoted is for 35 years from COD, whereas the 35 years of licence period starts immediately after the bidding process. Tata Power suggested adding the new clause “For Projects awarded under Guidelines and SBDs in vogue prior to 10.08.2021, the Transmission Licensees shall be allowed to recover Yearly Quoted Transmission Tariff for the entire contracted period of the Project, i.e., for 25/35 years, as the case may be, from respective CODs of each Element of the Project.”

5.5 POWERGRID suggested adding the following new clause:

*“(5) For the projects being developed under competitive bidding guidelines issued by the Ministry of Power Government of India on 06.08.2021 and as may be further*

*amended from time to time: (a) the tariff for the extended period from the 26th year to the 35th year shall be payable on the basis of the rate quoted at the bidding and adopted by the Commission for the respective years of operation.*

*(b) the tariff for the period beyond the 35th year shall be as per the terms of competitive bidding guidelines issued by the Ministry of Power Government of India on 06.08.2021 and as may be further amended from time to time.”*

## **5.6 Analysis & Decision**

5.6.1 Under the bidding guidelines dated 13.04.2006, there are two kinds of projects that have been bid (a) with a quoted tariff for 25 years and (b) with a quoted tariff for 35 years. It has been provided that the tariff for the year up to which the quoted tariff is available shall be as per the quoted tariff (as adopted by the Commission) and, beyond such quoted tariff period, shall be as decided by the Commission on an application made by the licensee.

5.6.2 We observe that bidding guidelines dated 10.08.2021 have specific provisions to cover the tariff for the period beyond the quoted tariff period. Accordingly, it has been provided that projects covered under bidding guidelines dated 10.08.2021 shall be governed as per the said guidelines.

### **Regulation 10(5) of the draft Regulations**

5.7 Apraava Energy submitted that any expenses incurred by the Applicant towards modification in the transmission elements due to change in the CTU's transmission plan should be treated as a pass through for the Licensee to subsequently recover from the CTU.

5.8 DMTCL and NRSS suggested that to protect the interest of the original licensee whose transmission element is proposed for the modification and hence the necessary financial impact on account of this element modification or reconfiguration “in the transmission element would be considered as pass through in form of monthly transmission charges arrived under similar mode of recovery (RTM or TBCB as the case may be) in which the original transmission element was awarded, without affecting the transmission charges of the original licence work scope.

## **5.9 Analysis and Decision**

5.9.1 The suggestions to protect the original transmission licensee whose assets require modification have been considered and suitably covered in Regulation 10(6) of the 2024 Transmission Licence Regulations. Any expenditure towards the modifications shall be borne by the transmission licensee to whom such reconfiguration works are assigned, and the same also includes the original transmission licensee. Such expenditure shall be recovered as decided by the Commission on an application made by the licensee.

## **6 Comments/ Suggestions on Regulation 14 of the draft Regulations: 'Submission of Information'**

6.1.1.1 POWERGRID has suggested that in case of any information/data is proprietary to the Transmission licensee, the same can be shared upon the signing of a non-disclosure agreement.

### **6.2 Analysis and Decision**

6.2.1 The data is required for supervision and control over ISTS. However, if the transmission licensee is bound by the non-disclosure requirements of OEM, the submission of data shall have due consideration of the same.

6.2.2 Regarding the submission of information by transmission licensees, CERC has developed a Transmission Monitoring Portal where the information of a transmission licensee is required to be updated from time to time.

## **7 Comments and Suggestions on Regulation 16 and Regulation 17 of the draft Regulations: "Amendment and Revocation of Licence"**

### **Regulation 16(b) and 16 (c) of the draft Regulations**

7.1 APP suggested allowing licensees to add new projects under Sections 62 or 63 via amendments and enabling existing licensees to include additional transmission licences in their current licences.

7.2 Apraava Energy, DMTCL, and NRSS suggested that amendments of licences may be allowed to accommodate additional transmission elements under Special Purpose Vehicles Mode.

7.3 DMTCL and NRSS also commented that when multiple assets are added to the existing Licence by way of a serial-wise number of amendments, it will lead to the situation that the same licence has multiple operating assets with different useful/remaining life. Accordingly, it is suggested that provision be added that *"the renewal of Licence upon expiry of term shall be done basis period counted from the date of issuance of the initial Licence. Same shall be irrespective of the vintage of assets added to the original licence through subsequent amendments."*

7.4 SPTL emphasized the need for clear provisions on security creation of the projects, in which lender gets change of management by favourable verdict from NCLT under CIRP. SPTL has pressed that in such case licence has to be amended or re-issued.

**7.5** Tata Power submitted that the requirement for fresh applications for each additional transmission project element may be reconsidered. The Electricity Act, 2003 stipulates that the essence of granting licence is on the basis of geographical area and is not Asset/Project, as Section 14 stipulates that the grant of Licence for transmission/distribution/trading would be provided by the Appropriate Commission area-wise. Further, Section 19(2) of the Act stipulates that the licence will be revoked area-wise either wholly or partially, for the transmission/distribution licensee. Under Section 14 of the Act, the applicant undergoes the worthiness test for the grant of transmission/distribution/trading licence, thereby casting any further obligation on the Applicant to apply afresh each time a new/additional transmission asset is created, leading to regulatory overburden. Once a company is granted a transmission licence based on its credentials, the list of projects being executed/ completed by the company may be updated, and the Commission may be informed of it by the company itself.

## **7.6 Analysis and Decision:**

7.6.1 With regards to suggestions of APP, it has been provided that a transmission licensee under RTM (under Section 62 of the Act) shall be eligible to add another project under RTM through an amendment to the transmission licence. However, a project awarded under Section 63 on an SPV basis shall continue to obtain a separate transmission licence as under the 2009 Transmission Licence Regulations. A new provision of 'Project Mode' has been introduced in the 2024 Transmission Licence Regulations where a Section 63 Project under 'Project Mode' shall be eligible to add another project under Section 63 through amendment. However, 'Project Mode' is required to be facilitated through appropriate provisions in the bidding guidelines. The definition of 'Project Mode' has been added under the definitions Section for clarity as follows:

*“project mode” means the mode for execution of the transmission project for which the BPC invites the bids for implementation of project without incorporating a project specific SPV, and the successful bidder, after receiving the Letter of Award (LoA) from the BPC, is entrusted to implement the project.”*

7.6.2 The suggestions of Apraava Energy, DMTCL, and NRSS to amend licences to accommodate additional transmission elements under Special Purpose Vehicles Mode is not accepted since a project developed under SPV mode is an independent unit and can be transferred or considered under asset monetisation without additional formalities for change in licence. In case multiple projects under Section 63 developed under SPV are taken in the same transmission licence through amendment, it may reduce the financial flexibility of these projects for asset monetisation. However, any asset developed under Section 62 of the Act by a transmission licensee can get its licence amended to add another project under Section 62 of the Act.

7.6.3 The suggestions to consider renewing the Licence upon expiry of the term to be done based on the date of issuance of the initial Licence, irrespective of the vintage

of assets added to the original licence through subsequent amendments, are found in order, and the same shall be considered when the transmission licensee approaches the Commission for renewal.

7.6.4 Any changes in holdings due to security creation or CIRP shall be dealt with under Section 17(3) of the Act.

7.6.5 Tata Power's submissions to the effect that casting any obligation on the licensee to apply afresh each time a new/additional transmission asset is created leads to regulatory overburden and is not in line with the spirit of the Act is not accepted. A transmission licence allows a transmission licensee to seek approval under Section 164 of the Act and thereby lays the transmission lines with powers of telegraph authority. A transmission licence is issued broadly for specific transmission lines or substations. There is a process of public notice by the applicant and then by the Commission with details of transmission elements for which the licence is proposed. The transmission line passes over the public and private lands, and hence, the process of opportunity to be given to the affected parties to raise objections is inbuilt under the Act. Unless the transmission elements for which the licence is proposed are specified, issuing public notice in case of transmission licence shall not meet the requirement of the Act. In this light, for transmission licence, the area of licence cannot be specified since the transmission licence is for particular elements. The financial prudence for the bidder under Section 63 of the Act is also made with respect to the proposed elements under the specific project. Accordingly, the suggestions of Tata Power in this regard are not accepted.

### **Regulation 17(1) of the draft Regulations**

7.6.6 Sterlite Power Transmission Limited has submitted that the Commission may add a provision in relation to revocation proceedings of the licensees under the proposed project mode, as the licensees may not be defaulting in respect of all projects being implemented under a licence.

### **7.6.7 Analysis and Decision:**

7.8.1 The revocation of a licence shall be governed under Section 19 of the Act. Regulation 17 of the 2024 Transmission Licence Regulations provides that any licence may be revoked only after following due process as per the Regulations and Act. The issues of defaulting on a particular project or on all projects being implemented under a licence shall be duly considered while following the due process of revocation.

## **8 Comments on Annexures/ Forms:**

8.1 POWERGRID has suggested changing the word 'levelised' to 'quoted' under Form-I since the revised guidelines require the bidders to quote single annual transmission charges applicable for 35 years, and a levelized tariff is not envisaged.

## 8.2 Analysis and Decision:

The suggestion of POWERGRID to change the word 'levelised' to 'quoted' has been accepted and incorporated in Form-I.

## 9 Other Comments:

9.1.1 APP and Sipat Transmission Ltd. Suggested retaining the provision at 6(c) of 2009 Regulations so that when a Dedicated Transmission Line is used as part of the Inter-State transmission system, all provisions of the ISTS licensee should equally apply to such dedicated line as well, which will help in efficient grid management and security.

9.1.2 APP and Sipat Transmission Limited have suggested that in case of project mode being adopted, the following need to be addressed:

- a) The responsibility of issuing Section 68 of the Act needs to be defined. If the successful bidder needs to obtain approvals under the Section 68 Act then the timelines need to be relaxed as the current timelines are stringent.
- b) In the case of asset monetization, the following need to be addressed
  - Gross value received from asset monetization considering taxation issues.
  - Ease of transaction with respect to regulatory clearances and ring-fencing of assets
- c) While handing over assets to CTUIL after the completion of the concession period - Treatment of the following issues under the project model requires clarification:
  - License
  - Right of Way, land, forest clearance
  - Taxation
  - Maintenance of assets during the transition phase from handing over of one developer to another developer through CTU
  - Ease of handing over contractual papers and documents.

## 9.2 Analysis and Decision

9.2.1 The suggestion to retain the provision to issue a transmission licence for a dedicated transmission licence is not accepted. A transmission line developed as a dedicated transmission line is not required to take a transmission licence. The reasons for removing the said provision were provided in the Explanatory Memorandum as follows:

*“(d) It is proposed to remove the provision of Regulation 6(c) of the Transmission Licence Regulations, 2009 enabling a transmission licence for a dedicated line of generating station since a transmission line constructed as a dedicated transmission line should remain as a dedicated transmission line even if it is shared among multiple generating stations. Any line constructed as a licenced line has to*

*undergo a transparent process of bidding or tariff determination, the same is not required for a dedicated line.”*

9.2.2 Regarding incorporating various modalities for projects under project mode, including that for take-over by CTU for projects developed under the project model, we observe that the said mode is yet to be incorporated in bidding guidelines, which may include the said modalities cited by stakeholders.

**sd/-**

**(Arun Goyal)**  
**Member**

**sd/-**

**(Jishnu Barua)**  
**Chairperson**



## APPENDIX – I: LIST OF STAKEHOLDERS

S.NO	NAME OF STAKEHOLDER
1.	Adani Electricity Mumbai Limited
2.	Aditya Birla Renewables Limited
3.	Association of Power Producers
4.	Apraava Energy Private Limited
5.	Darbhangha-Mothihari Transmission Company Limited (DMTCL)
6.	MPSEZ Utilities Limited (MUL)
7.	NRSS XXXI (B) Transmission Limited (NRSS)
8.	National Thermal Power Corporation (NTPC)
9.	POWERGRID Corporation of India Limited
10.	Reliance Infra Limited (RIL)
11.	Renew Private Limited
12.	Serentica Renewable India Private Limited (SRIPL)
13.	Sipat Transmission Limited (STL)
14.	Sterlite Power Transmission Limited (SPTL)
15.	Tata Power Company Limited (TPCL)
16.	Torrent Power Ltd (TPL)

## APPENDIX–II: LIST OF PRESENTATOR/ ORAL SUBMISSION DURING PUBLIC HEARING DATED 02.01.2024

S.NO	NAME OF STAKEHOLDER
1.	Central Transmission Utility of India Limited(CTUIL)
2.	POWERGRID Corporation of India Limited
3.	Serentica Renewable India Private Limited
4.	Tata Power Company Limited
5.	Apraava Energy Private Limited
6.	Reliance Industries Limited