

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 338/TL/2024

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

Date of Order: 27th December, 2024

In the matter of

Petition under Sections 14, 15 and 79(1)(e) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for the grant of Transmission Licence and other related matters) Regulations, 2024 with respect to the Transmission System to be implemented by Khavda IV A Power Transmission Limited.

And

In the matter of

Khavda IVA Power Transmission Limited,
Adani Corporate House,
Shantigram, S G Highway,
Ahmedabad- 382421 (Gujarat).

...Petitioner

Vs

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

2. REC Transmission Projects Company Limited,
3rd Floor, Annexe II,
ECE House, KG Marg,
New Delhi-100001.

3. Madhya Pradesh Power Management Company Limited,
Block No. -11, Ground Floor,
Shakti Bhavan, Vidhyut Nagar, Rampur,
Jabalpur-482008 (Madhya Pradesh).

4. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur-492013 (Chhattisgarh).

5. Maharashtra state Electricity Distribution Company Limited,
Prakashgad, 4th Floor,
Bandra (East), Mumbai - 400051.

6. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan,
Racecourse Road, Vadodara-390007.

7. DNH Power Distribution Corporation Limited,
66 kV, Amii Ind. Estate,
Silvasa-396230 (Dadar Nagar Haveli).

8. Electricity Department, Government of Goa,
Vidyut Bhavan, Near Mandvi Hotel,
Panaji-403001 (Goa).

**9. Dadra and Nagar Haveli and Daman and Diu
Distribution Corporation Limited,**
1st & 2nd Floor, Vidyut Bhavan, Silvassa,
Dadra & Nagar Haveli–396230.

...Respondents

Parties present:

Shri Prashant Kumar, KIVAPTL
Shri Ritam Biswas, RECPDCL
Shri Siddharth Sharma, CTUIL
Shri Akshayvat Kislay, CTUIL

ORDER

The Petitioner, Khavda IV A Power Transmission Limited (hereinafter referred to as “Petitioner/ KIVAPTL”), has filed the present Petition for the grant of a transmission licence under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024 (hereinafter referred to as “Transmission Licence Regulations”) to establish the transmission project for the “*Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A*” on a Build, Own, Operate and Transfer basis (hereinafter referred to as “the Project”) consisting of the following elements:

S.No	Name of the Transmission Element	Scheduled COD in months from Effective Date
1.	Creation of 765 kV bus section-II at KPS3 (GIS) along with 765 kV Bus Sectionaliser and 1x330 MVAR, 765 kV Bus Reactors on Bus Section-II Bus section - II shall be created at 765 kV and 400 kV level both with 3x1500 MVA, 765/400 kV ICTs at Bus Section-II	24 months (30.8.2026)
2.	Creation of 400 kV bus Section-I I at KPS3 (GIS) along with 400 kV Bus Sectionaliser and 1x125 MVAR, 420 kV Bus Reactors on Bus Section-II and 3 Nos. 400 kV bays at Bus Section-II for RE interconnection.	
3.	KPS3 (GIS) - Lakadia (AIS) 765 kV D/C line	
4.	2 Nos. of 765 kV line bays each at KPS3 (GIS) and Lakadia (AIS) for KPS3 (GIS) - Lakadia (AIS) 765 kV D/C line	
5.	±300MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS3 400 kV Bus section-II	
6.	PS1 (GIS) - Bhuj PS 765 kV 2nd D/C line	
7.	2 Nos. of 765 kV line bays each at KPS1 (GIS) and Bhuj PS for KPS1 (GIS) - Bhuj PS 765 kV D/C Line	
8.	330 MVAR switchable line reactors at KPS3 end of KPS3 (GIS) -Lakadia 765 kV D/C line (with NGR bypass arrangement)	

Note:

- i) Bay(s) required for completion of diameter (GIS) in one-and-half breaker scheme, shall also be executed by TSP.
- ii) TSP of KPS3 shall provide space for work envisaged at Sl. 1, 2, 4 and 8.
- iii) The TSP of the present scheme shall arrange for additional land for installation of STATCOM (with MSC/MSR) as specified at Sl. No.5 at KPS3 and TSP of KPS3 shall provide space for 1 No. 400 kV bay for termination of STATCOM.”

2. The Petitioner has made the following prayers:

“(a) Issue / Grant the Transmission License to the Applicant /Petitioner, Khavda IVA Power Transmission Limited for establishing, operating and maintaining the Inter-state Transmission System as provided for in the Transmission Service Agreement;

(b) Allow the “Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A” to be part of PoC Pool as per CERC (Sharing of Inter-State

Transmission Charges and Losses) Regulations, 2020 and any other amendments thereon issued from time to time by Hon'ble Commission.

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

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

Hearing dated 28.10.2024

3. During the course of the hearing on 28.10.2024, the representative of the Petitioner submitted that the present Petition had been filed for the grant of a transmission licence for establishing the “Transmission Scheme for Evacuation of Power from Potential Renewable Energy Zones in Khavda area of Gujarat under Phase IV (7 GW): Part A”. He further submitted that CTUIL had submitted its recommendations for the grant of a transmission licence to the Petitioner under Section 15(4) of the Electricity Act, 2003. The representative of CTUIL confirmed that CTUIL has already issued its recommendations for the grant of a transmission licence to the Petitioner Company.

4. Vide Record of Proceedings for the hearing 28.10.2024, the parties were directed to file their respective replies and rejoinder. However, no reply has been filed by the respondents despite notice.

5. The Petitioner has submitted that in accordance with the “Guidelines for Encouraging Competition in Development of Transmission Projects” and “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter referred to as “the Guidelines”) issued by the Ministry of Power, Government of India, under Section 63 of the Act, REC Power Development and Consultancy Limited (hereinafter referred

to as “RECPDCL”) was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. 3733 [F. No. 15/3/2018-Trans-Part (1)] dated 4.9.2023 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as the Transmission Service Provider (TSP) to establish the Inter-State transmission system for the “Transmission System for Evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7 GW): Part A” on a Build, Own, Operate and Transfer basis.

6. RECPDCL, in its capacity as the BPC, initiated the bid process on 28.11.2023 and completed the same on 30.8.2024 in accordance with the Guidelines. Adani Energy Solutions Limited was selected as the successful bidder, having quoted the lowest transmission charges of Rs. 5089.66 million in order to provide the transmission services of the transmission system.

7. The RfP was issued on 28.11.2023. At the RfP (Technical and Financial) stage, two bidders, namely, (i) Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited), and (ii) Power Grid Corporation of India Limited submitted their offers. The RfP (Technical bids) of the two bidders were opened by the Bid Opening Committee on 3.5.2024 in the presence of the bidder’s representatives. Based on the recommendation of the BEC, the RfP (Financial) Bids-Initial Price Offer of the two bidders were opened on 13.5.2024. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 6587.19 million. The details of the quoted transmission charges by the bidders are given below:

Sr. No.	Name of the Bidder	Quoted Transmission charges from the Initial Offer (in Rs. million)	Rank
1.	Power Grid Corporation of India Limited	6587.19	L1
2.	Adani Energy Solutions Limited	7202.70	L2

8. As per Clause 2.5 of the RfP document, Initial Offers shall be ranked on the basis of ascending order for the determination of the qualified bidders. The bidders holding the first fifty per cent of the ranks (with any fraction rounded off to a higher integer) or four Bidders, whichever is higher, shall be considered to be qualified for participating in the electronic reverse auction stage and submitting their final offer.

9. The e-reverse auction of two bidders was carried out at the MSTC portal on 14.5.2024. The following transmission charges, as quoted by each bidder, emerged:

Sr. No.	Name of the Bidder	Transmission Charges from the Initial Offer (in Rs. Million)	Transmission Charges from the final offer (in Rs. Million)	Rank
1.	Adani Energy Solutions Limited	7202.70	5089.66	L1
2.	Power Grid Corporation of India Limited	6587.19	5102.42	L2

10. As per the Bid Evaluation Report dated 24.5.2024, Adani Energy Solutions Limited has been declared as the successful bidder with the lowest quoted transmission charges of Rs. 5089.66 million. BEC, vide its certificate dated 24.5.2024, has certified that the entire bid process has been carried out in accordance with the Guidelines issued by the Ministry of Power under Section 63 of the Act. BEC has further certified that the transmission charges discovered through the e-reverse auction are acceptable.

11. Consequent to its selection as the lowest bidder, a Letter of Intent (LoI) was issued to Adani Energy Solutions Limited by the BPC on 7.8.2024, which was accepted by REC Power Development and Consultancy Limited. Under the terms of the RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

- (a) Provide Contract Performance Guarantee in favour of Central Transmission Utility of India Limited (CTUIL);
- (b) Execute Share Purchase Agreement and Transmission Service Agreement;
- (c) Acquire, for the Acquisition Price, 100% equity share of Khavda IVA Power Transmission Limited from RECPDCL along with all its related assets and liabilities;
- (d) Make an application to this Commission for the adoption of transmission charges, as required under Section 63 of the Act; and
- (e) Apply to this Commission for the grant of a transmission licence.

12. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of the Nodal Agency, i.e. CTUIL, for Rs. 89.75 crores on 29.8.2024 and has acquired a hundred per cent equity holding in Khavda IVA Power Transmission Limited on 30.8.2024. The Petitioner entered into a Transmission Service Agreement (TSA) with CTUIL on 30.8.2024.

13. Section 14 of the Act provides that the Appropriate Commission may, on an application made under Section 15 of the Act, grant a licence to any person to transmit electricity as a transmission licensee in any area as may be specified in the licence. The word "person" has been defined in Section 2(49) of the Act to include any company or body corporate or association or body of individuals, whether incorporated

or not, or artificial juridical person. The Petitioner has been incorporated under the Companies Act 2013. The main objective of the Petitioner Company is as under:

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

14. Section 15(1) of the Act provides that every application under Section 14 of the Act shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed by the Central Government. The Commission has specified Transmission Licence Regulations in this regard. Regulation 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. Regulation 10(1) of the Transmission License Regulations provided that in case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission tariff in terms of the Transmission Service Agreement shall be adopted by the Commission under Section 63 of the Act. The Project under consideration has been identified for development under competitive bidding by a competent authority, and the selection of the project developer, Khavda IVA Power Transmission Limited, has been certified to have been made in accordance with the Guidelines for competitive bidding.

15. Regulation 5 of the Transmission Licence Regulations, 2024 provides for the procedure for the 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 sub-section (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 e-mail on the concerned DICs of the project who are not registered on the e-filing 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)."

16. The Petitioner has approached the Commission with a separate application for the adoption of transmission charges in respect of the transmission system, which is presently under consideration of the Commission, and the order in that Petition will be issued separately. The Petitioner has filed the present Petition for the grant of a transmission licence in accordance with the provisions of the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the BPC, 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 Khavda IVA Power Transmission Limited with respect to the transmission system as per the details given in paragraph 1 above.

17. 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 for the Project. The transmission charges quoted by the Petitioner, which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 5089.66 million. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

18. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English and in Gujarati. The Petitioner has also published the notice digitally in all editions of 'The Indian Express (English) and Kutch Mitra (Gujarati) on 13.9.2024. In response, no objection has been received from the general public to the notices.

19. The Petitioner has served the copy of the Application on the Central Transmission of Utility of India Limited (CTUIL) as required under Section 15(3) of the Act and Regulation 5(3) of the Transmission Licence Regulations. CTUIL, vide its letter dated 13.9.2024, recommended the grant of a transmission licence to the Petitioner.

The Relevant portions of the said letter dated 13.9.2024 are extracted as under:

"This has reference to the Petition with Dairy No. 564/24 dated 04.09.2024 filed by Khavda IV A Power Transmission Ltd. before Hon'ble Commission vide which M/s Khavda IV A Power Transmission Ltd. has requested CTU for issuance of recommendation for grant of Transmission License for implementation of subject transmission scheme. In this regard, the following is submitted:

1. M/s Khavda IV A Power Transmission Ltd. has filed a petition under Section-14, 15 & 79 (1)(e) 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 Transmission License for implementation of "Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A project on Build, Own, Operate and Transfer (BOOT) basis as ISTS under TBCB. The detailed scope of the transmission scheme is enclosed at Annexure-I.

2. M/s Khavda IV A Power Transmission 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 7(6) of Transmission License Regulations, 2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2024.

3. In reference to "Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A", the following is submitted:

i) The government of India has set a target for establishing 500 GW non fossil generation capacity by 2030, which also includes 30 GW RE potential in the Khavda area of Gujarat under ISTS.

ii) As per planning carried out for Khavda RE Park, the transmission system for evacuation of total 30GW power from Khavda RE Park has been planned in 5 phases (Ph-1: 3GW, Ph-II: 5GW, Ph-III 7GW, Ph-IV: 7GW & Ph-V 8GW). The subject transmission scheme Khavda Ph-IV (Part A) is a part of Transmission Scheme for evacuating 7GW additional power from the potential RE zone in the Khavda area in Gujarat (beyond 15GW). The Khavda Phase-IV scheme (Part A to D) transmission schemes will further facilitate in dispersal of the power from Khavda area to other parts.

iii) The subject transmission scheme Khavda Ph-IV (Part A) includes augmentation of transmission capacity at KPS3 (GIS) by creating Bus Section-II, KPS3 (GIS)-Lakadia (AIS) 765 kV D/c line and KPS1 (GIS) Bhuj PS 765 kV 2nd D/c line with an implementation time frame of 24 months (matching with Parts B to D).

iv) The subject transmission scheme was discussed and agreed upon in the 19th Consultation Meeting for Evolving Transmission Schemes in WR (CMETS-WR) held on 30.05.2023. Extracts of the minutes of 19th CMETS-WR meeting is enclosed at Annexure-II.

v) The subject transmission scheme was also discussed in the 46th WRPC meeting held on 03.02.2023. Extracts of the minutes of 46th WRPC meeting are enclosed at Annexure-III.

vi) The subject transmission scheme was also discussed and agreed on the 14th NCT meeting held on 09.06.2023 wherein it was decided to implement the subject transmission scheme through TBCB route. Extracts of the minutes of 14th NCT meeting are enclosed at Annexure-IV.

vii) The Government of India, Ministry of Power, vide Gazette notification dated 04.09.2023 had appointed REC Power Development and Consultancy Ltd. (RECPDCL) as the Bid Process Coordinator (BPC) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish the subject transmission scheme through Tariff Based Competitive Bidding (TBCB) process. Copy of Gazette notification is enclosed at Annexure-V.

4. Pursuant to the process of competitive bidding conducted by the BPC, M/s Adani Energy Solutions Ltd. (AESL) emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent in favour of Adani Energy Solutions Ltd. on 07.08.2024. Subsequently, Adani Energy Solutions Ltd. acquired Khavda IV A Power Transmission Ltd. on 30.08.2024, after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements as specified in the RFP documents. The scheduled COD for the proposed ISTS scheme is 24 months from the date of SPV acquisition.

5. In line with Section 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2024, based on details furnished by M/s Khavda IV A Power Transmission Ltd. CTU recommends the grant of transmission license to M/s Khavda IV A Power Transmission Ltd. for executing the transmission scheme as mentioned in Para-1 above.”

20. A public notice under Sub-section (5) of Section 15 of the Act was published in all editions of The Hindu (English) and Rashtriya Sahara (Hindi) on 15.11.2024 by the Commission. No suggestions/ objections have been received from members of the public in response to the public notice.

21. We have considered the submissions of the Petitioner, BPC and CTUIL. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". As per the above provision, the selected bidder was required to complete all the activities, including the acquisition of SPVs, by 17.8.2024. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 89.75 crores on 29.8.2024 and acquired a hundred per cent equity-holding in the applicant company on 30.8.2024 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 Adani Energy Solutions Limited, acquired the SPV on 30.8.2024. Accordingly, the TSP has filed the instant Petition through e-filing for the grant of a transmission license on 4.9.2024.

22. As regards the grant of a transmission licence, Clauses (13) and (14) of Regulation 5 of the 2024 Transmission Licence Regulations provide as under:

“(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.”

23. Considering the submissions of the Petitioner and CTUIL, we find that the Petitioner satisfies the conditions for the grant of inter-State transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for the transmission system as described in para 1 of this order. Accordingly, we direct that a transmission licence be granted to the Petitioner, Khavda IV A Power Transmission Limited, to establish the Inter-State Transmission system for the “Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A” on a Build, Own, Operate and Transfer basis as per the details given in paragraph 1 above.

24. The grant of the transmission licence to the Petitioner (hereinafter referred to as “the licensee”) is subject to the fulfilment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;

(b) The transmission licensee shall comply with the provisions of 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”) or any subsequent enactment thereof during the period of subsistence of the licence;

(c) The licensee may make an application, two years before the expiry of the initial licence period, for the grant of the transmission licence for another term in accordance with Regulation 9 (2) of the 2024 Transmission Licence Regulations, which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as a breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may

be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the provisions of Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide the non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2023; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time or any subsequent re-enactments thereof;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;

(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the Rules and Regulations framed thereunder, in particular the 2024 Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure the execution of the Project as per the Technical Standards and Grid Standards of CEA;

(m) The licensee shall submit all such report or information as may be required under 2024 Transmission Licence Regulations, Standard of Performance Regulations or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time;

(n) The licensee shall ensure that the EPC contract for the execution of work under the scope of the project is awarded through a competitive bidding process.

25. The Petitioner has undertaken that it shall implement the Project as per the provisions of the TSA. The Petitioner has also undertaken that the time overrun and cost overrun, if applicable, shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, the bidding documents, and the regulations of the Central Electricity Regulatory Commission.

26. It is observed that as per Article 5.1.1 of the TSA, the TSP, at its own cost and expense, shall be responsible for designing, constructing, erecting, testing and commissioning each element of the Project by scheduled COD in accordance with the various regulations of the Central Electricity Authority regarding Technical Standards and Grid Standards, Prudent Utility Practices and other applicable laws. Further, Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and

completed in a good workman-like manner using sound engineering and construction practices and using only materials and equipment that are new and of international utility-grade quality such that the useful life of the Project will be till the expiry date. Further, the design, construction, and testing of all equipment, facilities, components, and systems of the Project shall be in accordance with Indian Standards and Codes issued by the Bureau of India Standards. In this regard, the Petitioner has submitted that it would implement the Project as per the provisions of the TSA. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clause 2.5.7.3, clause 2.5.7.4 and clause 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of the bidding documents and the TSA for the commissioning of the Project within the SCOD.

27. CTUIL/its appointed Independent Engineer and the Central Electricity Authority shall monitor the execution of the Project and bring to the Commission's notice any lapse on the part of the licensee in meeting the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee and the Nodal Agency, the Act and the Transmission Licence Regulations.

28. An extract copy of this order will be sent to CTUIL, CEA, and BPC for information and necessary action.

29. Petition No. 338/TL/2024 is allowed in terms of the above.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V)
Member

sd/-
(Jishnu Barua)
Chairperson