

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 477/MP/2020

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri P.K. Singh, Member

Date of order: 26.07.2021

In the matter of

Petition under Section 79(1)(c) and (f) of the Electricity Act, 2003 for adjudication of dispute arising out of the action of Power Grid Corporation of India Limited in directing the Petitioners to submit a fresh Bank Guarantee upon grant of Stage-II Connectivity against the Letter of Award dated 17.6.2019 issued by Solar Energy Corporation of India Limited for development of 300 MW ISTS connected Wind Power Projects in the State of Karnataka instead of utilising the Bank Guarantee bearing no. 002BG01190330001 for an amount of Rs. 5,00,00,000/- already submitted by the Petitioners pursuant to the revoked Stage-II Connectivity dated 7.1.2019.

And

In the matter of

1. Renew Power Private Limited,
Commercial Block-1,
Golf Course Road Phase V,
DLF City, Zone 6, Gurugram, Haryana-122009.
2. Auxo Solar Energy Private Limited,
138, Ansal Chamber-II,
Bhikaji Cama Place,
New Delhi-110066.
3. Ostro Energy Private Limited,
Commercial Block-1,
Golf Course Road Phase V,
DLF City, Zone 6,
Gurugram, Haryana-122009.
4. Ostro Kannada Power Private Limited,
138, Ansal Chamber-II,
Bhikaji Cama Place,
New Delhi-110066.

.....Petitioners



Versus

1. Power Grid Corporation of India Limited,
Saudamini, Plot No.2,
Sector 29, Near IFFCO Chowk,
Gurgaon (Haryana) – 122001.

2. Solar Energy Corporation of India Limited,
1st Floor, D-3, A Wing, Religare Building,
District Centre, Saket,
New Delhi-110017.

.....Respondents

Parties Present: Shri Sanjay Sen, Sr. Advocate, RPPL
Ms. Mazag Andrabi, Advocate, RPPL
Ms. Shubhi Sharma, Advocate, RPPL
Ms. Mandakini Ghosh, Advocate, RPPL
Ms. Suparna Srivastava, Advocate, PGCIL
Shri Tushar Mathur, Advocate, PGCIL
Shri Ishan Nagpal, RPPL
Shri Vasav, RPPL
Ms. Jyoti Prasad, PGCIL

ORDER

The present Petition has been filed by Renew Power Private Limited (Petitioner No. 1), Auxo Solar Energy Private Limited (Petitioner No. 2), Ostro Energy Private Limited (Petitioner No. 3) and Ostro Kannada Power Private Limited (Petitioner No. 4), inter-alia, seeking direction to Power Grid Corporation of India Limited (PGCIL) (Respondent No.1) to release Bank Guarantee (BG) of ₹5 crore furnished by the Petitioner No.1 under clause 1.0(a) of the Transmission Agreement for Connectivity dated 28.1.2019, or to utilize the said BG against fresh Transmission Agreement that will be executed by the Petitioners after grant of Stage-II Connectivity against Letter of Award (LoA) dated 17.6.2019 issued by Solar Energy Corporation of India Limited (SECI) (Respondent No. 2). The Respondents 2,



3 and 4 are the wholly subsidiaries of Petitioner No.1. The Petitioners have made the following prayers:

“i. Direct the Respondent to release Bank Guarantee bearing nos.002BG01190330001 for an amount of Rs. 5,00,00,000/-furnished by the Petitioner No. 1 under the Transmission Agreement dated 28.01.2019; or

ii. Direct the Respondent to utilise the Bank Guarantee bearing nos.002BG01190330001 for an amount of Rs. 5,00,00,000/-furnished by the Petitioner No. 1 under the Transmission Agreement dated 28.01.2019 against the fresh Transmission Agreement that will be executed by the Petitioner No.1 herein after grant of Stage-II Connectivity against SECI LOA;

iii. Grant such order, further relief(s) in the facts and circumstances of the case as this Ld. Commission may deem just and equitable in favour of the Petitioner.”

Submissions of the Petitioners

2. The Petitioners have made the following submissions:

a) National Thermal Power Corporation Limited (NTPC) vide Request for Selection (RfS) dated 13.3.2018 invited proposals for setting up ISTS-Connected Wind Power Projects (WPP) of aggregate capacity of 1200 MW on Build Own Operate basis. In response to RfS issued by NTPC, ReNew Wind Energy (TN) Private Limited (RWEPL), a first-tier subsidiary of Petitioner No. 1, participated in the bid process and emerged as a successful bidder. Subsequently, NTPC issued Letter of Intent dated 16.10.2018 (in short, 'NTPC Lol') and Letter of Award dated 19.10.2018 (in short, 'NTPC LoA') to RWEPL for development of 300 MW ISTS connected WPP for generation and sale of wind power ("NTPC Wind Project"). NTPC LOI and NTPC LoA gave RWEPL the option to form a SPV for execution of the NTPC Wind Project.

b) In terms of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access & Medium-Term Open Access in Inter-State Transmission & related matters), Regulation 2009 (hereinafter referred to as 'the 2009 Connectivity Regulations') and the Detailed Procedure for "Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System" dated 15.5.2018 (hereinafter referred to as 'the RE Connectivity



Procedure'), the Petitioner No. 1, vide application dated 22.6.2018 applied for grant of Stage-I Connectivity to the inter-State transmission system (ISTS) at the existing 220 kV Hiriyr sub-station and the same was granted by PGCIL vide intimation dated 13.7.2018.

c) The Petitioner No. 1 vide application dated 20.10.2018, applied for grant of Stage-II Connectivity to the ISTS at the existing Hiriyr sub-station for its NTPC Wind Project and the same was granted by PGCIL vide intimation dated 7.1.2019.

d) Pursuant to the grant of Stage-II Connectivity, Petitioner No. 1 and PGCIL executed a Transmission Agreement for Connectivity dated 28.1.2019. In terms of the provisions of the Transmission Agreement, Petitioner No. 1 submitted Connectivity BG of ₹5 crore. As per the Transmission Agreement, the Connectivity BG can be encashed by PGCIL in case of failure of the Petitioner No. 1 to complete dedicated transmission line and pooling sub-stations within 24 months from the date of intimation of bay allocation at existing or new/ under-construction ISTS sub-station or in case of non-fulfillment of conditions of paragraph 9.3 of the RE Connectivity Procedure by Petitioner No. 1.

e) NTPC executed Power Sale Agreement dated 11.3.2019 (in short, 'NTPC PSA') with Northern Power Distribution Company of Telangana Limited and Southern Power Distribution Company of Telangana Limited (collectively referred to as 'the Telangana DISCOMs') for resale of power procured from the NTPC Wind Project on back-to-back basis. NTPC PSA provided that its terms shall be enforced only when the Telangana DISCOMs are able to obtain an order of adoption of tariff within two months from the effective date from Telangana State Electricity Regulatory Commission (TSERC).

f) Pursuant to NTPC LoA, RWEPL through its wholly owned subsidiary, Auxo Solar Energy Private Limited/ Petitioner No.2, entered into a Power Purchase Agreement dated 4.4.2019 with NTPC (in short, 'NTPC PPA), wherein, NTPC agreed to purchase wind power as an intermediary procurer and to sell the quantum of



contracted capacity from the Petitioner No. 2 to the Telangana DISCOMs on back to back basis as per NTPC PSA.

g) In terms of the provisions of NTPC PPA, TSERC approval (specified in NTPC PSA) was a condition precedent for enforcement of NTPC PPA and in the event the Telangana DISCOMs failed to secure the approval of TSERC for NTPC PSA within 2 months from the effective date, NTPC PPA would stand terminated unless the parties mutually agreed to extend the same.

h) Petitioner No. 1 entered into Bay Implementation Agreement dated 9.5.2019 with PGCIL for Consultancy Services for implementation of 2 numbers of 220 kV AIS Bay at the Hiriyur sub-station. PGCIL vide letter dated 12.06.2019 permitted Petitioner No. 2 to utilize the Connectivity granted to Petitioner No. 1.

i) Southern Power Distribution Company of Telangana Limited vide letter dated 6.5.2019 informed NTPC that due to imposition of the Model Code of Conduct in the State due to forthcoming elections and the ongoing process of appointment of Chairperson and Members in TSERC, there will be delay in obtaining the approval of TSERC and, therefore, requested NTPC for an extension of time for obtaining the said approval. Telangana State Power Coordination Committee (TSPCC) vide letter dated 1.6.2019 sought further extension of 3 months for obtaining the approval of TSERC on the ground that the appointment of Chairman and Members of TSERC was under consideration by the Government of Telangana.

j) After consistently pursuing with NTPC for approval of TSERC for six (6) months from the date of signing of NTPC PPA, Petitioner No. 2, left with no other option terminated NTPC PPA vide letter dated 1.10.2019, in terms of Article 2.13 of NTPC PPA.

k) Subsequently, in response to a RfS dated 21.12.2018 issued by SECI for setting up ISTS-Connected WPPs of aggregate capacity of 1200 MW on Build Own Operate basis, Petitioner No. 3 participated in the bid and emerged as a successful bidder. Pursuant thereto, SECI issued Letter of Award dated 17.6.2019 (in short,



“SECI LoA”) to Petitioner No. 3 for development of 300 MW ISTS-connected WPP in the State of Tamil Nadu for generation and sale of wind power (“SECI Wind Project”).

l) SECI vide email dated 25.06.2019 informed Petitioner No. 3 that the 300 MW capacity from its SECI Wind Project has been mapped to Bihar State Power Holding Company Limited (BSPHCL) under Power Sale Agreement dated 13.6.2019 (SECI PSA).

m) Pursuant to SECI LoA, Petitioner No. 3 formed a SPV being Petitioner No. 4, for execution of the SECI Wind Project. Petitioner No. 4 entered into a Power Purchase Agreement dated 30.10.2019 (in short, ‘SECI PPA’) with SECI for development of the SECI Wind Project. The Effective Date of SECI PPA is 15.9.2019.

n) Petitioner No. 1 vide application dated 6.11.2019, in accordance with the 2009 Connectivity Regulations, applied for Long Term Access (LTA) for transfer of 300 MW power from Hiriyur sub-station of PGCIL in Karnataka (SR) to Eastern Region (ER) on target region basis.

o) Petitioner No. 3 vide letter dated 4.12.2019 informed PGCIL that in view of changes in land policy and other on-ground difficulties being faced by it in construction of the SECI Wind Project, Petitioner No. 3 proposed to change the location of the SECI Wind Project, in line with Clause 3.7.7 of SECI RfS dated 21.12.2018, from Tamil Nadu to Karnataka and consequently, change the Delivery Point to Hiriyur sub-station. The Petitioner No. 3 also requested SECI to allow the change in project location and Delivery Point and accordingly, incorporate the said change into SECI LoA and SECI PPA. SECI vide letter dated 10.12.2019 allowed the change in project location and Delivery Point and stated that the said revision will form part of SECI LoA.

p) PGCIL convened a meeting dated 16.1.2020 with Petitioner No. 1, SECI and NTPC to discuss the request of Petitioner No. 1 vide letter dated 13.12.2019 for utilization of Stage-II Connectivity granted to Petitioner No. 1 by Petitioner No. 4. In



the meeting, it was stated by PGCIL that as per the NTPC LoA under the 2009 Connectivity Regulations read with the RE Connectivity Procedure, there are no provisions under which eligibility conditions for grant of Stage-II Connectivity can be replaced. Thus, PGCIL declined Petitioner No. 1's request for utilization of Stage-II Connectivity granted to it by Petitioner No. 4 and recommended filing of a fresh application for Connectivity at the Hiriyr sub-station. PGCIL, however, clarified that in case a fresh application was to be submitted, there would be requirement to furnish a fresh BG under the Transmission Agreement for Connectivity to be signed.

q) Petitioner No. 1 vide letter dated 20.1.2020 informed PGCIL that it is withdrawing Stage-II Connectivity granted to it for the NTPC Wind Project against the NTPC LoA and requested PGCIL to either (i) release the Connectivity BG submitted under the Transmission Agreement for Connectivity dated 28.1.2019; or (ii) allow Petitioner No. 4 to use the same Connectivity BG for Stage-II Connectivity to be applied at the Hiriyr sub-station against SECI LoA.

r) In furtherance to the Petitioner's request, PGCIL on 23.1.2020 revoked the Stage-II Connectivity granted to Petitioner No.1 against the NTPC LoA. Thereafter, Petitioner No. 1 vide application dated 23.1.2020 applied for grant of Stage-II Connectivity to the ISTS at the existing 220 kV Hiriyr sub-station for its 300 MW SECI Wind Project.

s) The Petitioners had taken all the necessary steps towards execution of the NTPC Wind Project including but not limited to execution of NTPC PPA, the Transmission Agreement dated 28.1.2019 and Bay Implementation Agreement. Further, Petitioner No.3 had also commenced developmental work on its DTL. In the process, the Petitioners have not shied away from making significant financial investments by way of submission of BGs under the relevant agreements for a total amount of ₹65 crore.

t) Petitioner No. 1 has already submitted a fresh application for Stage-II Connectivity against SECI LoA and SECI PPA at Hiriyr sub-station at which Stage-II Connectivity had been granted earlier against NTPC LoA. It is clear that no loss



would be suffered by PGCIL by either returning the Connectivity BG to Petitioner No. 1 or utilising the said Connectivity BG against the fresh Transmission Agreement that will be executed by the Petitioner No.1 after grant of Stage-II Connectivity against SECI LoA.

Hearing dated 23.6.2020

3. The Petition was admitted on 23.6.2020. Considering the request of learned counsel, the Commission directed PGCIL not to take any coercive measure against the Petitioners in respect of the Connectivity BG already furnished till the next date of hearing. The Petitioners were directed to keep the said BG valid accordingly. The Commission also clarified that in respect of a fresh BG for the new Transmission Agreement, the Petitioners are required to comply with the 2009 Connectivity Regulations and the RE Connectivity Procedure framed thereunder and cannot be linked to the existing BG.

Reply of PGCIL

4. Respondent No.1, PGCIL in its reply, vide affidavit dated 16.7.2020, has made the following submissions:

a) The only prescribed event under the RE Connectivity Procedure entitling Respondent No.1 to encash the connectivity BG is the failure to complete the dedicated transmission line within the stipulated period of 24 months. This prescribed event is reiterated in the Transmission Agreement together with the event of non-fulfilment of the conditions to be met by Stage-II connectivity grantee in terms of paragraph 9.3 of the RE Connectivity Procedure regarding achieving of prescribed milestones. Importantly, there is no provision in the RE Connectivity Procedure or under the Transmission Agreement for return of the BG or for its substitution against another LoA. As per provision under Clause 11.2 of the RE Connectivity Procedure, the Connectivity BG is liable to be adjusted in the PoC pool.

b) The Commission in its order dated 13.1.2020 in Petition No. 56/MP/2019, Petition No. 57/MP/2019 and Petition No. 58/MP/2019 has directed for encashment



of connectivity BG when a renewable energy project is abandoned prior to the period of 24 months from the date of intimation of bay allocation. In the absence of specific provisions under the RE Connectivity Procedure, this Commission has issued directions with regard to treatment of connectivity BG when a renewable energy generating station is exiting from or abandoning its project. However, the aforesaid order of this Commission is under challenge before the Appellate Tribunal for Electricity.

c) In the present case, although the Petitioner No. 1 has withdrawn its Stage-II connectivity for implementing the NTPC Wind Project, it has sought fresh connectivity at the same sub-station under the LoA issued by Respondent No.2. However, the regulatory implications vis-à-vis treatment of the connectivity BG submitted by Petitioner No.1 in such a scenario has not been prescribed in the RE Connectivity Procedure. As such, any action with respect to the BG of ₹5 crore submitted by Petitioner No.1 can be taken by Respondent No.1 as per the directions of this Commission.

d) The intention of Petitioner No.1 is to remain connected to the ISTS at the same point at which connectivity was granted to it earlier, although for a project under a different LoA. No financial loss is likely to be incurred on the part of stakeholders (beneficiaries/ DICs) in case the bay through which Stage-II connectivity was allocated earlier to Petitioner No.1 is utilized by another entity.

e) As such, the connectivity BG furnished by Petitioner No.1 may be returned, albeit subject to the orders of Commission. However, since there is a material change in the details of the generating station, as per the provisions in Regulation 8 of the 2009 Connectivity Regulations, Petitioner No.1 may sign a fresh Transmission Agreement with Respondent No.1 for the Stage-II connectivity now granted to it on 19.3.2020 and submit a fresh connectivity BG thereunder. The substitution of LoA (the eligibility criteria) with respect to the BG and the Transmission Agreement as sought by the Petitioners is to give rise to various administrative complications in



future, in view of the projects being implemented by different subsidiaries of Petitioner No.1.

Rejoinder of the Petitioners

5. The Petitioners in their rejoinder, vide affidavit dated 28.7.2020, to the reply filed by PGCIL have submitted that the Connectivity BG may be returned to the Petitioners considering that (i) the intention of Petitioner No.1 is to remain connected to the ISTS to the same point at which connectivity was granted to it earlier, although for a project under a different LoA; (ii) pro-active steps have been taken by Petitioner No.1 under the Bay Implementation Agreement signed with Respondent No.1; and (iii) there is no likelihood of any financial loss to the stakeholders (beneficiaries/ DICs) in case the bay through which the Stage-II Connectivity was allocated earlier to Petitioner No.1 is utilized by another entity under the directions of this Commission. However, PGCIL has submitted that a final decision may be taken by the Commission taking into consideration that the RE Connectivity Procedure does not envision a scenario wherein the Connectivity BG can be returned.

Hearing dated 28.5.2021

6. During the hearing dated 28.5.2021, learned counsel for the Petitioners reiterated the earlier submissions and informed that the Petitioner No. 1 has already received the intimation for grant of Stage-II connectivity at Hiriyr sub-station against its fresh application made in respect of SECI LoA.

7. In response, learned counsel for PGCIL made the following submissions:

a) Subsequent to the filing of reply by PGCIL, the Commission has approved the Revised Detailed Procedure for Grant of Connectivity to projects based on renewable energy sources to inter-State transmission system (in short, 'the Revised



Procedure') vide order dated 20.2.2021, which, inter alia, provides for the provisions to deal with the scenario as involved in the present case.

b) As per clause 5.1(2) of the Revised Procedure, any action including revocation of Stage-II connectivity or encashment of BG initiated after the issuance of the Revised Procedure shall be in accordance with the provisions thereof. As per clause 5.1(3) of the Revised Procedure, Connectivity BG submitted under the RE Connectivity Procedure shall be treated as Connectivity BG1 for ₹50 lakh and Connectivity BG2 for the balance amount. Further, as per clause 5.4(i) of the Revised Procedure, in the event of encashment of such BGs, if the associated bay(s) at the ISTS sub-station is being constructed by Stage-II grantee itself, amount corresponding to connectivity BG1 shall be forfeited and balance amount being treated as connectivity BG2 shall be refunded.

8. In response to the submissions made by PGCIL, learned counsel for the Petitioners submitted that even under the Revised Procedure, BG of ₹50 lakh will be subject to forfeiture for no fault of their own. The cancellation of NTPC PPA and consequently, Stage-II connectivity against NTPC LoA was due to delay on part of the Telangana DISCOMs to secure TSERC's approval within the stipulated time. The Petitioner also submitted that in case BG amount to the tune of ₹50 lakh (being connectivity BG1) is subject to forfeiture as per the Revised Procedure, CTU may be directed to accept such amount by way of an alternative mode of payment such as cheque or demand draft instead of encashment of BG of ₹50 lakh as furnished by the Petitioner No.1, as encashment of BG reflects adversely in its credit rating. In response, PGCIL submitted that BG encashment shall be governed by the Revised Procedure and BG amount of ₹50 lakh through demand draft or through RTGS can be accepted by CTU, if the Commission so directs. The Commission observed that in case the Petitioner deposits the requisite amount of ₹50 lakh with CTU, it need not encash the BG.



Analysis and Decision

9. The Petitioners have mainly submitted that Petitioner No.1 obtained Stage-II connectivity for 300 MW at 220 kV Hiriyr sub-station, on the basis of NTPC LoA dated 19.10.2019. It entered into Transmission Agreement for Connectivity dated 28.1.2019 with PGCIL and also furnished BG of ₹5 crore. On basis of the PPA entered into with Petitioner No. 2, NTPC entered into back-to-back Power Supply Agreement with the Telangana DISCOMs. As per the terms of NTPC PPA and NTPC PSA, Telangana DISCOMs were required to obtain approval of TSERC within two months (subject to extension by mutual agreement). However, not having received approval of TSERC even after six (6) months from the date of signing of the NTPC PPA, Petitioner No. 2 terminated NTPC PPA vide letter dated 1.10.2019.

10. The Petitioners have further submitted that subsequently, the Petitioner No.3, was issued SECI LoA dated 17.6.2019 for development of 300 MW ISTS connected wind power project. Accordingly, the Petitioner No.1 requested PGCIL to allow utilization of Stage-II connectivity granted to Petitioner No.1 by the Petitioner No.3. Petitioner No.1, withdrew its Stage-II connectivity granted against NTPC LoA, and applied for grant of Stage-II connectivity at Hiriyr sub-station against SECI LoA and requested PGCIL to either release the BG submitted under Transmission Agreement dated 28.1.2019 or allow use of same BG for fresh Stage-II connectivity applied against SECI LoA.

11. PGCIL submitted that the Commission has approved the Revised Procedure, which, inter alia, has the provisions to deal with the scenario as involved in the present case. As per clause 5.1(2) of the Revised Procedure, any action including revocation of



Stage-II connectivity or encashment of BG initiated after the issuance of the Revised Procedure shall be in accordance with the provisions thereof.

12. We have considered the submissions of the Petitioners and Respondent, PGCIL. During the hearing dated 23.6.2020, the Commission had made it clear that the BG under Transmission Agreement dated 28.1.2019 against NTPC LoA cannot be linked to connectivity applied against SECI LoA and that the Petitioners shall be required to comply with the provisions of the 2009 Connectivity Regulations and the RE Connectivity Procedure and submit requisite BG in terms of Transmission Agreement to be signed for connectivity applied against SECI LoA. Therefore, Petitioner's request to adjust the BG against the Stage-II connectivity in respect of NTPC LoA sought on SECI LoA cannot be accepted.

13. The Petitioners have sought release of BG already submitted against Transmission Agreement dated 28.1.2019. During hearing held on 28.5.2021, Petitioners had submitted that BG of ₹50 lakh will be subject to forfeiture for no fault of their own and that the cancellation of NTPC PPA and consequently, Stage-II connectivity against NTPC LoA was due to delay on the part of the Telangana DISCOMs to secure TSERC's approval within the stipulated time.

14. We note that PGCIL on Petitioner's request has already revoked its Stage-II connectivity but has not encashed the BG yet. The Commission has notified the Revised Procedure and the relevant provisions are:

"5.Provisions with regards to Connectivity and Bank Guarantee

5.1 After coming into force of this Procedure, for an entity which has been granted Stage-II Connectivity under the Pre-revised Procedure,



(1) Any action already initiated for revocation of Stage-II Connectivity or encashment of Bank Guarantee prior to the issue of this Procedure shall be completed under the Pre-revised Procedure.

(2) Any action including revocation of Stage-II Connectivity or encashment of Bank Guarantee initiated after the issue of this Procedure shall be in accordance with this Procedure.

(3) Conn-BG submitted under the Pre-revised Procedure shall be treated as ConnBG1 for Rs. 50 lakh and Conn-BG2 for the balance amount.

(4) In the event of encashment of such Conn-BG1 or Conn-BG2 as worked out in terms of sub-clause (3) of Clause 5.1 above, under Clause 10.8 of this Procedure:

(i) If the associated bay(s) at the ISTS sub-station is being constructed by Stage-II grantee itself, amount corresponding to Conn-BG1 shall be forfeited and balance amount being treated as Conn-BG2 under this Procedure shall be refunded.

(ii) If the associated bay(s) at the ISTS sub-station is being constructed by ISTS licensee, amount corresponding to Conn-BG1 and amount of Conn-BG2 in terms of Clause 10.8(a) of this Procedure shall be forfeited and any excess amount submitted as Conn-BG under the Pre-revised Procedure shall be refunded.”

15. We observe that CTU/PGCIL had not initiated action of encashment of Connectivity BG with respect to NTPC LoA as on date of issue of the Revised Procedure and, therefore, the treatment of BG shall be in accordance with the Revised Procedure. In hearing dated 28.5.2021, CTU/PGCIL has submitted that as per clause 5.1(3) of the Revised Procedure, Connectivity BG for amount of ₹5 crore submitted under the RE Connectivity Procedure shall be treated as Connectivity BG1 for ₹50 lakh and Connectivity BG2 for the balance amount of ₹4.5 crore. Further, as per clause 5.4.(i) of the Revised Procedure, in the event of encashment of such BGs, if the associated bays(s) at the ISTS sub-station is being constructed by Stage-II grantee itself, amount corresponding to Connectivity BG1 shall be forfeited and balance amount (Connectivity BG2) shall be refunded. Keeping in view submissions of CTU/PGCIL, we direct PGCIL/CTU to take action as per the provisions of the Revised Procedure within 15 days of issue of this order.



16. During hearing held on 28.5.2021, learned counsel for the Petitioners had submitted that in case BG amount to the tune of ₹50 lakh (being Connectivity BG1) is subject to forfeiture as per the Revised Procedure, in that case, CTU may be directed to accept such amount of ₹50 lakh by way of an alternative mode of payment such as cheque or demand draft instead of encashment of BG of ₹5 crore furnished by the Petitioner No. 1 to recover ₹50 lakh as Connectivity BG1. The Commission directed that in case the Petitioner No. 1 deposit the requisite amount of ₹50 lakh with CTU, it need not encash the BG of ₹5 crore and refund the same.

17. This order disposes of Petition No. 477/MP/2020 in terms of the above.

Sd/
(P. K. Singh)
Member

Sd/
(I. S. Jha)
Member

Sd/
(P.K. Pujari)
Chairperson

