

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 50/TL/2022

Coram:

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 22nd April, 2022

In the matter of

Application under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2009 with respect to transmission licence to POWERGRID Aligarh Sikar Transmission Limited (Formerly Sikar-II Aligarh Transmission Limited) a 100% wholly owned subsidiary of Power Grid Corporation of India Limited.

And

In the matter of

POWERGRID Aligarh Sikar Transmission Limited,
(Formerly Sikar-II Aligarh Transmission Limited)
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110 016

.....**Petitioner**

Vs

1. SBE Renewables Seventeen Private Limited,
1st Floor, Worldmark-2, Aerocity,
New Delhi -110037.
2. Renew Surya Aayan Private Limited,
138, Ansal Chambers-II, Bhikaji Cama Place,
New Delhi -110066.
3. Renew Surya Vihaan Private Limited,
138, Ansal Chambers-II, Bhikaji Cama, Place,
New Delhi -110066.
4. Eden Renewable Passy Private Limited,
Unit No. 236 B &C, 1st Floor, DLF South Court, Saket,
New Delhi-110017.
5. Chief Executive Officer,
PFC Consulting Limited,

(A wholly owned subsidiary of PFC Limited)
9th Floor, Wing-A, Statesman House,
Connaught Place, New Delhi – 110001.

6. Chief Operating Officer,
Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector -29,
Gurugram-122001.

.....Respondents

Parties present:

Shri M. G. Ramachandran, Sr. Advocate, PASTL
PSTL Shri Shubham Arya, Advocate, PASTL
Ms. Poorva Saigal, Advocate, PASTL
Shri Ravi Nair, Advocate, PASTL
Shri Nipun Dave, PASTL
Shri V. C. Sekhar, PASTL
Shri Burra Vamsi Rama, PASTL
Shri Prashant Kumar, PASTL
Ms. Supriya Singh, PASTL
Shri Kashish Bhambhani, CTUIL
Shri Yatin Sharma, CTUIL
Shri Swapnil Verma, CTUIL
Shri Sidharth Sharma, CTUIL
Shri Ranjeet Singh Rajput, CTUIL
Shri Bhanu Prakash Pandey, CTUIL
Shri Akshayvat Kislai, CTUIL
Shri Neeraj Singh, PFCCL
Shri Manish Agrawal, PFCCL
Shri Harish Bhakuni, PFCCL
Shri Anubhav Kansal, PFCCL
Shri Kunal Kumar, PFCCL

ORDER

The Petitioner, POWERGRID Aligarh Sikar Transmission Limited (formerly Sikar-II Aligarh Transmission Limited), has filed the present Petition for grant of transmission licence under Section 14 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, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish “Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase II

(Part D)", on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to as "the Project") consisting of the following elements:

Sr. No.	Name of the Transmission Element	Scheduled COD in months from Effective date	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	Sikar-II - Aligarh 765 kV D/c line	18 months	Elements marked at Sr.No. 1 to Sr. No. 3 are required to be commissioned simultaneously as their utilization is dependent on commissioning of each other.
2.	2 no. of 765 kV line bays at Sikar-II for Sikar-II-Aligarh(GIS) 765 kV D/c line 765 kV line bays – 2* (Sikar-II S/s)		
3.	1x330 MVAR switchable line reactor for each circuit at each end of Sikar-II-Aligarh(GIS) 765 kV D/c line 330 MVAR, 765 kV reactor- 4 (2 reactors each at Sikar-II and Aligarh) Switching equipment for 765 kV reactor - 4 (2 switching equipment each at Sikar-II and Aligarh) 110 MVAR, 765 kV, 1 ph Reactor (spare unit) at Aligarh-1		

Note:

i. * 2 nos. of 765 kV GIS line bay modules (up to SF6 to air bushing outside GIS hall) are already available at Aligarh (GIS) sub-station. TSP shall utilize the same for termination of Sikar-II-Aligarh (GIS) 765 kV D/c line at Aligarh.

ii. Developer of Sikar-II S/s to provide space for 2 no. of 765 kV bays and space for 2 no. of switchable line reactors at Sikar-II sub-station.

iii. The spare unit of 765 kV, 1x110 MVAR reactor being provided at Sikar-II PS under 'Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II-Part C' shall be utilized as common spare for 6x110 MVAR Switchable Line Reactors to be provided at Sikar-II PS each under 'Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II-Part D' and 'Transmission system strengthening for evacuation of power from solar energy

zones in Rajasthan (8.1 GW) under Phase II –Part E’.

iv. GA drawing indicating the available area at 765 kV Aligarh substation is attached. TSP shall assess the same suitably and may procure additional land, if required.

2. The Petitioner has made the following prayers:

“(a) Grant Transmission License to the Applicant; and

(b) Allow the sharing and recovery of Transmission Charges for Transmission system for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase II – (Part D) as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and other amendment thereon issued from time to time by CERC.”

Background of the case:

3. The Petitioner had filed Petition No. 139/TL/2021 for grant of transmission licence to establish “Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase II (Part D)”. The Commission in its order dated 26.8.2021 had observed that although none of the elements of the Petitioner fall in the GIB area, however, elements up-stream to this Project fall within the potential habitat of GIB and that uncertainties have cropped up regarding implementation of upstream systems to this Project in terms of the order of the Hon’ble Supreme Court dated 19.4.2021 providing for appropriate steps for laying of transmission network/lines in the priority and potential habitats of GIB. The Commission further observed that since there are issues relating to feasibility of upstream system to this Project and the same are required to be referred to the Committee by the upstream project developers to enable assessment of the matter by the Committee and arrive at a conclusion as to whether the underground power line is feasible or not. Accordingly, the Petitioner was granted liberty to approach the Commission with fresh Petition on the subject matter when the upstream system project developer has complied with the directions of the

Hon'ble Supreme Court dated 19.4.2021, which would provide sufficient clarity regarding implementation of this Project. Relevant portion of the order dated 26.8.2021 is extracted as under:

"17. As the various elements of the Projects of Fatehgarh Bhadla Transco Limited and Sikar New Transmission Limited as well as up-stream and down-stream systems to these Projects and up-stream systems to the Project of Sikar-II Aligarh Transmission Limited fall within the potential habitat of GIB, we recognise that uncertainties have cropped up regarding implementation of these Projects in terms of the order of the Hon'ble Supreme Court dated 19.4.2021 providing for appropriate steps for laying of transmission network/lines in the priority and potential habitats of GIB.

** * * * **

19. Indisputably, the Hon'ble Supreme Court in the aforesaid order has recognized that the laying of underground power line more particularly of high voltage would require technical evaluation on case-to-case basis and an omnibus conclusion cannot be reached laying down a uniform method in this regard. However, the Hon'ble Supreme Court, after noting that laying of high voltage underground power line would require expertise to assess the feasibility, has constituted a Committee comprising of members from MNRE, WII and Corbett Foundation for the specific purpose of assessing the feasibility. Since there are issues relating to feasibility, the matter is required to be referred to the Committee with all relevant material and particulars. Accordingly, the Committee shall assess the matter and arrive at a conclusion as to whether the underground power line is feasible or not.

20. The Petitioners have argued that though the concerned elements of the Projects fall within the potential habitat of GIB, they being at 765 kV voltage level, it is not feasible to lay underground power line. the Petitioners during the hearing stated that they have not yet approached the Committee constituted by the Hon'ble Supreme Court for assessment of feasibility of the Projects falling within the potential habitat area of GIB since the matter was under consideration of the study team constituted by the Ministry of Power. We observe that the study team constituted by the Ministry of Power, has recommended to file IA before the Hon'ble Supreme Court, inter alia, requesting to allow installation of renewable energy projects and laying of future transmission lines in potential habitat of GIB with installation of bird diverters. However, as submitted by the CTU during the hearing on 18.8.2021, the IA to the above effect is yet to be filed before the Hon'ble Supreme Court. Hence, we are clearly of the view that even if the Commission decides to grant transmission licences to the Petitioners, the implementation of the Projects would still remain surrounded in uncertainty till the time the directions of the Hon'ble Supreme Court are complied with.

21. In addition, we also note that the implementation of the Projects, in absence of ratification of their feasibility by the Committee constituted by the

Hon'ble Supreme Court, may face uncertainties relating to route of lines, laying lines over-head or underground and mitigating measures such as installations of bird-diverters, resulting in potential cost overruns and time overruns. During the course of hearing, the representatives of the Petitioners and the CTU made submissions to the effect that the requirement of rerouting of elements falling within the potential area is very unlikely and relied upon the change in law clause under the Transmission Service Agreements (in connection with costs to be incurred towards implementation of directions of the Hon'ble Supreme Court's order) for addressing the issue of time overruns and cost overruns, if any. In our view, there is no force in the submissions of the Petitioners and CTU as, when the Petitioners are aware of the measures required to be undertaken in terms of order of the Hon'ble Supreme Court (i.e. ratification of the feasibility report of the Projects by the Committee constituted by the Hon'ble Supreme Court) and the Petitioners have not undertaken such measures as yet, it would be completely inappropriate to create potential liabilities and pass on such liabilities to the beneficiaries and consumers under change in law.

22. *During the course of hearing, the representative of the Petitioners pointed out that as per the provisions of the Transmission Service Agreement, they are required to implement the Projects within the timeline stipulated therein to evacuate power from the renewable energy projects. Neither the Petitioners nor the CTU has furnished the exact locations of such renewable energy projects. However, these renewable energy projects are required to lay dedicated transmission lines from their respective projects for connection to the ISTS, which are the Projects of Fatehgarh Bhadla Transco Limited and Sikar New Transmission Limited, the subject matter of present Petitions. As Projects of Fatehgarh Bhadla Transco Limited and Sikar New Transmission Limited fall within the potential habitat of GIB, the dedicated transmission lines for connection to these ISTS will also be subject to similar measures as prescribed by the Hon'ble Supreme Court in its order dated 19.4.2021 for priority and potential habitat of GIB. In such circumstances, we are of the view that timeline for implementation of the Projects of Fatehgarh Bhadla Transco Limited and Sikar New Transmission Limited cannot be considered in isolation ignoring the various renewable energy projects from which power is being proposed to be evacuated and which are also subject to the order dated 19.4.2021 of the Hon'ble Supreme Court.*

23. *In light of the above discussion, we are of the considered view that it would not be appropriate for the Commission to allow the present Petitions for grant of transmission licences and adoption of transmission tariff in respect of the Projects ignoring the order of the Hon'ble Supreme Court dated 19.4.2021 providing for appropriate steps for laying of transmission network/lines in the priority and potential habitats of GIB and when the Petitioners are yet to take required actions in terms of the said order of Hon'ble Supreme Court.*

24. *At the same time, no purpose will be served to keep these Petitions pending till compliance of the order of the Hon'ble Supreme Court. Accordingly, the Petitions are disposed of with liberty to the Petitioners to approach the Commission with fresh Petitions on the subject matters when the Petitioners have complied with the directions of the Hon'ble Supreme Court dated 19.4.2021, which would provide sufficient clarity regarding implementation of the Project. The filing fees deposited by the Petitioners in respect of these*

Petitions shall be adjusted against the Petitions to be filed by the Petitioners in future in terms of the liberty granted as above.”

4. In compliance to above, on 13.1.2022, the Petitioner approached the Committee constituted by the Hon'ble Supreme Court through application dated 10.9.2021. The Committee nominated by the Hon'ble Supreme Court vide its letter dated 13.1.2022 has allowed the upstream project developer for laying of overhead lines from Bhadla-II PS-Sikar-II 765 kV D/c subject to condition of installing bird diverters. The relevant portion of letter of the Committee dated 13.1.2022, is extracted as under:

“The Committee discussed the application with the applicant on 22.9.2021 and raised certain queries which were addressed by the applicant vide email dated 24.9.2021 and 21.10.2021. The Central Electricity Authority (CEA) submitted its technical report on the application and queries raised by the Committee vide email dated 16.11.2021. The Committee had examined these documents in detail and had assessed the proposed line from electrical/ engineering as well as ecological/ conservation viewpoints in meetings held on 14.10.2021 and 13.12.2021.

The applicant, as well as CEA have confirmed that there is no manufacturer of 765 kV AC cable in the world, and therefore, it is not technologically possible to underground this transmission line. The line is more than 45 km far from the 'Priority and Additional Important Area"; hence the risk posed by the proposed line to the GIB population is relatively low.

Considering the above reasons, the committee recommends that overhead laying of this transmission line may be allowed with the condition of installing Bird Diverters, which: a) meet quality and standards of CEA's 'Technical Specifications for Bird Flight Diverter, b) are installed following the method in Wildlife Institute of India's 'Powerline mitigation to conserve bustards' and CA's 'Technical Specifications for Bird Flight Diverters', i.e., diverters on all cables with one unit at every 5 m interval of the powerline, c) are maintained through the life of the Project by the applicant.”

Hearing dated 24.3.2022

5. The matter was called out for virtual hearing on 24.3.2022 after notice to the Respondents. None was present on behalf of the Respondents 1 to Respondent

7/LTTCs. During the course of hearing, learned senior counsel for the Petitioner submitted that for the upstream Project, the Committee constituted in terms of order of the Hon`ble Supreme court, vide its letter dated 13.1.2022, has recommended the overhead laying the transmission line with condition of installing bird diverters. Pursuant to the above, CTUIL vide its letter dated 11.3.2022 has recommended for grant of transmission licence to the Petitioner for executing the transmission systems under Section 15(4) of the Act. In the said letter, CTUIL has noted that the implementation of these Projects/Transmission Systems shall facilitate the transfer of power from renewable energy generation proposed to be connected at Bhadla-II PS as well as Fatehgarh II PS and that Bhadla-II-Sikar-II-Aligarh 765 kV corridor will act as a major gateway for transfer of power outside of the State of Rajasthan to various beneficiaries. Learned senior counsel further submitted that the Petitioner envisages completion of the Project within a period of 15 months after grant of transmission licence and adoption of tariff. Therefore, the Petitioner may be permitted to approach the Commission for seeking appropriate remedies with regard to impact of Change in Law and Force Majeure events after implementation of transmission system.

6. Vide Record of Proceedings for the hearing dated 24.3.2022, the Petitioner was directed to place on record the copy of letter dated 10.9.2021 seeking permission from Committee constituted in terms of order of Hon`ble Supreme Court. CTUIL was directed to file the following information:

- (a) Status of generation projects including Stage-II Connectivity and LTA grant under Phase-I Transmission System and status of transmission system under Phase-I;
- (b) Status of generation projects including Stage-II Connectivity and LTA grant under Phase-II transmission system and status of transmission system under Phase-II;

(c) Status of Fatehgarh-II PS-Bhadla-II PS 765 kV D/c line (2nd) and clarify if Hon`ble Supreme Court Committee has been approached for Fatehgarh-II to Bhadla transmission line and status thereof; and

(d) Expected commissioning shown for generation projects under Phase-II is from March 2022 onwards. Whether the evacuation system is available for such projects or they may be stranded.

7. The Petitioner has placed on record the copy of the letter dated 10.9.2021 seeking permission from Committee constituted in terms of order of Hon'ble Supreme Court. CTUIL vide its affidavit dated 7.4.2022 has submitted the information as under:

(i) With regard to (a), CTUIL has submitted that transmission System for Solar Energy Zones in Rajasthan (8.9 GW) under Phase-I is being implemented for evacuation of power from various envisaged RE Potential Zones. About 12GW Stage-II Connectivity and about 8.9 GW LTA has been granted under "Phase-I Transmission System". Details of RE potential envisaged as well as Stage-II & LTA grant is as under:

Sr. No.	Pooling Station	RE Potential (GW)	Stage-II Connectivity (GW)	LTA (GW)	Commissioning Status (GW)
1	Bhadla	1.05	1.25	1.2	1.0
2	Bhadla-II	2.5	2.925	1.175	-
3	Fatehgarh	1.2	1.2	1.2	-
4	Fatehgarh-II	2.3	2.99	2.94	1.7
5	Bikaner	1.85	3.75	2.1	1.6
	Total	8.9	12.115	8.615*	4.3

*In addition, 200 MW Phase-II LTA granted at Fatehgarh-III PS shall also utilize Phase-I Transmission System.

Further, as per information provided by RE developers, 2.2 GW generation is expected by mid of this year. Balance 2.3 GW generation is delayed and is expected by next year.

All the elements of Phase-I transmission system have been commissioned except following elements:

- 1x1500MVA, 765/400kV ICT (4th) at Fatehgarh-II PS
- 1x1500MVA, 765/400kV ICT (3rd) at Bhadla-II PS
- 4x500MVA, 400/220kV ICTs at Bhadla-II PS

Above elements are expected to be progressively commissioned from April, 2022.

(ii) With regard to (b), CTUIL has submitted that transmission system for solar energy zones in Rajasthan (8.1GW) under Phase-II is being implemented for evacuation of power from various envisaged RE potential zones. About 11.4GW Stage-II Connectivity and about 7.4GW LTA has been granted/received under Phase-II transmission system. Details of envisaged RE potential as well as Stage-II & LTA grant is as under:

Sr. No.	Pooling Station	RE Potential (GW)	Stage-II Connectivity (GW)	LTA (GW)	Commissioning Status (GW)
1	Bhadla-II	1.05	1.52	2.87	0.05
2	Fatehgarh-II	2.3	2.47	1.87	-
3	Fatehgarh-III	1.9	2.28	1.98	-
4	Bikaner-II	2.95	5.175	-	-
5	Bikaner	-	-	0.875	0.15
	Total	8.1	11.442	7.395	0.2

(iii) According to CTUIL, Phase-II transmission system is in various stages of implementation. Part-F (Bikaner-II PS & its onwards system) of the above system is scheduled to be commissioned by December 2022 and rest of the system is delayed due to GIB issue.

(iv) Regarding status of 765 kV Fatehgarh-II - Bhadla-II PS 765 kV D/c line (2nd), CTUIL has submitted that PGCIL has informed that the Committee constituted by the Hon`ble Supreme Court has been approached vide letter dated 10.9.2021 which is under consideration with the Committee.

(v) With regard to (d) above, CTUIL has submitted that about 200 MW generation (Bhadla-II PS: 50 MW; Bikaner-150 MW) has been commissioned under Phase-II. Further, as per information provided by RE developers in 21st NR JCC meeting held on 25.3.2022, additional 2.24 GW RE generation is expected on Bhadla-II PS (2 GW) & Fatehgarh-II PS (0.24 GW) by Jun, 2022. Regarding evacuation of power from Phase-II generation projects, the CTUIL submitted that above generation projects being commissioned under Phase-II

may be evacuated under short term through margin available in Phase-I system as a number of generation projects envisaged under Phase-I got delayed.

8. The Petitioner has submitted that it has complied with the direction of the Hon`ble Supreme Court. Therefore, we proceed to consider the prayer of the Petitioner as regards grant of transmission licence to establish Transmission System for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II (Part D) pursuant to competitive bid process carried out in terms of Guidelines issued by Ministry of Power, Government of India.

9. 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 Ministry of Power, Government of India, under Section 63 of the Act, PFC Consulting Limited (PFCCL) was notified by Ministry of Power, Government of India vide Gazette Notification dated 27.1.2020 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish ‘Transmission System for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase II (Part D)’, through tariff based competitive bidding process on BOOM basis.

10. PFCCL in its capacity as the BPC initiated single stage two envelope bid process by issuing the Request for Proposal (RfP) on 6.3.2020 and completed the same on 8.6.2021 in accordance with the Guidelines. Power Grid Corporation of India Limited (PGCIL) was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 997.01 million per annum in order to

establish the Project and to provide transmission service to initial identified Long Term Transmission Customers (LTTCs) of the Project as specified in the TSA:

S.No.	Name of the Long Term Transmission Customers
1.	SBE Renewables Seventeen Private Limited
2.	Renew Surya Aayan Private Limited
3.	Renew Surya Vihaan Private Limited
4.	Eden Renewable Passy Private Limited

11. It has been stated by the Petitioner that PFCCL vide mail dated 26.5.2021 informed that a new LTTC, namely, Eden Renewable Passy Private Limited is added as LTTC. Further, PFCCL clarified that Eden Renewable Passy Private Limited shall be a LTTC in place of Madhya Pradesh as per the Minutes of meeting dated 5.4.2021 held by the Committee formed to examine the matter of signing the TSA. A copy of Supplementary Agreement dated 7.6.2021 executed between Sikar-II Aligarh Transmission Limited and Eden Renewable Passy Private Limited was furnished by PFCCL.

12. As regards the bid process, five bidders, namely, (i) Adani Transmission Limited, (ii) Power Grid Corporation of India Limited, (iii) ReNew Transmission Ventures Private Limited, (iv) Sterlite Grid 21 Limited, and (v) DBL Transmission Private Limited submitted their offers at Single Stage RfP (Technical) bids. The RfP (Technical) bids of the five bidders were opened online on 28.12.2020 at MSTC (Metal Scrap Trade Corporation Ltd.) portal. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of all the five bidders were opened on 2.2.2021. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 997.01 million per annum. Out of five, four bidders based on their initial offer were qualified to participate in the e-reverse auction stage. The e-reverse auction was carried out at MSTC portal on 3.2.2021. However, no bids were received during e-reverse auction stage and as per clause 3.6.1 of the

RfP, if no bid is received during e-reverse bidding stage, the bidder with the lowest quoted initial levelised transmission charges ('Initial Offer') during e-bidding stage shall be declared as successful bidder. As per the initial offer, the ranking of the bidders was as under:

Sr. No.	Name of Bidder	Levelised Transmission Charges (Indian Rs. Million per annum)	Rank
1	Power Grid Corporation of India Limited	997.01	L1
2	ReNew Transmission Ventures Private Limited	1270.10	L2
3	Adani Transmission Limited	1510.00	L3
4	Sterlite Grid 21 Limited	1767.92	L4

13. Accordingly, as per the final report of Bid Evaluation Committee dated 4.2.2021, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest levelised transmission charges of Rs. 997.01million per annum. BEC vide its certificate dated 4.2.2021 has certified that entire bid process has been carried out in accordance with the Guidelines. BEC has further certified that the levelised transmission charges have been discovered through a transparent bidding process involving e-reverse auction and is acceptable.

14. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to Power Grid Corporation of India Limited by the BPC on 16.2.2021 which was accepted by it. Under the terms of RfP and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

- a. Provide Contract Performance Guarantee in favour of LTTCs;
- b. Execute Share Purchase Agreement and all other RfP documents;
- c. Acquire, for the Acquisition Price, 100% share equity share holding of Sikar-II Aligarh Transmission Limited from BPC along with all its related assets and liabilities;

- d. Make an application to this Commission for adoption of transmission charges, as required under Section 63 of the Act; and
- e. Apply to this Commission for grant of transmission licence.

15. The Petitioner has furnished the Contract Performance Guarantee (CPG) for an aggregate value of Rs. 173.3 million on 8.6.2021 and has acquired hundred percent equity holding in Sikar-II Aligarh Transmission Limited on 8.6.2021. Accordingly, the Transmission Service Agreement executed between the TSP and the LTTCs dated 2.11.2020 became effective from 8.6.2021.

16. 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 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”

17. 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 of the Transmission Licence Regulations provides that in case of projects identified for development under the Guidelines for competitive bidding, selection of the project developer shall be made in accordance with the procedure laid down in the Guidelines. The Project under consideration has been identified for development under competitive bidding by competent authority in the Ministry of Power/ CEA. Central Electricity Authority, vide its letter No. CEA-PS-11- 21(25)/1/2018-PSPA-I Division-Part (2) dated 5.11.2020 had issued prior approval to the Project under Section 68 of the Act. Selection of the Project developer, Aligarh Sikar Transmission Limited, has certified to have been made in accordance with the Guidelines.

18. Regulation 7 of the Transmission Licence Regulations read with the order dated 22.1.2022 passed in Petition No.1/SM/2022 [whereby the Commission, in the exercise of 'Power to Relax' under Regulation 24 of the Transmission Licence Regulations, modified/amended Clauses (4), (7), (9) and (12) and dispensed with Clause (10) of Regulation 7] provide for the procedure for grant of transmission licence as under:

“(1) The application for grant of licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fees as may be prescribed by the Central Government from time to time.

(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.

(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.

(4) Before making an application, the applicant shall submit the original application in electronic form along with annexures and enclosures on the e-filing portal of the Commission so that the same is served electronically on all the long-term customers of the project registered on the e-filing portal of the

Commission. Also, a copy of the same be served through e-mail on the long-term customers of the project not registered on the e-filing portal of the Commission. Further, the applicant shall also post the complete application along with annexures and enclosures in English and in the vernacular language, on its website.

(5) The application shall be kept on the website till such time the licence is issued or the application is rejected by the Commission.

(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.

(7) The applicant shall, within 7 days after filing the application, post the application on the e-filing portal of the Commission and on its website in Form-II attached to these regulations in English language and in Vernacular language of the State or Union Territory where an element of the project or a long-term customer is situated, inviting comments from the general public

(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.

(9) In the notice published on the e-filing portal of the Commission and on the applicant's website under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice

(10).....

(11) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:

Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant:

Provided further that these recommendations of the Central Transmission Utility shall not be binding on the Commission.

(12) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the notice posted on the e-filing portal of the Commission and on the applicant's website by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notice posted on the e-filing portal of the Commission and on the applicant's website, with an advance copy to the Central Transmission Utility or the person who has filed the suggestions and

objections on the proposal made in the application, as the case may be.

(13) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant transmission licence or for reasons to be recorded in writing, reject the application.”

19. The Petitioner has approached the Commission by a separate application for adoption of transmission charges in respect of the Project which is presently under consideration of the Commission and order in that Petition will be issued separately. The Petitioner has filed the present Petition for grant of transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of web posting of the complete application. On perusal of the Application, it is also noted that the Petitioner has served copy of the Application on the LTTCs for the Project as per Regulation 7(4) of the Transmission Licence Regulations. The Petitioner has served a copy of the Application on the Central Transmission Utility (CTU) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. The Petitioner has prayed for grant of transmission licence with respect to the Transmission System as per details given in paragraph 1 above.

20. The Petitioner has made the Application as per Form-I and the application fee has been adjusted as per order dated 26.8.2021. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 997.01 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee and proof of making the final results of evaluation of all bids public by the BPC as per the Guidelines.

21. The Petitioner has posed its application on its website in Form-II in English language and Hindi language. However, no comments/objections have been received from general public.

22. CTU vide its letter dated 11.3.2022, has recommended for grant of transmission licence to the Petitioner. Relevant portion of the recommendation letter dated 11.3.2022 is extracted as under:

“1. Govt. of India has set a target for establishment of 175 GW renewable capacity by 2022, which also include 8.1 GW potential solar energy (SEZs) under Phase-II (Ramgarh/Kuchheri (1.9GW), Bikaner (2.95 GW), Bhadla (1.05 GW) & Fatehgarh (2.2GW).

2. For evacuation of power from above zones, Transmission System Strengthening scheme for potential SEZs under Phase-II was agreed 5th meeting of Northern Region Standing Committee on Transmission (NRSCT) held on 13.09.2019. Extract of the minutes of 5th NRSCT meeting are enclosed at Annexure-II. The subject transmission scheme was also agreed as part of above-mentioned transmission scheme. The detailed scope of the subject scheme is attached at Annexure-III.”

3. Subsequently transmission scheme was agreed in the 6th meeting of National Committee of Transmission (NCT) 30.09.2019. Extract of minutes of meeting are attached as Annexure-IV.

4. Transmission scheme was also agreed in the 46th NRPC meeting held on 24/09/2019. Extract of the 46th NRPC minutes are enclosed at Annexure-V. Hon’ble commission has also granted Regulatory Approval for the same vide order dated 12.05.2020 in Petition no. 269/MP/2019.

5. Ministry of power Govt. of India vide gazette notification dated 27/01/2020 has identified M/s PFC Consulting Ltd. as Bid Processing Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the above referred project through TBCB route. Bid Evaluation committee appointed by the BPC has selected Power Grid Corporation of India Ltd. as successful bidder. Power Grid Corporation of India Ltd. has subsequently acquired M/s Sikar-II Aligarh Transmission Ltd. (SATL) after execution of the requisite share purchase Agreement (SPA) on 08/06/2021.

6. As part of present scheme, Sikar-II- Aligarh 765kV D/c line is to be implemented. Sikar-II shall also be connected to Bhadla-II PS through 765kV D/c line which is covered in separate license application 48/TL/2022. Implementation of this line shall facilitate transfer of power from RE generation proposed to be connected at Bhadla-II PS (LTA-2.37 GW) as well as Fatehgarh-II/Fatehgarh-III PS. 765kV Bhadla-II -Sikar-II-Aligarh 765kV corridor shall also

act as major gateway for transfer of power outside of Rajasthan to various beneficiaries. Further, this line is not passing through GIB area.

Keeping above in view and based on details furnished by M/s PASTL, CTU, in line with section 15(4) of the Electricity Act, 2003, recommends grant of transmission license to M/s PASTL for executing the subject transmission scheme.”

23. We have considered the submissions of the Petitioner and CTU. The selected bidder furnished the Contract Performance Guarantee to the Long-Term Transmission Customers of the Project for an amount of Rs. 173.3 million (Rs. 17.33 crore) on 8.6.2021 and has acquired hundred percent equity holding in the applicant company on 8.6.2021 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the fresh application for grant of transmission licence through e-portal on 7.2.2022.

24. Considering the material on record, we are *prima-facie* of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the Transmission System as described in paragraph 1 of this order. We, therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 4.5.2022.

25. The Petitioner shall comply to the recommendations made by the Committee constituted vide by Hon`ble Supreme Court, vide its letter dated 13.1.2022 in letter and spirit.

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, completing 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 Bureau of India Standards. Accordingly, the Petitioner is directed to submit the information by 25.4.2022 with regard to quality control mechanism available or to be put in place by to ensure the compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

27. The Petitioner has submitted that its name has been changed in terms of Rule 29 of the Companies (Incorporation) Rules, 2014 from 'Sikar-II Aligarh Transmission Limited' to 'POWERGRID Aligarh Sikar Transmission Limited' from 13.09.2021. The Petitioner has placed on record the 'Certificate of incorporation pursuant to Change of Name' dated 13th Sept.' 2021 issued and certified by the Registrar of Companies, Delhi. The same is accordingly allowed.

28. During the course of hearing, learned senior counsel for the Petitioner submitted that as per the TSA, the Project is required to be completed within 18 months from the effective date i.e. 8.6.2021. Although none of the elements of the

Petitioner are falling within the GIB area, however, the Project was put on hold since the upstream system for the project are falling in the GIB area pursuant to the direction of the Hon`ble Supreme Court dated 19.4.2021. Learned senior counsel for the Petitioner further submitted that as significant time has been lapsed for compliance of direction of Hon`ble Supreme Court, the Petitioner may be allowed 15 months' time to complete the Project from the grant of transmission licence. In our view, the submission of the learned senior counsel for extension of time for implementation of the Project is premature at this stage. The Petitioner is granted liberty to approach the Commission for appropriate relief in accordance with law after completion of the transmission Project.

29. The Petition shall be listed for hearing in due course for which separate notice will be issued.

Sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member