

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 102/TL/2022**

**Coram:**

**Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member**

**Date of order: 13<sup>th</sup> May, 2022**

**In the matter of**

Application under Section 14, Section 15, Section 79(1)(e) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to Grant of Transmission License to Karur Transmission Limited.

**And**

**In the matter of**

Karur Transmission Limited,  
C 105, Anand Niketan,  
New Delhi-110021

**..... Petitioner**

Versus

1. JSW Renew Energy Limited  
JSW Centre,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051
2. PFC Consulting Limited,  
First Floor, Urja Nidhi,1, Barakhamba Lane,  
Connaught Place, New Delhi-110 001
3. Chief Executive Officer, CTUIL Planning,  
Power Grid Corporation of India Limited,  
Saudamini, Plot No.2, Sector-29,  
Gurgaon-122 001

**.....Respondents**

**Parties present:**

Shri Bhavesh Kundalia, KTL  
Shri Afaq Pothiawala, KTL  
Shri Naresh Desai, KTL  
Shri Siddharth Sharma, CTUIL

Shri Ranjeet Singh Rajput, CTUIL  
 Shri Anil Kr. Meena, CTUIL  
 Shri Sanjay Nail, PFCCL  
 Shri Manish Agrawal, PFCCL  
 Ms. Nirmala Meena, PFCCL  
 Shri Kunal Kumar, PFCCL

**ORDER**

The Petitioner, Karur Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14, Section 15 and Section 79(1)(e) 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 Scheme for evacuation of power from RE sources in Karur/Tiruppur Wind Energy Zone (Tamil Nadu) (1000 MW) under Phase-I” (hereinafter referred to as “Transmission System” or “Project”) on Build, Own, Operate and Maintain (BOOM) basis comprising of the following elements:

	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>
1.	Establishment of 2x500 MVA, 400/230 kV Karur Pooling Station (at a location in between Karur Wind zone and Tiruppur wind zone)  4 Nos. of 230 kV line bays for interconnection of wind projects <ul style="list-style-type: none"> <li>• 2x500MVA, 400/230 kV ICTs</li> <li>• 400kV ICT bay – 2 nos.</li> <li>• 230kV ICT bay – 2 nos.</li> <li>• 400kV line bay – 4 nos.</li> <li>• 400kV reactor bay – 2 nos.</li> <li>• 230kV line bays – 4 nos.</li> <li>• 230kV Bus coupler bay- 1 no.*</li> <li>• 230kV Transfer Bus Coupler (TBC) bay - 1 no.*</li> </ul> Space provision for Phase-II:	Matching with schedule of RE developers or 18 months from the date of transfer of SPV whichever is later

	<b>Name of the Transmission Element</b>	<b>Scheduled COD in months from Effective Date</b>
	i. 400/230kV ICTs along with bays: 3 nos. ii. 230kV line bays: 5 nos. iii. 230 kV Bus Sectionaliser bays: 2 nos.  Future provisions (Additional Space for): i. 400/230kV ICTs along with bays: 3 nos. ii. 400kV line bays: 6 nos. iii. 230kV line bays: 7 nos.	
2.	LILO of both circuits of Pugalur – Pugalur (HVDC) 400 kV D/c line (with Quad Moose ACSR Conductor) at Karur PS	
3.	2x125 MVAR, 400 kV Bus reactors at Karur PS	

Note:

\* To fulfil the requirement of bus switching scheme.

2. The Petitioner has made the following prayers:

“(a) Issue the Transmission Licence to the Petitioner for establishing, operating and maintaining the Transmission System as provided for in the Transmission Service Agreement;

(b) Allow the “Transmission scheme for evacuation of power from RE sources in Karur/tiruppur Wind Energy Zone (Tamil Nadu) (1000 MW) under Phase-I to be part of PoC Pool as per CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020;

(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”

### **Hearing dated 28.4.2022**

3. The matter was called out for virtual hearing on 28.4.2022 after notice to the Respondent. None was present on behalf of the LTTC. The representative of the Petitioner submitted that pursuant to the bid process conducted by Bid Process Coordinator, namely, PFC Consulting Limited, Adani Transmission Limited was declared as the successful bidder and was issued Letter of Intent on 22.12.2021. He further added that the Bid Evaluation Committee has certified that the entire bid process has been carried out in accordance with the Guidelines issued by the

Ministry of Power, Government of India under Section 63 of the Act. He further added that the Petitioner has complied with all the requirements and requested to grant of transmission licence. Vide Record of Proceedings for the hearing dated 28.4.2022, the Respondents were directed to file their reply. No reply has been filed by the Respondents.

4. 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 (hereinafter referred to as “PFCCL”) was notified as the Bid Process Coordinator (hereinafter referred to as “BPC”) by Ministry of Power, Government of India vide Notification dated 10.10.20219 for the purpose of selection of bidder as Transmission Service Provider (hereinafter referred to as “TSP”) to establish “Transmission Scheme for evacuation of power from RE sources in Karur/Tiruppur Wind Energy Zone (Tamil Nadu) (1000 MW) under Phase-I” through tariff based competitive bidding process on BOOM basis.

5. PFCCL in its capacity as the BPC initiated the bid process on 21.10.2019 and completed the same on 18.1.2022 in accordance with the Guidelines. Adani Transmission Limited (ATL) was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 183.54 million per annum in order to establish “Transmission Scheme for evacuation of power from RE sources in Karur/Tiruppur Wind Energy Zone (Tamil Nadu) (1000 MW) under Phase-I” and to

provide transmission service to the identified Long-Term Transmission Customer (LTTC) of the Project, namely, JSW Renew Energy Limited, as specified in the TSA.

6. At the stage of RfQ, seven bidders, namely, Renew Transmission Ventures Private Limited, Sterlite Grid 6 Limited, Power Grid Corporation of India Limited, Kalpataru Power Transmission Limited & Techno Electric and Engineering Company Limited-Consortium, L & T Infrastructure Development Projects Limited, Torrent Power Limited and Adani Transmission Limited submitted their offers. The RfQ bids of the seven bidders were opened in the presence of representatives of the bidders on 17.1.2020 and all seven bidders qualified at RfQ stage.

7. At the stage of RfP, three bidders, namely, Power Grid Corporation of India Limited, Adani Transmission Limited and Sterlite Grid 6 Limited submitted their offers. The RfP (Non-Financial) bids of the three bidders were opened in the presence of representatives of the bidders on 22.11.2021 and all three bidders qualified at RfP stage. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offer of the three bidders were opened on 8.12.2021. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs. 204.82 million per annum. Based on the recommendation of BEC, three bidders, namely, Power Grid Corporation of India Limited, Sterlite Grid 6 Limited and Adani Transmission Limited were qualified to participate in the e-reverse auction stage. The e-reverse auction was carried out at MSTC portal on 9.12.2021 and the following levelised transmission tariff for each bidder (in ascending order) emerged:

<b>Sr. No.</b>	<b>Name of Bidder</b>	<b>Levelised Transmission Charges from the Final Offer (Rs.in Million)</b>	<b>Rank</b>
1	Adani Transmission Limited	183.54	L-1
2	Sterlite Grid 6 Limited	184.01	L-2
3	Power Grid Corporation of India Limited	187.79	L-3

8. As per the Bid Evaluation Report dated 16.12.2021, Adani Transmission Limited (ATL) emerged as the successful bidder with the lowest levelised transmission charges of Rs. 183.54 million per annum. BEC vide its certificate dated 16.12.2021 has certified that 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 levelised tariff computed on the basis of rates quoted by the successful bidder during e-reverse auction is lower than the levelised tariff calculated based on CERC norms. Therefore, the levelised tariff discovered through e-reverse auction is acceptable.

9. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to Adani Transmission Limited by the BPC on 22.12.2021 which was accepted by ATL. Under the terms of Request for Proposal (RfP) and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

(a) Provide Contract Performance Guarantee in favour of Long Term Transmission Customers (LTTCS);

(b) Execute Share Purchase Agreement and all other RfP documents;

(c) Acquire, for the Acquisition Price, 100% share equity share holding of Karur Transmission Limited from PFCCL 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;

10. The Petitioner has furnished the Contract Performance Guarantee (CPG) for an aggregate value of Rs. 7.13 crore on 10.1.2022 and has acquired hundred percent equity holding in Transmission Limited on 18.1.2022. Accordingly, the Transmission Service Agreement (TSA) dated 2.11.2021 executed between the TSP and the LTTC became effective from 18.1.2022.

11. 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 object 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, wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time".

12. 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. The Central Commission has specified Transmission Licence Regulations in this regard. Regulation 3 of the Transmission Licence Regulations provides that the Empowered Committee shall identify the Projects included in the transmission plan to be developed under the Guidelines issued under Section 63 of the Act. Regulation 4 of Transmission Licence Regulations provides that in case of projects identified by the Empowered Committee 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 by the Empowered Committee. Central Electricity Authority, vide its letter No. CEA-PS-11-21/1/2-21-psps-I Division/278-279 dated 17.11.2021 had issued prior approval to the Project under Section 68 of the Act. The selection of the project developer, Karur Transmission Limited, has been made in accordance with the Guidelines for competitive bidding.

13. 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.”

14. The Petitioner has approached the Commission by a separate application for adoption of transmission charges in respect of the Transmission System which is presently under consideration of the Commission and order in that Petition will be issued separately. The Petitioner has filed the present Application for grant of transmission licence in accordance with the Transmission Licence Regulations. The Petitioner has submitted proof of service of the copies of the application on the LTTC and Central Transmission Utility and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of Transmission Licence in terms of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The Petitioner has prayed for grant of transmission licence to Karur Transmission Limited with respect to the Transmission System as per details given in para 1 above.

15. The Petitioner has made the Application as per Form-I and has paid fee of Rs. one lakh prescribed by the Central Government. On perusal of the Application, it is noted that the Petitioner has served copy of the Application on the LTTC for the Project. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 183.54 million per annum. The Petitioner has also enclosed copies of the recommendations of the

Bid Evaluation Committee and proof of making the evaluation report public by the BPC as per the Guidelines.

16. The Petitioner vide its affidavit dated 1.4.2022 has placed on record the relevant copies of the newspapers wherein notices were published. The Petitioner has published the notices on 4.3.2022 in "The New Indian Express" (Coimbtore) and "Dinamani (Coimbtore) in the State of Tamil Nadu. No objection has been received from the general public in response to the public notices.

17. 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 7(6) of the Transmission Licence Regulations. CTU in its letter dated 28.2.2022 has recommended for grant of transmission licence to the Petitioner. Relevant portion of the said letter dated 28.2.2022 is extracted as under:

"This has reference to the letter dated 08.02.2022 vide which M/s Karur Transmission Limited has requested CTU for issuance of its recommendation for grant of Transmission License for subject transmission scheme against the application/petition already filed to CERC. In this regard, the following is submitted:

1. M/s Karur Transmission Limited has filed an application/petition under Sections 14, 15 and 79(1)(e) of the Electricity Act, 2003 and CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 for grant of transmission license to establish Transmission Scheme "Evacuation of power from Re-sources in Karur/Trippur Wind Energy Zone (Tamil Nadu (1000 MW) under Phase-I" on Build, Own, Operate and Maintain (BOOM) basis as ISTS. The detailed scope of the scheme is enclosed in Annexure-I.

2. As per section 15(3) of the Electricity Act, 2003 copy of the application for grant of transmission license, for the above transmission system has been received on 08.01.2022 for recommendation required U/S 15(4) of the Electricity Act, 2003.

3. In reference to the Transmission Scheme "Evacuation of power from Re-sources in Karur/Trippur Wind Energy Zone (Tamil Nadu (1000 MW) under Phase-I", the following is submitted:

i) The Government of India has set a target for establishing 175 GW renewable capacity by 2022, which also includes 2.5 GW RE potential in the

Karur/Tiruppur area of Tamil Nadu (1000 MW under Phase-I). The subject transmission scheme involves the establishment of Karur Pooling Station and its interconnection with the ISTS grid for evacuation of RE power from Karur/Tiruppur area of Gujarat.

ii) The transmission system was agreed in the 1<sup>st</sup> and 2<sup>nd</sup> meeting of Southern Region Standing Committee on Transmission (SRSCCT) held on 7.9.2018 and 10.6.2019 respectively. Extract of the minutes of 1<sup>st</sup> and 2<sup>nd</sup> SRSCCT meetings are enclosed at Annexure-II.

(iii) The transmission scheme was discussed in the 38<sup>th</sup> and Special meetings of Southern Regional Power Committee (SRPC) held on 23.12.2020 and 14.7.2021 respectively. Extract of the minutes of meetings are enclosed at Annexure-III.

(iv) National Committee on Transmission (NCT) in its 3<sup>rd</sup> meeting held on 1.3.2019 has recommended the implementation of the subject transmission scheme through TBCB Route. Extract of the minutes of 3<sup>rd</sup> NCT meeting are enclosed at Annexure-IV.

(v) The transmission scheme was also deliberated in the 4<sup>th</sup> meeting of Empowered Committee on Transmission held on 12.7.2019. Ministry of Power vide its letter dated No. 15/3/2018-Trans-Pt (3) dated 15.10.2019 (copy enclosed at Annexure-V) has appointed PFC Consulting Ltd. as BPC for bidding on the subject scheme through TBCB route.

(vi) The National Committee on Transmission (NCT) in its 4<sup>th</sup> meeting held on 20.01.2021 & 28.01.2021 has recommended the implementation of the subject transmission scheme in two phases. Extract of the minutes of 4<sup>th</sup> NCT meeting are enclosed at Annexure-VI.

(vii) Ministry of Power vide Gazette notification dated 19.7.2021 (copy enclosed at Annexure-VII) has notified the modified scheme (Phase-I).

(viii) The Commission has also granted Regulatory Approval for the subject transmission scheme, vide order dated 26.11.2021 in Petition No. 200/MP/2019.

4. BPC vide letter dated 19.1.2022 has intimated M/s Adani Transmission Ltd. has acquired Karur Transmission Limited on 18.01.2022 (Copy of SPV transfer intimation enclosed at Annexure-III). The commissioning schedule of the scheme is 18 months (17.7.2024) from the date of transfer of SPV.

5. In line with Section 15(4) of the Electricity Act, 2003, based on details furnished by M/s Karur Transmission Limited, CTU recommends grant of transmission license to M/s Karur Transmission Limited for executing the transmission scheme as mentioned in Para-1 above.”

18. We have considered the submissions of the Petitioner and BPC. The proviso to Clause 2.4 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".* Though Lol was issued on 22.12.2021, BPC, vide its letter dated 18.1.2022, in terms of Clauses 2.4, 2.5 and 2.6 of RfP extended the date upto 28.1.2022 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee to the Long Term Transmission Customers of the Project for an amount of Rs. 7.13 crore and has acquired hundred percent equity-holding in the applicant company on 10.1.2022 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the Application through e-filing for grant of transmission licence and adoption of tariff on 27.1.2022. 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 para 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 27.5.2022.

19. In order to ensure that the Project is implemented within the time schedule as provided in the TSA, the licensee should not approach the Commission for extension of time for execution of the Project or for increase in the transmission charges over and above what is permissible under the provisions of the TSA. Accordingly, the Petitioner is directed to file an affidavit by 27.5.2022 to the effect that the execution of the Project shall not be delayed due to time taken in obtaining statutory

clearances required under the RfP and or adjudication of any claim of the Petitioner arising under the TSA.

20. 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 27.5.2022 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.

21. 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**