

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 the 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(25)/1/2018-PSPA-i Division dated 30.9.2020 had issued prior approval to the Project under Section 68 of the Act. The selection of the project developer, Khetri-Narela Transmission Limited, has been made in accordance with the Guidelines for competitive bidding.

12. 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.”

13. 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 LTTCs and Central Transmission Utility of Indian Limited (CTUIL) 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 as amended from time to time. The Petitioner has prayed for grant of transmission licence to Khetri-Narela Transmission Limited with respect to the Project as per details given in para 1 above.

14. 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 LTTCs for the Project. The levelised tariff charges quoted by the Petitioner which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 1484.06 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.

15. The Petitioner has published the notices on the e-filing portal of the

Commission and on its website in Form-II in English language and in Hindi (Vernacular) language. No objection has been received from the general public in the notices.

16. The Petitioner has served the copy of the Application on the CTUIL as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTUIL in its letter dated 17.6.2022 has recommended for grant of transmission licence to the Petitioner. Relevant portion of the said letter dated 17.6.2022 is extracted as under:

“This is with reference to petition no. 149/TL/2022 filed by M/s KNTL before Hon’ble Commission for grant of Transmission License to facilitate implementation of Transmission system strengthening scheme for evacuation of power from Solar Energy zones in Rajasthan (8.1 GW) under Phase-II-Part-G. In this regard, following is submitted:

- 1. Govt. of India has set a target for establishment of 175 GW renewable capacity by 2022, which also includes 8.1 GW potential solar energy zones (SEZs) under Phase-II (Ramgarh/Kuchheri (1.9 GW), Bikaner (2.95 GW), Bhadla (1.05GW) & Fatehgarh (2.2GW).*
- 2. For evacuation of power from above RE zones, Transmission System Strengthening scheme for potential SEZs under Phase-II was agreed in 5th meeting of Northern Region Standing Committee on Transmission (NRSCT) held on 13.09.2019. The subject transmission scheme was also agreed as part of above-mentioned transmission scheme.*
- 3. Subsequently transmission scheme was agreed in the 6th meeting of National Committee of Transmission (NCT) 30.09.2019.*
- 4. Transmission Scheme was also agreed in the 46th NRPC meeting held on 24/09/2019. 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 24/01/2020 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 Khetri – Narela Transmission Ltd. after execution of the requisite Share Purchase Agreement (SPA) on 11.05.2022.*
- 6. As part of subject scheme, 765/400kV Substation at Narela is to be established through LILO of Meerut – Bhiwani 765kV S/c line at Narela. Further, Narela Substation*

is to be interconnected with 765/400kV Khetri Substation through 765kV D/c line. All of the above substations i.e. Meerut, Bhiwani and Khetri are existing substations.

7. Khetri Substation is further connected to Bikaner S/s. Further, it will also be connected to Bikaner-II PS which is under implementation. Implementation of transmission system covered under present petition shall facilitate transfer of power from RE generation proposed to be connected at Bikaner, Bhadla and Fatehgarh Complex (LTA-3.2GW). 765kV Khetri – Narela corridor shall also act as a major gateway for transfer of power outside of Rajasthan to various constituents. Further, this line is outside of GIB area.

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

17. We have considered the submissions of the Petitioner, BPC and CTUIL. 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 often (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 28.2.2022, BPC, vide its letter dated 11.5.2022, in terms of Clauses 2.4, 2.5 and 2.6 of RfP extended the date upto 23.5.2022 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. 31.01 crore and has acquired hundred percent equity-holding in the applicant company on 11.5.2022 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 19.5.2022. 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 5.8.2022.

18. During the course of hearing on 5.7.2022, the Commission enquired about scope of work in relation to line bays at 765/400 kV, 3x1500 MVA Narela GIS substation. In response, the representative of the Petitioner submitted that 4 Nos. of 765 kV line bays (GIS) are for Khetri - Narela 765 kV D/c line and for LILO of 765 kV Meerut- Bhiwani line. Accordingly, CTUIL was directed to ensure that there is no ambiguity in scope of works for implementation of line bays (main and tie bay in each dia) at Narela GIS substation and the reliability considerations are taken into account in termination of the lines at Narela substation. The representative of CTUIL confirmed that CTUIL will take into the account the directions of the Commission.

19. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clause 2.5.7.3, clause 2.5.7.4 and clause 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of bidding documents and TSA for commissioning of the Project within the SCOD.

20. 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 5.8.2022 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.

21. 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 5.8.2022 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.

22. The Petitioner, vide its affidavit dated 12.7.2022, has informed that the name of the Petitioner company has been changed from 'Khetri-Narela Transmission Limited' to 'Powergrid Khetri-Narela Transmission Limited' with effect from 8.7.2022. The certificate of change of name from 'Khetri-Narela Transmission Limited' to 'Powergrid Khetri-Narela Transmission Limited' dated 8.7.2022 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to 'Powergrid Khetri-Narela Transmission Limited' on the record of the Commission.

23. 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