

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 27/AT/2023

Coram:

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

Date of Order: 23rd March, 2023

In the matter of:

Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system to be implemented by Kishtwar Transmission Limited.

And

In the matter of

**Kishtwar Transmission Limited,
F-1, The Mira Corporate Suites, 1 & 2
Ishwar Nagar, Okhla Crossing,
Mathura Road,
New Delhi-110065.**

....Petitioner

Vs

- 1) Chenab Valley Power Projects (P) Limited,
Chenab Jal Shakti Bhawan, Opposite Saraswati Dham,
Rail Head Complex, Jammu - 180012, J&K**
- 2) J&K Power Development Department,
Civil Secretariat, Secretariat Rd,
Pakki Dhaki, Old Heritage City,
Jammu, Jammu and Kashmir 180001**
- 3) PFC Consulting Limited,
First Floor, Urjanidhi, 1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001**
- 4) Central Electricity Authority,
Seva Bhawan, R.K. Puram,
New Delhi- 110066**
- 5) Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector 29,
Near IFFCO Chowk,
Gurgaon - 122001, India**

- 6) Power Grid Corporation of India Limited,**
B-9 Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016
- 7) HVDC Dadri, Power Grid Corporation of India Limited,**
B-9 Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016
- 8) HVDC Rihand, Powergrid Corporation of India Limited,**
B-9 Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016
- 9) Chandigarh (Electricity Department),**
UT Chandigarh, Sector-9D,
Chandigarh-160019
- 10) BSES Rajdhani Power Limited,**
BSES Bhawan, Nehru Place,
New Delhi – 110019
- 11) BSES Yamuna Power Limited,**
B-Block, Shakti Kiran, Building (Near Karkadooma
Court), Karkadooma 2nd Floor,
New Delhi – 110092
- 12) New Delhi Municipal Council,**
Palika Kendra, Sansad Marg,
New Delhi – 110002
- 13) Tata Power Delhi Distribution Limited,**
NDPL house, Hudson Lines Kingsway Camp
New Delhi – 110009
- 14) Himachal Pradesh State Electricity Board,**
Vidyut Bhawan, Kumar House Complex Building II,
Shimla – 171004 (Himachal Pradesh)
- 15) Haryana Power Purchase Centre,**
Shakti Bhawan, Sector-6,
Panchkula -134109
(Haryana)
- 16) Punjab State Power Corporation Limited,**
PP&R, Shed T-1, Thermal Design,
Patiala – 147 001
- 17) Ajmer Vidyut Vitran Nigam Limited,**
132 kV, GSS RVPNL Sub-station Building,
Caligiri Road, Malviya Nagar,

Jaipur - 302017 (Rajasthan)

18) Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub-station Building
Caligiri Road, Malviya Nagar,
Jaipur - 302017 (Rajasthan)

19) Jodhpur Vidyut Vitran Nigam Limited,
New Power House, Industrial Area,
Jodhpur-342003 (Rajasthan)

20) North Central Railway,
DRM Office, Nawab Yusuf Road,
Prayagraj, Uttar Pradesh – 211 011

21) Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun

22) Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001 (Uttar Pradesh)

23) A.D. Hydro Power Limited,
Bhilwara Towers, A-12,
Sector 1, Noida-201301(UP)

....Respondents

Parties present:

Shri Ashwin Ramanathan, Advocate, KTL
Shri Deep Rao, Advocate, KTL
Shri Aryman Saxena, KTL
Shri Prateek Rai, KTL
Shri Vivek Singh, Advocate, CVPPL
Shri Suraj Das, Advocate, CVPPL
Shri Amrik Singh, CVPPL
Shri Mohanlal, CVPPL
Shri Yatin Sharma, CTUIL
Shri Ranjeet Rajput, CTUIL
Shri Siddharth Sharma, CTUIL

ORDER

The Petitioner, Kishtwar Transmission Limited, has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for adoption of transmission charges in respect of "Transmission System for Evacuation

of Power from Pakaldul HEP in Chenab valley HEPS-Connectivity System” on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to “Transmission System” or “Project”). The Petitioner has made the following prayers:

“(a) Allow the present application and adopt the transmission charge is covered through the TBCB Process as quoted by SGL24 i.e., the successful bidder in terms of Section 63 of the Electricity Act, 2003;

(b) Allow the Project to be part of the Inter-State Transmission System and direct that the recovery of transmission charges shall be in accordance with the terms of the 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 going forward.”

2. On receipt of the present Petition, the Bid Process Coordinator (BPC), PFC Consulting Limited, vide letter dated 20.1.2023 was directed to submit the relevant documents regarding complete process of competitive bidding. The necessary details have been filed by the BPC under affidavit dated 3.2.2023.

Hearing dated 14.2.2023

3. During the course of hearing on 14.2.2023, the representative of the Petitioner submitted that the Petitioner has already served the copy of the Petition on the BPC and CTUIL and has complied with all the requirements under the Transmission Licence Regulations including publishing of notice on its website inviting suggestions/objections on its application for grant of transmission licence. However, no suggestion /objection has been received.

4. The representative of CTUIL during the course of hearing confirmed that in the last JCC meeting held in December, 2022, it was indicated that the HEP of Chenab Valley Power Projects (P) Ltd. (CVPPL) is expected to come by April-July,

2025. He added that the next JCC meeting is scheduled in March, 2023 and CTUIL will again confirm the status of its HEP and take up the issue of eventuality of mismatch and the consequences thereof. The representative CTUIL submitted that recently the Commission in its Record of Proceedings for the hearing dated 24.1.2023 in Petition No. 316/TL/2022 has observed that in future the beneficiaries of the region including the concerned utilities (upstream/downstream) related to the Project should be impleaded as Respondents in Petitions relating to the grant of transmission licence/adoption of tariff and thus, the Petitioner may be directed to implead the concerned beneficiaries/utilities as above.

5. Vide Record of Proceedings for the hearing dated 14.2.2023, the Petitioner was directed to implead the beneficiaries of the Northern Region including the concerned utilities (upstream/downstream) related to the Project as party to the Petition and file revised memo of parties. The Petitioner was further directed to submit completion schedule of its assets under instant Petition. The Petitioner vide its affidavit dated 1.3.2023 has filed revised memo of parties by impleading the beneficiaries of the Northern Region including the concerned utilities (upstream/downstream) related to the Project. The Petitioner has served copy of the Respondents. However, no reply has been filed by them. With regard to completion schedule, the Petitioner has submitted that as on date, the bona fide projected completion schedule for the assets covered under the TSA is 1.4.2025 subject to *inter alia* receipt of necessary approvals from the competent/statutory authorities. The Petitioner has placed on record the GANTT and PERT chart in relation to the project, detailing the timeline for commissioning of each assets, as well as the step-wise timeframe for completion of the entire project. The Petitioner has submitted that there has been a delay in acquisition of SPV in the present case. Accordingly,

GANNT Chart provides for separate timelines, namely (i) Baseline-1 which considers project implementation timelines considering the timely acquisition of SPV as per the timelines mentioned in the RfP, (ii) Baseline 2 which was the revised timeline available to the Petitioner considering the Petitioner's entitlement to claim an extension of SCOD on account of uncontrollable delay in acquisition of the SPV, (iii) the current best efforts forecast, which is the current timeline based on the actual completion of milestones, and provides the corresponding time frame for completion of the remaining milestones.

6. Chenab Valley Power Projects (P) Ltd. (CVPPL), vide Record of Proceedings for the hearing dated 14.2.2023 was directed to submit the following information:

- (a) Current status of Pakaldul HEP, Kwar HEP and Kiru HEP. Detail of activities being carried out at these generating stations.
- (b) Commissioning schedule of the all the three HEPs.
- (c) Status of Dedicated Transmission System (400 kV Kiru-Kwar-Pakaldul- Kistwar) line along with associated bay at both ends (including at Kishtwar) and its implementation schedule.
- (d) Who is supposed to make the 400 KV bays at Kishtwar pooling station to be specified by the Petitioner?

7. CVPPL, vide its affidavit dated 3.3.2023, has submitted as under:

- (a) With regard to Pakaldul HEP, start date as per CCEA approval is October 2014 and the completion schedule date is 66 months (April 2020). However, award of power house package was placed in February, 2018 and anticipated project completion date is September, 2026. The total works of Pakal Dul HEP has been divided into five work packages, namely, Power House Package, Dam Package, E&M Package, HM Package and HRT- TBM

Work Package. All the works have been awarded and works are under progress. As on January 2023, physical progress and financial progress is 32.41% and 34.36% respectively. The Petitioner has explained the various reasons for delay of HEP which have been enumerated in Annexure-1 of the affidavit.

(b) With regard to Kiru HEP 624 MW (4x156 MW), CCEA accorded approval in March, 2019. Completion schedule as per CCEA approval is 54 months i.e. September 2023 and anticipated completion schedule is July, 2026. Total anticipated delay is 36 months. The total works of Kiru HEP has been divided into three work packages, namely, Civil Package, E&M Package and HM Package. All the works have been awarded and works are under progress. As on January 2023, physical progress and financial progress of Kiru HEP is 16.02% and 21.71% respectively. The Petitioner has submitted the reason for delay in execution of work in Annexure-1 attached to the affidavit.

(c) With regard to KWAR HEP - 540 MW (4x135 MW), CCEA accorded approval on 10.5.2022 and completion schedule as per approval of CCEA is 54 months i.e. November, 2026. Anticipated completion schedule is November, 2026 and total anticipated delay is nil. As on January, 2023, progress of project is (i) over all physical progress: 4.16% and (ii) overall financial progress 5.51%.

(d) Pakaldul HEP, Kwar HEP and Kiru HEP are likely to be completed by September, 2026, November, 2026 and July, 2026 respectively.

(e) With regard to status of dedicated Transmission System (400 kV Kiru-Kwar-Pakaldul-Kishtwar) line along with associated bay at both ends (including at Kishtwar) and its implementation schedule, transmission system for evacuation of power from Kiru, Kwar and Pakal Dul HEPs was identified as part of master plan for evacuation of power from HEPs in J&K and Himachal Pradesh considering various generation projects in Chenab basin and RoW constraints. In the said master plan, it was proposed that 400 kV D/C (Triple HTLS Conductor-equivalent to current carrying capacity of 2300 MW) line would be constructed from Kiru HEP to Kishtwar pooling station (High capacity common corridor-II), one circuit of which would be LILO at Kwar HEP and Pakal Dul HEP. The work for implementation of said transmission line along with associated bays at pooling station end (bays at Pot Head Yard side are already being implemented by CVPPL under E&M contracts of respective Projects) was entrusted to PGCIL and agreement in this regard was signed between CVPPL & PGCIL on 28.9.2022. The implementation schedule of this transmission line along with bays shall be matching with commissioning timelines of CVPPL Projects. As on date, the tendering activities of aforementioned dedicated transmission line of CVPPL is being carried out by PGCIL and shall be awarded only after tendering exercise is completed.

(f) With regard to who is supposed to make the 400 KV bay at Kishtwar pooling station to be specified by the Petitioner, two nos. of 400 kV bays at Kishtwar pooling station along with 400 kV dedicated transmission line is under the scope of CVPPL and complete package (transmission line and bays at pooling station end) has been entrusted to PGCIL and same is under

tendering stage at PGCIL end.

(g) With regard to delay in acquisition of the project, the liberty sought by the Petitioner in the present Petition cannot be granted to the Petitioner. However, in case of such an event happening i.e. delay in acquisition of the project can be considered or termed as Force Majeure event on merits under the TSA. The Petitioner was aware of the fact that under the terms of RfP and/or TSA, neither extension of timeline for commissioning the Project is permitted nor the price discovered pursuant to the tariff based competitive bid process can be changed in the present fact and circumstances. Therefore, the Petitioner acquiesced all such alleged claims in the past by its conduct qua the communications exchanged with the parties especially Respondent No 3. Thus, the Petitioner cannot agitate this issue afresh and especially in the instant Petition.

(h) The issues raised in the instant Petition are pre-mature as presently it cannot be ascertained that whether there would be delay in commissioning of the Project and/or whether delay can be attributable to the Petitioner/Respondents and what relief/damages can be awarded to the Petitioner/Respondents and proportion of relief/damages allocated amongst Respondents etc. Therefore, it would not be appropriate to deal with these issues in the present Petition. The blanket approval as sought by the Petitioner cannot be granted to the Petitioner/Respondents and has to be dealt with at the appropriate stage in appropriate case. The Respondent No.1 is not mentioning all those hurdles and surprises that had and would be encountered with during the execution or construction of power project. The

Respondent No.1 may encounter with many other hurdles or surprises in due course of construction/execution of power plant, which may affect the seamless execution of the commissioning of the power plant and there are possibilities that the Respondent No.1 may not meet the timeline as presently agreed by the parties. The Petitioner should raise all the issues raised at the appropriate time.

8. CTUIL, vide Record of Proceedings for the hearing dated 14.2.2023, was directed to submit/ clarify (i) status of Kishenpur-Dulhasti 400 kV D/c (Quad) line and LILO at Kishtwar, along with bays at Kishenpur and Dulhasti sub-stations and its completion schedule. (ii) ATS for each of the generating station Pakaldul HEP, Kwar HEP and Kiru HEP. CTUIL has not submitted the requisite information called despite being granted sufficient time.

9. Power Grid Corporation of India Limited (PGCIL) in its reply dated 16.3.2023 has submitted that PGCIL is implementing the certain transmission assets through Regulated Tariff Mechanism (RTM) mode which are inter-connection system to the Petitioner's transmission system for which transmission licence has been sought. PGCIL has further submitted that as per investment approval dated 3.2.2022, the project is scheduled to be commissioned by April, 2025 (matching with Pakaldul HEP generation). The commissioning schedule has been kept as April, 2025 matching with commissioning schedule provided by associated generator i.e. Chenab Valley Power Projects (P) Limited during the minutes of 19th JCC and 20th JCC meeting of generation projects granted connectivity/LTA in Northern Region held on 28.9.2021 and 24.12.2021 respectively.

10. We have considered the submissions of the Petitioner and perused the documents available on record. Section 63 of the Electricity Act, 2003 provides as under:

“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

11. Government of India, Ministry of Power has notified the “Tariff based Competitive bidding Guidelines for Transmission Service” and “Guidelines for Encouraging Competition in Development of Transmission Projects” (hereinafter referred to as “the Guidelines”) under Section 63 of the Act vide Resolution No. 11/5/2005-PG(i) dated 13.4.2006 as amended from time to time. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding and for selection of Transmission Service Provider (TSP) for new transmission lines and to Build, Own, Maintain and Operate the specified transmission system elements.

(b) For procurement of transmission services, required for inter-State transmission Project, the Central Government shall notify any Central Government Organization or any Central Public Sector Undertakings, or its wholly owned subsidiary (Special Purpose Vehicle) the Bid Process Coordinator (BPC) who would be responsible for coordinating the bid process.

(c) The BPC shall prepare the bid documents in accordance with the Guidelines and obtain approval of the Appropriate Commission or alternatively, the BPC can use the Standard Bid Documents notified by the Ministry of Power. Approval of the Appropriate Commission would be necessary, if any material deviation is proposed to be made in the Standard Bid Documents. Intimation about initiation of the bid process shall be sent by the BPC to the Appropriate Commission.

(d) For procurement of transmission services under the Guidelines, the BPC may adopt at its option either a two-stage process featuring separate Request for Qualification (RfQ) and Request for Proposal (RfP) or adopt a single stage two envelope tender process combining both RfQ and RfP processes.

(e) RfQ or combined RfQ and RfP notice shall be issued in at least two national newspapers, on websites of the BPC and the Appropriate Government and preferably in the trade magazines also to provide wide publicity. For the purpose of issue of RfQ, minimum conditions to be met by the bidder shall be specified in RfQ notice. The bidding shall be carried out by way of International Competitive Bidding.

(f) Standard documentations to be provided in the RfQ stage shall include definitions of requirements including brief description of the Project, commissioning milestones to be achieved by the bidders, qualification required to be met by bidders, conditions as specified by the Appropriate Commission for being eligible to obtain transmission licence, etc.

(g) Standard documentations to be provided by BPC in the RfP shall include specified target dates/months for commissioning and commercial operations and start of providing transmission services, Transmission Service Agreement (hereinafter after referred to as "the TSA") proposed to be entered with the selected bidder, period of validity of offer of bidder, bid evaluation methodology to be adopted by the BPC, Discount Factor to be used for evaluation of the bids, specification regarding bid bond and project completion guarantee to be furnished by the bidders, proposed indemnification agreement between the TSP and the utilities, amount of contract performance guarantee as percentage of the project cost, liquidated damages that would apply in the case of delay in start of providing the transmission services and other technical and safety criteria to be met by the bidder/TSP including the provisions of Indian Electricity Grid Code (hereinafter referred to as "Grid Code").

(h) To ensure competitiveness, the minimum number of qualified bidders shall be two. The BPC shall constitute a committee for evaluation of bids with at least one member from Central Electricity Authority (CEA) and not less than two members from the concerned Regional Power Committees and at least one independent member. The bids shall be opened in public and the representative of the bidders shall be allowed to remain present. The technical bids shall be scored to ensure that only the bids that meet the minimum technical criteria set out in the RfQ shall be considered for further evaluation on the transmission charge bid. The transmission charge bid shall be rejected if it contains any deviation from the tender conditions for submission of the same. The bidder, who has quoted the lowest

transmission charge as per the evaluation procedure, shall be considered for the award.

(i) The timeline suggested for two stage bid process is 145 days and single stage two envelope bid process is 180 days. BPC is empowered to give extended time frame based on the prevailing circumstances and such alterations shall not be construed as the deviation from the Guidelines.

(j) The selected bidder shall make an application for grant of transmission licence to the Appropriate Commission within ten days from the date of issue of Letter of Intent (LoI) or signing of TSA, whichever is later, subject to further extension of time as provided under Clause 15.4 of the RfP.

(k) BPC shall make the final result of evaluation of all bids public. The final TSA along with the certification of Bid Evaluation Committee (BEC) shall be forwarded to the Appropriate Commission for adoption of tariff in terms of Section 63 of the Act.

12. Therefore, we have to examine whether the process as per the provisions of the Guidelines have been followed in the present case for arriving at the lowest levelized transmission charges by a transparent process of bidding and for selection of the successful bidder.

13. Ministry of Power, Government of India, vide Gazette Notification. F. No. CG-DL-E-28092020-222045 dated 25.9.2020 notified PFC Consulting Limited (hereinafter referred to as "PFCCL") as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish "inter-State transmissions system for evacuation of power from Pakaldul HEP in

Chenab Valley HEPs- Connectivity System”, through tariff based competitive bidding process.

14. Kishtwar Transmission Limited (the Petitioner) was incorporated on 15.4.2022 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCCL with the objective to establish “inter-State transmissions system for evacuation of power from Pakaldul HEP in Chenab Valley HEPs- Connectivity System”, and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the Petitioner Company in its Memorandum of Association are 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, substations, 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”.

15. BPC prepared the bidding documents such as RfQ and RfP in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India.

16. BPC started the process of selection of TSP with the publication of Global Invitation for Qualification for selection of developer on BOOM basis for the Project. The notice of RfP was published on 4.2.2021 in all editions of India Express (English), Jansatta (Hindi), The Financial Express (English) and Financial Times (Worldwide) with the last date of submission of response to RfP as 12.4.2021. Intimation regarding initiation of the bid process was given to this Commission in accordance with Clause 4.2 of the Guidelines vide letter No. 04/20-21/ITP-42/RfP

dated 8.2.2021.

17. The key milestones in the bidding process were as under:

S. No.	Events	Date
1	Publication of Request for Proposal	4.2.2021
2	Submission of RfP technical bid and financial bid	25.2.2022
3	Opening of RFP Technical Bid	25.2.2022
4	Opening of RfP financial bid (Initial offer)	14.3.2022
5	e-Reverse Auction	15.3.2022
6	Issuance of Letter of Intent to successful bidder	22.3.2022
7	Signing of Share Purchase Agreement and transfer of Special Purpose Vehicle	6.12.2022

18. The scope of the Project as per the Request for Proposal and the Transmission Service Agreement is as under:

Transmission System Evacuation of Power from Pakaldul HEP in Chenab Valley HEPs – Connectivity System		
S. No.	Name of Transmission Element	Scheduled COD in months from Effective Date
1.	<p><i>Establishment of 400/132 kV pooling station at Kishtwar (GIS) along with Bus Reactor at Kishtwar pooling station by LILO of one circuit of Kishenpur – Dulhasti 400kV D/C (Quad) line (Single Circuit Strung)</i></p> <p><i>i. 400 kV pooling station with 420 kV, 41.67 MVAR, I-Phase Bus Reactor – 4 nos. (including one spare unit)</i></p> <p><i>ii. Reactor Bay – 1 no.</i></p> <p>Future Scope: Space for</p> <p><i>i. 765/400 kV ICT along with bays – 3 nos.</i></p> <p><i>ii. 400/220 kV ICT along with bays – 2 nos.</i></p> <p><i>iii. 400/132 kV ICT along with bays – 2 nos.</i></p> <p><i>iv. 765 kV line bays along with switchable line reactor – 6 nos.</i></p> <p><i>v. 400 kV Line bays – 8 nos.</i></p> <p><i>vi. 220 kV Line bays – 4 nos.</i></p> <p><i>vii. 132 kV Line bays – 2 nos.</i></p> <p><i>viii. 765 kV Reactor along with bays – 1 nos.</i></p> <p><i>ix. 400 kV Reactor along with bays – 1 nos.</i></p>	<p><i>Matching timeframe of Pakaldul HEP i.e. 01.04.2025</i></p>
2.	<i>LILO of one circuit of Kishenpur – Dulhasti 400 kV D/c (Quad) line at Kishtwar</i>	
3.	<i>2 Nos. of 400 kV bays at Kishtwar (GIS) for LILO of one circuit of Kishenpur – Dulhasti 400 kV D/c (Quad) line</i>	

	400kV line bays – 2 Nos.	
4.	1 No. of 400 kV line bay at Kishtwar (GIS) for 2nd circuit stringing of Kishtwar – Kishenpur section 400kV line bay – 1 No.	
5.	7x66.67 MVA, I-Phase 400/132 kV ICT along with associated bays at Kishtwar Pooling station i. 66.67 MVA, I-Phase 400/132kV ICT- 7 nos. (including one spare unit) ii. 400 kV ICT bays – 2 nos. iii. 132kV ICT bays – 2 nos. iv. 132kV Bus Coupler bay – 1 no.#	Matching Timeframe of Kishtwar pooling Station
6.	4 nos. of 132 kV bays 132 kV line bays (GIS) – 4 nos.	

To fulfil the requirement of bus switching scheme.

Note:

i. Implementation Timeframe:

Sl. No. 1-4: to be implemented in matching timeframe of Pakaldul HEP i.e. 01.04.2025

Sl. No. 5-6: to be implemented in matching timeframe of Kishtwar pooling Station.”

19. The identified Long Term Transmission Customers (LTTCs) of the Project as specified in TSA are Chenab Valley Power Projects (P) Limited and J & K Power Development Department.

20. For the purpose of evaluation of bids, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

(a)	Sh. Umesh Kumar Madan, EVP & Regional Head, SBI Capital Market	Chairman
(b)	Sh. Nasib Singh, Managing Director, Jammu & Kashmir Power Transmission Corporation Limited	Member
(c)	Shri Saumitra Mazumdar, Superintendent Engineer (Operation), Northern Regional Power Committee	Member
(d)	Sh. Y. K. Swarnkar, Director (PSETD), Central Electricity Authority	Member
(e)	Sh. Manjari Chaturvedi, Director (PSPA-1), Central Electricity Authority	Member
(f)	Sh. V.N.D. Manavalan, Chairman, Kishtwar Transmission Limited	Convener-Member

21. Responses to RfP were received from the four bidders as per details given below:

Sr. No.	Name of Bidders
1	Sterlite Grid 24 Limited
2	Power Grid Corporation of India Limited
3	Adani Transmission Limited
4	Megha Engineering & Infrastructures Limited

22. The responses to RfP (Technical & Financial) Bids of four bidders were opened online through MSTC portal in the presence of representative of the bidders on 25.2.2022. Based on the recommendation of Bid Evaluation Committee (BEC) constituted by Central Electricity Authority (CEA), all four bidders were qualified. RfP (Financial) Bids-Initial Price Offers of the four bidders were opened on 14.3.2022. Lowest Initial Price Offer discovered (Best Deal) at MSTC portal was Rs.448.77 million per annum. The initial price offers quoted by the four bidders are as under:

Sr. No.	Name of Bidder	Levelised Transmission Charges (Rs.in Million per annum)	Rank
1.	Power Grid Corporation of India Limited	448.77	L-1
2.	Sterlite Grid 24 Limited	586.52	L-2
3.	Adani Transmission Limited	620.00	L-3
4.	Megha Engineering & Infrastructure Limited	621.81	L-4

23. As per the provisions of RfP documents, BEC recommended all four bidders, to participate in the e-reverse auction stage and to submit their final offers.

24. E-reverse auction was carried out at MSTC portal on 15.3.2022 in the presence of members of BEC after intimating to above three bidders regarding lowest initial price offer. However, only three bidders except Megha Engineering & Infrastructure Limited participated in e-reverse auction. The levelised transmission charges for three bidders (in ascending order) emerged as under:

Sr. No.	Name of Bidder	Final Transmission Charges (Rs.in Million per annum)	Levelised Charges per	Rank
1.	Sterlite Grid 24 Limited		388.46	L-1
2.	Adani Transmission Limited		389.46	L-2
2.	Power Grid Corporation of India Limited		398.43	L-3

25. Based on e-reverse bidding, BEC in its meeting held on 17.3.2022 recommended Sterlite Grid 24 Limited with the lowest levelised transmission charges of Rs. 388.46 million per annum as the successful bidder.

26. Letter of Intent was issued by the BPC on 22.3.2022 to the successful bidder i.e. Sterlite Grid 24 Limited. In accordance with Clause 12.3 of the Guidelines, the BPC has hosted on the website of PFCCL, the final result of the evaluation of the bids for selection of developer for the Project.

27. In accordance with the provisions of the bid documents and Lol issued in its favour, the Petitioner has prayed for adoption of transmission charges for the Project which has been discovered through the process of competitive bidding.

28. In accordance with Clause 2.4 of RfP, the selected bidder shall within 10 days of issue of the Letter of Intent, accomplish the following tasks:

- a) Provide Contract Performance Guarantee in favour of the LTTCs;
- b) Execute the Share Purchase Agreement;
- c) Acquire, for the acquisition price, one hundred percent equity shareholdings of Kishtwar Transmission Limited along with all its related assets and liabilities;
- d) Make an Application to this Commission for adoption of charges under Section 63 of the Act; and

e) Apply to this Commission for grant of transmission licence.

29. The Respondent, CVPPL has submitted that the Petitioner has not filed the Petition for grant of Transmission Licence with respect to Project in accordance with the provision of Article 2.15.4 of RfP because under the Article 2.15.4 of RfP, the Petitioner was mandated to file petition for transmission licence within 10 days of the issue of Letter of Intent and admittedly Letter of Intent was issued on 22.2.2022 but Petition for grant of transmission licence was filed much belatedly on 16.12.2022. We have considered the submissions of the Petitioner, the Respondent, LTTC and CTUIL. The proviso to Clause 2.15.2 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". As per the above provision, selected bidder was required to complete all the activities including acquisition of SPVs by 1.4.2022. Though Lol was issued on 22.3.2022, BPC, vide its letter dated 6.12.2022, in terms of Clauses 2.15.2 of RfP extended the date upto 16.12.2022 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of Nodal Agency (CTUIL) for an amount of Rs. 2.33 crore and has acquired hundred percent equity-holding in the applicant company on 6.12.2022 after execution of the Share Purchase Agreement. As per clause 2.15.4 of the RfP, TSP is required to apply to the Commission for grant of transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. Successful bidder, namely Kishtwar Transmission Limited acquired the SPV on 6.12.2022. Accordingly, the TSP has filed the instant Petition through e-filing for grant of transmission licence on 15.12.2022.

30. The Petitioner has approached the Commission by a separate application for grant of transmission licence. The Commission vide order dated 21.3.2023 in Petition No.28/TL/2023 on being satisfied that the Petitioner, *prime facie*, qualifies for grant of transmission licence as prayed for, directed publication of notices under clause (a) of sub-section (5) of Section 15 of the Act, inviting suggestions/ objections to the proposal of the Commission. Accordingly, notices have been published.

31. In accordance with the Guidelines, BEC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. In the minutes of Bid Evaluation Committee meeting held on 17.3.2022, the following has been recorded:

1. *The third meeting of the Bid Evaluation Committee (BEC) for evaluation of RFP (Financial) bids for the transmission scheme “Transmission System for Evacuation of Power from Pakaldul HEP in Chenab Valley HEPS-Connectivity System” was held on March 17, 2022 at 11:30 hrs (IST) through Video Conferencing (VC).*
2. *The RFP (Financial) Bid- Initial Offer was opened online by Bid Process Coordinator (BPC) i.e. PFC Consulting Limited (PFCC) in the presence of BEC on March 14, 2022 at 15:30 hrs (IST) for the following four (04) bidders:*
 - a) *Power Grid Corporation of India Limited*
 - b) *Adani Transmission Limited*
 - c) *Sterlite Grid 8 Limited*
 - d) *Megha Engineering and Infrastructure Limited*
3. *The lowest Levelized Transmission Charges from the Initial Offer discovered was **Rs. 448.77 million per annum** for quoting the final offers during e-reverse bidding process.*
4. *As per Clause No. 3.5.1.1 of RFP document, “...Levelized Transmission Charges of such Initial Offer shall be ranked on the basis of the ascending Initial Offer submitted by each Qualified Bidder. Based on such ranking of the Qualified Bidders, holding first fifty per cent of the ranks (with any fraction rounded off to higher integer) or four Qualified Bidders, whichever is higher, shall be considered to be the qualified for participating in the electronic auction.”*

Accordingly, all the above mentioned four (04) bidders were qualified to participate in the e-reverse bidding process.

5. The lowest Initial Offer of **Rs. 448.77 million per annum** was communicated to the above four (04) bidders qualified for participating in the e-reverse bidding process.
6. The e-reverse bidding process was carried out at MSTC portal on March 15, 2022 at 10:00 hrs (IST) and after 56 rounds, bidding closed on same day i.e. march 15, 2022 at 21:10 hrs (IST). Except Megha Engineering and Infrastructure Limited, all the other three (03) out of four (04) qualified bidders participated in e-reverse bidding.
7. The Final Offer (Levelized Transmission Charges) of each bidder as quoted at the time of closing of e-reverse bidding is as under:

Sr. No.	Name of the Bidder	Transmission Charges from the Initial Offer (in Rs. Million)	Rank
1.	<i>Sterlite Grid 8 Limited</i>	388.46	L1
2.	<i>Adani Transmission Limited</i>	389.45	L2
3.	<i>Power Grid Corporation of India Limited</i>	398.43	L3
4.	<i>Megha Engineering and Infrastructure Limited</i>	621.81	L4

8. xxxx
9. As per Clause No. 2.5.3 (a) of RFP document, the Annual Escalation Rate and Discount Rate for the purpose of evaluation of Levelized Transmission Charges have been used as under, based on the rates notified by CERC valid up to 31st March, 2022 (as the financial bids have been submitted on February 25, 2022) vide CERC Notification No. Eco T2/2021-CERC dated October 14, 2021 effective from October 01, 2021:
 - Annual Escalation rate applicable to Quoted Escalable Transmission Charges: 6.07%
 - Discount rate for computation of Levelized Transmission Charges : 8.87%
10. In view of above, **“M/s Sterlite Grid 24 Limited”** with the Final Offer (Levelized Transmission Charges) of **Rs. 388.46 million per annum**, may be declared the successful bidder.
11. BPC, in their evaluation report has confirmed the following:
 - a) The levelized tariff for this project based on the CERC norms works out to Rs. 695.78 million per annum. This has been computed based on the estimated cost as communicated by the Cost Committee constituted by CEA and methodology for calculation of tariff as per CERC norms.
 - b) The entire bid process has been carried out in accordance with the “Tariff based Competitive Bidding Guidelines for Transmission Service” and “Guidelines for encouraging competition in development of the Transmission Projects” issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.
12. After detailed discussions on the evaluation report prepared by BPC, the Bid Evaluation Committee decided the following:

- a) **“M/s Sterlite Grid 24 Limited”** is the successful Bidder after the conclusion of the e-reverse bidding process with the lowest Levelized Transmission Charges of Rs. 388.46 million per annum.
- b) The levelized tariff computed on the basis of rates quoted by the successful Bidder, during e-reverse bidding process, is lower than the Levelized Tariff estimated by BPC (para 11(a)), hence the levelized tariff discovered through e-reverse bidding process is acceptable.
- c) In view of (a) to (b) above, **“M/s Sterlite Grid 24 Limited”** may be issued Letter of Intent (LOI).”

32. Bid Evaluation Committee (BEC) vide its certificate dated 17.3.2022 has certified as under:

“It is certified that:

- a. *The entire bid process has been carried out in accordance with the “Tariff based Competitive Bidding Guidelines for Transmission Service” and “Guidelines for encouraging competition in development of the Transmission Projects” issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 as amended from time to time.*
- b. **M/s Sterlite Grid 24 Limited** emerged as the Successful Bidder after the conclusion of e-reverse bidding process with the lowest Levelized Transmission Charges of Rs. 388.46 million per annum.
- c. *The levelized tariff computed on the basis of rates quoted by the Successful Bidder, during e-reverse bidding process, is lower than the Levelized Tariff calculated based on CERC norms considering the Capital Cost for the Project i.e. ‘**Transmission system for evacuation of power from Pakaldul HEP in Chenab Valley HEPs-Connectivity System**’ as assessed by Cost Committee, hence the levelized tariff discovered through e-reverse bidding process is acceptable.”*

33. In the light of the discussions in preceding paragraphs, it emerges that selection of the successful bidder and the discovery of the levelised tariff of the Project has been carried out by the BPC through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. BEC has certified that the process is in conformity with the Ministry of Power Guidelines. BEC in its certificate dated 17.3.2022 has certified that Sterlite Grid 24 Limited has emerged as the successful bidder after conclusion of e-reverse auction with lowest levelized

transmission charges of Rs.388.46 million per annum. 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. Based on the certification of the BEC, we approve and adopt the transmission charges for the Project as per the Appendix to this order subject to the grant of transmission licence which shall remain valid throughout the period covered in the TSA.

34. The sharing of the transmission charges by the LTTCs shall be governed by the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

35. The Petitioner has submitted that in terms of the TSA, the SCOD of the project is 1.4.2025. However, the delay in the acquisition of the Petitioner company by Sterlite Grid 24 Limited has substantially reduced the time available with the Petitioner for execution of the Project. Therefore, the delay in acquisition has truncated the time period originally available with the Petitioner for construction of the project. The Petitioner has submitted that due to delay in acquisition of the project, the Petitioner is entitled for extension of time.

36. The Respondent, CVPPL has submitted that the issues regarding delay, etc. raised in the instant Petition are pre-mature as presently it cannot be ascertained that whether there would be delay in commissioning of the Project and/or whether delay can be attributable to the Petitioner/Respondents and what relief/damages can be awarded to the Petitioner/Respondents and proportion of relief/damages

allocated amongst Respondents, etc.

37. We have considered the submissions of the Petitioner and the Respondent. The scope of the present Petition is limited to adoption of transmission charges. Therefore, the issue raised by the Petitioner regarding delay in acquisition of the Petitioner company cannot be dealt with in the present Petition and the Petitioner may approach the Commission in this regard after execution of the project which shall be dealt with in accordance with the law.

38. A copy of this order shall be sent to CTUIL and Long-Term Transmission Customers of the Transmission System.

39. The Petition No. 27/AT/2023 is disposed of in terms of the above.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member

Appendix

Year (Term of Licence)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (in Rs. millions)	Quoted Escalable Transmission Charges (in Rs. Millions)
1	03-Apr-25	31-Mar-26	446.92	5.84
2	01-Apr-26	31-Mar-27	446.92	Same as Above
3	01-Apr-27	31-Mar-28	446.92	Same as Above
4	01-Apr-28	31-Mar-29	446.92	Same as Above
5	01-Apr-29	31-Mar-30	446.92	Same as Above
6	01-Apr-30	31-Mar-31	446.92	Same as Above
7	01-Apr-31	31-Mar-32	446.92	Same as Above
8	01-Apr-32	31-Mar-33	317.31	Same as Above
9	01-Apr-33	31-Mar-34	317.31	Same as Above
10	01-Apr-34	31-Mar-35	317.31	Same as Above
11	01-Apr-35	31-Mar-36	317.31	Same as Above
12	01-Apr-36	31-Mar-37	317.31	Same as Above
13	01-Apr-37	31-Mar-38	317.31	Same as Above
14	01-Apr-38	31-Mar-39	317.31	Same as Above
15	01-Apr-39	31-Mar-40	317.31	Same as Above
16	01-Apr-40	31-Mar-41	317.31	Same as Above
17	01-Apr-41	31-Mar-42	317.31	Same as Above
18	01-Apr-42	31-Mar-43	317.31	Same as Above
19	01-Apr-43	31-Mar-44	317.31	Same as Above
20	01-Apr-44	31-Mar-45	317.31	Same as Above
21	01-Apr-45	31-Mar-46	317.31	Same as Above
22	01-Apr-46	31-Mar-47	317.31	Same as Above
23	01-Apr-47	31-Mar-48	317.31	Same as Above
24	01-Apr-48	31-Mar-49	317.31	Same as Above
25	01-Apr-49	31-Mar-50	317.31	Same as Above
26	01-Apr-50	31-Mar-51	317.31	Same as Above
27	01-Apr-51	31-Mar-52	317.31	Same as Above
28	01-Apr-52	31-Mar-53	317.31	Same as Above
29	01-Apr-53	31-Mar-54	317.31	Same as Above
30	01-Apr-54	31-Mar-55	317.31	Same as Above
31	01-Apr-55	31-Mar-56	317.31	Same as Above
32	01-Apr-56	31-Mar-57	317.31	Same as Above
33	01-Apr-57	31-Mar-58	317.31	Same as Above
34	01-Apr-58	31-Mar-59	317.31	Same as Above
35	01-Apr-59	31-Mar-60	317.31	Same as Above
36	01-Apr-60	35 th anniversary of the Scheduled COD	317.31	Same as Above