

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 507/TL/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 12th March, 2025

In the matter of

Application under Sections 14 & 15 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, 2024 with respect to transmission license to Khavda PS1 and 3 Transmission Limited.

And

In the matter of

Khavda PS1 and 3 Transmission Limited

(Now POWERGRID Khavda PS1 and 3 Transmission Limited)

(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited),

Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.

Address for correspondence:

C/o ED (TBCB), Power Grid Corporation of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122001.

...Petitioner

Vs

1. **Central Transmission Utility of India Limited,**

Saudamini, Plot no.2, Sector -29,
Gurgaon-122001.

2. **PFC Consulting Limited,**

9th Floor, Wing-A, Statesman House,
Connaught Place, New Delhi -110001.

3. **Chhattisgarh State Power Distribution Co. Ltd.,**

CSPDCL, Post: Sundernagar,
Dangania, Raipur-492013

4. **Goa Electricity Department-WR,**

Goa Electricity DeptCurti, Ponda403401

5. **Gujarat Urja Vikas Nigam Limited,**
Sardar Patel Vidyut Bhavan,
Racecourse Vadodara - 390007
6. **Heavy Water Board,**
Vikram Sarabhai Bhawan, Trombay,
Anushaktinagar, Mumbai- 400094, Maharashtra
7. **HVDC Bhadrawati, PGCIL**
PGCIL RHQ, WR-I, Sampreti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur-440026, Maharashtra
8. **HVDC Vindhyachal, PGCIL**
PGCIL RHQ, WR-I, Sampreti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur- 440026, Maharashtra
9. **M.P. Power Management Company Ltd.,**
14, Shakti Bhawan, Rampur,
Jabalpur - 482008
10. **MSEDCL,**
Plot No 9, "prakashgad", A K Marg,
Bandra East, Mumbai-400051
11. **ACB India Limited,**
7th Floor, Corporate Tower, Ambience Mall,
NH-8, Gurgaon-122 001(Haryana)
12. **Torrent Power Limited,**
Torrent Power Ltd. Naranpura Zonal Office,
Sola Road, Ahmedabad-380013
13. **Thermal Powertech Corporation India,**
6-3-1090, Clock C, Level 2, TSR, Towers, Rajbhavan Road,
Somajiguda, Hyderabad-500082, Telangana
14. **BARC,**
Bhabha Atomic Research Centre,
Anushakti Nagar,
Mumbai– 400085, Maharashtra
15. **GMR Warora Energy Limited,**
Plot B-1, GMR Warora Energy Ltd,
Mohabala MIDC Growth Centre, Post – Warora,
Distt.- Chandrapur-442907, Maharashtra.

- 16. HVDC Champa,**
PGCIL RHQ, WR-I, Sampriti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur-440026, Maharashtra.
- 17. West Central Railway Head Office,**
General Manager's Office, Electrical Branch,
Jabalpur– 482 001.
- 18. Western Railway,**
Office of Chief Electrical Engineer,
Mumbai.
- 19. DB Power Limited- Untied,**
Opp Dena Bank, C-31, G- Block,
Mumbai, Maharashtra.
- 20. Chhattisgarh State Power Trading Co. Ltd.,**
2nd floor Vidyut Sewa Bhawan, Raipur
- 21. TRN Energy Private Ltd-Untied,**
7th Floor, Ambience Office Block, Gurugram
- 22. Adani Power (Mundra) Limited,**
Adani Corporate House, Shantigram,
Near Vaishnavdevi Circle,
S G Road, Ahmedabad - 382421
- 23. Raigarh HVDC Station,**
RPT HVDC Office, Hebbal, Bangalore – 560094
- 24. Arcelor Mittal Nippon Steel India Ltd.,**
27, AMNS House, 2th KM Surat Hazira road,
Hazira-394270, Gujarat.
- 25. Central Railway,**
Pcee's office, 2nd Floor, Parcle Building,
CSMT Mumbai-400001
- 26. Dadra & Nagar Haveli and Daman & Power Distribution Corporation Ltd.,**
1st & 2nd Floor, Vidyut Bhavan,
NexSilvassa & Daman
- 27. MPSEZ Utilities Ltd.,**
3rd Floor, Adani Corporate House,
Ahmadabad, Gujarat.
-Respondents**

Parties present:

Shri Vikas Kumar, KPS1&3TL
Shri Deepak Kumar, PFCCL

Shri Akshayvat Kislay, CTUIL
Ms. Priyadarshini, Advocate, PFCCCL
Shri Ranjeet S. Rajput, CTUIL

ORDER

The Petitioner, Khavda PS1 and 3 Transmission Limited (hereinafter referred to as “the Petitioner”), has filed the present Petition for the grant of a transmission licence under Sections 14 and 15 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, 2024 (hereinafter referred to as “the Transmission Licence Regulations”) to establish the Inter-state transmission system for the “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)” on a Build, Own, Operate and Transfer basis (hereinafter referred to as “the Project”) consisting of the following elements:

Sl. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS1, 400 kV Bus section-1 with 1 No. of 400 kV bay (GIS) • ± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400 kV bay (GIS) – 1 No. (KPS1 Bus Section-1)	24 months from the SPV acquisition	33.334%	-
2.	± 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS1, 400 kV Bus section-2 with 1 No. of 400 kV bay (GIS)		33.333%	-

	• $\pm$ 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400 kV bay (GIS) – 1 No. (KPS1 Bus Section-2)			
3.	• $\pm$ 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR at KPS3 400 kV Bus section-1 with 1 No. of 400 kV bay (GIS) • $\pm$ 300 MVAR STATCOM with 1x125 MVAR MSC, 2x125 MVAR MSR • 400kV bay (GIS) – 1 No. (KPS3 Bus Section-1)		33.333%	-

Note:

- i) TSPs of KPS1 and KPS3 shall provide space for one (1) 400 kV bay (each) for termination of STATCOM.
- ii) Land for installation of STATCOM (with MSC/MSR) as specified above shall be arranged by TSP implementing the STATCOM.
- iii) Bay(s) required for completion of diameter (GIS) in a one-and-half breaker scheme, shall also be executed by the TSP under the present scope.

2. The Petitioner has made the following prayers:

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

(b) Allow the sharing and recovery of Transmission Charges for Inter-State Transmission System for “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)” as per Sharing of Inter-state Transmission Charges and Losses CERC Regulations 2020 and any other amendment thereon issued from time to time by CERC;

(c) Pass such other order / orders, as may be deemed fit and proper in the facts & circumstances of the case.”

Hearing dated 11.2.2025

3. During the course of the hearing on 11.2.2025, the representative of the Petitioner submitted that the Petitioner has complied with the requirements, including publication of notice(s) under the provisions of the Transmission Licence Regulations. Additionally, the representative of the Respondent, CTUIL, has submitted that CTUIL has filed its recommendations for the grant of a transmission licence to the Petitioner under Section 15(4) of the Electricity Act, 2003.

4. Vide Record of Proceedings for the hearing 11.2.2025, the parties were directed to file their respective replies and rejoinder. However, no reply has been filed by the Respondents despite notice.

5. 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 the Ministry of Power, Government of India, under Section 63 of the Act, PFC Consulting Limited (hereinafter referred to as “PFCCL”) was notified by the Ministry of Power, Government of India, vide Gazette Notification. No. CG-DL-E-13052023-245856 dated 12.5.2023 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as the Transmission Service Provider (TSP) to establish the Inter-state transmission system for “Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)” on a Build, Own, Operate and Transfer (BOOT) basis.

6. PFCCL, in its capacity as the BPC, initiated the bid process on 4.10.2023 and completed the same on 7.11.2024 in accordance with the Guidelines. Power Grid Corporation of India Limited was selected as the successful bidder, having quoted the lowest transmission charges of Rs. 1077.25 million per annum in order to provide the transmission services to the beneficiaries of the transmission system.

7. The RfP was issued on 4.10.2023. At the RfP (Technical and Financial) stage, two bidders, namely, (i) Power Grid Corporation of India Limited and (ii) Adani Energy Solutions Limited, submitted their offers. The RfP (Technical) bids of the

bidders were opened by the Bid Opening Committee in the Central Electricity Authority on 1.5.2024 in the presence of a representative of the bidders. Based on the recommendation of the Bid Evaluation Committee (BEC), the RfP (Financial) Bids-Initial Price Offers of the bidders were opened on 2.7.2024. The lowest Initial Price Offer discovered (Best Deal) at the MSTC portal was Rs. 1353.33 million per annum. The details of the quoted transmission charges by the bidders are given below:

Sr. No.	Name of the Bidder	Quoted Transmission Charges from the Initial Offer (in Rs. Million per annum)	Rank
1.	Adani Energy Solutions Limited	1353.33	L1
2.	Power Grid Corporation of India Limited	1500.00	L2

8. As per Clause 2.5 of the RfP document, initial offers shall be ranked on the basis of ascending order for the determination of the qualified bidders. The bidders holding the first fifty per cent of the ranks (with any fraction rounded off to a higher integer) or two Bidders, whichever is higher, shall be considered to be qualified for participating in the electronic reverse auction stage and submitting their final offer.

9. The e-reverse auction of bidders was carried out at the MSTC portal on 3.7.2024. The following transmission charges, as quoted by each bidder, emerged:

Sr. No.	Name of the Bidder	Transmission charges from the Initial Offer (in Rs. Million per annum)	Rank
1.	Power Grid Corporation of India Limited	1077.25	L1
2.	Adani Energy Solutions Limited	1079.95	L2

10. As per the Bid Evaluation Report dated 18.9.2024, Power Grid Corporation of India Limited emerged as the successful bidder with the lowest quoted transmission charges of Rs. 1077.25 million per annum. BEC, vide its certificate dated 18.9.2024, has certified that the 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 transmission charges discovered through the e-reverse auction are acceptable.

11. Consequent to its selection as the lowest bidder, a Letter of Intent (LoI) was issued to Power Grid Corporation of India Limited by the BPC on 19.9.2024, which was accepted by Power Grid Corporation of India Limited. 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 Central Transmission Utility of India Limited (CTUIL);
- b) Execute Share Purchase Agreement and Transmission Service Agreement;
- c) Acquire, for the Acquisition Price, 100% share equity share of Khavda PS1 and 3 Transmission Limited from PFCCL along with all its related assets and liabilities;
- d) Make an application to this Commission for the adoption of transmission charges, as required under Section 63 of the Act; and
- e) Apply to this Commission for the grant of a transmission licence;

12. The Petitioner has furnished the Contract Performance Guarantee (CPG) in favour of the Nodal Agency, i.e., CTUIL, for 24.75 crores on 7.11.2024 and has

acquired hundred percent equity holding in Khavda PS1 and 3 Transmission Limited on 7.11.2024. The Petitioner entered into a Transmission Service Agreement (TSA) with CTUIL on 7.11.2024.

13. 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 state, 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”

14. 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 (1) of the Transmission Licence Regulations provides that eligibility for the grant of a licence for inter-State transmission of electricity is contingent upon the entity being selected either through the competitive bidding process under Section 63 of the Electricity

Act, 2003 or by the Central Government or its authorized agency to implement a project under the regulated tariff mechanism. Regulation 10(1) of the Transmission Licence Regulations provided that in case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission tariff in terms of the Transmission Service Agreement shall be adopted by the Commission under Section 63 of the Act. The Project under consideration has been identified for development under competitive bidding by a competent authority, and the selection of the Project developer, Khavda PS1 and 3 Transmission Limited, has been certified to have been made in accordance with the Guidelines for competitive bidding.

15. Regulation 5 of the Transmission Licence Regulations, 2024 provides for the procedure for granting of transmission licence as under:

“(1) The application for the grant of licence shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fee as may be prescribed by the Central Government from time to time under sub-section (1) of section 15 of the Act.

(2) The application shall be supported with an affidavit in accordance with Regulation 17 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023.

(3) The applicant shall submit the original application in electronic form along with enclosures on the e-filing portal of the Commission and electronically serve a copy of such application on all the concerned DICs of the project and the Central Transmission Utility. The application shall be served through e-mail on the concerned DICs of the project who are not registered on the e-filing portal of the Commission.

(4) The applicant shall also upload the complete application along with annexures on its website, in English. The applicant shall also upload on its website, the details as per Form-I and Form-II appended to these regulations in the Indian language of the State or the Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated. The application shall be kept posted on the website of the applicant till such time the application is disposed of by the Commission.

(5) The applicant shall, within 3 working days of filing the application, publish a notice of its application in Form-II appended to these regulations in at least two leading daily digital newspapers, one in English language and another in the Indian language of the State or Union Territory where an element of the project or concerned transmission line is situated or proposed to be situated, inviting comments from the general public. The notice shall also be kept posted on the website of the applicant.

(6) The Registry of the Commission shall carry out a preliminary scrutiny of the application and convey the defects, if any, as far as possible within 7 days of receipt of the application. The defects shall be rectified by the applicant within a period of 7 days from the date of such intimation from the Registry of the Commission.

(7) In the notice published in the digital newspapers and on the applicant's website under this Regulation, it shall be indicated that the suggestions and objections to the application, if any, may be filed by any person within 15 days of publication of the notice to The Secretary, Central Electricity Regulatory Commission at the address where the office of the Commission is situated and at email id: registry@cercind.gov.in. Any suggestion or objection received in response to the public notice shall be shared with the applicant and the respondents by the Registry of the Commission.

(8) The applicant shall within 3 working days from the date of publication of the notice in terms of Clause (5) of this Regulation submit to the Commission on affidavit the details of the notice published, names of the digital newspapers in which the notice has been published, the dates and places of their publication and enclosing the relevant pages of the publication of notice.

(9) The CTUIL shall send its recommendations, if any, to the Commission on the proposal for grant of licence made in the application as far as practicable within a period of 10 (ten) days from the date of receipt of the application with a copy to the applicant: Provided that if CTUIL is unable to submit its recommendations within a period of 10 days, it shall inform the Commission the reasons for the same and submit its recommendations within a period of 30 (thirty) days from the date of receipt of the application: Provided further that along with its recommendations, CTUIL shall submit the copy of approval of the transmission project by the Central Government in terms of Electricity (Transmission System Planning, Development and Recovery of Inter-state Transmission Charges) Rules, 2021 as amended from time to time. Explanation: The recommendations of the Central Transmission Utility shall not be binding on the Commission.

(10) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by CTUIL and the suggestions and objections, if any, received in response to the public notice within 7 working days of receipt of such suggestions and objections, with an advance copy to the CTUIL and the person, if any, who has filed the suggestions and objections on the proposal made in the application.

(11) The Commission after considering the suggestions and objections received from the DICs and in response to the public notice published by the applicant, and the recommendations, if any, received from CTUIL may either propose to grant the licence to the applicant or for reasons to be recorded in writing, reject the application.

(12) Before granting a licence, the Commission shall publish a notice of its proposal on the Commission's website and in two daily digital newspapers, having wide circulation, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to grant the licence, details of the project for which it proposes to grant a licence, location or route of the elements of the project, and any other details that the Commission may consider appropriate, to invite further suggestions and objections on its proposal within 15 days of the publication of the notice.

(13) The Commission may, after consideration of the further suggestions and objections, if any, received in response to the public notice in terms of Clause(12) of this Regulation, grant licence to the applicant in Form-III appended to these regulations or for reasons to be recorded in writing, reject the application.

(14) The Commission shall before granting licence or rejecting the application under the provisions of this Regulation provide an opportunity of hearing to the applicant, CTUIL, the concerned DICs, or the person who has filed suggestions and objections, or any other interested person.

(15) The Commission shall, within 7 days of making the order to grant the licence to an applicant send a copy of the licence to the Central Government, the Central Electricity Authority, the Central Transmission Utility, the applicant and the concerned DIC(s)."

16. The Petitioner has approached the Commission with a separate application for the adoption of transmission charges in respect of the transmission system, which is presently under consideration of the Commission, and the order in that Petition will be issued separately. The Petitioner has filed the present Petition for the grant of a transmission licence in accordance with the provisions of the Transmission Licence Regulations, 2024. The Petitioner has submitted proof of service of the copies of the application on the BPC, CTUIL and the beneficiaries and proof of web posting of the complete application. The Petitioner has further undertaken to pay the applicable licence fee upon the grant of a transmission licence in terms of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

The Petitioner has prayed for the grant of a transmission licence to Khavda PS1 and 3 Transmission Limited with respect to the transmission system as per the details given in paragraph 1 above.

17. The Petitioner has made the Application as per Form-I and paid the fee of Rs. one lakh as prescribed by the Central Government. As per the direction of the Commission, the Petitioner has served a copy of the Application on the beneficiaries of the transmission project for the Project. The transmission charges quoted by the Petitioner, which have been recommended by the Bid Evaluation Committee for acceptance, is Rs. 1077.25 million per annum. The Petitioner has also enclosed copies of the recommendations of the Bid Evaluation Committee.

18. The Petitioner has published the notices on the e-filing portal of the Commission and on its website in Form-II in English and Gujarati. The Petitioner has also published the notice digitally in the Free Press Gujarat and Divya Bhaskar on 19.11.2024. In response, no objection has been received from the general public to the notices.

19. The Petitioner has served a 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 5(3) of the Transmission Licence Regulations. CTUIL, vide its letter dated 3.1.2025, has recommended the grant of a transmission licence to the Petitioner. The Relevant portions of the said letter dated 3.1.2025 are extracted as under:

"This has reference to the Transmission License Petition having Diary no. 859/2024 dated 14.11.2024 filled by M/s Khavda PS1 and 3 Transmission Limited (KPS1&3TL) before Hon'ble Commission vide which M/s KPS1&3TL has requested CTU for issuance of its recommendation for grant of Transmission License for subject transmission scheme. In this regard, the following is submitted:

- 1) M/s Khavda PS1 and 3 Transmission Limited (KPS1&3TL) has filed a petition under Section 14, 15 and 79(1)(e) of the Electricity Act, 2003 read with CERC (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2024 for grant of transmission license for "Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)" project on Build, Own, Operate and Transfer (BOOT) basis as ISTS. The detailed scope of the transmission scheme is enclosed at Annexure-I.
- 2) M/s Khavda PS1 and 3 **Transmission** Limited (**KPS1&3TL**) has mapped Nodal Agency i.e., CTUIL on the e-portal of Hon'ble Commission, to serve a copy of the application for the grant of Transmission License, for the above transmission system as per Section 15(3) of the Electricity Act, 2003 and Regulation 7(6) of Transmission License Regulations, 2024 for recommendation required u/s 15(4) of the Electricity Act, 2003 and Regulation 7(11) of Transmission License Regulations, 2024.
- 3) In reference to the Transmission Scheme "Provision of Dynamic Reactive Compensation at Khavda Pooling Station 1 (KPS1) and Khavda Pooling Station 3 (KPS3)", the following is submitted:

(i) The government of India has set a target for establishing 500 GW non fossil generation capacity by 2030, which also includes 30 GW RE potential in the Khavda area of Gujarat under ISTS. In order to improve dynamic performance of power system in Khavda region, subject scheme has been planned which includes provision of Dynamic Reactive.

Compensation [STATCOMs with mechanically switched capacitors (MSC) and reactors (MSR)] at KPS1 and KPS3 substations in Khavda area.

The subject scheme broadly includes Establishment of 01 nos. + 300 MVar STATCOM with 1x125 MVar MSC, 2x125 MVar MSR each at KPS1 (Section-I & II) & KPS3 (Section-I).

The detailed scope of the transmission scheme is enclosed at Annexure-I.

(ii) The subject transmission scheme was agreed upon in the 14th Consultation meeting for Evolving Transmission Schemes in WR (CMETS-WR) meeting held on 30/12/2022. Extract of the minutes of the above meeting is enclosed at Annexure-II.

(iii) The subject transmission system was discussed in the 46th WRPC meeting held on 03/02/2023. Extracts of the minutes of the WRPC meeting is enclosed at Annexure-III.

(iv) The subject transmission system was discussed and agreed upon in the 12th NCT meeting held on 24/03/2023. The extract of the minutes of the NCT meeting is enclosed at Annexure-IV.

(v) The Government of India, Ministry of Power, vide Gazette notification dated 12/05/2023 had appointed PFC Consulting Limited (PFCCL) as the Bid Process Coordinator (BPC) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish the subject ISTS through Tariff Based Competitive Bidding (TBCB) process on build, own operate & transfer basis. Copy of Gazette notification is enclosed at

Annexure-V of the application filed by M/s KPS1&3TL.

- 4) Pursuant to the process of competitive bidding conducted by the BPC, Power Grid Corporation of India Limited emerged as the successful bidder. Thereafter, the BPC issued a Letter of Intent in favour of Power Grid Corporation of India Limited on 19/09/2024. Subsequently, Power Grid Corporation of India Limited acquired Khavda PS1 and 3 Transmission Limited on 07/11/2024, after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements specified in the bid documents. The scheduled COD for the proposed ISTS scheme is 07/11/2026 as per TSA.*
- 5) In line with Section 15(4) of the Electricity Act, 2003 and Regulation 5(9) of Transmission License Regulations, 2024, based on details furnished by M/s Khavda PS1 and 3 Transmission Limited, CTU recommends the grant of transmission license to M/s Khavda PS1 and 3 Transmission Limited for executing the transmission scheme as mentioned in Para-1 above."*

20. We have considered the submissions of the Petitioner, BPC, 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, the selected bidder was required to complete all the activities, including the acquisition of SPVs, by 29.9.2024. Though the Lol was issued on 19.9.2024, BPC, vide its letter dated 7.11.2024 in terms of Clauses 2.15.2 of the RfP, extended the date up to 7.11.2024 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee in favour of the Nodal Agency (CTUIL) for an amount of Rs. 24.75 crores on 7.11.2024 and acquired a hundred per cent equity holding in the applicant company on 7.11.2024 after execution of the Share Purchase Agreement. As per clause 2.15.4 of the RfP, the TSP is required to apply to the Commission for the grant of a transmission licence within five working days of the issuance of the acquisition of the SPV to the successful bidder. The successful bidder, namely Power Grid Corporation of India Limited, acquired the SPV on 7.11.2024.

Accordingly, the TSP has filed the instant Petition through e-filing for the grant of a transmission licence on 14.11.2024. It is noted that there is a two days delay in filing of the Petition, which occurred due to the non-reflection of the filing fees of the Petition on the e-portal. Since the Petitioner could not file the Petition due to procedural lapse, we condone the said delay.

21. Considering the material on record, we are *prima-facie* of the view that the Petitioner satisfies the conditions for the grant of an inter-State transmission licence under Section 15 of the Act read with the 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 in two daily digital newspapers and on the Commission`s website under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to the grant of a transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission by **21.3.2025**.

22. The Petitioner has undertaken that it shall implement the Project as per the provisions of the TSA. The Petitioner has also undertaken that the time overrun and cost overrun, if applicable, shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Act, the bidding documents, and the regulations of the Central Electricity Regulatory Commission.

23. 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, testing, 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 the Bureau of India Standards. In this regard, the Petitioner has submitted that it would implement the Project as per the provisions of the TSA, including Article 16.4, Article 5.1.1, and Article 5.4 of the TSA. 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 the bidding documents and the TSA for the commissioning of the Project within the SCOD.

24. The Petitioner, vide its affidavit dated 13.2.2025, has informed that the name of the Petitioner company has been changed from 'Khavda PS1 and 3 Transmission Limited' to 'POWERGRID Khavda PS1 and 3 Transmission Limited' with effect from 6.2.2025. The certificate of change of name from 'Khavda PS1 and 3 Transmission Limited' to 'POWERGRID Khavda PS1 and 3 Transmission Limited' dated 6.2.2025 issued by the Registrar of Companies, IMT Manesar, Haryana, has been placed on record. Accordingly, the name of the Petitioner has been changed to 'POWERGRID Khavda PS1 and 3 Transmission Limited', and the same has been taken on record.

25. The Petition shall be listed for hearing on **25.3.2025**.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson