

**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: 26th 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, Sampriiti Nagar,
Off National Highway No. 8, Taluka: Kamrej,
PO: Uppalwadi, Nagpur-440026, Maharashtra
8. **HVDC Vindhyachal, PGCIL,**
PGCIL RHQ, WR-I, Sampriiti 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. Based on the competitive bidding carried out by the PFC Consulting Limited (PFCCL), in its capacity as the Bid Process Coordinator (BPC), in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act, Power Grid Corporation of India Limited was declared a successful bidder with the lowest quoted annual transmission charges of Rs. 1077.25 million per annum.

3. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 12.3.2025, *prima facie* proposed to grant a transmission licence to the Petitioner. The relevant extracts of the order dated 12.3.2025 are extracted as under:

"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.”

4. A public notice under Sub-section (5) of Section 15 of the Act was published in all editions of The Hindu (English) and Hindustan (Hindi) on 17.3.2025. No suggestions/ objections have been received from members of the public in response to the public notice.

Hearing Dated: 25.3.2025

5. The matter was called out for the hearing on 25.3.2025. During the course of the hearing, the representative of the Petitioner submitted that no objection had been received in response to the public notice published by the Commission under sub-section (5) of Section 15 of the Act. He prayed to be granted a transmission licence.

6. As regards the grant of a transmission licence, Clauses (13) and (14) of Regulation 5 of the 2024 Transmission Licence Regulations provide as under:

“(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).”

7. In our order dated 12.3.2025, we had proposed to grant a transmission licence to the Petitioner company and directed the issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL, in its letter

dated 3.1.2025, has recommended the grant of a transmission licence to the Petitioner. We find that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations, 2024, for the grant of a transmission licence for the subject Transmission System mentioned in paragraph 1 of this order. Considering the submissions of the Petitioner and CTUIL, we direct that a transmission licence be granted to the Petitioner, '**POWERGRID Khavda PS1 and 3 Transmission Limited**,' 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 as per the details given in paragraph 1 above.

8. The grant of the transmission licence to the Petitioner (hereinafter referred to as "the licensee") is subject to the fulfilment of the following conditions throughout the period of licence:

- (a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;
- (b) The transmission licensee shall comply with the provisions of the Central Electricity Regulatory Commission (Procedure, Terms, and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024 (hereinafter referred to as "2024 Transmission Licence Regulations") or any subsequent enactment thereof during the period of subsistence of the licence;
- (c) The licensee may make an application, two years before the expiry of the initial licence period, for the grant of the transmission licence for another term in accordance with Regulation 9 (2) of the 2024 Transmission Licence Regulations, which shall be considered by the Commission in accordance with

law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as a breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the provisions of Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide the non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity

Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2023; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time or any subsequent re-enactments thereof;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;

(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the Rules and Regulations framed thereunder, in particular the 2024 Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure the execution of the Project as per the Technical Standards and Grid Standards of CEA;

(m) The licensee shall submit all such report or information as may be required under 2024 Transmission Licence Regulations, Standard of Performance Regulations or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time;

(n) The licensee shall ensure that the EPC contract for the execution of work under the scope of the project is awarded through a competitive bidding process.

9. CTUIL/its appointed Independent Engineer and the Central Electricity Authority shall monitor the execution of the Project and bring to the Commission's notice any lapse on the part of the licensee in meeting the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee and the Nodal Agency, the Act and the Transmission Licence Regulations.

10. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clauses 2.5.7.3, 2.5.7.4, and 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 in letter and spirit.

11. With regard to compliance with Articles 5.1.1 and 5.4 of the TSA, the Petitioner, vide its affidavit dated 19.8.2024, has submitted that it will implement the Project in accordance with the provisions of the TSA specifically including the Articles 16.4; 5.1.1 and 5.4.

12. An extract copy of this order be sent to CTUIL, CEA, and BPC for information and necessary action.

13. Petition No. 507/TL/2024 is allowed in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson