

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 61/TL/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of order: 14th March, 2025

In the matter of:

Application under Sections 14 & 15 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2024 for grant of separate Transmission Licence for Augmentation of Transformation Capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3 Scheme under Regulated Tariff Mechanism (RTM) route.

And

In the matter of

**Khavda IVA Power Transmission Limited,
C-105, Anand Niketan,
New Delhi-110021.**

..... **Petitioner**

Vs.

**1. Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122001.**

**2. Madhya Pradesh Power Management Company Limited,
Block No. -11, Ground Floor,
Shakti Bhavan, Vidhyut Nagar, Rampur,
Jabalpur- 482008, Madhya Pradesh.**

**3. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh.**

4. Maharashtra state Electricity Distribution Company Limited,

Prakashgad, 4th Floor,
Bandra (East), Mumbai- 400051.

5. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Racecourse Road,
Vadodara-390007.

6. DNH Power Distribution Corporation Limited
66 kV, Amii Ind. Estate,
Silvasa-396230, Dadar Nagar Haveli.

7. Electricity Department, Government of Goa
Vidyut Bhavan, Near Mandvi Hotel,
Panaji-403001, Goa.

**8. Dadra and Nagar Haveli and Daman and
Diu Power Distribution Corporation Limited,**
1st & 2nd Floor, Vidyut Bhavan, Silvassa -396230,
Dadra & Nagar Haveli.

..... Respondents

Parties present:

Shri Prashant Kumar, KIVAPTL
Shri Shashank Singh, RECPDCL
Shri Akshayvat Kislay, CTUIL

ORDER

The Petitioner, Khavda IVA Power Transmission Limited, (hereinafter referred to as 'the Petitioner/KTL'), has filed the present Petition under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') read with the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2024 for the grant of a separate Transmission Licence for "Augmentation of transformation capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3" on the RTM route (hereinafter referred to as the 'transmission scheme/project'). The scope of the project for which a transmission licence has been sought is as follows:

S. No.	Name of the scheme and Implementation timeframe	Estimated Cost (₹ crores)	Remark
1	Augmentation of transformation capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3 Scheme Tentative Implementation timeframe: 24 months	252	Approved to be implemented under RTM by Khavda IV A Power Transmission Limited

Detailed scope of the Scheme is as under:

S. No.	Scope of the Transmission Scheme	Capacity/ km
1	Augmentation of transformation capacity at KPS3(GIS) by 1x1500 MVA, 765/400 kV ICT on Bus section-II (8 th) along with 1 No. 400 kV line bay for termination of 1 st ckt out of 400 kV D/c line being implemented by AGEL (Appl. No. 2200000953) for 1530 MW	• 765/400 kV ICT-1 (1x1500 MVA) • 765 kV ICT bay-1 (+1 no. bay for dia completion with Switchable Line Reactor (SLR) provision in future bay) on Bus section-II • 400 kV ICT bay-1 (+ 1 no. bay for dia completion and termination of the proposed Line for RE interconnection) on Bus section-II
2	1 Nos. 400 kV line bay on KPS3 400 kV Bus Section-II for termination of 2 nd ckt out of 400 kV D/c line being implemented by AGEL (Appl. No. 2200000953) for 1530 MW	400 kV line bays- 1 no. (+ 1 no. bay for dia completion with the provision to terminate future 400/220 kV ICT)
<i>Note: TSP of KPS3 (GIS) shall provide space for the above scope of work.</i>		

2. The Petitioner company was incorporated as a special purpose vehicle by REC Power Development and Consultancy Limited (hereinafter referred to as 'RECPDCL') as part of the Tariff Based Competitive Bidding (TBCB) process for implementing the transmission project "Transmission scheme for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase-IV (7GW): Part A" on a

Build, Own, Operate, and Transfer (BOOT) basis. Adani Energy Solutions Limited (hereinafter referred to as 'AESL') participated in the competitive bidding process conducted by RECPDCL, and upon emerging as the successful bidder, a Letter of Intent (LoI) was issued by RECPDCL to AESL on 7.8.2024. In accordance with the bidding documents, AESL acquired 100% of the shareholding in the Petitioner Company by executing a Share Purchase Agreement with RECPDCL on 30.8.2024. The Commission, vide its order dated 27.12.2024 in Petition No. 338/TL/2024, granted a transmission licence to the Petitioner for the aforesaid TBCB Project.

3. Subsequently, NCT approved the Augmentation of transformation capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3 Scheme under the Regulated Tariff Mechanism (RTM) to Khavda IVA Power Transmission Limited in line with the Ministry of Power office order dated 28.10.2021. Thereafter, Central Transmission Utility of India Limited (hereinafter referred to as 'CTUIL') has issued an Office Memorandum dated 25.11.2024 to the Petitioner wherein CTUIL has approved and nominated the Petitioner to implement the transmission scheme Augmentation of transformation capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3 Scheme.

4. The Petitioner has submitted that after the grant of a separate transmission licence, the Petitioner shall proceed to implement the transmission scheme under RTM mode. The estimated cost of the transmission scheme as per the 24th meeting of NCT dated 23.10.2024 is Rs. 252 crores. After completion of the transmission scheme, the Petitioner shall approach the Commission for determination of transmission charges in accordance with Sections 61 and 62 of the Act and Tariff Regulations in vogue as per

Regulation 8 (2) of the Transmission Licence Regulations.

5. The subject transmission scheme was discussed and agreed upon in the 31st & 32nd CMETS-WR meetings held on 3.8.2024 & 24.9.2024, respectively. Based on the same, CTUIL, vide its Office Memorandums dated 25.11.2024, approved the subject transmission scheme under the Regulated Tariff Mechanism (RTM) mode and informed regarding the name of the implementing agency, viz., the Petitioner. The relevant portion of the said Office Memorandums dated 25.11.2024 is extracted as under:

***“Sub: implementations of ISTS Transmission/Communication Schemes approved by NCT in its 24th meeting held on 23rd October 2024 under Regulated Tariff Mechanism (RTM).*”**

NCT vide letter dated 22.11.2024 has awarded various ISTS Transmission/Communication schemes for its implementation under RTM mode by the respective implementing agencies as indicated in the table below:

Sl. No.	Transmission Scheme	Implementation Agency
<i>I. ISTS schemes approved by NCT</i>		
2.	Augmentation of transformation capacity at KPS3 (GIS) S/s under Khavda Phase-V Part B3 scheme.	M/s Khavda IV A Power Transmission Ltd. (Subsidiary of Adani Energy Solutions Ltd.) (i.e. TSP of KPS3 (Sec-II))

...
The implementing agency shall enter into a concession agreement with CTUIL for implementation of aforementioned Transmission Schemes. However, pending finalization of Concession Agreement, it is requested to initiate necessary actions for implementation of the aforementioned Transmission Schemes.”

6. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, vide its order dated 21.2.2025, *prima facie* proposed to grant a separate transmission licence to the Petitioner to implement the transmission projects detailed in paragraph 1 of the order. The relevant extracts of the order dated 21.2.2025 are extracted as under:

“Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for the grant of a separate RTM transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for the implementation of the transmission project 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 on or before 7.3.2025.”

7. A public notice under sub-section (5) of Section 15 of the Act was published on 27.2.2025 in all editions of ‘The Hindu’ (English) and ‘Hindustan’ (Hindi). No suggestions/objections have been received from members of the public in response to the public notice.

Hearing dated: 11.3.2025

8. During the course of the hearing, the representative of the Petitioner submitted that vide order dated 21.2.2025, the Commission has held that the Petitioner is eligible for the grant of a separate transmission licence and, consequently, directed to issue public notice under Section 15(5)(a) of the Electricity Act, 2003 inviting suggestion or objection to the grant of a transmission licence to the Petitioner. However, in response thereof, no suggestion or objection has been received in response to the public notice.

9. We have noted the above submissions of the Petitioner and CTUIL and proceed to consider the application of the Petitioner for the grant of a transmission licence.

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

“(15) The Commission may after consideration of the further suggestions and

objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long term customers, or the person who has filed suggestions and objections, or any other person: Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”

11. In our order dated 21.2.2025, we had proposed to grant a transmission licence to the Petitioner company and directed for the issuance of public notice. In response to the public notice, no suggestions/ objections have been received. CTUIL, vide its letter 12.12.2024, has recommended the grant of a transmission licence to the Petitioner company. Considering the submissions of the Petitioner and CTUIL, we direct that the transmission licence be granted to the Petitioner, Khavda IVA Power Transmission Limited, to establish the transmission scheme through the RTM route as per the details given in paragraph 1 above.

12. 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 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 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 the 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 the 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.

13. 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 Act and the Transmission Licence Regulations.

14. An extract of a copy of this order shall be sent to the Central Government in the Ministry of Power and the Central Electricity Authority in terms of sub-section (7) of Section 15 of the Electricity Act, 2003, for their information and record.

15. Petition No. 61/TL/2025 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**