# Rajasthan Electricity Regulatory Commission

#### Petition No. RERC/744/16

In the matter of application filed by M/s Adani Transmission (Rajasthan) Ltd. under section 14,15 & 86(1) (d) of the Electricity Act, 2003 for grant of Transmission Licence for 400 kV Suratgarh-Bikaner line.

Coram: Sh. Vishvanath Hiremath, Chairman

Sh. Vinod Pandya, Member Sh. Raghuvendra Singh, Member

Petitioner: M/s Adani Transmission (Rajasthan) Ltd.

Respondent: Rajasthan Rajya Vidyut Prasaran Nigam Ltd.

Date of hearing: 16.06.2016 and 23.08.2016

Present: 1. Sh. Bhavesh Kundalia, General Manager for Petitioner

2. Sh. Pinkesh Kumar, Associate Manager for Petitioner

3. Sh. Neelesh Dharwal, Ex. En. for RVPN

Order Date : 30.08.2016

# ORDER

M/s Adani Transmission (Rajasthan) Ltd. (hereinafter referred to as "ATRL" or "Petitioner") filed an application on 30.05.2016 under Section 14,15 and 86(1) (d) of the Electricity Act, 2003 read with RERC (Licensing) Regulations, 2004 for grant of transmission licence to establish transmission system from Suratgarh to Bikaner consisting of following elements:

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Name of the Project	Voltage config	Level/ juration	Conductor	_	<b>in</b> prox	<b>Km</b>
Suratgarh to Bikaner Transmission Line			Twin Moose	, ,	2 km	·/

## 2. Petitioner in its petition submitted as under:

- (i) M/s Adani Transmission (Rajasthan) Limited has filed this application for grant of transmission licence to establish 400 kV Suratgarh-Bikaner Double Circuit transmission system (with twin moose conductor) from Suratgarh Thermal Power Station to Bikaner for evacuation of power from 2X660 MW Unit 7 and 8 of supercritical thermal power plant at Suratgarh with a design capacity to transmit electricity equivalent to 1066 MW.
- (ii) Rajasthan Rajya Vidyut Prasaran Nigam Ltd. ("RVPN") in its capacity of State Transmission Utility (STU) decided to develop the said project through competitive bidding process under Public Private Partnership ("PPP") mode on Design-Build-Finance-Operate-Transfer ("DBFOT") basis using Viability Gap Funding ("VGF").
- (iii) RVPN issued Request for Qualification (RFQ) on 06.04.2015 and opened it on 26.06.2016. The short-listed applicants were called upon to submit their financial offers with due date 27.01.2016. After evaluation of the bids received, the Authority accepted the bid of M/s Adani Transmission Limited and declared it as the Successful Bidder. The Letter of Award ("LOA") was issued to M/s Adani Transmission Limited on 16.03.2016 giving effect from 25.03.2016.
- (iv) As per Clause 1.12 of RFP, M/s Adani Transmission Limited, Selected Bidder, incorporated Adani Transmission (Rajasthan) Limited to carry out the project activities as the Concessionaire and requested RVPN to accept ATRL as Concessionaire, the entity which shall undertake and

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- perform the obligations and exercise the rights of the M/s Adani Transmission Limited under the LOA, including the obligation to enter into this Transmission Agreement pursuant to the LOA for undertaking the project.
- (v) RVPN has agreed to the said request of M/s Adani Transmission Limited and Adani Transmission (Rajasthan) Limited (the Concessionaire) has entered into Transmission Agreement dated 09.05.2016 with the RVPN for implementation of the project on DBFOT basis.
- (vi) Grant of transmission licence is a condition of Transmission Agreement and is also a requirement in law without which the Petitioner cannot proceed with the establishment of the Transmission System.
- (vii) Petitioner fulfils the eligibility criteria for grant of transmission licence as stipulated in RERC (Licensing) Regulations, 2004 and therefore, the Petitioner may be granted the transmission licence for the transmission line mentioned hereinabove.
- 3. The matter was heard on 16.06.2016. Sh. Pinkesh Kumar, Associate Manager, ATRL appeared for Petitioner. After hearing preliminary submissions, Commission admitted the petition and directed to issue notice to the Respondents. The Petitioner was also directed to publish notices in the news papers as per the Regulations.
- 4. Petitioner, as per RERC (Licensing) Regulations, 2004, published the public notices for grant of transmission licence, with details of proposed line in the following newspapers, on the dates shown as below:

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S.No.	Name of News Paper	Date	
(i)	Times of India	24.06.2016	
(ii)	Dainik Navjyoti	24.06.2016	
(iii)	Rajasthan Patrika	24.06.2016	

- 5. The petition was also placed on the websites of the Commission and Petitioner. No Objections/Comments have been received on the petition.
- 6. The matter was heard on 23.08.2016. Sh. Bhavesh Kundalia, General Manager, ATRL appeared for Petitioner and prayed to grant transmission licence as petitioned. Sh. Neelesh Dharwal, Ex. En. appeared for RVPN.
- 7. We have considered the submissions made by the Petitioner and also documents submitted in support of the submissions.
- 8. Petitioner submitted that RVPN, acting in its capacity as the State Transmission Utility, is engaged in the development of State transmission grid with a view to increasing and improving the supply of electricity through Public Private Partnership on Design, Build, Finance, Operate and Transfer ("DBFOT") and decided to carry out the bidding process for selection of a private entity as the bidder to whom the project may be awarded. The Government of India extends financial support in the form of Viability Gap Funding for facilitating the implementation of various Public Private Partnership projects as per the Guidelines notified by the Ministry of Finance, Department of Economic Affairs vide O.M No.1/5/2005-PPP dated 12.01.2006.
- 9. Based on the Model Bid Documents of the Planning Commission, RVPN had conducted two-stage bidding for selection of bidder for award of the work of 400 kV Double Circuit Suratgarh-Bikaner Transmission Project.

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- 10. Subsequently, RVPN filed a petition (562/15) under Section 63 of Electricity Act, 2003 for adoption of tariff in respect of 400 kV Double Circuit Suratgarh-Bikaner (Twin Moose) Transmission Line Project through PPP mode availing Viability Gap Funding. RVPN submitted that M/s Adani Transmission Limited has emerged as successful bidder and was selected through a transparent and open competitive bidding process by following the guidelines issued by the Central Govt. RVPN confirmed that it has adhered to the process detailed in the model documents and ensured transparency in selection of bidder at every stage of bid process.
- 11. The Commission, while deciding the said petition vide its order dt. 27.11.2015, noted that selection of the successful bidder by RVPN has been carried out through a transparent process of competitive bidding in accordance with the Guidelines. Further, the process of arriving at the Base Unitary Charge of the aforesaid project has also been carried out as per Guidelines/Model Transmission Agreement issued by the Planning Commission, Govt. of India. Therefore, Commission adopted the Base Unitary Charge of Rs. 26.86 crores per annum determined as per the formula provided in MTA on the basis of approved ARR of RVPN for FY 2015-16.
- 12. Now, M/s Adani Transmission (Rajasthan) Ltd. has filed this application under Section 14 of the Electricity Act, 2003 for grant of licence for transmission of electricity through 400 kV Double Circuit Suratgarh-Bikaner transmission line to operate the same once constructed and commissioned.
- 13. The STU vide its letter dt. 10.06.2016 has recommended the grant of transmission licence to Petitioner. We observe that Petitioner has also filed an affidavit stating that no cantonment, aerodrome, fortress, arsenal, dockyard or camp or any building or place in occupation of the Central Government for defence purpose fall in the project specific area of the Petitioner.

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- 14. We are satisfied that the Petitioner meets the requirements of the Electricity Act, 2003 for grant of transmission licence for the transmission system mentioned below. Accordingly, we direct that transmission licence be granted to M/s Adani Transmission (Rajasthan) Pvt. Ltd. for the 400 kV Double Circuit Suratgarh-Bikaner Transmission line.
- 15. The grant of transmission licence to the Petitioner shall be subject to the fulfillment 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;
  - (b) The transmission licensee shall comply with the provisions of the Rajasthan Electricity Regulatory Commission (Conditions of Licence) Regulations, 2004 or any subsequent enactment thereof during the period of subsistence of the licence;
  - (c) If the useful life of the transmission system extends beyond the period of 25 years, the applicant may make an application, two years before the expiry of initial licence period, for grant of licence for another term which shall be considered by the Commission in accordance with law;
  - (d) The transmission 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 transmission licensee shall have the liability to pay the licence fee in accordance with the provisions of the Rajasthan Electricity Regulatory Commission (Fees for Petitions) Regulations, 2005, as amended from time to time or any of the other Regulations in force. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of

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#### licence;

- (f) The transmission licensee shall comply with the directions of the National/Regional/State Load Dispatch Centre under the Act, as may be issued from time to time for maintaining the availability of the transmission system;
- (g) The transmission licensee shall abide by the RERC (Transmission Licensee's Standards of Performance) Regulations, 2004 as amended from time to time;
- (h) The transmission licensee shall furnish to the Commission such information, documents and details related to the Licensed Business and/or the Other Business of the Transmission Licensee as the Commission may require;
- (i) The transmission licensee shall establish adequate telemetering, SCADA, data transfer and communication facilities as required by SLDC.
- (j) The transmission licensee shall pay to the State Load Dispatch Centre such fee as may be specified by the Commission;
- (k) Where the transmission licensee fails, omits or neglects to undertake transmission in electricity, the transmission license shall be subject to revocation in accordance with the provisions of the Act;
- (I) The transmission licensee shall comply with the conditions agreed in Transmission Agreement;
- (m) The transmission licensee shall provide non-discriminatory open access on its transmission system for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or

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any other person in accordance with the Act and Regulations as amended from time to time;

- (n) The Transmission Licensee shall as soon as practicable, report to the Commission:
  - (i) Any change in major shareholding, ownership or management of the licensee; and
  - (ii) Any proceedings initiated by one or more of the parties signing the agreement for interpretation, amendment or termination of the agreement;
- (o) The transmission licensee shall abide by the provisions of the Act, the Rules and Regulations framed thereunder, in particular the 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.
- (p) The interpretation of the licence and the terms and conditions thereof shall be as determined by the Commission.
- 16. The licence shall come into force w.e.f 15th September, 2016 before which the licensee shall deposit the security amount indicated in the licence.
- 17. The licence in Form 6, as specified in the RERC (Licensing) Regulations 2004, and appended herewith, may be issued under the signature of the Secretary to the Commission.

(Raghuvendra Singh)

Member

(Vinod Pandya) Member (Vishvanath Hiremath)
Chairman

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# <u>LICENCE</u>

(Licence for Transmission of Electricity under the Electricity Act, 2003)

# RERC/Transmission Licence/.....

Licence is hereby granted for transmission of electricity to the person whose name and address is given below with powers and upon terms and conditions specified hereunder: -

Date: 30th August, 2016

1. Name of the Licensee:

M/s Adani Transmission (Rajasthan) Ltd.

2. Address of the Licensee:

31 (A), 6<sup>th</sup> Floor, Plot No.5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur (Rajasthan)-302019.

## **TERMS AND CONDITIONS OF THE LICENCE**

#### 1. **Security**

The Licensee shall deposit as security an amount of Rs.10.00 lacs (Rupees Ten Lacs) before the date of commencement of this licence towards fulfillment of terms and conditions of this licence and efficient discharge of duties and obligations imposed upon him by this licence.

## 2. Area of Transmission

The Licensee is authorised to transmit electricity through the transmission system specified in clause 3 below.

#### 3. Details of Transmission Line

The Licensee is authorised to establish, operate and maintain the 400 kV Double Circuit Suratgarh-Bikaner transmission line.

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## 4. Compliance with Provisions of the Act

The Licensee shall comply with the provisions of the Electricity Act, 2003, and rules and regulations made there under.

#### 5. Terms of Licence

- (1) The date of commencement of this licence shall be 15th September, 2016.
- (2) The licence shall be in force for a period of **twenty five years** from the date of its commencement unless the licence is revoked earlier.

#### 6. General Conditions of Licence

In addition to the said terms and conditions of this licence, the general conditions of licence specified by the Commission in the order dated 30.08.2016 granting licence, shall apply to the Licensee and shall also be deemed to be the conditions of this licence.

#### 7. Revocation of Licence

The licence shall be liable for revocation under Section 19 of the Electricity Act, 2003, for reasons mentioned therein and also for breach of any terms or conditions of this licence or the conditions specified by the Commission under Section 16 of the Act.

By orders of the Commission

(G.K. Sharma) Secretary

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