

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 426/TL/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 19th November, 2025

In the matter of

Petition under Sections 14, 15 and 79(1)(e) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2024 with respect to Grant of Transmission Licence to Navinal Transmission Limited.

And

In the matter of

Navinal 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-122 001

2. PFC Consulting Limited,
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi-110001

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

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

5. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th Floor, Bandra (East),
Mumbai-400051.

6. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Race Course,
Vadodara-390007.

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

8. Electricity department, Government of Goa,
Vidyut Bhavan, Near Mandvi Hotel,
Panaji-403001, Goa.

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

10. MPSEZ Utilities Limited,
Adani Corporate House,
Shantigram, S.G. Highway,
Ahmedabad-382421, Gujarat.

11. Adani Wind Energy Kutchh Three Limited,
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad- 382421, Gujarat

12. Kutch Copper Limited,
12th Floor, Aravelli, Adani Shantigram,
Nr. Vaishnodevi Circle, Ahmedabad- 382421, Gujarat

13. Mundra Petrochem Limited,
Commerce House-4 Building,
Beside Shell Petrol Pump, Prahladnagar,
Ahmedabad- 380015, Gujarat

....Respondents

Parties present:

Mr. Sitesh Mukherjee, Senior Advocate, MPL and KCL
Ms. Ankita Bafna, Advocate, MPL and KCL

Shri Prashant Kumar, NTL
Mr. Hemant Singh, Advocate, MPL and KCL
Ms. Ankita Bafna, Advocate, MPL and KCL
Mr. Harshit Singh, Advocate, MPL and KCL
Mr. Devansh Pundir, Advocate, MPL and KCL
Shri Swapnil Verma, CTUIL

ORDER

The Petitioner, Navinal Transmission Limited (hereinafter referred to as “the Petitioner”), has filed the present Petition for the grant of a transmission licence under Sections 14, 15, and 79 (1) (e) 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 “Network Expansion Scheme in Navinal (Mundra) area of Gujarat for drawal of power in the area”, on a Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to “the Transmission System” or “Project”) consisting of the following elements:

S. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date
1.	Establishment of 4x1500 MVA, 765/400 kV Navinal (Mundra) S/s (GIS) with 2x330 MVA, 765 kV and 1x125 MVA, 420 kV bus reactors: • 765/400 kV, 1500 MVA ICT – 4 Nos. (13x500 MVA single phase units including one spare ICT Unit) • 765 kV ICT bays – 4 Nos. • 400 kV ICT bays – 4 Nos. • 765 kV Line bays – 4 Nos. • 1x330 MVA, 765 kV bus reactor- 2 Nos. (7x110 MVA single phase Reactors including one spare Unit for bus /line reactor) • 765 kV Bus reactor bay – 2 Nos. • 125 MVA, 420 kV reactor- 1 Nos. • 400 kV Reactor bay- 1 No. Future provision (space for): ➤ 765/400 kV ICT along with bays- 5 Nos.	21 months (14.07.2026)

	➤ 765 kV line bays along with switchable line reactors – 6 Nos. ➤ 765 kV Bus Reactor along with bay: 2 Nos. ➤ 765 kV Sectionalizer: 1 -set ➤ 400 kV line bays along with switchable line reactors– 10 Nos. (in addition to 4 Nos. bays for MUL – Navinal (Mundra) (GIS) 400 kV 2xD/C line mentioned under Note) ➤ 400/220 kV ICT along with bays -6 Nos. ➤ 400 kV Bus Reactor along with bays: 3 Nos. ➤ 400 kV Sectionalization bay: 1- set ➤ 220 kV line bays: 10 Nos. ➤ 220 kV Sectionalization bay: 1 set ➤ 220 kV BC and TBC: 2 Nos. ➤ STATCOM ($\pm$ 300 MVAR) along with MSC (2x125 MVAR) and MSR (1x125 MVAR) and associated bays- 2 Nos.	
2.	LILO of Bhuj-II – Lakadia 765 kV D/C line at Navinal (Mundra) (GIS) S/s with associated bays at Navinal (Mundra) (GIS) S/s	
3.	Installation of 1x330 MVAR switchable line reactor on each ckt at Navinal end of Lakadia – Navinal 765 kV D/C line (formed after above LILO) ➤ 1x330 MVAR, 765 kV switchable line reactor – 2 Nos. ➤ Switching equipment for 765 kV line reactor – 2 Nos.	

Note:

- (1) Bay(s) required for completion of diameter (GIS) in one-and-half breaker scheme shall also be executed by the TSP.
- (2) The TSP shall implement five complete diameters at 765 kV level of Navinal (Mundra) (GIS) consisting of 2 Main Bays and 1 Tie Bay required for completion of diameter (GIS) in one-and-half breaker scheme. (4 ICT bays + 4 Line Bays + 2 Bus Reactor Bays).
- (3) Further, the TSP shall also implement four complete diameters at 400 kV level of Navinal (Mundra) (GIS) consisting of 2 Main Bays and 1 Tie Bay required for completion of diameter (GIS) in one-and-half breaker scheme. (4 ICT bays + 1 Bus Reactor Bay + 3 for dia completion).
- (4) The following scope of works for interconnection of 400/220 kV MUL (Distribution Licensee) S/s with Navinal (Mundra) S/s (GIS) is under the scope of MUL (shall be constructed and maintained by a licensee at the cost of such entity) and is required to be implemented in the same time frame
 - MUL – Navinal (Mundra) (GIS) 400 kV 2xD/C (Twin HTLS - Quad Moose equivalent) and KCL, MPL shall get interconnected with 400/220 kV Substation of MUL for drawal of power.
 - MUL shall implement one complete diameter (GIS) consisting of 2 main bays and 1 Tie bay in one and half breaker scheme at Navinal end as 3 line bays can be terminated in spare bays being implemented by TSP for completion of dia.
 - 4 Nos. 400 kV Line bays at the Distribution Licensee MUL end.

2. Based on the competitive bidding carried out by PFC Consulting Limited (hereinafter referred to as “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, Adani Energy Solutions Limited (AESL) was declared the

successful bidder with the lowest quoted annual transmission charges of Rs. 2987.14 million per annum.

3. The Commission, after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, vide Order dated 18.1.2025, *prima facie* proposed to grant a transmission licence to the Petitioner.

Relevant extract of the order dated 18.1.2025 is extracted as under:

*“25. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for the grant of inter-State transmission licence under Section 15 of the Act read with the Transmission Licence Regulations for 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 transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission by **4.2.2025**.”*

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 20.1.2025 in all editions of ‘The Hindu’ (English) and ‘Dainik Jagran’ (Hindi). No suggestions/ objections have been received from the members of the public in response to the public notice.

Hearing Dated: 6.2.2025, 20.3.2025 and 22.4.2025:

5. The Commission, in its interim Order dated 18.1.2025, had observed that as per Regulation 12.5 of the GNA Regulations, in case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, is required to be constructed and maintained by a licensee at the cost of such entity. Accordingly, the Commission directed CTUIL to clarify,

on an affidavit, whether the above conditions have been fulfilled in the instant Petition. During the hearing held on 6.2.2025, the Commission noted that CTUIL has not complied with the direction given in the Order dated 18.1.2025. In response, CTUIL vide its affidavit dated 18.2.2025 submitted as under:

“6. As already provided in our clarification, it can be seen that the above scheme was planned not just for integrating bulk consumer loads/ drawee utilities in Mundra areas area but also to cater to Green Hydrogen/Ammonia potential in the area. The scheme would be able to cater to drawal of up to 4.5 GW load in Mundra area which comprises 3GW from bulk consumers/ Distribution licensee & 1.5 GW from Green Hydrogen.

7. Further, the following scope of works for interconnection of 400/220 kV MUL (Distribution Licensee) S/s with Navinal (Mundra) S/s (GIS) is under the scope of MUL (shall be constructed and maintained by a licensee at the cost of such entity in terms of Regulation 12.5 of the GNA Regulations: as also mentioned under scope of work provided in the license recommendation) and is required to be implemented in the same time frame of Navinal Mundra S/s which is being implemented under ISTS with SCOD of 14.07.2026:

- MPSEZ Utilities Ltd. (MUL) - Navinal (Mundra) (GIS) 400 kV 2xD/C (Twin HTLS - Quad Moose equivalent) and Kutch Copper Ltd., Mundra Petrochem Ltd. shall get interconnected with 400/220 kV Substation of MUL for drawal of power.*
- MUL shall implement one complete diameter (GIS) consisting of 2 main bays and 1 Tie Bay in one and half breaker scheme at Navinal end as 3 line bays can be terminated in spare bays being implemented by TSP of Navinal (Mundra) S/s under ISTS for completion of dia.*
- 4 Nos. 400 kV Line bays at the Distribution Licensee MUL end.*

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9. In view of the above, it can be seen that the above system has been proposed as Common Transmission System Augmentation for grant of GNA to applications of cumulative 3050 MW quantum received at Navinal (Mundra) ISTS S/s. Nevertheless, the line to connect the above entities with Navinal (Mundra) ISTS S/s have been proposed under scope of MPSEZ Utilities Ltd. (MUL) in terms of Regulation 12.5 of the GNA Regulations as mentioned above.”

6. The matter was called out for the hearing on 20.3.2025. During the course of the hearing, the Commission directed the Petitioner to implead the bulk consumers who have been granted GNA/GNARE at the substation included in the scheme in consultation with CTUIL and to file a revised memo of parties. The bulk consumers were directed to furnish their responses/replies, including the drawal schedule and implementation of their dedicated system. CTUIL was directed to provide, on an affidavit, the details of the start date of GNA/NGARE for the bulk consumers/distribution licensees covered under the instant case, vis-à-vis the scheduled commissioning date of the transmission system under this Petition.

7. In compliance with the direction of the Commission, the Petitioner impleaded MPSEZ Utilities Limited (MUL), Kutch Copper Limited (KCL), and Mundra Petrochem Limited (MPL). CTUIL vide its affidavit dated 17.4.2025, provided the following details with regard to the start date of GNA/NGNARE for the bulk consumers/distribution licensees covered under the instant case.

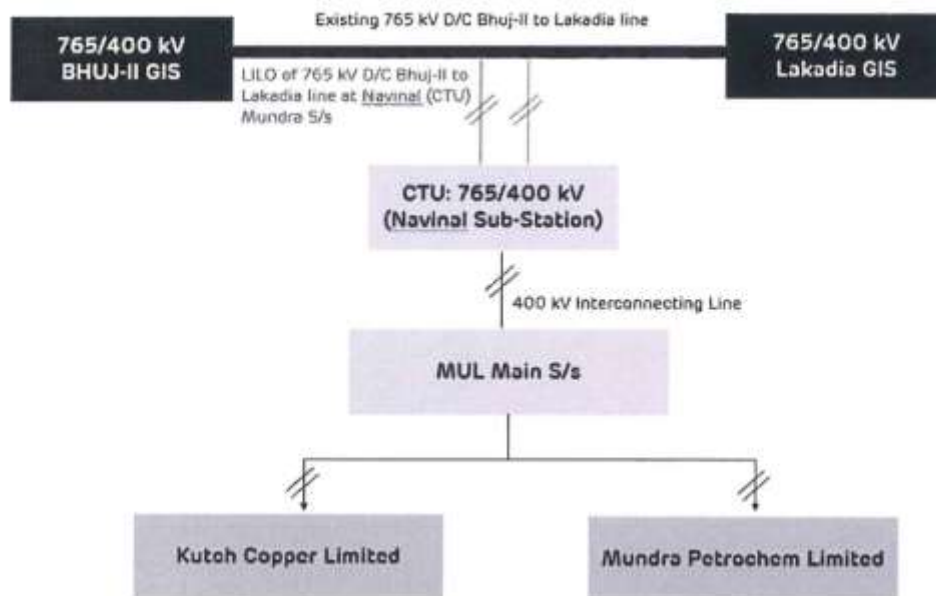
Sl. No.	Applicant name	Type of applicant (bulk consumer/ distribution licensee, etc.)	Quantum of GNA granted/ applied for (in MW)	Start date of GNA vis-à-vis Transmission System SCOD	Conn-BGs furnished
1.	MPSEZ Utilities Ltd.	Distribution licensee seeking to connect to ISTS	1300 (GNA)	14.07.2026 (with the availability of the Common Transmission System, whose SCOD is 14.07.2026)	Conn-BG1: Rs. 0.5 Cr Conn-BG3: Rs. 26 Cr
2.	Mundra Petrochem Ltd.	Bulk consumer seeking to connect to ISTS	1140 (GNA-RE)		Conn-BG1: Rs. 0.5 Cr Conn-BG3: Rs. 22.80 Cr
3.	Kutch Copper Ltd.		115 (GNA-RE)		Conn-BG1: Rs. 0.5 Cr Conn-BG3: Rs. 2.3 Cr

Sl. No.	Applicant name	Type of applicant (bulk consumer/ distribution licensee, etc.)	Quantum of GNA granted/ applied for (in MW)	Start date of GNA vis-à-vis Transmission System SCOD	Conn-BGs furnished
4.	MPSEZ Utilities Ltd.	Distribution licensee seeking to connect to ISTS	495 (GNA)	01.04.2029 (with the availability of the Common Transmission System, whose SCOD is 14.07.2026)	Conn-BG1: Rs. 0.5 Cr Conn-BG3: Rs. 9.90 Cr

8. In compliance with the direction of the Commission, Respondent No. 13, MPL, vide its affidavit dated 18.4.2025, has submitted as under:

“

- **Drawal schedule:** MPL has applied for 1140 MW GNARE with a start date of GNA as 01.06.2025. On 28.12.2023, MPL received the intimation from CTUIL for the final grant of GNA with a start date of 31.01.2026, subject to the availability of the common transmission system augmentation for GNA. Further, on 24.01.2024, MPL submitted the Conn BG-1 for Rs 50 lakh & Conn BG-3 for Rs 22.80 Crore. It may be noted that we have already been delayed in granting the GNARE with respect to our earlier requirement, as mentioned in the GNARE application.
- Initially, MPL requires 100MW from Dec'25 onwards, therefore, request to kindly expedite so that MPL may not be stranded without power, if the transmission system is further delayed.
- **Implementation Schedule:** MPL shall avail the GNA connectivity granted by CTUIL through the dedicated transmission system being developed by MPSEZ Utilities Limited (MUL). MUL is the distribution licensee in that area.
- **The schematic diagram of the proposed connectivity of MPL is as under:**



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- *With reference to the dedicated transmission system, MUL has updated that they have completed detailed engineering and placed the order for materials. MUL is envisaging that the above scope of work will be completed on or before the SCOD of common transmission system augmentation.”*

9. Similarly, Respondent No. 12, KCL, vide its affidavit dated 18.4.2025, has submitted as under

“

- **Drawal schedule:** *KCL has applied for 115 MW GNARE with a start date of GNA as 01.06.2025. On 28.12.2023, KCL received the intimation from CTUIL for the final grant of GNA with a start date of 31.01.2026, subject to the availability of the common transmission system augmentation for GNA. Further, on 24.01.2024, KCL submitted the Conn BG-1 for Rs 50 lakh & Conn BG-3 for Rs 2.30 Crore. It may be noted that we have already been delayed in granting the GNARE with respect to our earlier requirement as mentioned in GNARE application.*
- *We humbly submit that we have already commissioned our plant, and we are setting up a Solar Plant to supply RE power to our facility. The Solar project is expected to be commissioned by Jun'26. Therefore, any further delay shall keep us stranded of power.*

- **Implementation Schedule:** KCL shall avail the GNA connectivity granted by CTUIL through the dedicated transmission system being developed by MPSEZ Utilities Limited (MUL). MUL is the distribution licensee in that area.

.....

- With reference to the dedicated transmission system, MUL has updated that they have completed detailed engineering and placed the order for materials. MUL is envisaging that the above scope of work will be completed on or before the SCOD of common transmission system augmentation.”

10. The matter was heard on 22.4.2025. During the hearing, the Commission observed that some Bulk Consumers have withdrawn their GNA/ GNARE applications. Considering the possibility of withdrawal/relinquishment of such GNA/ GNARE sought by the entities covered under Regulation 17.1(iii) of the GNA Regulations, the Commission directed CTUIL to file, on an affidavit, its proposal regarding security that may be taken from the Bulk Consumers, considering Regulation 12.5 of the GNA Regulations, 2022.

11. In compliance with RoP dated 22.4.2025, CTUIL vide its affidavit dated 16.5.2025 submitted its proposal with regard to security that may be taken from the Bulk Consumers. The relevant extract of the affidavit dated 16.5.2025 is as under

“3. In response to the Hon’ble Commission’s direction, CTUIL humbly submits that the said security for entities under Regulation 17.1 (iii) may be in the form of unconditional, on demand Bank Guarantee(s) as detailed below:

(a) If terminal bays for terminating the Dedicated Transmission Line of such entities under Regulation 17.1 (iii) are under the scope of the Transmission Service Provider (TSP) implementing the Transmission Scheme, then the case is akin to terminal bays being implemented under ISTS for terminating the Dedicated Transmission Line of Connectivity grantee. Accordingly, Conn-BG2 towards implementation of terminal bay(s) may be furnished by GNA/GNARE grantees [under Regulation 17.1 (iii)] as per Regulation 8.2 (a).

(b) Considering the average estimated cost for GIS and AIS for installation of a 765/400 kV, 1x1500 MVA ICT along with associated bays, the Bank Guarantee of Rs. 12 Lakh/MW may be furnished by GNA/GNARE grantees [under Regulation 17.1 (iii)], if connection is provided at 400 kV level. Similarly, considering the average estimated cost for GIS and AIS for installation of a 400/220kV, 1x500 MVA ICT along with associated bays, the Bank Guarantee of Rs. 14 Lakh/MW may be furnished by GNA/GNARE grantees [under Regulation 17.1 (iii)], for connection at 220 kV level. This BG can be called Conn-BG2 towards the implementation of ICTs at the pooling station, which is akin to Conn-BG2 towards the construction of the Associated Transmission System (ATS) for Connectivity grantee. This proposed Conn-BG2 shall be in addition to Conn-BGs [Conn-BG1 of Rs. 50 Lakhs and Conn-BG3 for 2 Lakh/MW] provisioned at Regulation 22.2 (b) (b-i). That the Conn BG2 amount shall be the sum of the Conn-BG2 towards the bay, if applicable, and Conn-BG2 towards the implementation of ICT.

(c) The return of the above two Conn-BG2s towards implementation of terminal bay(s) and implementation of ICTs at pooling station can be as per Regulation 16.5.

4. Further, considering Regulation 12.5 of GNA Regulations, the ISTS Transmission charges of the ICTs being implemented at Pooling stations [by Transmission Service Provider (TSP) implementing the Transmission Scheme] for providing GNA/GNARE for entities under Regulation 17.1 (iii), may be apportioned to GNA/GNARE grantees in proportion to their GNA/GNARE. If the state is also connected to such a pooling station either through an ISTS line or an intra-state line, ISTS Transmission charges of the ICTs being implemented at the Pooling stations shall be apportioned to the state and GNA/GNARE grantees in the ratio of the number of feeders from such ICTs. Further apportionment to GNA/GNARE grantees [for entities under Regulation 17.1 (iii)] shall be in proportion to their GNA/GNARE quantum. The apportionment of the state share among drawee DICs located in the state shall be in proportion to their GNA/GNARE quantum. This provision shall be similar to the sharing of Transformer Component (TC) as provisioned in Regulation 7 of CERC Sharing Regulations, 2020.”

12. Respondent No. 12, KCL, filed its response on 28.5.2025 to CTUIL’s affidavit dated

16.5.2025 and made the following submissions in the affidavit:

“17. In any event, it is apparent that the proposal of CTUIL is on account of an apprehension that once GNA/ Connectivity is granted to the Bulk Consumers which requires augmentation of ISTS, and in the event the concerned transmission licensee proceeds to undertake investment and construction of ISTS and before the effective date of the GNA/ Connectivity,

the Bulk Consumer surrenders the same, then there is no adequate security available with CTUIL to off-set the stranded cost.

In this regard, it is stated that the aforesaid apprehension in the present case, is entirely misplaced as the Respondent No. 12 is the world's largest single-location Copper Manufacturing Plant in Mundra, Gujarat, with a capex of Rs 12,000 Crore and till date, approximately, Rs 9,100 Crore of capex has already been undertaken by the said Respondent. As such, Respondent No. 12 is a serious player who requires bulk electricity for running its operations and is not a fly-by-night operator for which CTUIL has to hold any such apprehension.

Instead, it is the consumer i.e., Respondent No. 12 herein who has made huge investment, requires assurance from CTUIL that the transmission system shall be ready and available without any delay as the consumer's large investment is dependent on timely completion of the transmission system.

18. Therefore, the submissions made by CTUIL vide Affidavit dated 16.05.2025 ought to be rejected as the same are in contravention to the provisions of law including GNA Regulations and CERC Sharing Regulations."

13. Respondents No. 12 & 13, namely, KCL and MPL, vide their separate response dated 28.5.2025, have opposed the proposal of CTUIL and mainly submitted as under:

(a) The requirement proposed by CTUIL qua submission of Conn BG-2 by the Bulk Consumers towards implementation of terminal bay(s) and Inter-connecting Transformers (ICTs) at pooling station, otherwise does not exist under the provisions of the GNA Regulations, and that the said Regulations under Regulation 22.2 (b-i) only contemplates submission of Conn BG 1 & 3 by the Bulk Consumers. In fact, the said proposal of CTUIL does complete violence to the existing provisions under the GNA Regulations.

(b) The GNA Regulations contemplate separate chapters, namely Chapter 3 and Chapter 4, for 'Connectivity' and 'GNA', respectively. Further, Conn-BGs for entities other than bulk consumer/ drawee entities are provided under Chapter 3, while Conn-BGs for the bulk consumers are provided under Chapter 4 [Regulation 22.2 (b-i)].

(c) The proposal of CTUIL to impose the liability of Conn BG-2, as provided under Regulations 8.2 and 8.3, upon bulk consumers, amounts to negating the very separation provided under the GNA Regulations by merging the concepts of grant of 'connectivity' to the generating entities and grant of 'GNA' to drawee entities/ bulk consumers.

(d) The transmission charges under the GNA Regulations are only payable by drawee entities/ bulk consumers under Regulation 40.1, as they are granted GNA and the connectivity comes as a consequence. Further, no transmission charges are payable by the generating entities that have been granted GNA as a consequence of their connectivity. If there was no such distinction as above, then there was no need to exclude the bulk consumers from Regulation 4.1 [*for grant of connectivity*], while including them under Regulation 17.1(iii) [*for eligibility for grant of GNA*].

(e) It is the settled principle of law that if a statute uses two different expressions (*such as Connectivity and GNA herein*), in that case, similar meaning or treatment cannot be attributed to such expressions. In this regard, reliance has been placed on the judgments of the Hon`ble Supreme Court in the case of Sher Singh v. State of Haryana, [reported as (2015) 3 SCC 724], and Oriental Insurance Co. Ltd. v. Hansrajbhaj V. Kodala, [reported as (2001) 5 SCC 175].

(f) Further, if a Bulk consumer applies to STU for GNA and STU, on behalf of the said Bulk consumer, applies to CTUIL for the grant of GNA under Regulation 17.1(i), no Conn BGs are required to be furnished either by STU or by the Bulk consumer. CTUIL is now seeking Conn BG-2 from the Bulk Consumers, who are directly applying to CTUIL, which is nowhere contemplated under the present Regulations. The proposal of CTUIL is discriminatory in nature and discourages bulk consumers from seeking direct connectivity with CTUIL. This would be in violation of the statutory duty of CTUIL as conferred by virtue of Section 2(47) read with Section 38(2)(d) of the Act.

(g) The Bulk Consumer who chooses to apply directly or the Consumer, who applies through STU for the grant of GNA, ought to be treated equally. It is a settled Constitutional principle that equals cannot be treated unequally. In this regard, reliance has been placed on *Indra Sawhney Vs. Union of India & Ors.* [reported as (2000) 1 Supreme Court Cases 168] and *Coimbatore District Central Cooperative Bank vs. Coimbatore District Central Cooperative Bank Employees Assn. and Another* [reported as (2007) 4 Supreme Court Cases 669].

(h) Without prejudice, CTUIL, in its submissions, proposes that the ISTS transmission charges for ICTs at pooling stations should be distributed proportionately among the GNA/GNARE grantees based on their allocated capacity. If a State is also connected with the pooling station through either ISTS or intra-State lines, the charges should be divided between the State and the GNA/GNARE grantees in proportion to the number of feeders connected. The State's share should then be further apportioned among its drawee DICs based on their GNA/GNARE quantum. The proposed methodology aligns with the existing approach to sharing the transformer costs as outlined in Regulation 7 of the CERC Sharing Regulations, 2020.

(i) Since there is no State involved and that the ICT charges are being levied upon the Bulk Consumers, Respondent No. 12 has contended that if such ICT charges are being levied upon it, then the State's apportionment of Transformer Component (TC) shall not be added to the ICT charges of the Bulk Consumers and the same would lead to double-charging/billing, which would be a burden on the bulk consumers.

(j) The proposal of CTUIL is on account of an apprehension that once GNA/Connectivity is granted to the Bulk Consumers which requires augmentation of ISTS, and in the event the concerned transmission licensee proceeds to undertake investment and construction of ISTS and before the effective date of the GNA/Connectivity, the Bulk Consumer surrenders the same, then there is no adequate security available with CTUIL to off-set the stranded cost. However, the said

apprehension in the present case is entirely misplaced as Respondent No. 12, KCL, is the world's largest single-location Copper Manufacturing Plant in Mundra, Gujarat, with a capex of Rs 12,000 crore, and till date, approximately, Rs 9,100 crore of capex has already been undertaken by KCL.

(k) Respondent No. 13, MPL, is the company focused on manufacturing the petrochemical products in Mundra, Gujarat, with a capex of Rs 26,401 crore, and till date, approximately Rs 7,000 crore of capex has already been undertaken by the said Respondent. As such, both KCL and MPL are serious players, who require bulk electricity for running their operations and are not fly-by-night operators for which CTUIL has to hold any such apprehension.

(l) Instead, it is the bulk consumers herein who have made huge investments, require assurance from the CTUIL that the transmission system shall be ready and available without any delay, as the consumer's large investment is dependent on the timely completion of the transmission system. Therefore, the submissions made by CTUIL vide Affidavit dated 16.5.2025 ought to be rejected as the same are in contravention of the provisions of law, including the GNA Regulations and CERC Sharing Regulations.

Hearing Dated: 20.6.2025:

14. The matter was called out for hearing on 20.6.2025. The learned counsel for Respondent Nos. 12 & 13 reiterated its submission made in the affidavits dated 28.05.2025 and opposed the proposal of CTUIL. After hearing the learned counsels for the parties, the Commission reserved the matter for Order and permitted Respondents Nos. 12 & 13 and CTUIL to file their respective written submissions.

15. The Respondent Nos. 12 & 13 have reiterated their submissions vide their written submissions dated 08.07.2025.

Analysis and decision:

16. The instant has been filed for the grant of a transmission licence to establish the Inter-State Transmission System for “Network Expansion Scheme in Navinal (Mundra) area of Gujarat for the drawal of power in the area.

17. CTUIL has suggested that the unconditional, on-demand Bank Guarantee(s) should be taken from the GNA/ GNARE grantee entities covered under Regulation 17.1(iii) of the GNA Regulations. This should cover the cost of implementing terminal bays in ISTS, if applicable, and Rs. 12 Lakh/MW for 1x1500 MVA, 765/400 kV ICT, along with associated bays, and Rs. 14 Lakh/MW for 1x500 MVA, 400/220 kV ICT, along with associated bays. CTUIL has further submitted that the ISTS Transmission charges of these ICTs may be apportioned to the GNA/ GNARE grantees in proportion to their GNA/ GNARE, and if the State is also connected with such a pooling station either through an ISTS line or an intra-State line, ISTS Transmission charges of the ICTs being implemented at Pooling stations shall be apportioned to the state and GNA/ GNARE grantees in the ratio of the number of feeders from such ICTs.

18. *Per contra*, the Respondent entities, viz., KCL and MPL, have opposed the aforesaid submissions of CTUIL on the grounds that (i) the proposal requiring the Bulk Consumers to submit the Conn BG-2 is contrary to the existing provisions of the GNA Regulations, (ii) it amounts to merging the concepts of grant of connectivity to generating entities and grant of GNA to drawee entities/ bulk consumers, (iii) it amounts to a

discriminatory treatment when compared to the Bulk Consumers applying for GNA through STU, (iv) the existing Regulation 22.2(b-i), which already covers this issue, cannot be replaced/ modified by way of a judicial orders and such provisions can only be incorporated by way of amendment of existing Regulations, and (v) the apprehension regarding the seriousness of the bulk consumers are entirely unfounded in this case.

19. We have considered the suggestions of the Respondents and the documents on record. At the outset, we find it prudent to deal with the main contention of the respondents made out based on their interpretation of the provisions of the GNA Regulations that they are not liable to pay the Conn BG2, as suggested by CTUIL, as there is no provision in the Regulations for the levy of Conn BG2 from the Bulk Consumers. We observe that the Respondents have made strenuous efforts to argue their case by citing several general provisions, but have chosen to ignore the specific provision related to augmentation for providing connection to the ISTS (Regulation 12.5) for the bulk consumers in the GNA Regulations. The relevant provisions of Regulation 12.5 (prior to the Third Amendment) and Regulation 17 of the GNA Regulations are quoted below:

“12. Dedicated Transmission Lines and Bay(s)

....

12.5. In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and the necessary augmentation for providing connection to the ISTS, shall be constructed and maintained by a licensee at the cost of such entity:

17. Eligibility for GNA

17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:

(i) State Transmission Utility on behalf of intra-State entities including distribution licensees;

(ii) A drawee entity connected to intra-State transmission system;

(iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;

(iv) Trading licensees engaged in cross border trade of electricity in terms of the Cross Border Regulations;

(v) Transmission licensee connected to ISTS for drawal of auxiliary power.”

20. The respondents have argued that the bulk consumers are not liable to give Conn BG-2. However, as per Regulation 12.5 read with Regulation 17.1(iii) of the GNA Regulations, the legislative intent is that if a distribution licensee or a bulk consumer is seeking GNA with direct connectivity to ISTS, the line to connect such an entity to the ISTS and the necessary augmentation for providing the connection to the ISTS, shall be constructed and maintained by a licensee at the cost of such entity, as such augmentation has been necessitated on account of such bulk consumer for his exclusive use. In view of the above, the respondents' contention that the GNA Regulations do not provide for the requirement for the bulk consumers to bear the cost for connecting with the ISTS has no force. The contention of the Respondents that the levy of costs would be discriminatory and beyond the scope of existing Regulations has no merits.

21. In this context, it would also be pertinent to peruse the development of the instant scheme as discussed in various meetings conducted by CTUIL as under.

a) During the 9th CMETS-WR meeting held on 28.07.2022, based on a 4000 MW drawal request by MUL, it was proposed to establish a new 4x1500 MVA 765/400 kV GIS near Navinal (Mundra) by the LILO of the Bhuj-II - Lakadia 765 kV D/c line transmission line. The relevant extracts of minutes of the meeting are as under:

*“GETCO stated that MUL is connected at 220 kV level of APMuL switchyard which is also connected to various 220 kV lines of GETCO. However, GETCO has no objection to MUL switching their connectivity from APMuL to ISTS. GETCO further stated that the connectivity to MUL through direct interconnection at Bhuj/ Bhuj-II PS may also be explored, which are not more than 60-70 km away from MUL’s load point. **It was further pointed out that in case 765/400kV Navinal (Mundra) substation & associated transmission lines are planned under ISTS, the charges of the planned transmission system need to be borne by the applicant (i.e. MUL).** GETCO also stated that the scheme may only be taken up after receipt of LTA application from MUL.*

*.....
The scheme was subsequently deliberated in the 43rd TCC/ WRPC meeting wherein GETCO was requested to furnish their comments on the scheme after reviewing the study files.*

GETCO vide e-mail dated 18.08.2022 informed the following:

➤ While connectivity is being planned through LILO of existing lines, the following inputs of GETCO must be considered:

- If connectivity is asked at one location only, then, instead of planning a 765/400 kV Navinal substation, MUL may be granted 765 kV connectivity directly through proposed LILO arrangement.*
- If connectivity to MUL is planned through new 765 kV substation, the following points shall be considered:*
 - o Initially only one circuit of 765 kV D/C Bhuj-II – Lakadia line shall be made LILO at new 765 kV substation. Substation capacity may be restricted to 765/400 kV, 2 x 1500 MVA / 3 x 1500 MVA capacity only.*
 - o LILO of 2nd circuit and additional transformer/s shall be planned only after having LTA applications for more than 3000 MW capacity.*
- Transmission charges towards planned 765 kV LILO lines and new 765 kV substation shall be in accordance with the relevant CERC Regulations and considering concerns raised by DICs during 9th CMETS and 43rd TCC/ WRPC meeting*

From the above, it is clear that during the first discussion on drawal request by MPL, it was deliberated that connectivity has been planned through LILO of 765 kV D/C Bhuj-II-Lakadia line and 765/400 kV Navinal substation and the charges of planned ISTS system need to be borne by the distribution licensee, i.e. MUL.

b) The Extracts of the 21st CMETS-WR meeting held on 29.08.2023, wherein the GNA application of KCL and MUL was discussed are as under:

c) Jun-23

Sl. No.	Application ID	Name of the Applicant	Submission Date	Region	Nature of applicant	GNA within Region (MW)	GNA outside Region (MW)	Total Quantum (MW) of GNA Required	Start date of GNA	End date of GNA	Conn-BG required
2.	2200000129 (Original Application)	Kutch Copper Limited	24-06-2023	WR	Bulk consumer seeking to connect to ISTS	115.0	0.0	115	01-06-2025	31-05-2050	Conn-BG-1: 50 Lakhs Conn-BG-3: 2.3 Cr.

- Applied for GNA_{RE}: Yes
- Nearest ISTS sub-stations: 765/400kV S/s near Navinal (Mundra) (GIS) (Proposed)
 - Applicant has requested to grant connectivity at Navinal Sub-Station (Proposed), Mundra through the network of MPSEZ Utilities Limited (Distribution License in Mundra region) and has undertaken to pay the wheeling charges as determined by Hon'ble GERC from time to time to MPSEZ Utilities Limited (MUL) for utilizing its network to get connected to ISTS system.

It was informed that GNA is proposed to be granted to M/s KCL with following system, which requires certain clarifications from M/s KCL/MUL:

1. **Dedicated Transmission System for GNA:**

- Interconnection of Kutch Copper Limited with MUL
- KCL shall share the Dedicated Transmission System for GNA of MUL at Sl. 2 or Sl. 3 (as per clarification by applicant)

2. **Common Transmission System Augmentation for Connectivity under GNA:**

- NIL

It was further informed that additional transmission system for enabling GNA from applicants in Navinal / Mundra area to be constructed and maintained by a licensee at the cost of entities in Mundra area is mentioned below the table.

Representative of M/s KCL stated that KCL is a bulk consumer entity within the distribution area of MUL and would be connected to MUL's 400/220kV S/s at 220 kV voltage level (through 220kV D/c line).

KCL was requested to share the schematic of proposed interconnection.

Details of deliberations w.r.t. additional transmission system for GNA are given below the table.

Sl. No.	Application ID	Name of the Applicant	Submission Date	Region	Nature of applicant	GNA within Region (MW)	GNA outside Region (MW)	Total Quantum (MW) of GNA Required	Start date of GNA	End date of GNA	Conn-BG required
3.	2200000122 (Revised Application)	MPSEZ Utilities Limited	28-06-2023	WR	Distribution licensee seeking to connect to ISTS	495.0	0.0	495	01-04-2029	31-03-2054	Conn-BG-1: 50 Lakhs Conn-BG-3: 9.9 Cr.

- Applied for GNA_{RE} : No - Nearest ISTS sub-stations: 765/400kV S/s near Navinal (Mundra) (GIS) (Proposed) - Distribution license submitted alongwith with the application is in the name of MPSEZ UTILITIES PRIVATE LIMITED whereas applicant is MPSEZ UTILITIES LIMITED. However, applicant vide email dated 04.06.2023 has submitted Certificate of Incorporation regarding change of name of MPSEZ UTILITIES PRIVATE LIMITED to MPSEZ UTILITIES LIMITED w.e.f. 16.06.2020.											
1. Dedicated Transmission System for GNA: - MUL – Navinal (Mundra) (GIS) 400 kV D/c (Twin HTLS - Quad Moose equivalent) line along with associated line bays Navinal end* (~1-2 km.) (shall be constructed and maintained by a licensee at the cost of such entity) @ 2 nos. 400kV Line bays at the Dist. Licensee end shall be under the scope of MUL @Bay(s) required for completion of diameter (GIS) in one-and-half breaker scheme shall also be implemented by the licensee											
2. Common Transmission System Augmentation for Connectivity under GNA: NIL											
Date from which GNA is proposed to be granted: 01.06.2025											
Further, additional transmission system for enabling GNA from applicants in Navinal / Mundra area to be constructed and maintained by a licensee at the cost of entities in Mundra area is mentioned below the table.											
Details of deliberations w.r.t. additional transmission system for GNA are given below the table.											
Sl. No.	Application ID	Name of the Applicant	Submission Date	Region	Nature of applicant	GNA within Region (MW)	GNA outside Region (MW)	Total Quantum (MW) of GNA Required	Start date of GNA	End date of GNA	Conn-BG required
5.	2200000124 (Revised Application)	Mundra Petrochem Limited (MPL)	28-06-2023	WR	Bulk consumer seeking to connect to ISTS	1140.0	0.0	1140	01-06-2025	31-05-2050	Conn-BG-1: 50 Lakhs Conn-BG-3: 22.8 Cr.

- Applied for GNA_{RE} : Yes - Nearest ISTS sub-stations: 765/400kV S/s near Navinal (Mundra) (GIS) (Proposed) - Applicant has requested to grant connectivity to MPL at Navinal Sub-Station (Proposed), Mundra through the network of MPSEZ Utilities Limited (Distribution License in Mundra region) and has undertaken to pay the wheeling charges as determined by Hon'ble GERC from time to time to MPSEZ Utilities Limited (MUL) for utilizing its network to get connected to ISTS system.											
It was informed that GNA is proposed to be granted to M/s MPL with following system, which requires certain clarifications from M/s MPL/MUL:											
1. Dedicated Transmission System for GNA: - Interconnection of MPL with MUL - MPL shall share the Dedicated Transmission System for GNA of MUL at Sl. 2 / Sl. 3 (as per clarification by applicant)											
2. Common Transmission System Augmentation for Connectivity under GNA: NIL											
Further, additional transmission system for enabling GNA from applicants in Navinal / Mundra area to be constructed and maintained by a licensee at the cost of entities in Mundra area is mentioned below the table.											
Representative of M/s MPL stated that MPL is a bulk consumer entity within the distribution area of MUL and would be connected to MUL's 400/220kV S/s at 400 kV voltage level (through 400kV D/c line).											
MPL was requested to share the schematic of proposed interconnection.											
Details of deliberations w.r.t. additional transmission system for GNA are given below the table.											

It was informed that the necessary augmentation for providing connection to the ISTS to above entities (to be constructed and maintained by a licensee at the cost of above entities in Mundra area) is given below:

- Establishment of 4x1500 MVA, 765/400 kV Navinal (Mundra) S/s (GIS) with 2x330 MVAR, 765 kV & 1x125 MVAR, 420 kV bus reactors
- LILO of Bhuj-II – Lakadia 765 kV D/c line at Navinal (Mundra) (GIS) S/s with associated bays at Navinal (Mundra) (GIS) S/s

- Installation of 1x330 MVar switchable line reactor on each ckt at Navinal end of Lakadia – Navinal 765 kV D/c line (formed after above LILO)

Sufficient space provisions must be kept in Navinal (Mundra) S/s (GIS) to enable drawal of more drawee entities in future as was expressed by MUL in earlier CMETS meetings. Suggested space provisions are given below:

Future provision (space for):

- 765/400 kV ICT along with bays- 2 Nos.
- 765 kV line bays along with switchable line reactors – 4 Nos.
- 765 kV Bus Reactor along with bay: 2 Nos. – 765 kV Sectionalizer: 1 -set
- 400 kV line bays along with switchable line reactors– 6 Nos.
- 400/220 kV ICT along with bays -6 Nos.
- 400 kV Bus Reactor along with bays: 3 Nos.
- 400 kV Sectionalization bay: 1- set
- 220 kV line bays: 10 Nos.
- 220 kV Sectionalization bay: 1 set
- 220 kV BC and TBC: 2 Nos.
- STATCOM (±300 MVAR) along with MSC (2x125 MVar) & MSR (1x125 MVar) and associated bays- 2 Nos.

Representative of MUL stated that since multiple bulk consumer entities have applied for ISTS connectivity in the Mundra area, which does not have any ISTS substation in close vicinity, the above proposed additional transmission system for GNA for providing connection to the ISTS should be implemented under ISTS.

CTU stated that the Regulation 12.5 of the GNA Regulations, 2022 states the following:

"12.5. In case of an entity covered under Regulation 17.1(iii), the line to connect such an entity to the ISTS and necessary augmentation for providing connection to the ISTS, shall be constructed and maintained by a licensee at the cost of such entity"

Further, Regulation 22.2 of the Principal Regulations states as under:

"(b-i) Entities covered under clause (iii) of Regulation 17.1 shall furnish Conn-BG1 for Rs 50 lakhs per application and Conn-BG3 for Rs 2 lakh/MW".

The Bhuj-II – Lakadia 765kV D/c line is the nearest ISTS line from Mundra area. Hence, establishment of 765/400kV GIS S/s in Navinal (Mundra) area through LILO of Bhuj-II – Lakadia 765 kV D/c line has been proposed, which is the minimum augmentation required for providing connection to the entities in Mundra area with the existing ISTS.

Further, in respect of the above, it was informed that as per deliberations in a meeting under the chairmanship of Chairperson(CEA) on 12.07.2023, it was decided that ISTS identified/planned for potential based bulk consumers including consumers producing green hydrogen can be considered as common augmentation provided the potential site of such bulk consumers has been confirmed by the central/state government.

MNRE stated that they have received several proposals for green hydrogen / green ammonia production in Mundra as well as other areas and the same shall be shared with CTU after compilation of all proposals by their Green Hydrogen team.

CTU stated that as on date, no such intimation has been received from Central or State govt. and hence Regulation 12.5 of the GNA Regulations, 2022 would be followed and the necessary augmentation for providing connection to the ISTS to above entities shall be constructed and maintained by a licensee at the cost of such entities. However, M/s MUL/MPL/KCL are at liberty to approach the Hon'ble CERC seeking further clarity w.r.t. the planning of augmentation works for the multiple entities under clause (iii) of Regulation 17.1 in Mundra area.

GETCO stated that they are in agreement with the above proposal that the entire augmentation work to connect the bulk consumer entities to ISTS shall be borne by the entities themselves as this would not provide any benefit to the STU(s).

The entities were requested to share schematic diagram of their proposed interconnections with each other so that aspects such as Scheduling & metering aspects for drawal of power from above entities can also be deliberated with GRID-INDIA (as GNA has been sought by MUL & GNA-RE by MPL/KCL, which would need to be accounted for separately). After further deliberations, it was decided to take up the matter again for deliberations in the next meeting.

As per the above, the instant transmission scheme, i.e. Navinal (Mundra) S/s with 4x1500 MVA transforming capacity by LILO of the Bhuj-II-Lakadia 765 kV D/c transmission line was required, as of 29.8.2023 (date of meeting) for the drawal of bulk consumers/ discoms seeking connection with ISTS, and it was clearly deliberated that the planned system was to be constructed and maintained by a licensee at the cost of applicant entities in the Mundra area. However, MUL requested that a system be developed as ISTS, asserting that multiple bulk consumers applied for GNA.

c) The relevant extract of the 22nd CMETS-WR meeting held on 23.10.2023 (1st sitting) and 31.10.2023 (2nd sitting) is as under:

The matter was deliberated in the 22nd CMETS-WR meeting wherein following was discussed:

- i. A meeting had been convened under Chairperson, CEA, with STUs of states having major ports, and potential Green Hydrogen/Ammonia Manufacturers in March, 2023, to ascertain the likely production plan of Green Hydrogen/Ammonia and associated Electricity Requirement. Based on deliberations, it emerged that green hydrogen/ammonia manufacturing is planned in the coastal states of Gujarat, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Kerala and Odisha. Production of green hydrogen/ammonia is also envisaged in Uttar Pradesh, Madhya Pradesh and Rajasthan. In view of upcoming Green Hydrogen and Green Ammonia plants/industries in the above locations, planning of transmission system is being done by CEA in consultation with CTU for delivery of power to the potential Green Hydrogen/Ammonia manufacturing sites. In this respect, M/s Adani has informed CEA regarding potential for 16000MW green hydrogen in Mundra area by 2030. Electricity demand from green hydrogen of 1500MW in Mundra area is being considered in the 1st phase for which Establishment of 4x1500MVA, 765/400 kV Navinal (Mundra) (GIS) S/s through LILO of Bhuj-II – Lakadia 765 kV D/c line, is being considered.
- ii. Representative from MNRE stated that as per discussions in meeting chaired by Hon'ble Minister of Power with Green Hydrogen industry stakeholders/associations on 19.10.2023, various Green Hydrogen/Ammonia/Methanol project developers have been requested to share year-wise planned capacities at different locations and Hon'ble Minister has also instructed CTUIL to plan required substation capacity at these locations. In this respect, they have already received data from M/s Adani New Industries Ltd. regarding request for Green Ammonia capacity of 22GW which is planned to be drawn from Navinal (Mundra) area. MNRE stated that the consolidated list of such entities shall be shared with CTU in next week.

Subsequently, MNRE vide OM dated 01.11.2023 has shared the consolidated information received from various developers and their drawal requirement at respective locations, which includes 22GW drawal plan of M/s Adani New Industries Ltd. from Navinal (Mundra) area by 2030 and also mentions that the overall plan is for 40GW capacity by end of 2032.

In view of the above developments, considering above communication from MNRE regarding visibility for Green Ammonia/Hydrogen in Mundra area, the following transmission system was agreed for catering to drawal requirement of green hydrogen (1500MW in 1st phase) as well as for drawal requirement of bulk consumers/distribution licenses in the area viz. MUL/MPL/KCL (Cumulatively: 3050MW):

Network Expansion Scheme in Navinal(Mundra) area of Gujarat

- o Establishment of 4x1500 MVA, 765/400 kV Navinal (Mundra) S/s (GIS) with 2x330 MVAR, 765 kV & 1x125 MVar, 420 kV bus reactors

Future provision (space for):

- 765/400 kV ICT along with bays- 2 Nos.
 - 765 kV line bays along with switchable line reactors – 4 Nos.
 - 765 kV Bus Reactor along with bay: 2 Nos. → 765 kV Sectionalizer: 1 -set
 - 400 kV line bays along with switchable line reactors– 6 Nos.
 - 400/220 kV ICT along with bays -6 Nos.
 - 400 kV Bus Reactor along with bays: 3 Nos.
 - 400 kV Sectionalization bay: 1- set
 - 220 kV line bays: 10 Nos.
 - 220 kV Sectionalization bay: 1 set
 - 220 kV BC and TBC: 2 Nos.
 - STATCOM (±300 MVAR) along with MSC (2x125 MVar) & MSR (1x125 MVar) and associated 400kV bays- 2 Nos.
- o LILO of Bhuj-II – Lakadia 765 kV D/c line at Navinal (Mundra) (GIS) S/s with associated bays at Navinal (Mundra) (GIS) S/s
 - o Installation of 1x330 MVar switchable line reactor on each ckt at Navinal end of Lakadia – Navinal 765 kV D/c line (formed after above LILO)

The GNA / GNA-RE shall be granted to above applicants with system mentioned above, after decision is taken by NCT regarding implementation of the scheme "Transmission scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL)" under ISTS.

During the above 22nd CMETS-WR meeting, the instant scheme, without any addition, was agreed to be developed under ISTS to cater to a 1.5 GW drawal from Green Hydrogen/ Ammonia Potential in the area and to balance the drawal of 3050 MW by the bulk consumer/ discom.

d) The deliberations regarding the transmission scheme in the instant petition, held in various NCT meetings, are as summarised below:

A. Deliberations in the 11th meeting of the "National Committee on Transmission" (NCT) was held on 28th December 2022 (1* Sitting) and 17th January 2023 (2nd Sitting)

"3.5 Scheme for drawal of 4000 MW power by MPSEZ UTILITIES LIMITED (MUL)

.....

3.5.5 Estimated cost of the transmission scheme is Rs 2200 crore and timeframe for implementation is 24 months from the date of allocation to implementing agency/SPV transfer (as case may be). Scheme to be awarded & taken up for implementation after receipt of LTA application from MUL. No major National Park, Wildlife Sanctuary or other protected areas observed. However, for details of forest/protected areas, survey

is required to be done.

3.5.6 The scheme was deliberated in the 44th WRPC meeting held on 27.09.2022. Relevant extract is given below:

i. The scheme was agreed technically by WRPC and the STUs of WR. However, a firm commitment by MUL is required for which they will have to apply for LTA for the above quantum to CTUIL on the basis of which the scheme can be taken up for execution.

ii. Regarding the cost sharing aspects by MUL, it shall be sharing the transmission charges as per applicable CERC Regulations.

3.5.7 Representative of GRID India stated that the load of 4,000 MW of MUL can also be served from Mundra UMPP (CGPL) or Adani Mundra Power Plant located in vicinity. Accordingly, the scheme may be relooked. Further, connecting the proposed high load to Mundra UMPP (CGPL) or Adani Mundra Power Plant may also help in forming islanding schemes.

3.5.8 After deliberations, CTUIL was directed to re-examine the scheme based on above suggestions and present the same in the second sitting.

3.5.9 Accordingly, CTUIL organized a meeting on 05.01.2023 for finalization of scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL). In the meeting, CTUIL presented 07 Nos. of alternatives for evolving above scheme. Based on the outcome of the possible alternatives, establishment of Navinal (Mundra) S/s (GIS) along with LILO of Bhuj-II- Lakadia 765 kV D/c line at Navinal (Mundra) (GIS), as proposed earlier, was found to be the best option from techno-economic point of view.

3.5.10 The scheme was subsequently discussed in the 2nd sitting of NCT held on 17.01.2023 wherein CMD, GRID-India, stated that MPSEZ Utilities Limited (MUL) is a special case where a distribution licensee would get connected with ISTS and in future there may be similar cases where electrolyzers would be getting connected at ISTS level. It was discussed that by virtue of their connectivity to ISTS, these entities would be under the jurisdiction of RLDCs for scheduling/metering/accounting however, they would fall under the jurisdiction of State Electricity Regulatory Commission (SERC) for tariff related matters Members opined that the SLDCs as well as RLDCs/NLDC should have visibility of such entities for necessary coordination for resource adequacy. Chairperson, CEA, advised that regulatory provisions with respect to distribution licensee connected to ISTS would have to be clarified.

3.5.11 After detailed deliberations, the following transmission scheme was recommended to be implemented through TBCB route."

B. Deliberations in the 12th meeting of the "National Committee on Transmission" (NCT) held on 24th March, 2023.

"10.3 Transmission scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL)

10.3.1 In the 11th meeting of NCT, the transmission scheme “Transmission scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL)”, at an estimated cost of Rs 2200 crores with implementation timeframe of 21 months from date of SPV transfer was recommended to be implemented through TBCB.

10.3.2 MUL vide letters dated 04.03.2023 has requested to keep the LTA applications on hold and defer their further processing. In the absence of any firm commitment from MUL, the scheme needs to be deferred.

10.3.3 After deliberations, NCT agreed to defer the scheme.”

C. Deliberations in the 16th meeting of the "National Committee on Transmission" (NCT) held on 30th November, 2023.

“3.2 Transmission scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL)

3.2.1 Chief Engineer (PSPA-I), CEA stated that the Transmission scheme for drawal of 4000 MW power by MPSEZ Utilities Limited (MUL) was recommended to be implemented through TBCB route in the 11th meeting of NCT with tentative cost of Rs. 2200 crore. However, the scheme was deliberated and deferred in the 12th NCT meeting held on 24.03.2023 in the absence of any firm commitment from MUL.

3.2.2 Representative of CTUIL stated that GNA applications have been received from following entities in Mundra area:

Sl. No.	Application ID	Name of the Applicant	Submission Date	Nature of applicant	GNA with in Region (MW)	GNA outside Region (MW)	Total Quantum (MW) of GNA Required
1.	2200000129	Kutch Copper Limited	24-06-2023	Bulk consumer seeking to connect to ISTS	115.0	0.0	115
2.	2200000122	MPSEZ Utilities Limited	28-06-2023	Distribution licensee seeking to connect to ISTS	495.0	0.0	495
3.	2200000064	MPSEZ Utilities Limited	28-06-2023	Distribution licensee seeking to	642.0	658.0	1300

				connect to ISTS			
4.	2200000124	Mundra Petrochem Limited (MPL)	28-06-2023	Bulk consumer seeking to connect to ISTS	1140.0	0.0	1140

CTUIL further stated that MNRE vide OM dated 01.11.2023 has shared the consolidated information received from various green hydrogen/green ammonia manufacturers and their power drawal requirement at respective locations, which includes 22 GW drawal plan of M/s Adani from Navinal (Mundra) area by 2030 and also mentions that the overall plan is for 40 GW capacity by end of 2032.

Accordingly, implementation of the transmission scheme deferred by the NCT in 12th meeting should be taken up to serve the drawal requirement of bulk consumers as well as for meeting the requirement of green hydrogen/ammonia manufacturers. The updated cost of the scheme will be Rs. 2,383 Crs. He also proposed that scheme should be renamed as “Network Expansion Scheme in Navinal (Mundra) area of Gujarat for drawal of power in the area” as it would cater to multiple drawee utilities in Mundra area as well as Green Hydrogen/Ammonia manufacturers in the area.

3.2.3 CMD, Grid-India stated that 400/220 kV MUL substation is getting constructed by MPSEZ Utilities Limited which is a distribution licensee. Kutch Copper Limited is getting connected to this 400/220 kV MUL substation instead of direct connection to the ISTS point i.e. 765/400 kV Navinal station. This aspect of shared connectivity of Kutch Copper Limited to the ISTS (through S/s of distribution licensee) may be clarified to avoid any issues at later stage. He also enquired about the technical requirements being mentioned by CTUIL in the connection agreement while granting connectivity to the bulk consumers. He further emphasized on the need of timely specifying the ride through requirement, reactive power support and other important technical requirements for these bulk consumers especially electrolyzers.

3.2.4 CTU clarified that provisions for sharing the terminal bays at ISTS substation allocated to one Distribution Licensee/Bulk consumer entity (under Reg. 17.1(iii)) by another such entity is allowed as per Reg. 17.3 of GNA Regulations, 2022.

3.2.5 After deliberations, the transmission scheme “Network Expansion Scheme in Navinal (Mundra) area of Gujarat for drawal of power in the area” was recommended to MoP for implementation under TBCB route with BPC being PFCCL.”

22. In the deliberations held in the NCT meetings and CMETS-WR regarding the transmission scheme “Network Expansion Scheme in Navinal (Mundra) area of Gujarat for drawal of power in the area”, the following was observed:

- i) In the 9th CMETS-WR meeting held on 28.7.2022, the scheme was proposed based on a 4000 MW drawal request by MUL, and the charges of the planned system were to be borne by the distribution licensee, i.e., MUL.
- ii) The scheme was, thereafter, deliberated in the 44th WRPC meeting held on 27.09.2022, wherein the scheme was agreed upon technically by WRPC and the STUs of WR. The scheme was to be taken up for execution after MUL applies for LTA for the drawal quantum to CTUIL. Regarding cost-sharing aspects by MUL, it shall share the transmission charges as per applicable CERC Regulations.
- iii) In the 11th meeting of the NCT held on 28th December 2022 (1st Sitting) and 17th January 2023 (2nd Sitting), the transmission scheme was recommended to be implemented through the TBCB route.
- iv) In the 12th meeting of the NCT held on 24th March, 2023, the scheme was deferred in the absence of any firm commitment from MUL. Vide letter dated 04.03.2023, MUL had requested that the LTA applications be kept on hold and their further processing be deferred.
- v) In the meeting of the 22nd CMETS-WR held on 29.08.2023, the instant scheme without any addition was agreed to be developed under ISTS to cater to 1.5GW drawal from Green Hydrogen/ Ammonia Potential in the area and balance for drawal of 3050 MW by the bulk consumer/ discom.
- vi) In the 16th meeting of the "National Committee on Transmission" (NCT) held on 30th November, 2023, the scheme was recommended to the MoP for implementation under the TBCB route with BPC being PFCCL as it would cater to

multiple drawee utilities in the Mundra area, as well as Green Hydrogen/ Ammonia manufacturers in the area.

23. We observe that the scheme was proposed for a drawal of 4000 MW. However, without any application from any Green Hydrogen/ Green Ammonia entity, stating to be based on potential, the MNRE has compiled the data received from entities willing to develop Green Hydrogen and Green Ammonia and shared it with CTUIL. We observe that such a compilation of data based on the willingness of Green hydrogen/ Green Ammonia load differs from the declaration of the RE potential, viz, solar, wind, or hybrid RE, as the RE potential is based on the availability of natural resources.

24. We observe that the regulatory provisions were crystal clear, ever since planning of the instant scheme, which specified that for the entities covered under Regulation 17.1(iii), such as the present GNA grantees, the lines to connect them with ISTS and the necessary augmentation for providing connection to them to ISTS shall have to be constructed and maintained at the cost of such entities. The planning was initiated in accordance with the existing regulatory provisions. However, subsequently, the entire system was treated as a Common Transmission System in anticipation of GH/GA, for which no applicant has surfaced to date.

25. As discussed above, at present, the instant scheme is as good as being developed for the entities covered under Regulation 17.1(iii) and accordingly, its cost of implementation is required to be borne by such entities, i.e., bulk consumers and Discoms, who have been granted GNA with this augmentation. The only issue that needs

consideration is whether the entire cost of augmentation identified for the bulk consumers and Discoms is required to be borne by them or only the cost of immediate augmentation for drawal of power by them, out of the total augmentation under ISTS needs to be borne by them. We find that the above aspect is similar to Regulation 6.2 of the GNA Regulations, which is quoted as below:

“6.2 Of the augmentation requirement as identified under Regulation 6.1 of these regulations, augmentation required for immediate evacuation of power of the Applicant(s), excluding terminal bay(s), shall be considered as the Associated Transmission System (ATS) for the Applicant(s).”

As per the GNA Regulations, the connectivity applicants are required to furnish Conn-BG2 for the ATS identified for the grant of their connectivity. Similarly, as per the GNA Regulations, the immediate augmentation for the drawal of power by the bulk consumers and Discoms need to be at their cost, and accordingly, the bulk consumers and Discoms, are required to provide the cost of immediate augmentation for compliance with Regulation 12.5.

26. We note that in case the augmentation is done under the ISTS and no cost is provided by the drawee entity such as the Bulk Consumers as covered under Regulation 17.1(iii) of the GNA Regulations, if such an entity does not establish its facility and relinquishes the GNA prior to the effectiveness of the GNA, no liability of the augmentation under ISTS falls on such an entity. Such an augmentation under ISTS would be required to be paid for by the beneficiaries when it was actually implemented for such bulk consumers, who relinquished their GNA. This augmentation would place an additional burden on consumers unless alternative entities are identified that can utilise the implemented scheme.

27. We note that in the case of grant of connectivity to the injecting entities under Regulation 4.1 of the GNA Regulations, a safeguard in the form of submission of Conn-BG2 towards the cost of ATS and terminal bay is provided, which is encashed if the connectivity grantee relinquishes the Connectivity.

28. We are of the considered view that there is a need for protecting the investment under ISTS so that the beneficiaries at large are not burdened with additional liabilities of transmission charges, and due diligence is exercised by the entities covered under Regulation 17.1(iii). Accordingly, what comprises the immediate augmentation for the drawal of power by the entities covered under Regulation 17.1(iii), to be implemented at their cost in terms of Regulation 12.5, needs to be specified. We are of the view that ICTs, along with the associated bays at the substation being established as a part of ISTS augmentation, shall be treated as *the necessary augmentation for providing connection to the ISTS* to the entities covered under Regulation 17.1(iii). And, as per Regulation 12.5, the same *shall be constructed and maintained by a licensee at the cost of such entity*.

29. In the instant case, the transmission system, part of which should have been constructed and maintained at the expense of the GNA/GNARE grantees, has been awarded to be built as a common ISTS system through a competitive bidding route.

30. We note that CTUIL has suggested that “*Considering the average estimated cost for GIS and AIS for installation of a 765/400 kV, 1x1500 MVA ICT along with associated bays, the Bank Guarantee of Rs. 12 Lakh/MW may be furnished by GNA/ GNARE grantees [under Regulation 17.1 (iii)], if connection is provided at 400 kV level. Similarly,*

considering the average estimated cost for GIS and AIS for installation of a 400/220 kV, 1x500 MVA ICT along with associated bays, the Bank Guarantee of Rs. 14 Lakh/MW may be furnished by GNA/GNARE grantees [under Regulation 17.1 (iii)], for connection at 220 kV level. This BG can be called Conn-BG2 towards the implementation of ICTs at the pooling station, which is akin to Conn-BG2 towards the construction of the Associated Transmission System (ATS) for Connectivity grantee. This proposed Conn-BG2 shall be in addition to Conn-BGs [Conn-BG1 of Rs. 50 Lakhs and Conn-BG3 for 2 Lakh/MW] provisioned at Regulation 22.2 (b) (b-i). That the Conn BG2 amount shall be the sum of the Conn-BG2 towards the bay, if applicable, and Conn-BG2 towards the implementation of ICT.”

31. As noted in Para 28, out of the elements being planned under ISTS under the instant scheme, ICTs and associated bays shall be considered under ‘necessary augmentation for providing the connection to ISTS’ under Regulation 12.5 of the GNA Regulations, whose cost is to be borne by the entities covered under Regulation 17.1(iii). CTUIL shall itself calculate the cost to be collected from each such entity that has been granted GNA/ GNARE at the instant Navinal substation in proportion to the quantum of GNA/ GNARE based on the latest average estimated per MW cost (based on Voltage level) or do so in consultation with the NCT, if considered necessary.

32. Therefore, considering the discussions above, we are of the considered view that the transmission licence to the Petitioner shall be granted, subject to the following conditions:

(a) The GNA/ GNARE grantee entities covered under Regulation 17.1(iii) shall deposit the cost corresponding to the ICTs, along with their associated bays, in proportion to their GNA/ GNARE.

(b) CTUIL is directed to intimate the cost to be deposited to the said GNA/ GNARE grantee entities. The GNA/ GNARE grantee entities shall deposit the cost as intimated by CTUIL, within 30 days of intimation of such cost. In case of failure, GNA/ GNARE grants to such entities shall be cancelled, and available BGs shall be treated as per the extant GNA Regulations.

(c) CTUIL shall keep this amount in a separate account under an appropriate deposit scheme. Staff is directed to devise a mechanism for treating this amount and the charges for the Transformer component.

33. 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.”

34. In our order dated 18.1.2025, we had proposed to grant a transmission licence to the Petitioner company and directed for the issue of a public notice. In response to the Public notice, no suggestions/objections have been received. CTUIL, in its letter dated 30.10.2024, has been recommended for 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 for the grant of a transmission licence for the subject Transmission System. Accordingly, we direct that a transmission licence be granted to the Petitioner, 'Navinal Transmission Limited', to establish an Inter-State Transmission System for "Network Expansion Scheme in Navinal (Mundra) area of Gujarat for drawal of power in the area", on a Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

35. The grant of a 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 the Commission shall consider 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 the 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 utilisation 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 reports or information as may be required under the 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;

36. 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.

37. 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.

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

39. Petition No. 426/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
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