# **DRAFT**

# **Consultation Paper**

On

# **DETERMINATION OF THRESHOLD LIMIT**

For Development of

**Intra-State Transmission System** 

**Through** 

TARIFF BASED COMPETITIVE BIDDING



# **MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION**

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#### 1. INTRODUCTION

The Transmission System in Meghalaya State comprises of network of Transmission lines and Substations at 132/33 KV and above levels. Electricity demand in the State is increasing due to urbanization and relative growth. Meghalaya State is environmentally resourceful with abundant water sources, thus having considerable potential for Hydro Power Generation.

Meghalaya Power Transmission Corporation (MePTCL), the Transmission licensee in the state of Meghalaya, is entrusted with Intra-State Transmission and load Dispatch functions.

The Transmission System required to be reliable and sufficient to cater present and future demand requirement. Accordingly, a robust network of Transmission lines and Substations is to be established to cater to the load requirements. There is also need to maintain the Power Quality, Network Reliability and integrated Power system at the regional level.

For development of Transmission system in a cost effective manner, there is need to adopt best practices and ensure competition amongst the participant investors. The competition will bring new technology/ innovation, achieve reduction in Tariff and aims to complete the projects on time.

There is also need to open up investment in the Transmission sector to private sector to ease out the functions of the utility, optimize risk, execute the projects in a timely manner in the most economical way.

Accordingly, this Consultation Paper for Development of Intra-State Transmission System (STS) through Tariff Based Competitive Bidding (TBCB) process contemplated inviting the suggestions/ comments from the Stakeholders.

### 2. BACKGROUND AND CONTEXT

#### 2.1 The Electricity Act 2003

The Electricity Act, 2003 (Act), in the basic framework for Electricity Supply industry in India, which aims to optimize and rationalize the electricity tariff. The preamble of the Electricity Act, 2003 is as follows:

"An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto."

Section 38 (2) and Section 39 (2) of the Electricity Act, 2003 has entrusted the planning and coordination of the Inter-State and Intra-State Transmission Systems to the Central Transmission Utility ("CTU") and the State Transmission Utility ("STU"), respectively. The overarching mandate of the CTU and STU is to ensure the development of an efficient, coordinated and economical system of Inter-State and Intra-State transmission systems, respectively.

The Act has created a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barriers to entry into different segments. To further encourage private sector investment, Section 63 of the Act provides for participation of suppliers on competitive basis in different segments.

Electricity Regulatory Commissions, being the custodians of the statute, have been bestowed with the responsibility to facilitate and promote competition, efficiency and economy in activities of the electricity industry.

### 2.2 Regulatory Provisions

a) The State Commission has been vested with the responsibility to determine the Tariff for Generation, Supply, Transmission under Section 86 of the Electricity Act, as follows.

### "Section 86. (Functions of State Commission)

- (1) The State Commission shall discharge the following functions, namely: -
- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State..."

As regards to Determination of Tariff by bidding process, *Section 63* of the Act provides regulatory provisions for adoption of the Tariff determined through transparent process of bidding, as follows:

## "Section 63. (Determination of tariff by bidding process):

Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

- b) The Central Government notified the revised National Electricity Policy vide resolution no. 23/40/2004-R&R (Vol-II) dated 12/02/2005 in accordance with section 3 of the Electricity Act 2003. The Guideline 5.3.10 and 5.8.9 of the *National Electricity Policy*, 2005 encourages private investment and their partnership in Transmission sector to meet the need of rapidly growing sector are as follows:
  - **"5.3.10** Special mechanisms would be created to encourage private investment in transmission sector so that sufficient investments are made for achieving the objective of demand to be fully met by 2012."
  - "5.8.9 Role of private participation in generation, transmission and distribution would become increasingly critical in view of the rapidly growing investment needs of the sector. The Central Government and the State Governments need to develop workable and successful models for public private partnership. This would also enable leveraging private investment with the public sector finances. Mechanisms for continuous dialogue with industry for streamlining procedures for encouraging private participation in power sector need to be put in place."
- c) The Central Government notified the revised Tariff Policy vide ref no. 23/2/2005-R&R (Vol-IX) dated 28/01/2016 in accordance with Section 3 of the Electricity Act 2003.

Guideline 5.3 of the Tariff Policy states that development of Intra-State Transmission System shall be executed through competitive bidding route provided for the projects costing above a Threshold Limit, which shall be decided by the State Commission.

- "5.3 The tariff of all new generation and transmission projects of company owned or controlled by the Central Government shall continue to be determined on the basis of competitive bidding as per the Tariff Policy notified on 6 January, 2006 unless otherwise specified by the Central Government on case to case basis. Further, Intrastate transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit which shall be decided by the SERCs."
- d) Ministry of Power, Govt. of India in its Guidelines dated 15/03/2021 recommended adoption of TBCB for Intra-State Transmission projects in the larger interest of consumers. This reduces the burden on Government finances and scarce Government fund can be spared for other priority sectors. Also, it encourages use of advanced technology for improving cost and efficiency. Relevant Clause of Ministry of Power, Govt. of India guidelines are as follows:

"6. In line with provisions of the Tariff Policy 2016, generally Inter-State transmission systems are developed through competitive bidding only, except for certain categories of transmission system as specified in the Tariff Policy 2016. With adoption of Tariff Based Competitive bidding for development of transmission system, following key benefits have been observed:

- i) <u>Lower Tariff compared to Cost Plus:</u> With large number of bidders participating in development of a transmission project, discovered tariff for a transmission project can be lower than cost-plus tariff by about 30-40%.
- ii) <u>Less burden on government finances</u>: It will attract private investments for development of projects and scarce government fund can be spared for other priority sectors.
- iii) <u>Risk sharing:</u> It encourage risk sharing with private sector. Innovative Technology: It encourages use of advanced technology for improving cost and efficiency."
- e) Ministry of Power, Govt. of India in its Guidelines dated 10/08/2021 by which it has encouraged competition in Development of Intra-State Transmission Projects by introducing Tariff based through e-reverse bidding for Transmission Services. The projects shall be awarded on Build, Own, Operate and Transfer (BOOT) mode, as follows.

"17. The selection of developer for identified projects would be through tariff based competitive bidding through e-reverse bidding for transmission services according to the guidelines issued by the Ministry of Power under section 63 of the Electricity Act, 2003. The projects shall be awarded on Build, Own, Operate and Transfer mode.

21. As far as Intra-State projects are concerned the State Governments may adopt these guidelines and may constitute similar committees for facilitation of transmission projects within the State. The States also have the option to use Viability Gap Funding (VGF) based Model Transmission Agreement (MTA) document of erstwhile Planning Commission for development of transmission system in their States under Public Private Partnership (PPP) mode."

In view of above, there are adequate regulatory provisions that enables the State Commission to initiate process of introducing Tariff based Competitive Bidding in Intra-State Transmission Projects with a threshold limit to be decided.

### 2.3 Special Cases for Regulated Tariff Mechanism (RTM)

The Tariff Policy, 2016 emphasis that all the future Inter-State transmission projects shall ordinarily be developed through competitive bidding process, however, the Central Government may give exemption to specific projects of strategic importance and works required to be done to cater to an urgent situation on a case-to-case basis.

### 3. NEED FOR TBCB IN INTRA-STATE TRANSMISSION SYSTEM

### 3.1 Projects undertaken under TBCB

An analysis based on secondary research and data from various public sources including CEA and Empowered Committee on Transmission/National Committee on Transmission Minutes of Meetings shows that out of a total number of 151 transmission projects awarded since 2011, 62 projects were awarded through TBCB route (6 were subsequently scrapped), while 89 projects were awarded under cost-plus/regulated tariff mechanism (RTM) route. Further, analysis of the resultant tariffs of projects awarded in recent years shows that projects awarded through the TBCB route can help to bring down transmission tariff.

# 3.2 Tariff Aspects of TBCB vs. RTM

Based on the past experience of various Inter-State and Intra-State projects executed through TBCB process, it is observed that the competitive bidding route yielded a reduction in tariff ranging from 20% to 56% vis-à-vis cost-plus tariff. Some of the prominent projects are listed below:

Scheme Name/Project	Winning Levelised Tariff (Rs. Crore)	Cost Plus Levelised Tariff (Rs. Crore)	Reduction w.r.t. Cost Plus Tariff (%)
Transmission System (TS) Gadarwara STPS (2 x 800	257	527	51%
MW) of NTPC (Part-B)			
TS Gadarwara STPS (2 x 800 MW) of NTPC (Part-A)	290	593	51%
Khargone TPP 1320MW	159	310	49%
Construction of Ajmer (PG)-Phagi 765 kV D/C line	61	118	48%
Jam Khambaliya pooling station and inter-	33.67	66.51	49%
connection of Jam Khambaliya pooling station	33.07	00.51	4370
Transmission System associated with LTA			
applications from Rajasthan SEZ Part-B (Fatehgarh- II	71.56	158.39	55%
Transco Limited)	71.50	150.55	3370
WRSS-21 (Part-B)	178.87	281.85	37%
Transmission System associated with RE			
Generations at Bhuj-II, Dwarka & Lakadia (Lakadia	83.46	141.27	41%
Banaskantha Transco Limited)	05.40	141.27	41/0
Transmission System for connectivity to RE Projects at			
Bhuj-II (2000 MW) in Gujarat (Bhuj-II	123.77	207.69	40%
Transmission Limited)	123.77		4070
400 kV Udupi (UPCL)-Kasargode D/C line (Udupi	84.74	114.44	26%
Kasargode Transmission Limited)	04.74	114.44	2070
(WRSS-21) Part A	95.13	174.61	46%
Transmission system associated with LTA application from			
Rajasthan SEZ (Part-D) (Bikaner-	100.05	229.54	56%
Khetri Transmission Limited)	100.03	223.34	3070
NEW WR-NR 765 kV Inter-Regional corridor	92.73	140.96	34%
Transmission System for Ultra Mega Solar Park, district			
Jaisalmer Rajasthan (Fatehgarh- Bhadla	38.02	2 83.87	55%
Transmission Limited)	38.02	83.87	33%
Transmission System associated with Additional 400 kV			
feed to Goa and additional system for power evacuation			
from generation projects pooled at	164.775	224.57	27%
Raigarh (Tamnar) Pool			
transmission of electricity for Eastern Region	138.58	252	45%
Strengthening Scheme-XXI (ERSS-XXI)	130.36	232	4370
Strengthening in Northern Region (NRSS-XXXVI)			
along with LILO of Sikar-Neemrana 400 kV DC at Babai	48.60	60.49	20%
(RRVPNL) (NRSS XXXVI Transmission Ltd.)	40.00	00.49	2070
NEW WR-NR 765 Kv Inter-Regional corridor	92.73	140.96	34%

Scheme Name/Project	Winning Levelised Tariff (Rs. Crore)	Cost Plus Levelised Tariff (Rs. Crore)	Reduction w.r.t. Cost Plus Tariff (%)
Immediate evacuation for North Karanpura (3x660 MW) generation project and creation of 400/220 kV			
sub-station at Dhanbad	55.99	75.17	26%
Transmission System strengthening for transfer of power			
from new HEPs in Bhutan, Alipurduar Transmission Ltd.	129.42	184.91	30%
Strengthening of Transmission System beyond Vemagiri	359.26	762.57	53%
System Strengthening for IPPs in Chhattisgarh and			
other Generation Projects in Western Region Chhattisgarh WR Transmission Ltd.	132.40	196.88	33%
Transmission System for Connectivity Lines for			
Maheshwaram (Hyderabad) 765/400kV Pooling sub-station Maheshwaram Transmission Limited	55.25	82.79	33%
Transmission System Strengthening associated with Vindhyachal-V	210.99	421.36	50%

(Source: Uttarakhand State Electricity Regulatory Commission (UERC) Consultation paper on TBCB)

The Ministry of Power, vide its letter dated March 15, 2021, has strongly recommended TBCB route for development for Intra-State Transmission Projects wherein it has also observed that the tariff discovered through competitive bidding process are lower by around 30% than the cost-plus tariff.

Further, Confederation of Indian Industries (CII) in its Report titled "New Age Power Systems for 21st Century India: Challenges, Solutions and Opportunities" based on an analysis of a total of 101 transmission projects (including 58 RTM and 43 TBCB projects) shows that "TBCB projects typically offer ~30% lower tariff than same project awarded on RTM basis".

Another inherent benefit of TBCB mode of development is that it has encouraged private sector participation, which has resulted in lowering the burden on government finances. It has also resulted in risk sharing with private players, adoption of innovative technology with private participation, etc.

### 3.3 Risk Matrix - TBCB vs. EPC

The majority of risks are now shared among the State Transmission Utilities to the Developers under TBCB route.

<b>Project Parameters</b>	RTM	(TBCB)
Willingness to introduce new	Low	High
technology	Risk Sharing: 100% - Utility	Risk Sharing: 100% Developer
Innovation in design	Medium	High
	Risk Sharing: Both Utility &	Risk Sharing: 100% Developer
	Developer	
Construction cost risk with	High	Low
Govt.	Risk Sharing: 100% Utility	Risk Sharing: 100% Developer
Construction schedule risk with	High	Low
Govt.	Risk Sharing: 100% Utility	Risk Sharing: 100% Developer
Lifecycle cost risk with Govt.	High	Low
	Risk Sharing: 100% Utility	Risk Sharing: 100% Developer
Operating performance risk	High	Low
	Risk Sharing: 100% Utility	Risk Sharing: 100% Developer
Financing risk with Govt.	High	Low
	Risk Sharing: 100% Utility	Risk Sharing: 100% Developer
<b>Summary Assessment</b>	Weak Model for large and	Strong model for large and
	mid-sized capital intensive	mid-sized projects
	projects	

(Source: Uttarakhand State Electricity Regulatory Commission (UERC) Consultation paper on TBCB)

## 4. TRANSMISSION SYSTEM OF MEGHALAYA

## 4.1 Meghalaya Power Transmission Corporation Limited (MePTCL)

MePTCL which is also the State Transmission Utility (STU) is managing the entire Transmission system in the state of Meghalaya including execution of new projects on cost plus basis.

MePTCL's Transmission network as on 31.03.2020 is as given below:

Details	31.03.2020
Length of 400 KV lines (Km)	4.428
No. of 400KV/220 KV Grid Substations	2
Capacity of 400KV/220KV Grid Substations (MVA)	630
Length of 220 KV lines (km)	226.84
No. of 220KV/132 KV Grid Substations	2
Capacity of 220KV/132KV Grid Substations (MVA)	520
Length of 132 KV lines (Km)	986.790
No. of 132 KV Grid Substations	32
Capacity of 132KV Grid Substations (MVA)	595
Length of 132 KV M/C lines	21.746

## 4.2 Transmission System Availability and Transmission losses

The Transmission system availability factor and Transmission losses for the last 5 years i.e., for FY 2017-18 to FY 2021-22.

Year	Availability Factor (%)	Transmission loss (%)
2017-18	99.83	4.00
2018-19	96.71	4.00
2019-20	99.60	3.94
2020-21	98.83	3.44
2021-22	99.43	2.93

## 4.3 Peak Load (MW)

The peak load during last 5 years ie., FY 2017-18 to FY 2021-22 are as given below

Year	Peak Load (MW)
2017-18	339
2018-19	332
2019-20	382
2020-21	384
2021-22	408

## 4.4 Forecast Demand (MW)

The demand forecasted for the next 5 years i.e., FY 2022-23 to FY 20206-27 are as given below.

Year	Forecasted Demand (MW)
2022-23	416
2023-24	452
2024-25	475
2025-26	499
2026-27	523

## 4.5 Transmission Schemes executed in last 3 years

Major Intra-state Transmission schemes executed in the state of Meghalaya in last 3 years are as shown below:

SI. No	Name of the Scheme	Commissioning Date	Approved Cost (Rs. Crore)
1	Construction of LILO of NEIGHRIMS-Khliehriat line along with 2x20 MVA, 132/33kV Substation at Ladnongkrem.	9.12.2019	26.70
2	Stringing of 2 <sup>nd</sup> CKT of 132kV Agia-Nangalbibra Line along with extension of Bay at Nangalbibra	25.11.2021	21.19

# 4.6 Transmission Works under construction

Major Transmission works in progress/under construction in the state are as shown below.

SI. No	Name of the Scheme	Start Date	Likely date of	Approved Cost
	North Forton Bosin Bourn Conton Incompany	Date	Completion	(Rs. Crore)
1	North Eastern Region Power System Improvement Project (NERPSIP)  1) Construction of 220 kV double circuit line from Byrnihat sub station, at killing to Mawngap (Mawphlang) sub-station and finally up to New Shillong Township (258.77 ckm) complete with up-gradation of 132/33 kV, 2x20 MVA Mawphlang substation to 220/132 kV, 2x160 MVA (GIS) and a new 220/132 kV, 2x160 MVA & 132/33 kV, 2x50 MVA substations (GIS) at New Shillong.  2) Construction of Loop in Loop Out (LILO) of both circuits of MLHEP-Khliehriat double circuit line (38 ckm) along with a 132/33 kV, 2x50 MVA substation at Mynkre.  3) Construction of 132 kV double circuit line from Ampati to Phulbari (138 ckm) along with 132/33 kV, 2x50 MVA sub-station at Phulbari.	2018	December 2022	776.93
2	Construction of 132 KV D/C LILO of Rongkhon- Ampati line at Praharinagar along with 1x25 MVA (with an additional transformer bay) 132/33 KV Substation at Praharinagar under SPA	2016	December 2024	27.60
3	Re-conductoring and strengthening of the 132 kV S/C line from Khliehriat to Panchgram by HTLS conductor and Related Services under Power System Development Fund (PSDF)	2022	April 2024	42.89
4	Re-conductoring and strengthening of the 132 kV D/C line from Umiam Stage I to Umiam Stage III Power Station by HTLS conductor and Related Services under Power System Development Fund (PDSF)	2022	April 2024	21.74
5	Implementation of Scheduling, Accounting, Meeting and Settlement of Transmission in Electricity (SAMAST) of Meghalaya by MePTCL.	2018	February 2023	8.48

### 4.7 Transmission Schemes envisaged in next 3 years

Major Transmission Schemes envisaged in next 3 years in the state are as given below.

SI. No	Name of the Scheme	Year in Which likely to be Started	Approved or Estimated Cost (Rs. Crore)
1	Consultation Meeting for Evolving Transmission Scheme in North Eastern region.	2022	Scheme under proposal
2	Construction of 132 KV D/C Nangalbibra (ISTS)- Nangalibra (MePTCL) line with Bays at Nangalbibra (MePTCL)	2022	50.00
3	220KV D/C Nangalbibra – New Shillong line with Bays at both ends.	2022	400.00

### 5. DETERMINATION OF THRESHOLD LIMIT

The Guideline 5.3 of Tariff Policy, 2016 empowers the State Commission to determine the threshold limit for Intra-State projects to be implemented under TBCB route. It is also pertinent to mention that Project costing below a certain threshold may not encourage participation from maximum participants and may not yield benefits of cost saving through TBCB route.

Ministry of Power, Govt. of India in its Guidelines dated 15.03.2021 observed that the discovered Tariff for Transmission project can be lower than cost-plus Tariff by about 30 to 40 % with the participation of large number of bidders.

### 5.1 Threshold Limit Specified by other States/Under Progress

SERC's like Punjab (Rs. 50 Crore), Bihar (Rs. 100 Crore), Rajasthan (Rs. 100 Crore), Haryana (Rs.100 Crore) and Assam (Rs.225 Crore) have determined the Threshold Limits for projects to be executed through TBCB, while others are still in the process to determine the same.

The approach adopted by the above Commissions while determining the threshold limit is as follows:

a) Bihar Electricity Regulatory Commission (BERC) after following due public consultation process vide Notification dated 23rd December 2019 determined Threshold Limit of Rs. 100 Crore above which all new projects and augmentation of Intra-State projects shall be developed through TBCB in accordance with the

- Guidelines issued by the State Transmission Utility. BERC ruled that the State Transmission Utility shall frame the said guidelines within three months from the issue of this notification and issue the same after approval of the BERC.
- b) Rajasthan Electricity Regulatory Commission (RERC) vide its letter dated 28th August, 2018 accepted the Threshold Limit proposed by Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL), wherein it stated as follows:
  - "Commission, considering the proposals furnished by RVPN, has decided the threshold limit as Rs. 100 Crore or more, irrespective of voltage level for development of Intra-State transmission projects...."
- c) **Punjab State Electricity Regulatory Commission (PSERC)** vide Notification dated 5th November, 2018 determined the Threshold Limit as under: -
  - "No. PSERC/Secy/132.-In accordance with para 5.3 of National Tariff Policy, the Punjab State Electricity Regulatory Commission hereby decides that Intra-state transmission projects costing more than Rs. 50 Crore shall be developed by State Govt./STU through tariff based competitive bidding."
- d) Haryana Electricity Regulatory Commission (HERC) has floated a Consultation Paper for fixing the Threshold Limit wherein the Commission has not proposed any Threshold Limit and has sought suggestions for fixing the same. HERC, in the said Consultation Paper, has stated as follows:
  - "It is observed that the transmission system including energy handled varies from one state to the other. Hence, the quantum of investments required going forward shall also vary in line with the geographical area and load growth in different State."
  - HERC is still under the process of determining the same.
- e) Assam Electricity Regulatory Commission (AERC) vide notification dated 14.01.2019 invited comments on the basis of proposal received from State Transmission Utility and Power Department, Government of Assam for keeping the Threshold Limit for transmission line project as Rs. 225 Crore and Sub-Station Project (220 kV GIS) as Rs. 160 Crore.
  - AERC is still under the process of determining the same.
- f) In addition to the above, the Maharashtra Electricity Regulatory Commission (MERC) in its Order dated 21 March, 2021 in Case No. 190 of 2020 with respect to fixation of Threshold Limit has ruled as follows:

"37.35 The Commission will be separately deciding on the Threshold Limit to be considered for undertaking projects through the TBCB route, after seeking inputs from the stakeholders. The Commission will also have to decide on the conditions/exceptions to the Threshold Limit, keeping the requirements of the State in mind, as well as factors such as delineability of the Project, scope for fixing clear responsibility for project execution, applicability to new Projects vs. system strengthening or augmentation Projects, etc., based on objective criteria, so that the scope for subjectivity in decision making is minimized. Timely completion of projects is also one of the important criteria which needs to be considered. In the meantime, in the absence of any defined Threshold Limit decided by the Commission, the Tariff Policy provisions in this regard cannot be given effect."

In line with the above, the Commission through this Consultative Paper intends to initiate the process for determination of minimum Threshold Limit of project cost and other guidelines for transmission projects to be developed under TBCB route.

### 6. **CONCLUSION**

Based on the actual investment data towards cost of projects, and in order to increase private sector participation in the infrastructure projects, it is proposed that the Threshold Limit be fixed as Rs 50 Crore for new Intra-state transmission projects (i.e. complete package for lines and sub-stations) to be developed through TBCB process.

The transmission project(s) of strategic and State and National importance, on an application filed by Licensee, shall be allowed under Regulated Tariff Mechanism by the Commission, in case the cost of such transmission project(s) is equal or above the threshold limit.

Major flow of activities for said implementation will be, identification of projects under TBCB by a Committee and considering the threshold limit (as decided by the Commission), selection of Bid Process Coordinator, which will further form a Special Purpose Vehicle (SPV) and will be responsible for floating tender, based on the Standing Bidding Document (SBD) issued under Section 63 of the Act.

The selection of bidder for identified projects would be through Tariff Based Competitive Bidding through e-reverse bidding for Transmission projects based on Guidelines issued by Ministry of Power, GoI under Section 63 of the Act, 2003. The projects shall be awarded on Build, Own, Operate and Transfer (BOOT) mode. The projects assets along with sub-station land with rights, Right of Way and clearances

shall be transferred to an agency as decided by Govt. of Meghalaya after expiry of the contract period of the project (35 years) at zero cost. The STU, 3 years prior to the expiry of the project will examine the need of upgradation of system for Renovation and Modernization of the existing system at that time. The project may then be awarded to successor bidder selected through the Competitive Bidding process for Renovation and Modernization. The SPV after being acquired by selected developer shall approach the Commission from the date of acquisition of entire equity of said SPV for grant of Transmission License and adoption of Transmission Tariff/Charges.

In line with the regulatory guidelines provided in the National Electricity Policy (NEP) and the Tariff Policy and recognizing the need of private sector participation in transmission sector of the State, the Commission in terms of issues brought out in the Consultation Paper invites comments and suggestions from various stakeholders to determine the Threshold Limit above which the transmission project shall be executed though TBCB process in terms of Standard Bidding Guidelines notified by Ministry of Power, Govt. of India from time to time.