



Government of India
Ministry of Power
Central Electricity Authority
SP&PA Division
Sewa Bhawan, R. K. Puram, New Delhi-110066



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No. 100/1/EC/2012-SP&PA/ 1148-1160

Dated: 19 October 2012

To

1. Shri S. Jayaraman
Member, CERC
Chanderlok Building,
36 Janpath,
New Delhi - 110001
2. Dr. Jaipal Singh
Member (E&C),
Central Electricity Authority
Sewa Bhawan, R.K. Puram,
New Delhi - 110066
3. Joint Secretary (Trans.),
Ministry of Power,
Shram Shakti Bhawan, Rafi Marg,
New Delhi - 110001
4. Shri I.A. Khan
Adviser, Planning Commission,
Yojana Bhawan, Parliament Street,
New Delhi - 110001
5. Director (Transmission)
Ministry of Power,
Shram Shakti Bhawan, Rafi Marg,
New Delhi - 110001
6. Shri I. S. Jha
Director (Projects), POWERGRID
Saudamini, Plot No. 2, Sector-29,
Gurgaon - 122001
7. Secretary, CERC
Chanderlok Building,
36, Janpath,
New Delhi-110001
8. Shri V. V. R. K. Rao
Former Chairman, CEA
B-9/C, DDA Flats, Maya Puri,
New Delhi -110064
9. Shri A. K. Mago
Former Chief Secretary(Govt. of
Maharashtra),
E-7, Nizamuddin West, New Delhi
(Tel. 9811088098/24354747).

Subject: **Meeting Notice** - 30th Meeting of the "Empowered Committee"

Sir,

The 30th Meeting of the "Empowered Committee" constituted in accordance with guidelines for encouraging competition in development of transmission projects, would be held **on 31st October 2012 (Wednesday) at 15 30 Hr.**, under the Chairmanship of Shri S. Jayaraman, Member, CERC.

The meeting would be held in the Conference Room of CERC, Chanderlok Building, 36 Janpath, New Delhi.

The following would be discussed in the meeting:

- (1) Cut off estimated cost for schemes to be taken up under TBCB.
- (2) Exempting transmission elements required to be built in a flexible manner
- (3) Issues related to revision of Standard Bid Documents(SBD) for aligning with the POC(Point of Connection) mechanism of sharing of transmission charges.
- (4) Review of progress of transmission projects awarded through the TBCB process
- (5) Review of Vemagiri 2nd 765kV corridor and ATS for Kudgi TPS
- (6) New transmission schemes to be taken up through tariff based competitive bidding
- (7) Constitution of the Bid Evaluation Committees for new transmission schemes
- (8) Any other item.

Detailed Agenda note is given at Annex - Agenda.

Kindly make it convenient to attend the meeting.

This issues with approval of Member(PS).

KK Arya
(K. K. Arya)
Chief Engineer(I/c)(SP&PA)

Copy to:

- i) CMD, REC, Core-4 Scope Complex, 7 Lodhi Road, New Delhi-110003
- ii) CMD, PFC, Urjanidhi, 1 Barakhmba Lane, New Delhi -110001
- iii) Shri S. K. Gupta, CEO, RECTPCL, Core-4 SCOPE Complex, 7 Lodhi Road, New Delhi – 110 003. (Fax-011-24102576)
- iv) Shri N. D Tyagi, CEO, PFC Consulting Ltd, First Floor, Urjanidhi, 1 Barakhmba Lane, New Delhi -110001 (Fax- 011-23456170)

Agenda note for the 30th meeting of the “Empowered Committee”

Date and Time: 31st October, 2012 (Wednesday) at 15 30 Hr.

Venue: CERC, Chanderlok Building, 36 Janpath, New Delhi, New Delhi

1.0 Cut off estimated cost for projects to be taken up under TBCB

Very small projects are not amenable to tariff based competitive bidding due to the following reasons:

- (i) Reputed parties may not be interested
- (ii) High overheads
- (iii) Need of independent set up for O&M for 35 years

Therefore, it is suggested that projects of estimated cost less than Rs 200 Crore may be exempted from TBCB.

2.0 Exempting Transmission elements required to be built in a flexible manner

Even though the cost of a transmission project is a fraction of the cost of the generation project, yet it has the potential to bottle up entire generation. In the market, there is great uncertainty about the realization of a generation project. The transmission scheme has to be flexible and reviewed depending on the progress of generation. Creation of stranded assets has to be avoided by changing the scope of transmission scheme. The order of transmission project has to be placed after the generation project is firmly on the ground. In the TBCB mode the scope has to be firmed up in advance and the change in scope can lead to disputes. TBCB mode has inherent inflexibility. In view of above and our practical **experience it is proposed that Transmission works required to be built in a flexible manner depending on the progress of associated generation projects may be exempted from TBCB.**

3.0 Issues related to revision of Standard Bid Documents(SBD) for aligning with the POC(Point of Connection) mechanism of sharing of transmission charges.

- 3.1** The existing RfQ, RfP and TSA documents for Tariff Based Competitive Bidding are based on the regional postage stamp method of sharing of transmission charges. The sharing of transmission charges of the ISTS is now based on the methodology of Point of Connection(PoC) after the implementation of the new mechanism from 1-07-2011. Using existing SBD under the present PoC based mechanism is causing considerable difficulties in carrying out the bidding

process. Now the charges are not to be recovered individually by each TSP, the “long term customers” now are all the utilities, drawing entities and generators using the ISTS (now known as DIC), “lead long term customer “ cannot be identified and existing SBD does not have provisions to accommodate these new concepts. In view of the above and other changes the existing RfQ/RfP and TSA forming part of SBD need to be revised urgently so that the bidding of the schemes already in process or pipeline is not delayed.

3.2 A draft amendment in the SBD has been submitted to MoP. This matter was taken up in previous meetings of the EC also, wherein, Chairperson, EC stated that MoP should expedite the modifications to the SBD (RfP and TSA) aligning with the PoC mechanism. The same is to be reiterated. The Committee may discuss that how to proceed with new projects in the absence of revised SBDs.

4.0 Review of progress of transmission projects awarded through the TBCB process

Presentation to be made by CEA.

5.0 Review of Vemagiri 2nd 765kV corridor and ATS for Kudgi TPS(3x800 MW)

5.1 Name of the Scheme – “Transmission System associated with IPPs of Vemagiri Area- Package-B”:

Scope:

Transmission Scheme	Estimated Line length	Estimated cost (Rs crores)
i) Vemagiri Pooling Station – Khammam 765kV 1xD/c (2 nd ckt.) line.	250 km	700
ii) Khammam – Hyderabad 765 kV 1xD/c (2 nd ckt.) line.	250 km	700
Estimated Cost (Rs. Crore)		1400

Status:

- The scheme has been notified and its BPC is M/s REC Transmission Projects Limited.
- The Vemagiri Pooling Station – Khammam – Hyderabad 2nd 765 kV D/c line was planned in view of number of gas based projects in Vemagiri area. Further, with the implementation of Srikakulam Pooling Station – Vemagiri Pooling Station 765 kV D/c line, the proposed scheme will also serve as system strengthening beyond Vemagiri. However, due to uncertainty in availability of gas for these projects, it was decided in the previous (29th) EC-meeting that a team from CEA and POWERGRID would visit Vemagiri project sites to assess their status.

- Accordingly, a joint team of CEA & POWERGRID has visited the generation projects that have availed Long-term Access/ Connectivity during 30th June & 1st July, 2012. From the site visit of 4 number of gas based IPP generation projects (M/s Samalkot Power Projects Ltd., M/s GMR Rajamundry Energy Limited, M/s RVK Energy Limited, and M/s Spectrum Power Generation Ltd.), it is observed that GMR project of 768 MW is already completed and Samalkot project of 2400 MW is partially completed. Therefore, these two projects with a cumulative capacity of about 3200 MW are likely to be available with good certainty. The commissioning of the other two projects (SPGL & RVK) with cumulative capacity of 1760 MW shall depend on availability of gas and till that time uncertainty about these projects would remain.
- In view of the above, POWERGRID informed that the Vemagiri – Khammam – Hyderabad 1st 765 kV D/c line which is under implementation would need additional support, even when charged at 765 kV, in the form of 2nd Vemagiri – Khammam – Hyderabad 765 kV D/c line charged at 765 kV right from the beginning.
- **Empowered Committee may take view**

Note:

- CTU to give status of substations at Vemagiri PS, Khammam & Hyderabad.
- CTU to provide 2 Nos of 765 kV bays at Vemagiri Pooling Station, 4 Nos of 765kV bays at Khammam and 2 Nos of 765kV bays at Hyderabad.

5.2 Name of the Scheme: Transmission System required for evacuation of power from Kudgi TPS (3x800 MW in Phase-I) of NTPC Limited

Scope:

Transmission Scheme	Estimated Line Length (km)	Estimated Cost (Rs. Crores)
i) Kudgi TPS – Narendra (New) 400 kV 2xD/C quad lines	10	40
ii) Narendra (New) – Madhugiri 765 kV D/c line	350	1000
iii) Madhugiri – Bidadi 400 kV D/c (quad) line.	100	200
Estimated Cost (Rs. Crore)		1240

Status:

- The scheme has been notified and its BPC is RECTPCL.
- The scheme was agreed for Long Term Access in the 34th Standing Committee Meeting of Southern Region held on 16th April, 2012 for Kudgi TPS and includes Madhugiri – Narendra 765kV D/c line, which has already

been approved as “Transmission System associated with IPPs of Nagapattinam / Cuddalore area – Package C” during the 29th meeting of Empowered Committee on Transmission for implementing under Tariff based Competitive Bidding.

- M/s NTPC has informed that the award for Main Plant for Kudgi STPP (3x800 MW) had already been placed in February, 2012 and that the commissioning of the first unit is scheduled in June, 2015. But as the timeline required for development of transmission scheme under TBCB is in the range of 42 months (8-10 months for bidding process & 32 months for construction), M/s NTPC has requested to explore the possibility of execution of Kudgi (3x800 MW) ATS under compressed time schedule of 33 months so that transmission system availability at the time of first unit commissioning is assured.
- Further, in view of the fact that Narendra (New) 765/ 400 kV S/s (near Kudgi project site) along with its connectivity with Narendra (existing) through 400 kV quad D/c line and to Kolhapur (new) through 765 kV D/C line (initially charged at 400 kV), are being implemented by PGCIL under Regional System Strengthening Scheme within Kudgi (3x800 MW) time frame (April/ May, 2015), M/s NTPC has requested to consider awarding the entire scheme to M/s PGCIL under compressed time schedule. If this is not possible, at least a part of the evacuation system with transmission element mentioned at (i) above [Kudgi TPS – Narendra (New) 400 kV 2xD/C (quad) Line may be got executed by M/s PGCIL such that Kudgi generation project is connected to 400/ 765 kV ISTS network through its immediate transmission system at the time of commissioning of its first unit.
- Considering the time schedule given by NTPC, the scheme is now required to be implemented under compressed time schedule. **Accordingly, it is proposed that this scheme may be implemented by POWERGRID under regulated tariff mechanism.**

6.0 New transmission schemes to be taken up through Tariff Based Competitive Bidding.

6.1 Name of the Scheme: ‘Transmission System for Vindhyachal - V :

Scope:

Transmission Scheme	Estimated Line Length (km)	Estimated Cost (Rs. Cr.)
Vindhyachal Pooling Station - Jabalpur Pooling Station 765 kV D/c Line	350	1200
Estimated cost (Rs. crores)		1200

The system was planned for evacuating power from Vindhyachal – V (500 MW) being developed by M/s NTPC. The system has been approved in the Standing Committee as regional strengthening scheme.

- Provision of 2 no. of 765 kV bay at Vindhyachal PS and Jabalpur PS by POWERGRID
- As both Vindhyachal PS and Jabalpur PS are owned by POWERGRID, CTU to augment Vindhyachal PS by installing 1x1500 MVA, 765 kV ICT at Vindhyachal Pooling Station as augmentation.

NTPC and POWERGRID have informed that the generation project is scheduled for March 2015. **Accordingly, it is proposed that the associated transmission system is required to be implemented under compressed time schedule.**

**6.2 New Pugalur – Hyderabad HVDC scheme in Southern Region:
CEA will make presentation.**

7.0 Constitution of the Bid Evaluation Committees(BEC) for new transmission schemes:

BPCs (i.e PFC and REC) to propose.

8.0 Any other item.
Any other item with the permission of Chair.
