

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
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**Case No. 31 of 2010**

**In the matter of**  
**Application of M/s. Sinnar Power Transmission Company Limited for grant of**  
**Transmission Licence for development of Transmission system.**

**Shri. V.P. Raja, Chairman**  
**Shri. Vijay L. Sonavane, Member**

M/s. Sinnar Power Transmission Company Limited (SPTCL)  
E-29, First Floor  
Connaught Place  
New Delhi-110001.

..... Applicant

**ORDER**

**Dated: 28<sup>th</sup> December , 2010**

M/s. Sinnar Power Transmission Company Limited (“SPTCL”), a proposed Joint Venture Company between Maharashtra State Electricity Transmission Company Ltd. (“MSETCL”) and Indiabulls Realtech Limited (“IRL”) submitted an application to the Commission on July 20, 2010 under Section 14 of Electricity Act, 2003 (“EA 2003”) and Maharashtra Electricity Regulatory Commission (Transmission Licence Conditions) Regulations, 2004 as amended in 2006 (“Transmission Licence Conditions Regulations”). The application has been made for grant of Transmission Licence for development of the following Transmission System:

- (a) 400 kV D/C Quad Moose Transmission Line from Sinnar TPP to existing MSETCL Babhaleshwar Sub-Station.
- (b) 2 Nos. 400 kV line bays at existing MSETCL Babhaleshwar Sub-Station

2. The prayers set out in the application are as follows:

*“In light of the above facts Honourable Commission is requested to grant transmission License to SPTCL for implementing the said transmission system.”*



3. M/s. Sinnar Power Transmission Company Limited (SPTCL), in its application stated as under:

a) Indiabulls Realtech Limited (IRL) is constructing a 1350 MW Thermal Power Plant at Sinnar (STPP), Dist. Nasik, under a MOU signed with Govt. of Maharashtra. Land has already been acquired & required quantum of water has been got allocated from the state government. The applicant further stated that to meet the fuel requirement, coal linkage for the total capacity has also been provided by the Ministry of Coal, Government of India. Financial Closure for the Project has also been achieved.

b) The applicant further stated that, STPP is in advanced stage of civil construction and major equipments like BTG package has already been awarded to M/s BHEL. MSETCL in its capacity of State Transmission Utility (STU) has planned the power evacuation system for STPP which shall be connected to the existing MSETCL's 400 kV Babhaleshwar Sub-station. Indiabulls Realtech Limited has obtained the approval for connectivity to the intrastate transmission system from MSETCL. The approval for Open Access Connectivity has also been granted by STU, vide its letter No.MSETCL/CO/STU/302B/6870 dated May 28, 2008.

c) The applicant further submitted that Indiabulls Realtech Limited has formed a SPV "Sinnar Power Transmission Company Limited" (SPTCL) to develop the above transmission system. And SPTCL is a 100% subsidiary company of Indiabulls Realtech Limited.

d) Indiabulls Realtech Limited (IRL) is pursuing a Joint Venture arrangement with MSETCL after signing of which the effective equity holding in Joint Venture company i.e. SPTCL shall be 74 % & 26 % between Indiabulls Realtech Limited and MSETCL respectively. The formation of Joint Venture has been approved by Board of Directors of MSETCL and the same has been conveyed by MSETCL vide their letter dated July 16, 2010.

e) SPTCL submitted that they intend to sell a large share of power from STPP to Maharashtra to help the State bridge its power deficit.

f) SPTCL further stated that the walk-over survey on the route of the transmission lines had been undertaken and the necessary data about terrain, water table etc. had been compiled. Out of the three proposed routes, as the route nos. 2 & 3 are more in



length as well as no of angle points as compared to the route No.1 besides route No.2 is having 8 No's major power line crossings. Hence, route No. 1 is selected for detail survey. Based on these data, the Preliminary Feasibility Report (PFR) had been prepared with the following cost estimates:

<b>Sr. No</b>	<b>Name of the Line / Sub-station</b>	<b>Estimated project cost (Rs. Cr)</b>
1	Preliminaries	3.91
2	400 kV D/C Quad Moose Sinnar TPP - Babhaleshwar Transmission Line	100.80
3	Line Bays at Babhaleshwar Sub-station	10.0
4	Overheads, Contingency and Engg. Cost	22.94
5	Financing and IDC	12.39
<b>Total</b>		<b>150.04</b>

The applicant submitted that the cost estimates in the Pre-Feasibility Report (PFR) are prepared on line length assessment through walk-over survey and taking per km rate of transmission line on average basis. As such, these are tentative cost estimates. The applicant further submitted that final completion cost would be based on tendered rates and actual quantities of material and works and other expenditure.

g) The applicant indicated the following time schedule of activities involved in the project:

- Scheduled Commercial Operation Date (COD) of 5 x 270MW Units of the Phase I STPP as follows:

<b>Unit No.</b>	<b>COD</b>
Unit – I (270MW)	July 2012
Unit – II (270MW)	August 2012
Unit – III (270MW)	October 2012
Unit – IV (270MW)	December 2012
Unit – V (270MW)	February 2013

- The start-up power for commissioning of 1<sup>st</sup> unit is required in December 2011.
- The applicant submitted that IRL has worked out an implementation schedule for completion & commissioning of the above 400 KV



Transmission Line line with the following mile stones & targets for critical activities:

<b>Activity</b>	<b>Start</b>	<b>Completion</b>
Transmission Licence	Jul 2010	Dec 2010
Statutory Clearance	Jan 2011	Nov 2011
Detailed Check survey	Jan 2011	Nov 2011
Tendering and Award of Contracts	Jan 2011	Feb 2011
Design and Engineering	Jul 2010	Oct 2010
Construction of 400kV D/C (Quad Moose) Transmission Line from Nasik TPP to MSETCL 400kV Babhaleshwar Substation	Mar 2011	Jul 2012
Construction of line bays at Babhaleshwar Substation	May 2011	May 2012

The applicant also stated that award of contracts for transmission line and sub-station bay packages are being planned from experienced and competent EPC contractors. Apart from MSETCL, reputed project management consultant is proposed to be appointed to supervise, monitor and coordinate the construction activities of the selected EPC contractors so that the project is completed within the estimated cost and time frame.

4. The applicant submitted the following documents along with its application:
- i) Copy of STU's letter dated May 28, 2010 to Indiabulls Real Tech Limited for Grid connectivity as Annexure-I.
  - ii) MSETCL's Board of Director's In-principle approval for formation of Joint Venture Company as Annexure-II.
  - iii) Pre-feasibility Report for Transmission System for Power Evacuation from Nasik Thermal Power Station (5 x 270MW) as Annexure-III.
  - iv) Bar chart for various activities involved including the award of various packages for completion of transmission system as Annexure-IV.
  - v) Memorandum and Articles of Association of SPTCL enclosed as Appendix-I
  - vi) Management Information (provided in respect of Technical, Finance, HR and IT functions) enclosed as Appendix-II
  - vii) Detailed Survey Report of 400kV D/C Transmission line from Nasik Thermal Power project to Babhaleshwar substation project as Appendix-III



viii) Audited Balance Sheets, Profit and Loss Accounts and the Cash flow statements of Indiabulls Realtech Limited for FY2007-08, FY2008-09 and FY2009-10 as Appendix –IV.

5. The applicant submitted the copy of the proposed public notification for information, vetting and for intimating to the applicant if any changes/modification required in the public notification.

6. The applicant vide its letter SPTCL/MERC/TL/01/206 dated August 13, 2010 submitted the copies of the Public Notice published by SPTCL in two English and Three Marathi newspapers as per the proforma prescribed by the Commission.

7. The Commission vide its Notice dated August 25, 2010 scheduled a Technical Validation Session (TVS) to be held on September 21, 2010, in the presence of the four consumer representatives. The Commission also directed the Applicant to serve a copy of its Petition, along with its accompaniments, to the Chief Engineer, State Transmission Utility (STU), the Managing Director, MSETCL and the four consumer representatives.

8. Based on preliminary scrutiny of the application in accordance with Regulation 5.1 of the Transmission Licence Conditions Regulations, the Commission vide its email dated September 20, 2010 directed SPTCL to submit clarifications regarding the following data gaps noted therein:

i) Technical information:

- a) Single line diagram of Existing Transmission lines, Sinnar TPP Switchyard, actual or proposed location of the system of Lines & power plants by means of which the applicant intends to enable transmission of electricity.
- b) Detailed map or maps on Topographic sheet of the proposed area of Transmission network to be developed, on suitable/prescribed scale.
- c) Detailing route survey, showing streets and part of streets which are repairable by person other than Government and Railways, tramways, canals and waterways for which the applicant has obtained authorization to undertake works.
- d) Single line diagram of 400 KV Switchyard at Sinner Thermal Power Station.
- e) Past experience in the Transmission: Petitioner should submit the Work/Project carried out in Transmission Network development, anywhere India if any for the information of the Commission.



- ii) Power System Studies: Detailed report on load flow, Short-circuit and Transient stability Studies carried out for the proposed Transmission Network to be submitted for Commissions records.
- iii) 400 kV transmission line Configuration: Conductor Size, No. of conductors per phase, Type of conductor, Capacity Amps, SIL of each line in MW.
- iv) For joint venture (MSETCL and Indiabulls Realtech Ltd.) GoM approval for MSETCL equity / share is not attached.
- v) Copy of the MSETCL, Board Resolution for in-principle approval of MSETCL for JV is not attached.

9. The Technical Validation Session (TVS) in the matter was held on September 21, 2010 as scheduled. Shri Shreyas Mhatre and Shri Umesh Agrawal of M/s Pricewaterhouse Coopers (PwC), Consultants to SPTCL gave a detailed presentation on the business activities of Indiabulls Group and on the status of implementation of the transmission project by SPTCL. The brief highlights of the presentation are given below:

- a) Indiabulls Realtech Limited (IRL) is constructing a 1350 MW (5 X 270MW) Thermal Power Plant at Sinnar under a MOU signed with GoM.
- b) Land, water, letters of assurance for coal supplies, all approvals from statutory authorities have been obtained and financial closure for the above project has been achieved.
- c) The start-up power for commissioning of first unit is required in December 2011.
- d) Commissioning of units 1 to 5 is scheduled from July, 2012 to February, 2013.
- e) Indiabulls Realtech Limited (IBRL), a 100% subsidiary of Indiabulls Power Ltd. has formed a Special Purpose Vehicle (SPV), Sinnar Power Transmission Company Ltd.(SPTCL) to develop the following transmission system which is required for evacuation of power from IBPL's TPP and applied for a transmission licence for the same to the Commission.
  - 56 km 400 kV D/C Quad Moose Sinnar – Babhleswar Transmission Line
  - 2 Nos. 400 kV Line Bays at Babhleshwar sub-station.
- f) Detailed Route Survey and Soil Investigation of the above Transmission lines have been completed. IBRL has obtained the approval from MSETCL for connectivity of the above transmission system to the Intra-State transmission system.
- g) The transmission project cost has been estimated at about Rs 150 crores. SPTCL has published a Public notice in the news papers on 12<sup>th</sup> August, 2010 regarding the



above and no objections have been received from any party on transmission licence application till date.

- h) The above transmission evacuation system is scheduled to be commissioned by July 2012.
- i) IBRL is also pursuing a Joint Venture arrangement with MSETCL with a proposed equity participation of 74:26 % between Indiabulls Realtech Ltd. and MSETCL.
- j) The formation of Joint Venture has been approved 'In Principle' by Board of MSETCL and the same has been conveyed by MSETCL vide their letter dated 16<sup>th</sup> July 2010.
- k) MSETCL is presently in the process of obtaining necessary approvals from Govt. of Maharashtra.

10. During the TVS, the Commission drew the attention of the MD, MSETCL to the "Guidelines for Encouraging Competition in Development of Transmission Projects" formulated by the Ministry of Power (MoP), GOI for implementation of inter-state transmission projects so as to enable participation of private sector in transmission through competitive bidding process. The Guidelines also mention that, 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.

11. The Commission further observed that the Govt. of Maharashtra has not yet formulated the guidelines for adoption of above process to the State Transmission Projects. Therefore, MD, MSETCL should take up this matter with GOM and evolve a process for selection of Transmission Service Providers (TSPs) for implementation of the selected state transmission projects. Then, the selected TSP can approach the Commission seeking the transmission licence. Prima-facie, it appears that the State Govt. is following the joint venture route with MSETCL as it happened in the case of Jaigad Power Transmission Company Ltd., which is a joint venture between JSW Energy and MSETCL with 74% and 26% equity participation respectively.

12. The Commission further directed the applicant to furnish the following –
- i) Progress report along with photographic evidence of the actual progress of important activities at the site of the generation projects at Sinnar.
  - ii) Copies of letters of assurance for coal linkages, land allotment, water allocation, etc. for both the generation projects.
  - iii) Single line diagrams of the transmission lines showing the complete evacuation arrangement of power from the generation projects.



13. The Commission enquired whether the transmission line routes consist of any forest areas, creek crossings, hutments, defense establishments, airports, etc. The Commission directed that SPTCL should check the above and obtain clearances from all the concerned authorities well in advance so that the construction of the transmission lines can proceed smoothly as per schedule.

14. The Commission also directed the applicant to carry out short circuit and transient stability studies in addition to load flow studies as these studies are extremely important for stability of the Intra-state Transmission Network (InSTS) and submit the results of the same to the Commission. ED, STU explained in detail about the evacuation arrangement planned downstream of Nasik sub-stations for evacuation of the generation from Sinnar project. It was also confirmed by STU that the proposed transmission scheme of SPTCL is included in the STU's 5 year transmission plan document for the Maharashtra State. The Commission further directed STU to co-ordinate the power system studies with the Commission's Officers and discuss the same with Member (Technical), MERC.

15. The Commission directed MSETCL to check whether they have submitted DPR for the proposed 400/220 KV sub-station at Nasik including 400 KV Sinnar to Nasik double circuit line for Commission's in-principle approval. On Commission's query, STU confirmed that there are no other alternative options possible for the proposed transmission schemes for evacuation of generation from both Sinnar Project. STU also confirmed that there will not be any down the line restrictions in the intra-state transmission network for evacuation of generation. Further, the Commission directed MSETCL to submit the DPRs if any more transmission augmentations are required so that there will not be any transmission bottlenecks to evacuate generation from STPP.

16. SPTCL confirmed that the 400 KV line bays within the switchyard at STPP end are covered in the IBPL Generation Business and is not in the scope of their present transmission licence application.

17. The Commission directed SPTCL to comply with the data gaps as well as the additional details and clearances from GOM sought during the proceedings of TVS at the earliest, so as to enable the Commission to process the above licence applications further.



18. In reply to the above queries raised by the Commission, SPTCL submitted a supplementary affidavit with clarifications as given below:

- i) Submitted a copy of the Single Line diagram (Index plan) of the transmission lines; a copy of Single line diagram of Sinnar TPP switchyard; plot plan of Sinnar TPP indicating actual location of the system of Lines & power plant.
  - ii) Submitted a copy detailed map on topographic sheet for proposed area of Transmission network
  - iii) Submitted a copy of detailed route survey report and a copy of detailed route alignment on toposheet map. The petitioner submitted that he is proposing to apply for obtaining the necessary authorisation (under Section 164 of EA 2003) to undertake the works on streets and part of streets which are repairable by person other than Government and railways, tramways, canals and waterways, the necessary authorisation shall be submitted subsequent to the obtaining of the same.
  - iv) Submitted a copy of detailed report on Power System Studies including Load Flow, Short Circuit, and Transient Stability studies.
  - v) Submitted a data sheet on 400kV Transmission line configuration.
  - vi) Submitted a copy of MSETCL letter dated 16.07.2010 conveying 'in-principle' approval accorded by MSETCL Board for formation Joint Venture.
- SPTCL submitted that the GoM approval for MSETCL equity/share is awaited and would be submitted subsequently.

SPTCL submitted the correspondence on the following clearances:

- Land allotment letter from IIL to Indiabulls Realtech Limited dated 19.12.2007
- Water Allocation letter from Water Resources Department WRD, Nasik dated 24.04.2008
- LOA for supply of coal from Mahanadi Coal Fields Limited (MCL) dated 11.06.2009
- LOA for supply of coal from Western Coal Fields Limited (WCL) dated 12.06.2009
- LOA for supply of coal from SECL dated 08.09.2009
- Environmental Clearance for 1350MW received from Ministry of Environment & Forests dated 28.07.2009

SPTCL also submitted status of award of packages and photographic evidence of the actual progress of important activities at the site of the generation projects at Sinnar.



19. STU submitted the short circuit and transient stability studies vide its letter Ref. No:MSETCL/CO/STU/17012 dated 01/11/2010.

20. M/s.Indiabulls Realtech Limited(IRL) submitted an undertaking letter dated November 1, 2010 enclosing 'No Objection' consent letter from MSETCL. In the said letter IRL has stated following:

- Pending the approval from GoM for participation of MSETCL in the Joint venture Company, Indiabulls requested MSETCL to grant No Objection Certificate (NOC) in favour of SPTCL to proceed through due regulatory process for obtaining the transmission licences from MERC.
- Based on the above, MSETCL has given 'No Objection' certificate accordingly to SPTCL, with an option to take up 26% equity, as originally envisaged on receipt of GoM approval.
- M/s. Indiabulls Realtech Ltd has also given an undertaking in the said letter that it will undertake to arrange additional 26% equity contribution, over and above its 74% commitment, in case of delay or non-receipt of GoM approval for 26% equity investment by MSETCL in SPTCL.
- In view of the above, M/s. Indiabulls Realtech Ltd. requested the Commission to kindly admit the petition at the earliest for initiating process for early grant of the Transmission Licence.

21. As required under Section 15(5)(a) of the EA 2003, Public Notice dated November 23, 2010 was published by the Commission in two Marathi and two English newspapers, stating the details of the proposed transmission project and inviting the public to submit to the Commission any suggestions or objections with reference to the said application of M/s SPTCL, by December 16, 2010.

22. The Public Notice as above and soft copy of the application were also posted on the Commission's website, and at the same time, the Applicant was also directed to publish the same on its website. It was also intimated vide the above mentioned Public Notice that the Public Hearing in the matter would be held on Wednesday, December 20, 2010, at 11:00 hours at the Commission's office at World Trade Centre, Cuffe Parade, Mumbai 400 005.

23. The Commission did not receive any comments or objections/suggestions in response to the above mentioned notice till the end of the specified date of December 16,



2010 for receipt of objections/comments/suggestions. Further, no objection/comment was received even till the date of the hearing, viz., December 20, 2010.

24. The Public Hearing in the matter was held on December 20, 2010. Mr. Ranjeet Gupta represented SPTCL. No authorised consumer representative was present during the Public Hearing. The gist of proceedings during the public hearing is as follows.

25. The Commission enquired whether IBPL has availed concessional duties from GOI applicable for supplying power to the proposed SEZ capex at Nasik from STPP and this aspect needs to be carefully looked into while entering PPAs with other Discoms for supply of power from STPP. On Commission's query on the status of PPAs with MSEDCL the applicant submitted that PPAs are under process. Further the Commission directed the applicant that they will have to come with proper Fly Ash disposal plan.

26. The Commission enquired about the approval from GoM for participation of MSETCL in the Joint venture Company. The applicant and MSETCL submitted that still it is pending. The Commission directed them to maintain follow up and sort out this matter on their own at the earliest. The applicant submitted that they have already provided the undertaking letter on this matter.

27. Further, the Commission observed that for complete and reliable evacuation of power from Sinnar TPP timely completion of the proposed 400/220 KV Nasik substation along with 400 KV Sinnar-Nasik D/C transmission line is essential. However, it has been brought to the notice of the Commission that the Capex proposal for this substation is yet to be submitted by MSETCL for the In-principle approval of the Commission. The Commission directed to expedite the same to avoid transmission bottlenecks. Representative of STU/MSETCL stated depending upon the planned MSPGCL generation this proposed substation may take at least three and half years.

28. The Commission observed in relation to STU that there is clear mismatch between generation coming and readiness of evacuation system, for which STU would be solely responsible. The Commission expressed concern and alerted STU that there are gaps in transmission planning activities. The Commission directed STU to take suitable measures and to submit the progress reports on quarterly basis on important transmission projects which are planned for evacuation of power from various generation projects.



29. As there were no objections / suggestions given by any Consumer Representatives or members of the public, the Public Hearing was concluded.

30. After scrutinising all the submissions made by the applicant and carrying out a detailed evaluation of the eligibility of the applicant as against the technical requirement, capital adequacy, and managerial and administrative capability to fulfil the requirements of Sections 14 and 15 of the EA 2003 and Transmission Licence Conditions Regulations, and considering the material placed on record, the Commission is of the view that the Applicant satisfies the technical, commercial and financial requirements to qualify for the grant of Transmission Licence as per the detailed Scope of Transmission System as mentioned in this order.

31. Considering the above, the Commission hereby grants Transmission Licence for a period of 25 years to M/s. Sinnar Power Transmission Company Limited (“SPTCL”) for the proposed Transmission System as per the detailed scope in Para No.1 of this Order. The Transmission Licence shall come into effect from the date of issuance of this Order.

32. The Commission observes that capital cost of the transmission project should be optimised and grant of licence does not in any way mean approval of the cost and other details of the proposed project by the Commission. Accordingly, the Commission rules that the following conditions shall form a part of the Specific Conditions of Transmission Licence -

- a. Construction of Transmission system through Competitive procurement basis: The construction and commissioning of the transmission system shall be executed through suitable packages and contracts for these packages shall be awarded through Competitive Bidding Process.
- b. The Commission also notes that the procedure for obtaining authorization of the GoM under Section 164 of the EA 2003 requires to be complied with by SPTCL. Accordingly, SPTCL shall cause the transmission scheme to be published in the Official Gazette of GoM and in at least two local daily newspapers along with a notice of the date, not being less than two months after the date of such publication, before which any interested person may make a representation on such scheme. SPTCL shall take into consideration the objections / representations, before finalizing the optimal route alignment. Thereafter, SPTCL shall submit a certificate along with an application under Section 164 of the EA 2003 to GoM to this effect. SPTCL



will also submit to the Central Electricity Authority the following documents:

- (i) Newspaper publications of Scheme.
- (ii) Authenticated maps showing the details of selected route alignment of the transmission lines.
- (iii) Justification of the selection of the route alignment.

SPTCL may visit the website of the Ministry of Power, GoI for obtaining the format for publication of the transmission scheme in local daily newspapers inviting observations /representation from public.

33. The Commission directs the Transmission Licensee (SPTCL) to submit progress report about project completion status on quarterly basis until commissioning and commercial operation of the transmission project.

34. Accordingly, the Commission directs that the applicant be granted the Transmission Licence as above, and the licence be issued by the Secretary, MERC. The Commission directs its registry that a copy of the same be forwarded to the Government of Maharashtra, all electricity transmission licensees and distribution licensees in the State of Maharashtra, the Central Electricity Authority, the concerned Local authorities / self governments (Municipal bodies) of the cities / towns through which the transmission line passes, and a copy be posted on the website of the Commission. The Commission also directs that the aforesaid Specific Conditions of Transmission Licence of SPTCL be specified by regulations under Section 16 of the EA 2003. Such conditions shall be deemed to be conditions of licence of SPTCL.

35. The grant of licence shall be subject to the applicant complying with the provisions of the EA 2003, the rules framed by the Appropriate Government, applicable regulations and all tariff parameters specified under the Tariff Regulations by the Commission, guidelines for in-principle clearance of proposed investment schemes, and all applicable statutes.

36. The Commission directs SPTCL to submit its application for approval of capital expenditure schemes within 30 days from grant of the Transmission Licence for Commission's approval and Petition for approval of Annual Revenue Requirement, separately, after commissioning into service of the proposed transmission system as per the grant of the Transmission Licence and in accordance with Tariff Regulations of MERC. The



approved ARR shall form a part of the Total Transmission System Costs (TTSC) of the intra-State Transmission system to be recovered from the Transmission System Users in accordance with the principles of Transmission Pricing framework to be applicable from time to time and as per the prevalent rules and regulations.

Accordingly, Case No. 31 of 2010 stands disposed of.

Sd/-  
(Vijay L. Sonavane)  
Member

Sd/-  
(V. P. Raja)  
Chairman



(K.N. Khawarey)  
Secretary, MERC