

Before the Maharashtra Electricity Regulatory Commission

IN THE MATTER OF

Application of the Kharghar Vikhroli Transmission Private Limited for grant of
Transmission Licence (Case No. 141 of 2020)

Submission by Prayas (Energy Group), Pune

30th December 2020

1 Approach and Context

The proposed set of works identified by the STU and by the petitioner has been facing inordinate delays since the Commission first approved the 400 kV station at Vikhroli on 2nd June 2011. The proposed capital works are important to address the transmission constraint in Mumbai from procuring power generated outside Mumbai. Easing this constraint in a time bound manner would be critical to reducing power procurement cost, increasing reliability and promoting open access and captive consumption for Mumbai consumers.

The previous developer of the project, TPC-T, has stated that many of the delays over several years were due to difficulties in obtaining statutory approvals. In fact, in Case No. 3 of 2019, the Commission noted that:

‘As on date, still the schedule for projected completion of the scheme and cost of the project are dependent on clearances from Aviation Department Government of India, Municipal Corporation of Greater Mumbai, environment clearance from High Court etc. and therefore, the commencement of the project is still uncertain.’

In the same order, given the time-sensitive nature of the project, the Commission directed the STU to:

‘...submit its recommendations regarding execution of the 400 kV Vikhroli Transmission Project under TBCB as per GoM’s Resolution dated 4 January, 2019 within 15 days from the date of this Order. STU should also setup a credible mechanism for continuous monitoring of the project to ensure that the project remains on track to avoid any further delay’

The project was subsequently awarded to M/s Adani Transmission Limited on 12th December 2019 based on competitive bidding. The subsidiary of M/s Adani Transmission Limited, Kharghar Vikhroli Transmission Private Limited (KVTPL), has filed this petition for grant of transmission licence.

Given the critical nature of the project, our submission focusses on the need for regulatory oversight and transparent reporting to track the extent of potential delays and address possible challenges before such delays result in time and cost overruns which will be detrimental for consumers in Mumbai.

2 Need for detailed reporting on potential impediments from attaining SCOD

Based on the information available in the petition and from previous orders, it is not clear if the petitioner will be able to commission the project on time. As per the RfP, the 400 kV Vikhroli Receiving Station and associated incoming transmission lines are to be completed in 30 months, considering

September 2019 as the effective date. The RfP also clarifies that in case of delay in achieving effective date, the schedule shall be compressed to achieve Scheduled COD by March 2022. In the present petition, KVTPL has stated that the effective date, i.e. the date of acquisition, 'was delayed on account of certain issues with the original owner of the land (required for the sub-station) beyond the control of the Petitioner'.

Despite the critical nature of the scheme, KVTPL has failed to provide details of the potential delay or details of the compressed schedule or of any planned deviation from schedule. Further, details of existing or anticipated issues with land acquisition, right of way and statutory clearances / compliances and its impact has not been clarified in the petition. In fact, the reply by the petitioner (detailed below) to data gaps raised by the Commission in this regard is not satisfactory:

MERC Query: *In the Petition it is mentioned that the acquisition of SPV is delayed because of land issues. However, it not clear whether the land issues are resolved or not. Whether the delay because of land will delay the COD , if yes then what is the way forward. What is the plan of KVTPL for timely achieving the COD as per TSA?*

Reply of KVTPL: *KVPTL is actively pursuing with all concerned to secure required land for setting up of sub-station.*

MERC Query: *It is mentioned that the period of COD is 30 Months considering the effective from the September, 2019. However , there is an delay of about 1 year . TSA provides that if there is delay then the schedule shall be compressed to meet the target COD i.e. 22 March 2022. Accordingly, provide the compressed schedule.*

Reply of KVTPL: *It is endeavor of KVPTL to adhere to TSA timelines. However, KVPTL shall approach Hon'ble MERC seeking extension of SCoD due to Force Majeure events according to provisions of TSA, if so required.*

MERC Query: *What are the different statutory approvals required for execution of the project? Please provide the status for approvals in the following format:*

<i>S.No.</i>	<i>Approval Description</i>	<i>Department/ Agency involved</i>	<i>Tentative time required to obtain approval</i>	<i>Current status of approval*</i>	<i>Remarks</i>

** If in possession of approval, provide dates, if not provide action plan to obtain it.*

Reply of KVTPL: *KVTPL undertakes to set up transmission project after securing all statutory approvals. For this, KVTPL shall approach appropriate Government Authorities in compliance to Statutory provisions*

As it is vital that the project does not suffer from delays, there is a need for transparent reporting of current status as well as tracking of future progress by the Commission. Such reporting and tracking would also help establish whether the reasons for potential delays were controllable or uncontrollable. Thus, the petitioner should provide status reports on:

- Details of all land parcels where land acquisition, sale and right-of-way related disputes are present;

- Details of statutory clearance that have been obtained and those that are pending;
- Details of revised / compressed schedule with timelines for associated works and intermediate milestones.

It is suggested that the Commission should grant the licence to KVTPL only after such information has been provided. The information provided should also be reported in the Commission's order to enable future tracking and accountability.

3 Periodic reports on progress to be available on petitioner's website

As per Clause 5.3 of the TSA, KVTPL is supposed to provide monthly reports to the LTTCs with respect to the progress and execution of the project. In addition, the Commission had also directed the STU to ensure continuous monitoring in Case No. 3 of 2019.

In the past, the Commission had directed TPC-T to provide biannual progress reports for the same works to track delays. Given that KVTPL has committed to ensuring reporting on a periodic basis and given the time-critical nature of the project, it is suggested that the Commission direct the petitioner to:

- Submit quarterly progress reports on project execution including time slippage from target timelines with reasons being provided for the same.
- Submit monthly reports on status of all statutory clearances and approvals required for the execution of the project, as well as status of pending land acquisition for the project.
- Upload all such quarterly and monthly reports on the website of the petitioner in a publicly accessible manner.

Without such tracking and reporting of the status, the gains from competitive bidding and regulatory intervention will not be realized and the consumers in Mumbai will be adversely affected.

-xx-