

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

**I.A. No. 43/2007
in
Petition No. 63/2006**

In the matter of

Modification of order dated 14.8.2007 in I.A. No. 35/2007 regarding declaration of commercial operation of Unit -I of Tehri Hydro Development Corporation Ltd.

In the matter of

Tehri Hydro Development Corporation Ltd

.....Petitioner

Vs

1. Northern Regional Load Despatch Centre, New Delhi
2. Northern Regional Load Despatch Centre, New Delhi
3. Punjab State Electricity Board, Patiala
4. Haryana Power Generation Corporation Ltd, Panchkula
5. Uttar Pradesh Power Corporation Ltd, Lucknow
6. Delhi Transco Ltd, New Delhi
7. BSES Rajdhani Power Ltd, New Delhi
8. BSES Yamuna Power Ltd, New Delhi
9. North Delhi Power Ltd, New Delhi
10. Engineering Department, Chandigarh Administration, Chandigarh
11. Uttaranchal Power Corporation Ltd, Dehradun
12. Himachal Pradesh State Electricity Board, Shimla
13. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
14. Jaipur Vidyut Vitran Nigam Ltd, Jaipur
15. Ajmer Vidyut Vitaran Nigam Ltd, Ajmer
16. Jodhpur Vidyut Vitran Nigam Ltd, Jodhpur
17. Power Development Department, Govt of J& K, Srinagar

.....Respondents

The following were present:

1. Shri. M.G.Ramachandran, Advocate, THDC
2. Ms. Swapna Seshadri, Advocate, THDC
3. Shri. S.K. Bage, THDC
4. Shri. Manoj Tyagi, THDC
5. Shri. S.R.Narasimhan, NRLDC
6. Shri. D.K.Agarwal, NRLDC
7. Shri. D.K.Jain, NRLDC
8. Shri. M.Hembran, NRPC
9. Shri. B.S.Bairwa, NRPC
10. Shri. R.K.Arora, HPGCL
11. Shri. T.P.S.Bawa, OSD, PSEB
12. Shri. Padmjit Singh, Consultant , PSEB
13. Shri. Akhil Kumar, PGCIL

ORDER
(Date of Hearing: 27.11.2007)

This interlocutory application has been filed by Tehri Hydro Development Corporation Ltd, (hereinafter referred to as “the generating station”), for modification of the order dated 14.8.2007 of the Commission in I.A 35/2007 pertaining to the declaration of the date of commercial operation of Unit -I with effect from 04.00 hrs on 8.7.2007.

2. Northern Regional Load Despatch Centre (hereinafter referred to as “NRLDC”) by its letter dated 1.8.2007 had submitted that in case of Unit –I of the generating station of the petitioner, the trial run was completed by 0400 hrs on 8.7.2007 and that the generating station intended to declare the commercial operation of the unit with effect from 0400 hrs of 8.7.2007 on the plea that the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2004

(hereinafter referred to as “the 2004 regulations”) and the Indian Electricity Grid Code do not provide to declare a unit in commercial operation only with effect from 0000 hrs of a day. NRLDC had approached the Commission seeking a clarification in the matter in order to obviate any scope for dispute at a later date. The letter of NRLDC was treated as an interlocutory application I.A.35/2007, and disposed of by an order dated 14.8.2007, by observing as follows:

“2. We have given our deep consideration to the matter. We find that neither the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as tariff regulations of 2004) nor the Indian Electricity Grid Code provide for part day commercial operation of any unit or generating station. On the contrary, clause (xxviii) of regulation 31 of the tariff regulation 2004 defines “scheduled energy” as the “quantum of energy to be generated at the generating station over the 24 hour period, as scheduled by the Regional Load Depatch Centre.” Further, clause (iv) of regulation 45 of tariff regulations provides that “generation scheduling shall be done in accordance with the operating procedure as stipulated in the Indian Electricity Grid Code”. Para 6.5(3) of the Grid Code provides that “by 9 AM every day, all ISGS shall advise concerned RLDCs, the station-wise ex-power plant MW and MWh capabilities foreseen for the next day i.e. 0000 hrs to 2400 hrs of the following day”. We, therefore, observe that the tariff regulations as well as Grid Code provide for availability declaration and scheduling for a day from 0000 hrs only.

3. A generating company has the liberty to choose any date for commercial operation commencement, after demonstrating the MCR or IC through a successful trial run. However, the availability declaration and scheduling has to commence on the previous morning, as per grid code. In the present case, for commercial operation of unit # 1 to commence on 8.7.2007, plant availability should have been declared by THDC on the morning of 7.7.2007 with a ramp up at 0400 hrs (corresponding to foreseen generation of unit # 1). This shall be ascertained by NRLDC. In case such availability declaration had not been made by THDC to NRLDC on the morning of 7.7.2007, it would not be reasonable for THDC to claim 8.7.2007 as the commercial operation date.

4. In case, any party encounters any problem in scheduling and accounting of energy in accordance with our clarification given above, it is at liberty to approach the Commission in accordance with law.”

3. The petitioner in this interlocutory application has stated that the order dated 14.8.2007 was passed in violation of the principles of natural justice as it has not been given an opportunity of hearing. As the 2004 tariff regulations do not contain any restriction or prohibition for declaration of commercial operation from 00.00 hrs only, any restriction imposed on it would not be correct. The petitioner has also submitted that the scheduling of energy generated by generating station from Unit-1 on 8.7.2007 was done by the respondent beneficiaries on the basis of declaration of commercial operation with effect from 04.00 hrs and the same was done without encountering any problem to any of the stakeholders. The petitioner also contends that the Commission in Petition No.184/2004 pertaining to Nathpa Jhakri Hydro electric Project of SJVNL had approved the declaration of date of commercial operation of the generating units with effect from the time other than 00.00 hrs, and accordingly, no reason exists for the Commission to deviate from the date of commercial operation as declared by them in the present case.

4. The letter of NRLDC dated 1.8.2007 (later converted as I.A. 35/2007) was to seek clarification from the Commission regarding the declaration of the commercial operation of the unit from 0400 hrs of 8.7.2007 by the petitioner, on the ground that the Commission's regulations do not provide for declaring a unit in commercial operation with effect from 0000 hrs of a day. Hence, in order to avoid any ambiguity, the Commission provided the necessary clarification to

NRLDC, by its order dated 14.8.2007, without hearing the parties. Even otherwise, the Commission at para 4 of the order has given liberty to parties to approach it in case any problem is encountered in scheduling and accounting of energy in accordance with the clarifications. Thus, the contention of the petitioner is devoid of merits.

5. During the hearing, the Commission directed the petitioner and the NRLDC to submit data regarding availability declaration made by the petitioner, the generation schedule issued by NRLDC to the petitioner and the actual generation in respect of the generating station during the period of three days prior to and after 8.7.2007. The petitioner by its affidavit dated 17.12.2007 and NRLDC by its letter dated 27.12.2007 have furnished the details.

6. The following facts have come to the notice of the Commission on the information submitted by NRLDC:

- (a) For the period 5.7.2007 to 7.7.2007, the petitioner has given day ahead availability declaration (Ex-bus) varying from 280 MW to 420 MW during off-peak/ peak periods of the day. However, the actual output from the station was in the range of 432 MW to 613 MW due to the fact that Unit-I which was under 72 hrs trial run w.e.f. 4.7.2007 was injecting unscheduled infirm power to the grid over and above the scheduled power from the station.

(b) The availability declaration by the petitioner to NRLDC for 8.7.2007:

(i) The original declaration conveyed at 0100 hrs of 7.7.2007 was for 420 MW throughout the day (from 0000 to 24.00 hrs of 8.7.2007), and contained no inkling about the commercial operation of Unit -I of the generating station, on 8.7.2007.

(ii) The declared capability was subsequently revised at 13.00 hrs of 7.7.2007 as follows:

<u>Time duration (Hrs)</u>	<u>DC (MW)</u>
0.00 to 19.00	420
19.00 to 23.00	600
23.00 to 24.00	420

(iii) Though the maximum available capacity was stated as 600 MW, there was no ramp up of DC at 0400 hrs. It has been indicated by the petitioner at the foot note of the revised schedule that the declared capability of 600 MW is subject to declaration of commercial operation of Unit –I, with effect from 04.00 hrs of 8.7.2007.

(iv) Availability declaration for 8.7.2007 was again revised at 19.55 hrs of 8.7.2007, indicating DC of 420 MW from 20.00 hrs to 24.00 hrs.

(c) Accordingly, the final schedule suggested by the petitioner for 8.7.2007 is as under:

<u>Time duration (Hrs)</u>	<u>DC (MW)</u>
0.00 to 19.00	420
19.00 to 20.00	600
20.00 to 24.00	420

- (d) Against the above schedule suggested by the petitioner, the generation schedule finally accepted by NRLDC is as follows:

<u>Time duration (Hrs)</u>	<u>DC (MW)</u>
0.00 to 19.15	420
19.15 to 20.30	600
20.30 to 24.00	420

- (e) The petitioner in its letter dated 5.7.2007 addressed to the Commission has stated that Unit-1 of the generating station has been put on 72 hrs trial run w.e.f. 20.10 hrs on 4.7.2007 and as such, the trial run of Unit-1 was to be completed at 20.10 hrs on 7.7.2007. However, the trial run on the machine was actually completed at 00.51 hrs of 8.7.2007. The petitioner has claimed the commercial operation of machine from 04.00 hrs of 8.7.2007 and the same was communicated to NRLDC on 7.7.2007. On receipt of the communication, NRLDC requested the petitioner to declare the unit under commercial operation from 00.00 hrs of any day. However, the petitioner did not respond.
- (f) The details of GT-1 injection at Tehri based on 15 minutes average power flow, submitted by NRLDC, reveals that while still on 72 hrs

continuous trial run, machine No.1 tripped during the following intervals:

<u>Date</u>	<u>Appx. period of tripping</u>
6.7.2007	34 th to 50 th Block

7. Thus, the 72 hr trial run has not been continuous and it is also not known whether the tripping was due to the fault of the machine or for some system fault. It is observed that for the period 9.7.2007 to 11.7.2007, the petitioner has declared capability of 600 MW varying from 5 to 24 hrs, after the commissioning of Unit -I and the actual output from the generating station has been around 600 MW for more than five hrs a day indicating running of four machines and each unit of the generating station generating in the range of 150 MW or more depending upon the head available.

8. From the information submitted by NRLDC, it is also observed that original declaration made by the petitioner for 8.7.2007 at 01.00 hrs of 7.7.2007 indicated DC of 420 MW (24 hrs) which was subsequently revised at 13.00 hrs. The revised availability declaration by the petitioner on 13.00 hrs of 7.7.2007 for 8.7.2007 did mention “declared capability” of 600 MW from 19.00 hrs to 23.00 hrs in the “suggested schedule” but with the condition that maximum declared capacity of 600 MW is subject to the declaration of Unit-I of the generating station under commercial operation with effect from 04.00 hrs of 8.7.2007. The second revision made at 19.55 hrs on 8.7.2007 (the date from which commercial

operation is sought to be declared) indicated the declared capability of 420 MW from 20.00 hrs to 24.00 hrs in the suggested schedule. There has been no indication of ramp up of declared capacity at 04.00 hrs of 8.7.2007, in any of the three declarations made by the petitioner. In other words, there is absolutely no basis for claiming the date of commercial operation from 04.00 hrs of 8.7.2007, particularly when the petitioner has declared an enhanced capability only from 19.00 hrs of 8.7.2007, and withdrawn it on his own within one hour.

9. There is no provision under the Regulation 45 of the 2004 regulations relating to 'Scheduling', for conditional declaration of plant availability. In fact, it defeats the very purpose of day-ahead declaration and is of little use for the beneficiaries. It is observed that NRLDC did schedule the conditional availability of 600 MW from 19:15 hrs. to 20:30 hrs, after taking into account the revisions advised by the petitioner, though it may not have scheduled such a conditional declaration made by the petitioner.

10. In view of the facts and circumstances as discussed above, the proper day ahead declaration of 600 MW actually started from 9.7.2007 and the commercial operation of Unit-I of the generating station of the petitioner shall be reckoned w.e.f 00:00 hrs. of 9.7.2007. The petitioner is directed to file the final tariff petition for the generating station accordingly.

11. It is made clear that the power generated from Unit -I of the generating station on 8.7.2007 shall be treated as infirm power and the revenue generated from it shall be adjusted in the capital cost of the project. The petitioner shall also be entitled for the IDC and other associated costs up to 8.7.2007.

12. With the above, the I.A 43/2007 is disposed of.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated the 14th March, 2008