

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 66/2008 (Suo-motu)

In the matter of

Responsibilities of Generating Companies.

ORDER

Sub-section (3) of Section 10 of the Electricity Act, 2003 (hereinafter referred to as `the Act`) provides that:

“(3) Every generating company shall –

- (a) submit technical details regarding its generating stations to the Appropriate Commission and the Authority;
- (b) co-ordinate with the Central Transmission Utility or the State Transmission Utility, as the case may be, for transmission of the electricity generated by it.”

Submission of Information by Generating Companies

2. The generating companies, which are either already operating or are setting up new generating stations, falling within the regulatory jurisdiction of this Commission under clause (a) or clause (b) of sub-section (1) of Section 79 of the Act, are hereby directed to furnish the technical details in terms of clause (a) of sub-section (3) of Section 10, as per the format at Annexure-1 to this order, in respect of all such generating stations, latest by 31.7.2008.

3. The generating companies shall further update the information once every year, latest by 30th April, by filing the status as on 1st April of the year as per the

Annexure-1. For any new generating station to be set up, filing of the above information shall start at least three years prior to the projected date of commissioning of the first unit of the generating station.

Associated Transmission System

4. In terms of clause (b) of sub-section (3) of Section 10 of the Act, it is incumbent upon all the generating companies to coordinate with the Central Transmission Utility and the State Transmission Utility for ensuring timely development/augmentation of the associated transmission system. If this is not done sufficiently in advance, the Central Transmission Utility and the State Transmission Utility may not be able to plan for and carry out development/augmentation of the required transmission system in time for assured evacuation of the generating station's output, when it is commissioned. This may prove to be a fetter on the efficient discharge of duties and responsibilities assigned to them under clause (c) of sub-section (2) of Section 38 and clause (c) of sub-section (2) of Section 39 of the Act.

5. To avoid the above situation, timely action is required under sub-section (3) of Section 10 of the Act, for which the onus lies with the generating company. The generating companies making large investments in generating stations would not like the transmission system to become a bottleneck in evacuation of the generating station's output. Accordingly, the generating companies would want an assurance on the availability of transmission network for evacuation of power on a sustained basis. Even if the size and location of a generating station and its beneficiaries are such that the incremental power flows could *prima facie* be accommodated on the existing system, it has still to be checked by the Central Transmission Utility and State Transmission Utility that normal redundancy margins, are not encroached upon in the

process. It follows that planning for the evacuation of power from the newly set up generating stations must be done sufficiently in advance, so that if the studies show any inadequacy in the system, timely action is taken for carrying out the necessary augmentation. It needs no emphasis that in case this action is not taken in good time, it may lead to an undesirable situation where the generating company may be forced to restrict its generation, since it cannot claim a priority for use of the transmission system under “open access” or any other provision, particularly if the generating company itself has not taken adequate and timely steps for construction or augmentation of the network.

6. Earlier, when the generating stations were established by the State Electricity Boards or by the Government companies owned by the Central Government, development of the associated transmission schemes was automatically coordinated since it was considered as an integral part of the planning process. However, in the new scenario, when a generating station can be set up by any person and in any part of the country, it becomes imperative that such new generating stations are brought under the umbrella of coordinated transmission planning in good time so that the new generating capacity does not get bottled up.

7. The staff of the Commission shall prepare a discussion paper to cover all aspects relating to development of the associated transmission system in the new scenario to elicit view of the stakeholders.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER
New Delhi dated the 4th June 2008

Sd/-
(BHANU BHUSHAN)
MEMBER

ANNEXURE-1

TECHNICAL DETAILS TO BE FILED BY THE GENERATING COMPANIES IN COMPLIANCE OF SUB-SECTION (3) OF SECTION 10 OF THE ELECTRICITY ACT, 2003.

1. Name and address of the generating company :
2. Name of the generating station :
3. Location (District and State) of the generating station:
4. Installed/proposed capacity and configuration (number of units x MW) :
5. Type (Thermal/Hydro/Nuclear/combined cycle/
Gas turbine /Diesel generator/Wind/Solar/Cogen/Others):
6. Main fuel :
7. Secondary fuel :
8. Expected annual energy generation
or Design Energy (for Hydro generating station) in MU :
9. Actual/expected dates of commercial operation, unit-wise :
10. Detail of tied up beneficiaries/target beneficiaries/merchant capacity along
with percentage share with reference to the installed capacity for each
beneficiary/category:
11. Steps taken for ensuring availability of the associated transmission system:
12. Transmission licensee with whom matter being coordinated: