

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri R.Krishnamoorthy, Member**
- 4. Shri S.Jayaraman, Member**

Petition No. 95/2008

In the matter of

Request to the Hon'ble Commission for facilitating trading of electricity from Basochhu HEP in Bhutan to India by Adani Enterprises Limited, a licensed trader.

And in the matter of

M/s Adani Enterprises Limited
Adani House, Institutional Area, Sector-32
Gurgaon – 122001 (Haryana)

..... **Applicant**

Vs.

1. Eastern Regional Load Despatch Centre, Kolkata
 2. Ministry of Power, Government of India, New Delhi
-**Respondents**

The following was present:

1. Shri R.K. Madan, CEO, Adani Enterprises Ltd.

**ORDER
(Date of Hearing: 23.12.2008)**

This application has been made with a prayer to the Commission to take necessary steps and for issuance of directions to "all concerned agencies" to facilitate trading of power from Basochhu HEP in Bhutan to India through the applicant. Accordingly, the applicant has sought direction to the first respondent to start scheduling and dispatch process and implement appropriate energy metering and accounting arrangement for resale of power in the country.

2. The applicant has been granted a licence for inter-State trading in electricity and is stated to be making efforts for trading of surplus power available in Bhutan to India. The applicant is said to have attended a meeting convened by the authorities in Bhutan for trading of electricity generated at Dagachhu HEP and Basochhu HEP in Bhutan, on 3/4.3.2008, wherein it is stated to have been agreed in principle to trade electricity from Basochhu HEP through the applicant, reportedly developed by the Bhutanese authorities without assistance from or contribution by the Government of India. The applicant has stated that certain approvals from the Commission are needed, in particular relating to metering and energy accounting, to give effect to the decisions arrived at in the meeting held with the Bhutanese authorities.

3. We heard Shri R.K. Madan for the applicant on admission.

4. It was explained that power would be delivered on Indian border through the transmission network being utilized for import of electricity from Tala HEP and Chukha HEP, and would be further traded within the country. He submitted that UI charges would be borne by the applicant, who for this purpose, may be treated at par with a generating company. He stated that Basochhu HEP was already operational and power generated there at was flowing to India. He submitted that import of power from Bhutan, which possessed vast potential of generating of hydro power would open vistas for further import by other entities

and will go a long way to ease scarcity of electricity presently being faced by the country.

5. Prima facie, it appears to us that transmission of power on the existing network will lead to difficulties in segregation of power supplied to India from Tala and Chukha HEPs through another trader, and power supplied from Basochhu HEP through the applicant. Since the supplies from different generating stations are at differing rates, through different traders and perhaps in differing terms and conditions, it is absolutely essential to have a clear-cut segregation, maybe, on a notional basis, between them. If this is not provided for, intractable operational and commercial disputes could arise.

6. There are two ways in which the required segregation can be achieved. In one possible arrangement, ERLDC metering would have to go inside Bhutan, right up to the concerned generating station, to individually record the power supplied by it. It shall have to be ascertained whether the arrangement will be acceptable to the Bhutanese authorities. The other possible arrangement would be to segregate the supplies from different generating stations on the basis of respective schedules advised by the Load Despatch Centre or similar authority in Bhutan. In this case, the net schedule at the international boundary will be required to be worked out, which will be the datum for settlement of UI charges between the ER UI pool account and Bhutan. UI charges cannot be segregated power plant-wise or trader-wise by ERLDC; it can be done only by the Load

Despatch Centre or similar authority in Bhutan. The applicant may, therefore, explore the possibility of metering by ERLDC inside Bhutan (as required as per the first alternative), or for introducing the concept of UI charges for deviations from the cross-border schedule to be settled by the appropriate authority in Bhutan.

7. We also envisage difficulty for a trading licensee to absorb UI charges in view of promulgation of trading margin by the Commission. Further, since power is to be exported through common transmission lines, the arrangement adopted for the applicant and Basochhu HEP cannot differ from that for the other generating stations exporting electricity in India, and the trader.

8. The above preliminary issues need to be clarified by the applicant before the application is taken up for admission and further examination. Accordingly, the applicant is directed to file its response on the above-noted issues. The present application shall be kept pending.

9. The issue raised involves import of electricity from the neighbouring country, policy framework for which is within the exclusive jurisdiction of the Central Government. We direct the applicant to serve a copy of its application on Ministry of Power, along with copy of this order, for the latter's response.

10. The office shall process the application after receipt of the applicant's response.

Sd/-
[S. JAYARAMAN]
MEMBER

Sd/-
[R. KRISHNAMOORTHY]
MEMBER

Sd/-
[BHANU BHUSHAN]
MEMBER

Sd/-
[DR. PRAMOD DEO]
CHAIRPERSON

New Delhi, dated the 9th January, 2009