

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION No.134/2009

Sub: Petition to initiate proceedings to amend the CERC (Open Access in Inter-State Transmission) (Amendment) Regulations, 2009 w.r.t providing flexibility in revision of daily schedule in case of bilateral transactions in order to facilitate utilization of un-requisitioned surplus (URS) Power of NTPC stations .

Date of hearing : 14.10.2009

Coram : Dr. Pramod Deo, Chairperson
Shri R.Krishnamoorthy, Member
Shri S.Jayaraman, Member
Shri V.S.Verma, Member

Petitioner : NTPC Ltd., New Delhi.

Respondents : Northern Regional Load Despatch Centre, New Delhi and Others

Parties present : Shri V.K.Padha, NTPC
Shri A.Basu Roy, NTPC
Shri P.B.Venkatesh, NTPC
Shri S.R.Narsimhan, NRLDC

Through this petition, the petitioner, NTPC Ltd, has, *inter alia*, sought amendment of the Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Amendment) Regulations, 2009 (the open access amendment regulations).

2. The representative of the petitioner submitted that some of the capacity from its generating station was not scheduled as it was not availed by the beneficiaries. The Commission enquired whether such power was only scheduled to beneficiaries and not to traders. In response to this, the representative of the petitioner stated that when some beneficiary States were not availing this power, this was scheduled only to some other beneficiary and not to traders. Even thereafter then some power remained unscheduled, he added.

3. The representative of the petitioner submitted that as per the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) (Amendments) Regulations, 2009, amended from time to time, the schedules could be revised two days in advance. He further stated that the draft Open

Access Regulations had the provision for revision of schedule during the day but the same was not there in the amended regulations.

4. The representative of the petitioner stated that NTPC would be selling this power as per tariff norms laid down by the Commission and it was interested for this requisition of URS for improvement of plant factor for the gas/liquid based stations. It was stated by the representative of the petitioner recently there was volatility of price of electricity in the Power Exchange which was due to shortage of electricity and Commission had to intervene by putting a price cap. The volatility could be reduced to some extent by requisitioning the URS power by way of schedule revision.

5. During the hearing on 30.7.2009, the petitioner was directed to submit the day-wise details of URS power from its generating stations during 2008-09 and 2009-10, including the sale thereof. The representative of NTPC submitted that a meeting was held with the beneficiaries of the four regions for scheduling of the URS power. No consensus was arrived in the meeting.

6. The representative of the petitioner further stated that NTPC had filed an IA 54/2009 proposing a comfort charge for adding to the URS power cost. If the beneficiary State gives its consent for scheduling its quota of URS power, then the comfort charge would be paid back to the original beneficiaries otherwise not. In case no advance consent for sale was given by surrendering beneficiary, the comfort charges shall be retained by NTPC for mitigation of any consequent UI liability.

7. The Commission enquired if the rescheduling could be done using the framework of Grid Code provisions which allowed beneficiaries to modify the requisition of power from Central Generating Stations in 6 time blocks, in this regard the reply of the petitioner was negative. The Commission directed the petitioner to examine the same.

8. The representative of the NRLDC stated that as a grid operator, any additional power injection in the grid was welcome. However, the matter should be seen in the light of throttling of power and the question of business risk for the generator. He said that NTPC was already selling URS power. Only occasionally the original beneficiaries were recalling the URS power. In that case the schedule become more than the declared capacity and NTPC generating stations were subjected to UI charges. According to him, the present mechanism was working well. It was suggested that NTPC could seek some commercial mechanism to immunise itself from the UI risk for scheduling the URS power. He opined that amendment to open access regulations would not serve the purpose, rather the amendment to the UI regulations now being considered was 100% additional UI charges for overdrawal below 49.2 Hz and 907 paise/kWh as the UI ceiling rate.

9. The representative of the NRLDC added that it could be seen from the data submitted by petitioner that the URS quantum was reducing from around 650 MW average during 2008-09 to 240 MW average during the current year 2009-10. He also pointed out that even from the PLF data for gas stations from CEA website, it could be seen that the PLF of NTPC gas stations were much better.

10. The representative of the petitioner stated that it was not a question of business risk as petitioner was already getting full fixed charges based on the declared capacity. But there was bottling of power, as the URS was scheduled.

11. The petitioner was directed to discuss with the staff of the Commission for utilizing the provision of the Grid Code for utilizing the URS power.

12. Subject to above, the Commission reserved its order.

Sd/-
(T.Rout)
Joint Chief (Law)