

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 to NTPC stations .

.Date of hearing : 30.7.2009

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 stated that prior to enforcement of the open access amendment regulations, the comfort of revising schedules for day-ahead transactions and transactions under a contingency was available. However, subsequent to coming into force of the open access amendment regulations, revision of un-requisitioned surplus (URS) schedules was not permitted.

3. The representative of the petitioner stated in the Commission's Staff Paper titled "Measures for restraining the prices of electricity in short term sale/trading" dated 1.9.2008, revision of schedules for bilateral transactions for inter-State open access, was recommended so that un-requisitioned surplus liquid fuel capacity of the petitioner's generating stations could be scheduled and

captive co-generation, small hydro and other IPPs could participate in short-term trade without possibility of incurring heavy UI liability in case of forced outage.

4. The representative of the petitioner stated that a new provision for revision of day-ahead schedules was proposed in the draft of the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) (Amendments) Regulations, 2009. However, this provision was omitted while notifying the open access amendment regulations, enforced from 15.6.2009. He submitted that in accordance with the open access amendment regulations, revision in schedule could be effected at a notice of two days, instead of five days provided earlier. However, this provides no comfort for URS transactions which were finalized on the same day or at the earliest on night ahead basis.

5. The representative of the petitioner stated that some URS power was being transacted with the consent of the beneficiaries. However, the beneficiaries were averse to giving consent, as it leaves them open to market risks in case of sudden increase in demand which would have to be procured through UI. He contended that inflexibility in revision of schedule had resulted in risk of incurring UI liability in trading of URS power and had the possibility of URS power remaining bottled up. According to the representative of the petitioner, this was one of reasons for reduction in availability of power in short-term market which contributed to the increase in prices of electricity in short-term sale/trading. The representative of the petitioner requested for admission of the petition and sought further amendment of the open access regulations to allow the revision in day-ahead schedules as per the proposed draft Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Amendment) Regulations, 2009.

6. The representative of NRLDC stated that URS was now non-issue as the petitioner's generating stations were being fully dispatched most of the time, in view of power shortages. He mentioned that last year, when naphtha prices were high leading to a variable charge of Rs. 13-14 per unit against UI ceiling rate of Rs. 10/- per unit, some amount of liquid fuel capacity was not scheduled in normal course. He informed that even this was scheduled to some extent under open access under severe shortage conditions. At that point of time, higher energy charges vis-a-vis UI rates suited the petitioner and it did not press for schedule revision. The representative of NRLDC further stated that with the fall in naphtha prices, URS was negligible. Even if there was any URS, the petitioner's generating stations could generate and get compensated under UI mechanism.

7. The representative of NRLDC further submitted that revision in open access schedule was a settled issue and opening of this issue within only two months of the implementation of open access amendment regulations was not justified. He stated that if daily revision in open access schedule was permitted, it had to be permitted for all the stakeholders in which case RLDCs would be

flooded with schedule revision requests, which would also lead to possibility of gaming. The representative of NRLDC requested to dismiss the petition because the revision of schedule was a settled issue.

8. The representative of the petitioner contended that during 2008-09 only 9% of URS power from its generating station was sold and in June, 2009 only 26.7% of URS power was sold. The Commission enquired about the reason behind non- requisitioning of total power by the beneficiaries from the petitioner's generating stations and whether the petitioner had judicially chosen the fuel for generating power.

9. 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.

10. The petition shall be re-notified for hearing on 8.10.2009.

sd/-
(K.S.Dhingra)
Chief (Law)