

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 134/2009
With I. A. No. 54/2009**

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

DATE OF HEARING: 14.10.2009

DATE OF ORDER: 11.1.2010

In the matter of

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.

And in the matter of

NTPC Ltd., New Delhi

....Petitioner

Vs.

1. Northern Regional Load Despatch Centre, New Delhi
2. Western Regional Load Despatch Centre, Mumbai
3. Eastern Regional Load Despatch Centre, Kolkata
4. Southern Regional Load Despatch Centre, Bangalore
5. Uttar Pradesh Power Corporation Ltd., Lucknow
6. Jaipur Vidyut Vitran Nigam Ltd., Jaipur
7. Ajmer Vidyut Vitran Nigam Ltd., Ajmer
8. Jodhpur Vidyut Vitran Nigam Ltd., Jodhpur
9. Delhi Transco Ltd., New Delhi
10. Haryana Power Generation Corporation Ltd., Panchkula
11. Punjab State Electricity Board, Patiala
12. Himachal Pradesh State Electricity Board, Shimla
13. Power Development Deptt., Govt. of J&K, Srinagar
14. Power Department (Union Territory of Chandigarh), Chandigarh

15. Uttarakhand Power Corporation Ltd., Dehradun
16. Madhya Pradesh Power Trading Co. Ltd., Jabalpur
17. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
18. Gujarat Urja Vikas Nigam Ltd., Vadodara
19. Chhattisgarh State Electricity Board, Raipur
20. Electricity Department, Govt. of Goa, Panaji, Goa
21. Electricity Department, Administration of Daman & Diu, Daman
22. Electricity Department, Administration of Dadra & Nagar Haveli, Silvassa
23. West Bengal State Electricity Distribution Co. Ltd., Kolkata
24. Bihar State Electricity Board, Ranchi
25. Jharkhand State Electricity Board, Ranchi
26. Grid Corporation of Orissa Ltd., Bhubaneswar
27. Power Department, Govt. of Gangtok, Sikkim, Govt. of Gangtok
28. Eastern Power Distribution Company Ltd., Visakhapatnam
29. Southern Power Distribution Company Ltd., Tirupathi
30. Northern Power Distribution Company Ltd., Warangal
31. Central Power Distribution Company Ltd., Hyderabad
32. Electricity Department, Govt. of Puducherry, Puducherry
33. Tamilnadu State Electricity Board, Chennai
34. Kerala State Electricity Board, Thiruvananthapuram
35. Bangalore Electricity Supply Company, Bangalore
36. Mangalore Electricity Supply Company, Mangalore
37. Chamundeshwari Electricity Supply Corporation, Mysore
38. Gulbarga Electricity Supply Corporation, Gulbarga
39. Hubli Electricity Supply Company, Hubli
40. Assam State Electricity Board, Guwahati
41. Meghalaya State Electricity Board, Shillong
42. Tripura State Electricity Corporation Ltd., Agartala
43. Electricity Dept., Govt. of Manipur, Imphal
44. Dept. of Power, Govt. of Nagaland, Kohima
45. Power & Electricity Dept., Govt. of Mizoram, Aizwal
46. Dept. of Power, Govt. of Arunachal Pradesh, Itanagar
47. Damodar Valley Corporation, Kolkata
48. National Hydro Power Corp. Ltd., Faridabad
49. Neyveli Lignite Corp.Ltd.,Chennai

.....Respondents

The following were present:

1. Sh. A. Basu Roy, NTPC.
2. Sh. P. B. Venkatesh, NTPC
3. Shri V. K Aggarwal, NRLDC
4. Ms. Jyoti Prasad, NRLDC
5. Sh. S. S. Bhoj, OHPC

ORDER

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 amendment regulations). The petitioner's grievance is that consequent to the notification of the amendment regulations, revision of un-requisitioned surplus schedules is not permissible. Alternatively, through Interlocutory Application No. 54/2009, the petitioner has proposed a comfort charge of 25 p/ kWh for liquid fuel power and 50 p/ kWh for power from all other sources, for sale of Un-requisitioned Surplus (URS) Power to mitigate their UI liability, incurred by NTPC in case the beneficiary does not give its consent. In case the beneficiary does give its consent, the comfort charge would be returned to the beneficiary.

2. According to the petitioner, some of the capacity from its generating station was not being scheduled, as it was not availed by the beneficiaries. In the earlier CERC (Open Access in Inter-State Transmission), 2004, there was a comfort provision of revising schedule for day-ahead transaction and transaction in a contingency was available earlier. The same is now not permissible under the CERC (Open Access in Inter-State Transmission) amendment regulations, 2009. He also pointed out that while the draft of the amendment regulation published by the Commission provided for one amendment during the day, the provision does not figure in the final notified version. The petitioner has therefore prayed that the regulations be amended to provide flexibility in revision of daily schedule in case of bilateral transaction in order to facilitate utilization of URS, or provide a comfort charge.

3. The petitioner has stated that it 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. In this connection, the petitioner has also referred to volatility of price of electricity in the Power Exchange which was attributable to shortage of electricity. The petitioner has pointed out that the Commission had to intervene by putting a price cap. The petitioner has expressed the hope that price volatility could be reduced to some extent by requisitioning the URS power by way of schedule revision.

4. 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 same has since been submitted.

5. As regards IA 54/2009 proposing a comfort charge for adding to the URS power cost, the representative of the petitioner clarified during the hearing that if the beneficiary State gave consent for scheduling its quota of URS power, then the comfort charge would be paid back to the original beneficiaries. He added that in case no advance consent for sale was given by surrendering beneficiary, the comfort charges be retained by NTPC for mitigation of any consequent UI liability.

6. During the hearing, it was pointed out to the representative of the petitioner that rescheduling could be done within the framework of Grid Code provisions which allowed beneficiaries to modify their requisition of power from Central Generating Stations in 6 time blocks and the petitioner was directed to examine the same.

7. Representative of the petitioner submitted that amendment to the open access regulation issued by the Commission mandates that once a schedule has been made, two days notice is required for amendment to the schedule. He contended that this provision does not help in utilization of URS, because the beneficiaries are reluctant to give consent for surrendering their share to others. He also submitted that a meeting was held with the beneficiaries of the four regions for scheduling of the URS power and no consensus was arrived in the meeting. .He accordingly prayed that flexibility of revision be allowed.

8. The representative of the NRLDC, during the hearing, stated that as a grid operator, any additional power injection in the grid was welcome. However, according to him there is no throttling of power. It was only a questioning of mitigating the business risk of the generator, to which the petitioner replied that was not the case as he was already assured of the full tariff in any case based on availability. NRLDC pointed out that URS power was being sold under bilateral short term open access arrangement. He also contended that only occasionally the original beneficiaries were recalling the URS power. In that case the schedule becomes 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 the petitioner 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.

9. The representative of the NRLDC added that it could be seen from the data submitted by petitioner that in response to the directions of the Commission vide Record of Proceedings dated 30.7.2009, the URS quantum had reduced from around 650 MW average during 2008-09 to 240 MW average during the current year 2009-10. He attributed this to the fluctuation in the price of liquid fuel which came down from Rs. 13 to 15 in 2008-09 to about Rs. 7 in 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 stations was much better at 85 - 90% as compared to the gas based stations which was around 65 – 70%.

10. The Commission is of the view that URS power must be availed to the utmost extent under the prevailing scenario of power shortage. The earlier method being adopted was through the provision of short-term open access, which prevented use of the full quantum of URS power and in fact created a schedule for non-existent power, thereby upsetting the load generation balance to some extent. We find that utilization of URS Power should be done through the provision of the IEGC. Para 6.5 of the IEGC clearly states as under:

“20. Revision of declared capability by the ISGS(s) (except hydro stations) and requisition by beneficiary(ies) for the remaining period of the day shall also be permitted with advance notice. Revised schedules/ declared capability in such cases shall become effective from the 6th time block, counting the time block in which the request for revision has been received in the RLDC to be the first one.”

11. Therefore, we do not find any justification for amendment to the regulations for the above purpose. Accordingly, we direct that all the generating stations, governed by the Tariff Regulations of the Commission be allowed to

change schedule for the unrequisioned quantum of power from one beneficiary(s) to another beneficiary(s) of the same power station on the requisition by these beneficiaries through the provision provided in the IEGC, i.e. within six time blocks or as per the provisions of the IEGC as amended from time to time. In case the original beneficiary requests back for its share of power, then its schedule and schedule of beneficiary who had availed URS power would be revised in the six time blocks again, or as specified in the IEGC as amended from time to time. These schedule revisions would be treated as re-allocation of power on temporary basis and would not be taken as open access transactions. The tariff would be governed by the terms and conditions of the tariff regulations applicable to the generating stations.

12. Petition No. 134/2009 and I.A No.54/2009 are disposed of in terms of the above.

-sd/- (V.S.VERMA) MEMBER	-sd/- (S.JAYARAMAN) MEMBER	-sd/- (R.KRISHNAMOORTHY) MEMBER	-sd/- (DR.PRAMOD DEO) CHAIRPERSON
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