

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 170/TL/2012

**Coram:
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member**

**Date of Hearing: 4.7.2013
Date of Order : 12.8.2013**

IN THE MATTER OF

Application under Section 14 (a) of the Electricity Act, 2003 for Grant of Transmission Licence to ACB India Ltd.

**AND
IN THE MATTER OF**

ACB India Limited, Gurgaon

Petitioner

Vs

1. Power Grid Corporation of India Limited, Gurgaon
- 2 . Spectrum Coal and Power Limited, Gurgaon
3. Maruti Clean Coal and Power Ltd., Raipur
4. Gujarat Urja Vikas Nigam Ltd, Ahmedabad

Respondents

Following were present:

Shri Sanjeev K. Bhardwaj, Advocate for the petitioner
Shri H.M.Jain, ACBIL
Shri Satish Sharam, ACBIL
Shri M.G.Ramachandran, Advocate, GUVNL

ORDER

The petitioner, ACB India Limited has filed present petition under Section 15 of the Electricity Act, 2003 (hereinafter to be referred to as "the Act") read with clause (c) of Regulation 6 of the Central Electricity regulatory Commission (Terms and Conditions for Grant of Transmission Licence) Regulations, 2009 (hereinafter



referred to as "Transmission Licence Regulations") for grant of transmission licence for the dedicated transmission line (ACBIL Chakabura to PGCIL,Bharari Bilaspur transmission line) comprises the following elements:

Transmission line

Name of (end points location)	Voltage class	Length	Type(S/C or D/C)
ACBIL Chakabura to PGCIL,Bharari Bilaspur	400 kV	55.54 km	D/C

Sub-station

Name of (end points location)	Voltage class	Transformer (Nos and MVA Capacity)	Reactive/capacitive compensation (device with MVAR capacity)	No. of bays
PGCIL WR Pooling station VIII, Bharari Bilaspur	400 kV	-	D/C	2

2. The petitioner, ACB India Limited (ACBIL), a company incorporated under the Companies Act, 1956 has set up a generating station of 270 (2x135) MW Thermal Power Plant at Chakabura in Korba District of Chhattisgarh. As a part of the generation project, the petitioner has established 55.54 km dedicated transmission line i.e. 400 kV D/C transmission line from Chakabura thermal power plant to Power Grid Corporation of India Limited (PGCIL) sub-station WR pooling station at Bilaspur, Chhattisgarh for evacuation of power from the place of generation to the inter-connection point for onward inter-State transmission. The subject transmission line is a dedicated transmission line and accordingly, the applicant was not required under Sections 7 and 10 of the Act to obtain a transmission licence to establish the transmission line.

3. The petitioner has submitted that the identified long term transmission customers of the project are (a) Spectrum Coal and Power Ltd (SCPL) (b) Maruti Clean Coal and Power Ltd. (MCCPL) and (c) others. Spectrum Coal and Power Ltd (SCPL) is a subsidiary of petitioner company and is independently establishing generating station of 100 MW at Korba. SCPL has been granted long-term open access for evacuation of power from its plant which is an embedded plant of the petitioner. The subject transmission line will primarily be used for evacuation of power generated by the petitioner from time to time. Maruti Clean Coal and Power Limited (MCCPL) is setting up power plant at Ratiza and dedicated transmission line of ACBIL can be used for evacuation of power of MCCPL up to inter-connection point of PGCIL at Bilaspur, wherever surplus capacity is available in the said dedicated transmission line after fully providing for the needs of ACBIL. The petitioner has submitted that MCCPL or any other unidentified project developer can be allowed open access through its transmission line using its spare capacity as and when available without affecting the transmission of power by ACBIL through its dedicated transmission line in any manner. For this purpose, the petitioner has entered into a PPA with Gujarat Urja Vikas Nigam Limited for selling 200 MW of power through case-1 competitive bidding for 25 years.

4. The petitioner has submitted that since the dedicated transmission line is a system for conveyance of electricity from the place of generation to the place of inter-connection point of PGCIL in the State of Chhattisgarh, it is incidental to the inter-State transmission being undertaken by PGCIL and is accordingly an inter-State transmission system within the meaning of Section 2 (36) of the Act. The applicant has submitted that the use of the dedicated transmission line for

conveyance of power of SCPL and MCCPL or any other project developer from the Switchyard at the generation facilities of ACBIL to the inter-connection point of PGCIL may constitute an activity of transmission of electricity requiring a licence under Section 12 read with Section 14 of the Act. Moreover, such transmission line would be an inter-State transmission of electricity as the power to be transmitted by SCPL and MCCPL or any other unidentified project developer is intended for sale outside the State of Chhattisgarh and conveyed through the inter-State transmission system of PGCIL. In the facts and circumstances, the applicant has filed the petition for grant of a limited inter-State transmission licence for enabling the conveyance of power of SCPL and MCCPL or any other unidentified project developer of the switchyard near the generation facilities of ACBIL to the inter-connection point of PGCIL.

5. The petitioner has made the following prayers:

- (a) Grant inter-State transmission licence to the Applicant, ACB India Limited, for the limited purpose of making available surplus capacity from time to time for evacuation of power of Spectrum Coal and Power Limited and Maruti Clean Coal and Power Ltd or any other unidentified project developer; and
- (b) Pass such further order(s) as this Hon`ble Commission may deem fit and proper in the circumstances of the present applicant."

6. The petitioner has submitted that it has posted the application for grant of transmission licence on its website in terms of Regulation 7 (5) Transmission Licence Regulations. The petitioner has also endorsed a copy of the application to PGCIL, the Central Transmission Utility, in terms of Regulation 7 (6) of the Transmission Licence Regulations. The petitioner has further submitted in terms of Regulation 7 (7) of the Transmission Licence Regulations, public notices of the application have been issued in Hitvada, Hari Bhommi on 12/13.8.2012. It has been

stated that both the newspapers have circulation in the State of Chhattisgarh where the project is situated.

7. CTU vide its affidavit dated 14.12.2012 has submitted as under:

(a) On 16.3.2009 ACBIL was granted LTOA for 270 MW through (i) Aryan Coal-WR pooling station 400 kV D/C line (ii) 2 nos 400 kV line bays at pooling station switchyard of PGCIL, as dedicated transmission system of ACBIL on BOO basis at their own cost;

(b) SCPL informed that it had applied for LTOA to inject power at ACBIL's switchyard at Kasarpalli, through its own inter-connection for onward transmission through the above system of ACBIL and accordingly on 16.3.2009 LTOA was granted to SCPL;

(c) Similarly, on 29.7.2009 MCCPL was also granted LTOA to inject 300 MW of power in dedicated transmission system to be built by MCCPL on BOO basis i.e. Maruti TPS-WR pooling station (Bilaspur);

(d) MCCPL informed that due to conservations and optimisation of forest/coal mines area, the evacuation is proposed through LILO of ACBIL-Bilaspur 400 kV line at MCCPL;

(e) 400 kV D/C dedicated transmission line has been constructed by the petitioner for evacuation of 370 MW (ABCIL-270+SCPL-100 MW).

Considering the short length of about 56 km, the line capacity is adequate for evacuation of power from all the three plants.

8. During the course of hearing on 26.2.2013, learned counsel for the petitioner submitted that the generating station is likely to be commissioned by December 2013. The matter of sharing of transmission charges was discussed in the meeting of 14th Standing Committee, held on 31.1.2012, in which it was recommended that MCCPL would be allowed open access through 400 kV D/C ACBIL TPS 765/WR Bilaspur dedicated transmission line only after the ACBIL transmission line is declared as an ISTS.

9. The Commission directed the respondents, CEA and CTU to file their replies and assist the Commission during the next hearing.

10. Reply to the petition has been filed by Gujarat Urja Vikas Nigam Ltd (GUVNL) (Respondent No. 4), Maruti Clean Coal and Power Limited. None of the other respondents has filed any reply. GUVNL in its reply has sought dismissal of the petition. The objections of GUVNL are summarised as under:

(a) There is no legal or other impediments in allowing the line 'in question' to be a dedicated transmission line, notwithstanding that it is used for evacuation of power from the three generating stations;

(b) Neither GUVNL nor any other beneficiary should in any manner be affected during any contingency reason on account of allowing MCCPL and SCPL to use the line. In no case power contracted by the petitioner to GUVNL on long-term access granted to petitioner should

in any manner be reduced or adversely affected on account of the utilization of the dedicated transmission line or the inter-connection facilities at the CTU network being used for the power generated at SCPL or MCCPL;

- (c) Construction of the transmission line has not been undertaken through the competitive bidding process and therefore, there is no logic for line in question to be brought under the POC as these lines have been established by the generating company as part of the generating station and not with a view to undertake the business as a transmission licensee.
- (d) As lines are intended to evacuate the generated electricity from the place of generation to the inter-connection point of the transmission line, the same should retain the character of a dedicated transmission line and cannot be converted as a transmission line of a transmission licensee.

11. The petitioner has filed its rejoinder to the reply filed by GUVNL. The contentions raised by the petitioner are summarised as under:

- (a) If power is allowed to be evacuated through the dedicated transmission line for its group companies such as SCPL and MCCPL, there will be no adverse financial or other implication on GUVNL;
- (b) There will not be any shortfall in the evacuation of power and only surplus capacity of the dedicated transmission line will be used by the other two group companies for the evacuation of their power;

(c) The objective of the petitioner is to evacuate the power of its group companies and not to do any business of the transmission licensee.

12. Chhattisgarh State Power Distribution Co. Ltd. has submitted that as per Appellate Tribunal for Electricity order dated 2.1.2011 in Appeal No. 81/2011, licence is not required for subject transmission line and requested this Commission to direct the petitioner to implead the all regional beneficiaries as party to the application.

13. MCCPL in its reply dated 6.3.2013 has submitted that in the meeting convened on 25.1.2013, it was suggested that for removal of difficulty, the petitioner should approach the CERC to declare the ACBIL-WR (Bilaspur) pooling station 400 kV D/C line as an ISTS line. For this purpose, the petitioner has to take transmission licence under Regulation 6 (c) of the Transmission Licence Regulations which provides that a generating company, which has established the dedicated transmission line, and intends to use such dedicated transmission line as the main transmission licence and part of the inter-State transmission system shall be eligible for grant of transmission licence.

14. CEA vide its letter dated 28.2.2013 has submitted as under:

(a) This LILO would result in optimization of evacuation system from the petitioner and MCCPL's generating station. However, issues of energy accounting, settlement of unscheduled interchange, sharing of transmission charges and losses would arise between the petitioner, MCCPL and SCPL;

(b) There is technical feasibility of evacuating power through LILO of existing dedicated transmission line;

(c) Project of MCCPL is surrounded by forest area and there is problem of availability of corridor for laying of transmission line from the project to the pooling point;

15. CTU vide its affidavit dated 6.3.2013 has submitted as under:

(a) CTU has not granted approval for LILO to MCCPL;

(b) The petitioner has built a dedicated transmission line from ACBIL to WR pool and will be used by the petitioner and its group companies for carrying power from their generating stations to Western Regional Grid.

(c) After converting into ISTS licensee, other constituents will not pay sharing of transmission charges;

(d) The transmission lines laid down till the WR pooling station are to be treated as dedicated transmission lines and not part of ISTS system.

(e) The transmission and other incidental charges shall be settled between the users bilaterally and same cannot be indicated in the PoC regime. These are not used for evacuation or transmission of power of any other person.

16. During the course of hearing on 19.3.2013, learned counsel for the petitioner submitted that none of the respondents has any objection for sharing of the dedicated transmission line of the petitioner by other group companies. Even CTU has not raised any objection for it to be treated as a shared dedicated transmission

line. The representative of the POSOCO submitted that in case of sharing of a dedicated transmission line between more than one entity, issues of scheduling, metering and accounting needs to be resolved. In response, learned counsel for the petitioner submitted that said issues were discussed in the meeting convened by CEA on 25.1.2013.

17. The POSOCO in its reply dated 11.4.2013 has submitted as under:

(a) In a similar case, Hon`ble Appellate Tribunal for Electricity vide its interim order dated 1.3.2013 in Appeal No. 16 of 2013 (Meenakshi Energy Private Limited Vs. Central Electricity Regulatory Commission and others) has given directions regarding metering and energy accounting methodology and same are being followed.

(b) In the present case, for energy accounting, metering, scheduling and settlement of UI, the interface ISTS point would be at Bilaspur pooling station;

(c) Since losses in the dedicated system are to be borne by the generators and not to be pooled, meter reading at Bilaspur end would have to be considered for arriving at total injection. Special energy meters shall be installed at all the concerned generating stations and also at Bilaspur pooling station. Meter reading of all three individual generating stations connected to ISTS through the same dedicated line and ratio of injection by each station in each 15 minute block shall be furnished by the lead generator to WRLDC in the format to be devised by WRLDC for this purpose. Based on the ratio, WRLDC

shall compute injection by individual generating stations at Bilaspur pooling station;

(d) A coordination centre/control area comprising of generation plant of MCCPL, ACBIL and ACPL and the 400 k V D/C transmission line from ACBIL to Bilaspur pooling station including the LILO of said line at MCCPL switchyard can be established to coordinate on behalf of the generators. One of the generating stations shall take the role of a lead generator, which will operate the coordination centre.

(e) In case inter-State transmission licence is granted to the petitioner, the line would be treated as ISTS and as per relevant regulations, its charges shall be shared by all entities in the synchronously connected grid and not limited to the entities specified in the petition.

18. The applicant in its rejoinder to the reply of POSOCO has submitted as under:

(a) Suggestions regarding scheduling, metering and energy accounting shall be complied with and it shall abide by directions issued by CERC for evacuation of power of MCCPL and SCPL through its dedicated transmission line;

(b) As per LTOA granted by CTU, the dedicated transmission line from ACBIL 2x135 MW TPS to 765/400 kV Bilaspur pooling station is already shared by 2x50 MW of SCPL TPS. The petitioner and SCPL have already

installed special energy meters as per metering plan approved by the WRLDC. With regard to SEMs, same were procured from PGCIL and got installed by PGCIL;

(c) MCCPL shall also install SEMs after getting metering plan approved by WRLDC and procuring from PGCIL. SEMs have already been installed at Bilaspur sub-station on both the circuits of dedicated transmission line.

19. We have considered the submissions of the petitioner and respondents. The main question for consideration is whether the petitioner requires transmission licence for its dedicated transmission line.

20. Dedicated transmission line has been defined in section 2(16) of the 2003 Act as under:

"(16) "Dedicated Transmission Lines" means any electric supply-line for point to point transmission which are required for the purpose of connecting electric lines or electric plants of a captive generating plant referred to in section 9 or generating station referred to in section 10 to any transmission lines or sub-stations or generating stations or the load centre, as the case may be;"

Thus, a dedicated transmission line is meant for point to point connection from the electric lines or electric plant of a generating station to any transmission lines or sub-stations or generating stations or load centre. In certain circumstances, the dedicated transmission line can be used as ISTS if the conditions in Regulation 6(c) of the Transmission Licence Regulations are satisfied, subject to grant of transmission licence by the Commission. Regulation 6 provides as under:

"6. Eligibility for Grant of licence

No person shall be eligible for grant of licence unless it is-

- (a) selected through the process under the guidelines for competitive bidding, or*
- (b) a state owned or controlled company identified as a project developer on or before 5.1.2011, or*
- (c) a generating company which has established the dedicated transmission line, and intends to use such dedicated transmission line as the main transmission line and part of the inter-State transmission system.”*

21. In accordance with clause (c) of Regulation 6 of the Transmission Licence Regulations, when a dedicated transmission line constructed by a generating company is intended to be used as the main transmission line and part of the inter-State transmission system, the generating company becomes entitled to grant of the transmission licence for operation and maintenance of such dedicated transmission line. Once transmission licence is granted, the dedicated transmission licence loses its dedicated character and is to be considered at par with the transmission lines under sub-section (72) of Section 2 of the Act. The provision in clause (c) has been made to ensure optimum use of the transmission assets and is thus intended to promote economy and efficiency in the transmission segment of power sector. The only condition for grant of the transmission licence in such cases which needs to be satisfied is that the dedicated transmission line should be used as the main transmission line and part of the inter-State transmission system. The present petition therefore will be considered on the touchstone of the provision made in clause (c) of Regulation 6 *ibid*.

22. The petitioner has submitted that the case of the petitioner squarely falls under Regulation 6 (c) of the Transmission Licence Regulations as the transmission line was laid down as a 'dedicated transmission line' by ACBIL from the power

generating plant to the PGCIL sub-station WR pooling station. It has been submitted that in terms of Sections 7 and 10 of the Electricity Act, 2003, ACBIL does not require any licence to establish the said line and transmit electricity under Section 12 read with section 14 of the Act for the transmission line used or to be used for evacuation of power generated by ACBIL. However, there would be some surplus capacity available from time to time in the dedicated transmission line which the petitioner can make available for use by others for evacuation of power including SCPL, only during the time when ACBIL does not use the dedicated transmission line fully. MCCPL which is an indentified customer, is intending to connect to the petitioner's line through LILO up to inter-connection point of PGCIL to its sub-station. The petitioner has submitted that MCCPL or any other unidentified project developer can be allowed open access through its transmission line using its spare capacity as and when available without affecting the transmission of power by ACBIL through dedicated transmission line in any manner.

23. The present petition has been filed for grant of transmission licence for the transmission system comprising of a 55.54 km 400 kV transmission line from the generating station of ACBIL at Chakabura to Western Region pooling station of PGCIL at Bharari, Bilaspur, Chhattisgarh, which was established as a dedicated transmission line.

24. Gujarat Urja Vikas Nigam Limited has submitted that transmission line in question has been established by the petitioner as a part of generating station and not for the purpose of undertaking the business as a transmission licensee. Therefore, it should retain the character of dedicated transmission line. According to

CEA, the project of MCCPL is surrounded by forest area and there is a problem of availability of corridor for transmission line from the project to the pooling point. CEA has clarified that there is a technical feasibility of evacuating power through LILO of existing dedicated transmission line.

25. Maruti Clean Coal and Power Limited has stated that on 25.1.2013, CEA had convened a meeting to discuss the sharing of dedicated transmission line between ACBIL and MCCPL in which Member (PS), CEA suggested that to overcome the difficulties, ACBIL can approach CERC to declare the ACBIL-WR (Bilaspur) pooling station 400 kV D/C line as an ISTS line.

26. POSOCO has submitted that in the present case, the dedicated transmission line is sought to be shared by the applicant along with two other group companies. Therefore, the issue of scheduling, metering and energy accounting need to be addressed. It appears that to resolve these issues, CEA had suggested to the applicant to approach this Commission for grant of transmission licence for the transmission line in question which was conceived and constructed as a dedicated transmission line. POSOCO has also suggested to participating generating companies to set up co-ordination centre for the purpose of scheduling, metering and energy accounting.

27. CTU has submitted that the transmission line laid down till the WR pooling station is to be treated as dedicated transmission line and not a ISTS line as the approval for LILO of the subject transmission line has not been granted to MCCPL by CTU. The transmission line from ACBIL to the WR Pooling station has been

built by ACBIL as a dedicated line. The relevant portion of CTU submission is extracted as under:

"In the facts and circumstances mentioned above, the lines laid down till the WR pooling station are to be treated as dedicated transmission line and not a part of ISTS system. The transmission charges and other incidentals relating to such lines are to be settled between the above mentioned users bilaterally and the same cannot be indicated in the POC regime. These lines are not used for evacuation or transmission of power of any other person."

28. In view of the CTU's submissions, the petitioner does not require transmission licence and issues of transmission charges and losses, etc need to be resolved between the petitioner and MCCPL.

29. During the course of hearing, learned counsel for the petitioner submitted that metering arrangements will be as per POSOCO's suggestions and meter readings are being sent to WRLDC by the petitioner, who is already designated as the lead generator. Learned counsel submitted that the LILO of their dedicated line shall not be change the dedicated nature of the transmission line. Learned counsel also assured and confirmed that necessary arrangement have been made by the petitioner for on-line telemetry and off-line meter readings. The representative of the POSOCO submitted that separate scheduling and metering is possible in the present case.

30. We, therefore, hold that the petitioner does not require transmission licence for the subject transmission line.

31. We direct that the following shall be complied with by the petitioner for scheduling, metering and sharing of transmission charges and losses:

(a) A coordination centre/control area comprising of generating plants of MCCPL, ACBIL and SCPL and the 400 kV D/C transmission line from ACBIL to Bilaspur pooling station including the LILO of the said transmission line at MCCPL switchyard shall be established to coordinate on behalf of the said generators. One of the generating station shall take the role of a lead generator, who shall operate the coordination centre.

(b) The Coordination centre/control areas shall *inter-alia* carry out the following functions:

- (i) Coordinate with concerned RLDC/SLDC and with individual generators on all matters of system operation and market operation.
- (ii) Represent in various forums of Regional Power Committees.
- (iii) Metering, protection coordination, shutdown coordination, outage coordination, switching instruction, scheduling and accounting within control area.
- (iv) Submission of meter reading of all three individual generating stations connected to ISTS through the same dedicated line and ratio of injection by each station in each 15 minute block to RLDC.
- (v) Payment of transmission charges, losses, UI charges, reactive energy charges, LDC fee and charges to the concerned pool/authority for ISTS usages on behalf of the control area.
- (vi) Calculation/exchange of individual schedules, accounts for individual deviations, computation of individual charges/losses for

the dedicated portion as well apportioning for ISTS portion, which could be communicated by concerned RLDC for entire control area.

- (vii) Online communication and real time data telemetry to RLDC.
 - (viii) Offline data about various information to RLDC.
 - (ix) Sending meter data of interface meters installed by CTU to RLDC.
- (c) For energy accounting, metering, scheduling and settlement of UI, the interface ISTS point shall be at Bilaspur pooling station.
- (d) Since losses of the dedicated system are to be borne by the generators and not to be pooled, meter reading at Bilaspur end would have to be considered for arriving at total injection. In order to segregate injection by individual generating stations, special energy meters shall be installed at all the generating stations concerned and also at Bilaspur pooling station. Meter reading of all three individual generating stations connected to ISTS through the same dedicated line and ratio of injection by each station in each 15 minute block shall be furnished by the lead generator to WRLDC in a format to be devised by WRLDC for the purpose. Based on the ratio, WRLDC shall compute injection by individual generating stations at Bilaspur pooling station.

32. It is clarified that the dedicated transmission line shall be used on sharing basis by ACBIL, MCCPL and SCPL. Use of the transmission line by any other generator/user cannot be allowed by the petitioner without seeking transmission licence.

33. The petition is disposed of with the above directions.

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S. Verma)
Member

