

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 157/MP/2013**

Subject : Petition under Regulation 22 (3) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 for revision of Declared Capacity for a day (in MW) for the generating stations of the THDC India Limited.

Date of hearing : 15.4.2014

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri M. Deena Dayalan, Member  
Shri A.K. Singhal, Member  
Ms. Neerja Mathur, Member (EO)

Petitioner : THDC India Limited

Respondent : Northern Regional Load Despatch Centre  
.

Parties present : Shri M.G. Ramachandran, Advocate, THDCL  
Ms. Anushre Burdhan, Advocate, THDCL  
Ms. Poorva Sangal, Advocate, THDCL  
Shri M.K. Tyagi, THDCL  
Shri Rajeev Jain, THDCL  
Shri Sarosh M. Siddiqi, THDCL  
Shri Rajiv Porwal, NRLDC  
Shri D.K. Jain, NRLDC  
Ms. Supriya Singh, NRLDC  
Shri Padamjit Singh, PSPCL

**Record of Proceedings**

2. Learned counsel for the petitioner after referring to definition of 'Declared Capacity' and Regulation 22 (3) of the 2009 Tariff Regulations further submitted that the intent of the Regulation 22 (3) of the 2009 Tariff Regulations is that a unit/station shall be allowed D.C for the i<sup>th</sup> day of a month equal to DC declared during three peaking hours, whereas NRLDC started unilaterally reducing the Declared Capacity of the petitioner's hydro stations based on some averaging methodology in spite of the petitioner giving the Declared Capacity fully as per Regulation 22 (3). If the petitioner has complied with Regulation 22(3), there is no restriction on the petitioner to undertake

certain maintenance activities in the remaining hours of the day. Learned counsel submitted that the respondent is mixing up the machines non-availability for the generation of electricity at the time when the water is available, the petitioner is required to generate but does not generate due to inability on the part of the petitioner to keep the machines being available at the relevant time with the shut down done during the time when the machines are not required to be used for generation of electricity. However, it is not only usual but a prudent utility practice to attend to the machines during the time when the machines are not put to use and keep the machines intact and ready at the time when the generation is required to be done. The interpretation done by NRLDC in the present case would amount to interfering with the prudent utility practices.

3. The representative of NRLDC submitted as under:

(a) Since hydro stations are fuel (water) constraint generating stations, special provisions have been made by the Commission in this regard. Therefore, for complete applicability of the spirit of the provisions both necessary conditions and sufficient conditions are to be complied with. In the present case, availability of machines is a necessary condition for DC where as availability of water is a sufficient condition. If the necessary conditions are not satisfied and sufficient conditions are fulfilled, the same would not suffice. Therefore, availability of machines is a paramount consideration even if availability of water is restricted or else it would not be able to deliver as per requirement of users or any sudden requirement of power for revival of the system, during any unforeseen transmission constraints in the grid, frequency stability after outage of units.

(b) In the instant case, DC has been reduced as all the units of the stations were simultaneously shut down and not in the case when few units or a single unit was under shut down, considering the fact that a generating station can generate power though to a limited extent, if required by the users or in case of any contingency in the grid.

(c) The target Normative Annual Plant Availability Factor (NAPAF) given by Commission specifically covers the planned shutdown due to maintenance, forced outages and silt factors etc. Therefore, it is wrong to say that if the petitioner is complied with Regulation 22(3) in regard to DC, there is no restriction on the petitioner to undertake certain maintenance in the remaining hours.

(d) Round the clock, machine availability is important for reservoir based stations as these can deliver power during hours of need i.e. during any sudden requirement of power for revival of the system, during any unforeseen transmission constraints in the grid, for frequency stability under outage of units etc.

(e) During last three years, the generating station of the petitioner has been able to achieve PAF of around 90% in comparison to NAPAF of 77%. As such, the petitioner's assertion is wrong that the changed methodology has resulted in non-recovery of the Annual Capacity Charges. On the contrary, the generating station has been able to earn incentive by way of PAF being more than NAPAF.

4. The Commission inquired from learned counsel for the petitioner that if after providing peaking support, the hydro generator declares all the units to be un-available, how would the petitioner be able to support the grid requirements in case of emergency. In response, learned counsel of the petitioner submitted that the petitioner can come after four time blocks if required by NRLDC.

5. The representative of PSPCL requested the Commission to implead PSPCL and beneficiaries of Northern Region as parties to the petition as this will have impact on them by way of increased annual capacity charges/incentive. The Commission did not agree to the impleadment of PSPCL and other beneficiaries as a parties to the petition but permitted the representative of PSPCL to file his written submission.

6. After hearing the learned counsel for the petitioner and representative of respondent, the Commission directed the respondent to file an affidavit by 9.5.2014 the exact methodology adopted with regard to scheduling of hydro power stations and detailed note on the methodology of scheduling of hydro-generating stations and computation of availability.

7. The Commission further directed Central Electricity Authority to file the following by 13.5.2014:

(a) Technical report with regard to operation of hydro generating stations most optimally and the manner in which the storage type and ROR hydro generating stations should be scheduled in day to day operation; and

(b) As to how the provisions of 2009 Tariff Regulations meet the objective of optimal operation of hydro plants.

8. The Commission directed CEA to depute an officer well acquainted with the facts of the case on the next date of hearing to assist the Commission.

9. The petition shall be listed for hearing on 27.5.2014.

By order of the Commission  
Sd/-  
(T. Rout)  
Chief (Law)