

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 187/MP/2014

- Subject : Petition under section 66 read with Section 79 (1) (k) and other appropriate provisions of the Electricity Act, 2003 seeking the indulgence of the CERC for passing appropriate orders/directions to enable the petitioner to import power from the hydro generation project being developed by Dagachhu Hydro Power Corporation in Bhutan.
- Date of hearing : 7.8.2014
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri M.Deena Dayalan, Member
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
- Petitioner : Tata Power Trading Company Limited
- Respondents : National Load Despatch Centre and others
- Parties present : Shri Hemant Sahai, Advocate for the petitioner
Shri S.S.Barpanda, POSOCO
Ms. Jyoti Prasad, POSOCO

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed seeking directions to enable the petitioner to import power from the hydro generation project being developed by Dagachhu Hydro Power Corporation in Bhutan. Learned counsel for the petitioner further submitted as under:

(a) Druk Green Power Corporation (a Royal Government of Bhutan Undertaking) and Tata Power Trading Company Limited (TPTCL) entered into a joint venture for development of Dagachhu Hydro Power Corporation (DHPC) along with National Pension and Provident Fund, Bhutan for 126 MW hydro Power project in Bhutan which is in an advanced stage of commissioning and is likely to be declared under commercial operation in August 2008.

(b) In order to import power from DHPC, the petitioner approached the concerned authorities including PGCIL, ERLDC and ERPC for connectivity and

open access. PGCIL in one meeting informed that NOC would be required from Ministry of Power (MoP) to enable cross border transfer of power. The petitioner, vide letters dated 17.5.2013 and 21.5.2013 approached Ministry of Power for grant of NOC. In response, Ministry of Power vide letter dated 18.7.2013 clarified that the import of electricity has been shifted from restricted to free category as per the Ministry of Commerce Notification dated 7.5.2013 and therefore, there is no need to obtain import licence from Director General of Foreign Trade (DGFT) for import of electricity from Bhutan. MoP advised the petitioner to make requisite application to PGCIL for grant of connectivity and open access.

(c) The petitioner vide its letter dated 27.6.2014 apprised POSOCO that the delivery point for the sale of power shall be New Siliguri and the petitioner shall be the nodal agency for sale of DHPC power in India. It was also informed that the petitioner shall be responsible for energy accounting, UI settlement as applicable and other related issues on behalf of DHPC. Accordingly, the petitioner requested POSOCO to facilitate import of power from DHPC, Bhutan to India through the petitioner. However, POSOCO requested the petitioner to approach CERC to determine an adequate mechanism for import of power from DHPC, Bhutan.

2. The representative of NLDC submitted as under:

(a) Presently, power is being imported from the generating stations of Chukha, Tala and Kurichhu in Bhutan. PTC is the nodal agency for import of power from these stations. Beneficiaries of these power stations are located in Eastern and Northern Regions. These generators are not covered under the commercial settlement mechanism applicable in India and payment of energy charges are based on actual injection. Deviations from schedule in respect of these stations are adjusted by giving credits/debits to their beneficiaries as per their shares from these stations.

(b) DHPC is proposed to be sold through STOA by TPTCL using the same inter-connection between India and Bhutan. In STOA transactions, accounts are settled on the basis of schedule which would lead to a situation where transaction with DHPC would be settled on the basis of schedule, while Tala/Chukha would continue to be settled on the basis of actual.

(c) The methodology of settlement followed with other neighbouring countries, i.e. Nepal and Bangladesh is relevant. There are a number of 11 kV, 33 kV and 132 kV transmission lines between India and Nepal, and bilateral power transaction takes place between the States in India (Bihar/UP) and Nepal. As per provision of Tanakpur agreement, Nepal is entitled draw 70 MU of free power from Tanakpur. In view of additional requirement of Nepal, a meeting was

convened by Joint Secretary (Hydro), Ministry of Power on 10.12.2008 in which it was decided that "PTC will act as an intermediary for supply of additional 20 MW power from Tanakpur-Mahendranagar line and ensure required commercial arrangements as well as facilitation of power transfer on short term open access basis. PTC India would make all payments to NRLDC in respect of Open Access charges, RLDC/SLDC operating charges and UI payments on behalf of NEA, which PTC will recover from NEA.

(d) Therefore, scheduling, energy accounting and settlement of deviations in respect of power supplied to Nepal through Tanakpur-Mahendranagar line is done as per practices prevailing in India. Regarding transaction with Bangladesh, power is exported through 400 kV Behrampur-Bheramara D/C line and 500 MW HVDC back-to-back at Bheramara. NVVN has been acting as Nodal agency and settles DSM charges on behalf of Bangladesh. Therefore, there are no issues as far as settlement of deviations with Nepal and Bangladesh is concerned. However, due to legacy dating back to pre-ABT era, power import from Bhutan is being settled based on actuals, where multiple transactions over same transmission system cannot be accommodated.

(e) The present case is similar to Petition No. 92/2008 filed by Adani Enterprises Limited in which the petitioner had proposed to import power from Basuchu power station in Bhutan through STOA.

(f) The scheduling, metering, energy accounting and settlement between the two countries need to be sorted out. In this regard, views of CEA and PTC should be obtained and they should be impleaded as parties to the petition since PTC is responsible for power transaction from existing power stations.

3. After hearing the learned counsel for the petitioner and representative of NRLDC, the Commission directed to admit the petition and issue notice to the respondents.

4. The Commission directed the petitioner to implead Central Electricity Authority and Ministry of Power as parties to the petition and file revised memo of parties by 14.8.2014.

5. The Commission directed the petitioner to serve copy of the petition on the respondents, Ministry of Power and Central Electricity Authority immediately. The respondents were directed to file their replies by 26.8.2014 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 3.9.2014. The Commission directed that Ministry of Power, Govt. of India and Central Electricity Authority may file

their views in the matter and depute officers well acquainted with the facts of the case on the next date of hearing to assist the Commission.

6. The Commission directed that due date of filing the replies and rejoinders should be strictly complied with.

7. The petition shall be listed for hearing on 18.9.2014.

By order of the Commission

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