

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. MP/065/2014

Subject : Petition under Regulation (4) of Part 7 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 read with Regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 seeking relaxation of Regulation 5.2 (f) (iv) regarding requirement of implementing FGMO for certain units of NTPC.

Date of hearing : 19.6.2014

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member

Petitioner : NTPC Limited, New Delhi

Parties present : Shri Alok Gupta, NTPC
Shri Ajay Dua, NTPC
Shri P.B. Venkatesh, NTPC
Shri A.S. Pandey, NTPC
Shri Uday Shankar, NTPC
Shri V.K. Jain, NTPC
Ms. Shilpi Agarwal, NTPC
Shri P.P. Francis, NTPC
Shri K.P. Satapathy, NTPC
Shri S.S. Barpanda, NLDC

Record of Proceedings

The representative of the petitioner submitted that the present petition has been filed seeking relaxation of Regulation 5.2 (f) (iv) of Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (Grid Code) regarding requirement of implementing FGMO for certain units of NTPC.

2. In response to the Commission's query regarding as to why the expenditure on making these units compliant with RGMO/FGMO cannot be met out of special allowance admissible to them as a part of tariff, instead of seeking exemption, the representative of the petitioner submitted that special allowance starts only after completion of 25 years of useful life, where as some of the machines for which

relaxation has been sought have not completed 25 years e.g Vindyanchal and Kahalgaon generating stations.

3. In response to the Commission`s additional query about the status of NTPC machines which have undertaken R&M, the representative of the petitioner submitted that R&M works have been carried out at Singrauli Stage -I and Badarpur Stage- II. He submitted that R&M will be carried out in other machines after special allowance becomes admissible on completion of 25 years of useful life of the generating station.

4. The Commission observed that during the seful life of 25 years, thermal generating units are also getting compensation allowance for meeting expenditure of capital nature. In response, the representative of the petitioner submitted that compensation allowance is not for meeting the requirement of R&M expenses.

5. The representative of the petitioner informed that 200 MW machines of NTPC for which exemption is being sought are LMZ machines installed with mechanical governors. The Commission observed that a scheme has been adopted in LMZ machine in Maharashtra. In response, the representative of the petitioner submitted that LMZ machines having mechanical governors cannot meet the Grid Code mandate of providing 5% response and then returning to the original level at the rate of 1 % per minute as the mechanical governors continuously act based on the frequency fluctuation and droop setting. This continuous action of the governor makes the units unstable and the same is not in the interest of unit as well as the grid.

6. The representative of the petitioner submitted that NTPC has scanned the entire country for R&M of governing system of LMZ machines but have not come across any service provider/OEM or any utility which has carried out the modification of governing system of LMZ machines.

7. The representative of NLDC asserted that exemption sought by the petitioner may not be allowed as after the grid having become national grid, the fluctuation in frequency has come down drastically and the frequency is in stable condition. As such, stress on the machines operating in RGMO/FGMO has drastically reduced.

8. After hearing the representatives of the petitioner and NLDC, the Commission directed to issue notice to NLDC and RLDCs. The Commission directed the petitioner to implead NLDC and RLDCs as parties to the petition and to file revised memo of parties.

9. The Commission directed the petitioner to submit on affidavit, by 15.7.2014 the following information/clarification:

(a) Unit-wise, technical difficulties in operation of these units in FGMO.

(b) The difficulty/problem in carrying out the desired modification for complying with the provisions of the Grid Code.

(c) Difficulty, if any, in operating these units as per scheme adopted at Nasik Power Station in Maharashtra based on recommendations of CEA in its report.

(d) Details of similar units of same vintage operating in States and their operation on FGMO/RGMO.

10. The Commission directed the petitioner to serve copy of the petition on the NLDC and RLDCs by 5.7.2014. The Commission directed NLDC and RLDCs to file their replies by 18.7.2014 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 30.7.2014.

11. The petition shall be listed for hearing on 7.8.2014 on the issue of maintainability.

**By order of the Commission
Sd/-**

**(T. Rout)
Chief (Law)**