

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. MP/129/2014

Coram:

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

Date of Hearing: 22.7.2014

Date of Order : 25.8.2014

In the matter of

Petition seeking permission for allowing injection of infirm power for testing including full load testing for Unit-3 (500 MW) of Vallur TPP of NTECL beyond six months from initial synchronization.

And

In the matter of

NTPC Tamil Nadu Energy Company Limited
No. 123, G- Block, Anna Nagar (East)
Chennai - 600102.

....Petitioner

Vs

1. Transmission Corporation of Andhra Pradesh Limited
Vidyut Soudha, Khairatabad,
Hyderabad- 500082
2. Southern Power Distribution Company of A.P. Limited
D. No: 19-13-65/A,
Srinivasapuram,
Tiruchanoor Road,
Tirupathi (AP)- 517501
3. Eastern Power Distribution Company of A.P. Limited
P&T Colony, Seetammadhara,
Vishakapatnam (AP)- 503013.



4. Transmission Corporation of Telungana Limited
Vidyut Soudha, Khairatabad,
Hyderabad- 500082
5. Northern Power Distribution Company of A.P. Limited
H. No. 1-1-504, opp. NIT petrol pump,
Chaityanayapuri colony,
Hanmkonda,
Warangal (Telangana)- 506004
6. South Power Distribution Company of Telangana Limited
2nd floor, H. No. 6-1-50,
Mint Compound, Hyderabad- 500063.
7. Power Company of Karnataka Limited
KPTCL Complex,
Kaveri Bhawan,
Bangalore- 560009.
8. Bangalore Electricity Supply Company Limited
Krishna Rajendra Circle,
Bangalore- 560001.
9. Mangalore Electricity Supply Company Limited
Paradigm Plaza, A.B. Shetty Circle
Mangalore- 575001.
10. CESC Mysore (Chamundeshwari Electricity Supply Corp. Ltd.)
No. 927, L.J Avenue,
New Kantharaj Urs Road,
Saraswathipuram
Mysore- 570009.
11. GESCOM (Gulbarga Electricity Supply Corp. Ltd.)
Main Road, Gulbarga,
Gulbarga, Karnataka- 585102.
12. HESCOM (Hubli Electricity Supply Corp. Ltd.)
P.B. Road, Navanagar,
Hubli- 580025.
13. Kerala State Electricity Board
Vaidyuthi Bhavanam, Pattrom

Thiruvananthapuram- 695004.

14. Tamil Nadu Generation and Distribution Corporation Limited
144, Anna Salai,
Chennai- 600002.
15. Electricity Department
Govt. of Puducherry
137, NSC Bose Salai,
Punucherry- 605001.

....Respondents

Following were present:

Shri K.M.K. Prusty, NTECL
Shri S. Muley, NTECL
Shri S.K. Mandal, NTECL

ORDER

This petition has been filed by the petitioner, NTPC Tamil Nadu Energy Company Limited (NTECL) under Clause (7) of Regulation 8 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time (Connectivity Regulations) and Central Electricity Regulatory Commission (Deviation Settlement Mechanism) Regulations, 2014 with the following prayers:

"(a) Allow the petitioner extension of time for injection of infirm power for testing including full load testing by the Vallur TPP Unit# 3, beyond 28.8.2014 (i.e. six months beyond initial synchronization) for a period of three months; and

(b) Pass any other order as it may deem fit in the circumstances mentioned above."

2. NTECL, a Government company was set up as a joint venture company between NTPC Ltd and Tamil Nadu Electricity Board (presently Tamil Nadu Generation and Distribution Corporation Limited). The petitioner has set up Vallur thermal power project (generating station) which consists of three units of 500 MW capacity each. The 1st and 2nd units of the generating station have already been declared commercial on 29.11.2012 and 25.08.2013 respectively. The third unit of the generating station (Unit-3) was synchronized on 28.2.2014 which was expected to be declared under commercial operation by 28.8.2014. The various systems/works required for declaration of commercial operation are in advanced stage of completion. However, in spite of the petitioner`s best efforts to complete trial operation in time with all the related systems in place, it is likely that completion of “In plant Coal handling system” for bunkering coal for regular operation is likely to take more time.

3. The petitioner in this petition, while praying for extension of time for testing and full load testing and consequent injection of infirm power, has mainly submitted as under:

(a) The issue of delay in erection and commissioning of the Unit-3 of the generating station was taken up in various forums and in this regard number of letters were written to M/s BHEL.

(b) The Coal Handling System contract was awarded to M/s BHEL-ISG on 29.3.2010 and as per contract, all the facilities related to Unit-I, II and III

are to be completed by November 2011, May 2012 and November 2012 respectively.

(c) M/s BHEL-ISG has engaged sub-contractors, namely M/s Tecpro (Mechanical Works), M/s CGL (Electrical) and M/s Prasad & Co (Civil/Structural works) for In plant Coal Handling System.

(d) Since the progress of work was unsatisfactory even after lot of reviews and follow-ups, NTECL, vide letter dated 10.1.2014 informed M/s BHEL-ISG regarding slow progress of work in all areas of CHP due to issues of BHEL with their sub-agencies. M/s Tecpro had practically stopped working due to various internal problems.

(e) On 25.2.2014, NTECL informed BHEL about the planned commissioning of Unit-3 in February 2014 and made a specific remark that BHEL-ISG is not able to take up erection activities due to non-availability of materials and erection agencies and insisted to deploy erection agency on war footing to complete the system latest by, May 2014 to facilitate declaration of commercial operation of the Unit. Later, after commissioning of the Unit on 28.2.2014, the matter was escalated to CMD, BHEL.

(f) As the progress of the work was not satisfactory and the unit was already commissioned, on 14.3.2014 a meeting was convened at M/s BHEL-ISG office, Bangalore to discuss the execution status of In-plant Coal Handling system. In the said meeting, NTECL pointed out that Unit-3 is

synchronized on 28.2.2014 and as per Connectivity Regulations, NTECL is targeting COD in July 2014. It was also pointed out that trial operation of the unit needs to be completed before COD for which all associated facilities of CHP needs to be completed latest by June, 2014.

(g) Subsequently on 26.3.2014, M/s BHEL-ISG terminated erection contract with M/s TECPRO citing reasons of non-performance and delay in completion of project as per schedule and decided to award the pending works to other agencies.

(h) On 25.4.2014, NTECL emphasized to BHEL-ISG that, as per Connectivity Regulations, COD is to be declared within six months otherwise there could be issues relating to injection of infirm power.

(i) After highlighting and representing the issues on various forums and taking up with top management, M/s BHEL-ISG finally awarded the erection works of CHP In plant package to two sub-agencies, namely M/s ESENTEE and M/s UK MECON and the works have commenced only in the first week of June 2014.

(j) With all essential systems being ready and with only conveyor works pending at the time of initial synchronization, NTECL was of the view that it would achieve COD of Unit-3 before the stipulated time of six months from initial synchronization. With respect to the CHP works, NTECL has put all out

efforts from all possible directions to ensure M/s BHEL and its sub-agencies completed the works for timely commercialization of Unit-3.

(k) Considering the time elapsed due to termination and re-award of contract by M/s BHEL and the present status of execution of the In plant Coal Handling System, the time required for its completion and thereafter, trial operation of the Unit in line with 2014 Tariff Regulations, the date of declaration of commercial operation of the unit is likely to go beyond 28.8.2014.

4. The petitioner has submitted that it is seeking extension of time for *bonafide* reasons for completion of the balance works indicated in the petition and not for the purpose of trading in infirm power or otherwise to derive any undue advantage. The petitioner has stated that the Unit-3, which has been synchronized, will be tested from time to time and will be subjected to trial operation, etc. and in this regard, infirm power needs to be injected into the grid. The petitioner has submitted that the object of the Regulation 8 of the Connectivity Regulations is to restrict the generating company from deliberately taking advantage of not declaring COD and continuing to inject regular power on infirm basis. However, the extension of time sought is not for any such purpose.

5. No reply has been filed by the respondents. None was present on behalf of the respondents despite notice.

6. During the course of hearing on 22.7.2014, the representative of the petitioner reiterated the submission made in the petition.

7. We have considered the prayer of the petitioner. The petitioner has filed the present petition under Clause (7) of Regulation 8 of the Connectivity Regulations which provides as under:

“(7) Notwithstanding anything contained in clause(6) of this regulation and any provision with regard to sale of infirm power in the PPA, a unit of a generating station, including a captive generating plant which has been granted connectivity to the grid shall be allowed to inject infirm power into the grid during testing including full load testing before its COD for a period not exceeding six months from the date of first synchronization after obtaining prior permission of the concerned Regional Load Despatch Centre:

Provided that the Commission may allow extension of the period of testing including full load testing, and consequent injection of infirm power by the unit, beyond six months, in exceptional circumstances on an application made by the generating company at least two months in advance of completion of six month period:

Provided further that the concerned Regional Load Despatch Centre while granting such permission shall keep the grid security in view:

Provided also that the onus of proving that the injection of infirm power from the unit(s) of the generating station is for the purpose of testing and commissioning shall lie with the generating company and the respective RLDC shall seek such information on each occasion of injection of power before COD. For this, the generator shall provide RLDC sufficient details of the specific testing and commissioning activity, its duration and intended injection etc.”

Provided also that the infirm power so injected shall be treated as Unscheduled Interchange of the unit(s) of the generating station and the generator shall be paid for such injection of infirm power in accordance with the provisions of the Central Electricity Regulatory Commission (Unscheduled Regulations, 2009 as amended from time to time.”

8. Regulation 8 (7) of the Connectivity Regulations, as amended on 21.3.2012, provides that a generating company which has been granted connectivity to the grid shall be allowed to inject infirm power into the grid during testing including full load

testing before the COD for a period not exceeding six months from the date of first synchronization after obtaining the prior approval of the concerned RLDC. It is noted that the petitioner is seeking extension of the time for testing including full load testing, and consequent injection of infirm power in the grid at deviation rates by Unit-3 of the generating station beyond 28.8.2014 (i.e. six months beyond initial synchronization) for a period of three months beyond 28.8.2014. The petitioner has also requested to allow accounting of sale of infirm power after 28.8.2014 till the commercial operation of Unit-3 as per Regulation 18 of 2014 Tariff Regulations.

9. It is observed that the main reason for delay in COD of Unit-3 is due to non-completion of In Plant Coal Handling System for bunkering of coal. During the course of hearing on 22.7.2014, the petitioner was directed to file the PERT chart with duration of activities for completion of In Plant Coal Handling System up to COD of the station. The petitioner vide its affidavit dated 25.7.2014 has submitted the information called for. The petitioner has indicated the programme for COD of Unit-3 of the generating station as under:

S. No	Activities	Target Date for completion
1	Completion of In Plant CHP	7.6.2014
2	Completion of Ash Handling Plant	7.6.2014
3	Readiness of TDBFP	27.9.2014
4	Boiler Light Up	25.9.2014
5	Safety valve floating	26.9.2014-30.9.2014
6	TG Rolling	4.10.2014 -5.10.2014
7	Coal Firing	5.10.2014
8	Synchronization	6.10.2014
9	Trial Operation	7.10.2014 - 12.10.2014

10	Commercial Operation Declaration (COD)	15.10.2014
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10. It is observed from the activity schedule after completion of In plant Coal Handling System that the boiler would be lighted up on 25.9.2014, the turbo generator would be rolled on 4.10.2014 or 5.10.2014, thereafter unit would be synchronized with grid on 6.10.2014 and unit is expected to be declared under commercial operation by 15.10.2014. Taking into consideration the problems faced by the petitioner and affidavit dated 25.7.2014 regarding activity schedule, we allow extension of time for injection of infirm power into the grid for the commissioning tests including full load test of Unit-3 up to 15.10.2014 or actual date of commercial operation, whichever is earlier. It is clarified that the extension of time as allowed in this order shall not automatically entitle the petitioner to inject any infirm power till the completion of In Plant Coal Handling System and ash handling system provided the same are not completed till the issue of this order and till the TG rolling.

11. With the above, the Petition No. MP/129/2014 is disposed of.

Sd/-
(A. K. Singhal)
Member

sd/-
(M. Deena Dayalan)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson