

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 440/MP/2014

Subject : Petition under Section 79 (1) (c) and (f) of the Electricity Act, 2003 for adjudication of dispute between Essar Power Gujarat Limited and Power Grid Corporation of India Limited in relation to illegal threat of encashment of the bank guarantee furnished in relation to connectivity granted to the petitioner.

Date of hearing : 15.1.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member

Petitioner : Essar Power Gujarat Limited (EPGL)

Respondent : Power Grid Corporation of India Limited

Parties present : Shri Sanjay Sen, Senior Advocate, EPGL
Shri Alok Shankar, Advocate, EPGL
Shri Deepak Rodricks, EPGL
Shri Dilip Rozekar, PGCIL

Record of Proceedings

Learned senior counsel for the petitioner submitted as under:

(a) On 9.2.2010, the petitioner applied for connectivity of 2240 MW in the Western Region which was granted by CTU. Since grant of connectivity allows incidental power flow for start-up power and also inter change of infirm power for full load testing, the CTU network must be capable for carrying the quantum of power for which connectivity has been granted. It needs to be clarified by the respondent that connectivity granted for 2240 MW can actually materialize or not?

(b) Regulation 8 (7) 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 provides that a unit of a generating station including a captive generating plant which has been granted connectivity to the inter-State Transmission

System in accordance with these regulations shall be allowed to inter-change infirm power with the grid during the commissioning period, including testing and full load testing before the COD.

(c) The network of CTU and dedicated transmission line being built by PGCIL are two separate things. Since the connectivity and LTA has been granted only for 250 MW, Bank Guarantee should be proportionate to 250 MW i.e. ₹ 12.5 crore. The granted connectivity of 2240 MW is an empty formality, in light of the provisions of the CEA Manual of Transmission Planning Criteria and earlier letter from PGCIL, there is no basis for PGCIL to continue to require BG in accordance with the total capacity of connectivity applied for.

(d) PGCIL vide its letter dated 4.11.2014, directed the petitioner to install Special Protection Scheme to restrict the actual evacuation to 250 MW since there is no capacity available for transfer of power more than 250 MW from Salaya TPS beyond Bhachau taking into account Mundra UMPP generation. Accordingly, PGCIL suggested applying LTA for transfer of entire quantum to facilitate identification of suitable system strengthening scheme.

(e) Admittedly the connectivity can be used to evacuate power only for one unit of the generating station and therefore at best the connectivity is for 660 MW. In any event the thermal capacity of the line in accordance with the CEA Manual on Transmission Planning is about 1100 MW and it does not meet (n-1) criteria specified by CEA Manual on Transmission Planning Criteria. Therefore, there is no basis for seeking a bank guarantee for 2240 MW.

2. The representative of PGCIL submitted as under:

(a) As the petitioner had applied for LTA for 250 MW, the system capability to accommodate the same was ascertained and LTA of 250 MW was granted without augmentation of additional system strengthening. In case the petitioner had applied LTA for full quantum then the system required would have been accordingly worked out and taken up for implementation.

(b) Where transmission system for connectivity and strengthening of the grid for grant of LTA were developed by CTU under the coordinated transmission plan of ISTS in line with Regulation 8 (8) of the Connectivity Regulations, the Bank Guarantee is being taken for the amount equal to quantum of connectivity granted multiplied by ₹ 5 lakh as the length of dedicated transmission line is more than 20 km. In the present, line length is 300 km and the cost as per estimates would be about ₹ 500 crore.

(c) In response to the Commission's query regarding as to whether the line is ready to carry 2240 MW power, the representative of PGCIL submitted that N-1 reliability

criteria as per the CEA Manual on Transmission Planning Criteria is not required to be followed for grant of connectivity and thus, the current carrying capacity of the dedicated transmission line is more than the connectivity granted as triple snow bird conductor is used whose ampacity as per CEA Manual on Transmission Planning Criteria is 2640 MW.

3. After hearing the learned senior counsel for the petitioner and representative of PGCIL, the Commission directed PGCIL to file, on affidavit by 30.1.2015 as to whether the line is capable of carrying the entire quantum of 2240 MW for which connectivity has been granted to the petitioner.
4. The Commission directed the petitioner and the respondent to file written submissions by 30.1.2015.
5. The Commission directed that due date of filing the information and written submission should be strictly complied with. The information filed after due date shall not be considered.
6. Subject to above, the Commission reserved order in the petition.

By order of the Commission

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