

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 249/MP/2015

- Subject : Petition under Section 79(1)(c) and 79(1)(f) of the Electricity Act, 2003 and Regulation 32 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, seeking intervention of Hon'ble Commission in the matter of non-grant of LTA from the start date sought for in the LTA applications made in December 2014 with firm PPAs executed under DBFOO bidding framework between Generators and KSEB Ltd., despite availability of ATC during the time frame sought for in the LTA application, by reserving ATC in favour of very old target region LTA customers who failed to submit firm PPAs to the intended regions within a reasonable period, causing irreparable financial loss to KSEB Ltd. and other related matters.
- Date of hearing : 26.11.2015
- Coram : Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : Kerala State Electricity Board Limited
- Respondents : Power Grid Corporation of India Limited and others
- Parties present : Ms. Suparna Srivastava, Advocate, KESBL
Shri Venugopal N., KESBL
Shri B. Pradeep, KESBL
Shri Sitesh Mukherjee, Advocate, PGCIL
Shri Gautam Chawla, Advocate, PGCIL
Ms. Akansha Tyagi, Advocate, PGCIL
Ms. Jyoti Prasad, PGCIL

Record of Proceedings

Learned counsel for the petitioner submitted as under:

- (a) The present petition has been filed seeking direction to CTU to relieve the corridor amounting to 838 MW blocked by it towards Southern Region for target

region LTAs and to consider the relieved ATC while processing LTA application made during the December 2014 with firm PPAs.

(b) KSEBL had invited bids for supply of 850 MW under Design, Build, Finance, Own and Operate (DBFOO) guidelines in two lots of 400 MW and 450 MW to commence supply from December, 2016 and October, 2017 respectively .

(c) Subsequent to the bid process, PPAs were executed with the successful bidders in December 2014 for supply of 315 MW and 550 MW power from December, 2016 and October, 2017 respectively. Out of the contracted capacity of 865 MW, generators in NEW grid accounted for 765 MW. Thereafter, the respective generators made an applications to CTU for grant of LTA in December, 2014 for the quantum of contracted power after excluding the auxiliary consumption.

(d) The start date of LTA applications made to CTU in December 2014 were different, with 300 MW and 427 MW seeking LTAs from December 2016 and October 2017 respectively. However, CTU while processing the LTA applications processed the entire applications for 727 MW as a single block and decided to grant LTA only when the entire 727 MW can be accommodated in the upcoming ATC and CTU stated that granting of 300 MW separately would amount to grant of 'part LTA' and would contravene the Commission`s orders in Petition Nos. 92/MP/214 and 92/MP/2015.

(e) During the Joint Study meeting held on 29/30.5.2015 at SRPC, the TTC computed for NEW-SR corridor in base case was 7200 MW and TTC for NEW-SR in case of 765 kV lines as 3000 MW. However, while declaring TTC between NEW and SR on 24.9.2015 for 2016-17, CTU has considered only 250 MW for N-1 limit and has reduced TTC to 6650 MW.

(f) The action of CTU in blocking around 840 MW of ATC between NEW grid and Southern Region for the first time in January 2015 has adversely affected the LTA applications made on behalf of the petitioner. The processing of LTA applications made by the petitioner in December 2014 with the firm PPAs signed with generators selected through bid process carried out under DBFOO guidelines was taken up by CTU in the meeting held on 6.8.2015. In the minutes of meeting held on 6.8.2015, CTU stated that ATC available between NEW grid and SR grid is 5900 MW against which LTA has been granted on firm basis and 838 MW has been granted on target region basis leaving balance capacity of 189 MW. This capacity is not adequate to accommodate all LTA applications received in December, 2014. CTU further informed that LTA to December 2014 applicants can only be granted with enhancement of ATC through system augmentation which is already under construction.

(g) In the subsequent meeting held on 13.8.2013, CTU informed that the LTA applications made on behalf of KSEBL in December 2014 for the tied up through

DBFOO bid basis could be operationalized only with the commissioning of Angul-Srikakular-Vemagiri 765 kV D/C line along with constraints in 400 kV bay extensions at Vemagiri or 'Wardha-Maheshwaram 765 kV D/C line with anchoring at Nizamadabad' which is expected to be commissioned in 2018.

(h) Clause 22(7)(vi) of the detailed procedure approved under Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access and Medium-Term open access in Inter-State transmission and related matters) Regulations, 2009 (Connectivity Regulations) provides that such payment of transmission charges for which exact source or destination on long term basis is not known does not entitle any right to such applicant over the transmission system up to the target region.

(i) None of the LTA applicants of target region has commenced payment of transmission charges against the LTAs, since the identified transmission systems for grant of target region LTAs are not completed yet. The matter of earmarking corridor against LTA of target region and releasing the corridor under MTOA or STOA along triggers only upon payment of transmission charges after completion of all the originally identified transmission systems at the time of granting target region LTA.

(j) Since number of identified transmission augmentation systems for grant of these LTAs target region are yet to be commissioned, therefore there is no reason for reserving corridor.

(k) Connectivity Regulations provides for cancellation of LTA in respect of non-serious LTA grantees within one year from the scheduled date of operationlization. None of generators in the region are in a position to operationlize LTA granted during 2006-10 for operationlization by 2012 and CTU has been reserving corridor right from 2012 onwards. Therefore, after more than three years of such reservation, CTU is mandated to seek cancellation of these LTAs.

(l) Learned counsel requested the Commission to issue necessary direction to CTU to process the LTA applications received in a month separately considering the start date sought for the LTA.

2. Learned counsel for CTU submitted that the petitioner, in the present petition, is seeking amendment to the Connectivity Regulations. He further submitted the CTU is complying with the Commission`s orders in Petition Nos. 92/MP/2014 and 92/MP/2015.

3. Learned counsel for the petitioner requested the Commission to implead CEA as party to the petition and issue notice to it.

4. After hearing the learned counsel, the Commission admitted the petition and directed to issue notice to the respondent and CEA. The Commission directed the petitioner to implead CEA as party to the petition and file revised memo of parties.

5. The Commission directed the petitioner to serve copy of the petition on the respondent and CEA immediately. The respondent and CEA were directed to file their replies by 9.12.2015, with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 14.12.2015

6. The Commission directed to list the petition for hearing on 17.12.2015.

7. The Commission directed the CEA to depute officer acquainted with the facts of the case during the next date of hearing to assist the Commission.

By order of the Commission

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