

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 41/MP/2016
with I.A. 11/2016**

- Subject : Petition seeking modification in the quantum of Long Term Access granted under the Bulk Power Transmission Agreement dated 24.2.2010 from 800 MW to 647 MW in the light of the discussions recorded in the Minutes of the meeting held with Eastern Region constituents on 5.1.2013 and 27.8.2013 read with Section 38 and 79(1) (c) of the Electricity Act, 2003.
- Date of hearing : 22.3.2016
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : GMR Kamalanga Energy Limited
- Respondents : Power Grid Corporation of India Limited
Central Electricity Authority
- Parties present : Shri Hemant Singh, Advocate for the petitioner

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed *inter-alia* seeking modification of the BPTA dated 24.2.2010 entered into between the petitioner and CTU and grant of LTA for 260 MW in the Eastern Region for supply of power to the distribution companies of Bihar. Learned counsel for the petitioner further submitted as under:

- (a) The petitioner has setup a 1050 MW (3x350 MW) (Phase I) coal based thermal power plant (generating station) at Village Kamalanga in Dhenkanal District, Odisha.
- (b) On 28.9.2006, the petitioner entered into the PPA with GRIDCO for supply of 25% of power from the generating station, which was subsequently amended on 4.1.2011 to revise the installed capacity of the generating station to 1400 MW.

(c) On 12.3.2009, the petitioner entered into the PPA with PTC India Ltd. for supply of 300 MW power to Haryana DISCOMs on long term basis for a period of 25 years.

d) On 24.2.2010, the petitioner entered into the BPTA with CTU for grant of LTA of 800 MW. As per the BPTA, the petitioner was to evacuate 600 MW to utilities in Northern Region and 200 MW to Southern Region`s utilities.

(e) The petitioner entered into the PPA with erstwhile Bihar State Electricity Board on 9.11.2011 for supply of 260MW with delivery point as Bihar STU bus-bar interconnection point.

(f) Pursuant to the execution of the BPTA, at the instance of CTU, a meeting of the constituents of ER was held on 5.1.2013 in order to discuss the issues pertaining to connectivity/MTOA/LTA. The said meeting was held as per the mandate provided under Section 38 (2) of the Electricity Act, 2003 for proper planning and coordination in developing the transmission network/ system for grant of LTA to the Long Term Customers situated in the Eastern Region. In the said meeting, it was recorded that for availing 350MW of power by Odisha from GMR, the same would be availed through isolation of one unit of the project of GMR (3x350+1x350) and connecting it through LILO of one circuit of Talcher-Meramundali D/C line or through GMR-Meramundali 400 kV D/C line. OPTCL further requested for connection of one unit of GMR phase-I (3x350MW) to its grid.

(g) Subsequently, CTU convened a meeting of the constituents of Eastern Region on 27.8.2013 wherein CTU directed the petitioner to resolve the issue of the share of Odisha with OPTCL/ GRIDCO. The same records the fact that CTU was very much aware of the issues relating to the share of OPTCL/ GRIDCO from the petitioner`s generating station and the issues pertaining to the connectivity of one of the units of the petitioner with STU, Odisha.

(h) The petitioner constructed a 400 kV S/C transmission line from the generating station to the Meramundali sub-station of OPTCL with the intention of supplying power to GRIDCO and in terms of the decision taken in the meeting held on 5.1.2013. The said line became charged on 18.3.2015.

(i) The beneficiaries of the power to be generated from the generating station stood identified, including the necessary changes in the planning of transmission network/ system which were to be carried out by CTU on account of change in connectivity of the units of the petitioner in terms of the connection of one unit of 350 MW of the petitioner with STU, Odisha.

(j) As a result of the change in connectivity of 350 MW power to STU, Odisha, the total connectivity of the petitioner with the CTU was reduced to 700 MW, while the BPTA was executed for 800 MW. The same resulted in an

incongruous situation as the petitioner can never completely utilise the LTA when the connectivity became lower, which all was along been known to CTU.

(k) PGCIL vide its letters dated 17.7.2015 and 24.9.2015 requested the petitioner to open Letters of Credit of Rs. 22.5 crore in terms of the BPTA dated 24.2.2010.

(l) On 30.9.2015, the petitioner made an application to CTU for grant of LTA of 260 MW in the Eastern Region for enabling supply of power to Bihar utilities. The petitioner vide another letter dated 30.9.2015 requested CTU to modify the BPTA/ LTA dated 24.2.2010 as a result of the connectivity of the petitioner falling below the LTA/ BPTA quantum of 800 MW. In the said letter, the petitioner stated that the BPTA quantum needs to be modified from 800 MW to 647 MW (by deducting the auxiliary quantum of 53 MW out of the changed connectivity of 700 MW).

(m) CTU vide letter dated 9.10.2015 requested the petitioner to comply with the existing terms of the LTA Agreement on the granted quantum from the regions specified in the LTA application and furnish the payment security mechanism in the form of a letter of credit. Subsequently, CTU vide its letter dated 15.1.2016 refused to modify the BPTA dated 24.2.2010 in order to correct the LTA quantum of 800 MW to 647 MW.

(n) The petitioner cannot be held liable to make payment of transmission charges for 800 MW, which quantum is impossible to be fully utilized/ operationalised on account of the change of connectivity of the petitioner's units.

2. The Commission observed that the petitioner apportioned 25% of the capacity to GRIDCO and the remaining capacities were supplied through competitive bidding to the States of Haryana and Bihar based on which the Commission held that there is composite scheme and determined the tariff in Petition No. 77/GT/2013. The Commission directed the petitioner to explain the impact of allocating one unit exclusively to GRIDCO on the composite scheme of the generating station.

3. After hearing the learned counsel for the petitioner, the Commission admitted the petition and directed to issue notice to the respondents.

4. The Commission further directed the petitioner to open the LC for 647 MW within one week subject to the final decision in the petition. Learned counsel agreed to take necessary steps to open LC for 647 MW.

5. The Commission directed the petitioner to serve copy of the petition on the respondents immediately. The respondents were directed to file their replies by 11.3.2015 with an advance copy to the petitioner who may file its rejoinder, if any, by 21.3.2016.

6. The Commission directed the petitioner to file, by 8.4.2016 all correspondence and minutes of the meetings pertaining to the grant of connectivity and LTA by OPTCL as well as CTU.

7. The petition shall be listed for hearing on 28.4.2016.

By order of the Commission

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