

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 84/MP/2016**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A. K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Dr. M.K. Iyer, Member**

**Date of Order: 28<sup>th</sup> of October 2016**

**In the matter of:**

Petition under Section 79 (1) (c), Section 38 (2) and other applicable provisions of the Electricity Act, 2003 and the regulations framed there under for termination of the Bulk Power Transmission agreements dated 24.2.2010 and Transmission Service Agreement dated 7.12.2010 and Assignment and utilization of the Long Term Transmission capacity allocated for other purposes.

**And in the matter of:**

Chhatisgarh State Power Trading Company Ltd.

.....Petitioner

**Vs**

1. Central Transmission Utility  
Power Grid Corporation of India limited  
Saudamini, Plot No.2
2. Power System Operating Company Limited  
B-9, Qutab Institutional Area  
Katwaria Sarai, New Delhi-110015
3. Western Regional Power Committee  
F-3, MLDC Area, Marol  
Opposite SEEPZ, Central Road  
Andheri East, Mumba-400093
4. Bhopal Dhule Transmission Company Limited  
F-1, "The Mira Corporate Suites" 1 & 2 Ishwar Nagar  
Mathura Road, New Delhi-110065

## **INTERIM ORDER**

The petitioner, Chhatisgarh State Power Trading Company Ltd. (CSPTCL), has filed the petition with the following prayers:

- (a) declare that the Petitioner has surrendered the transmission capacity to the extent of 4700 MW/4985 MW in the Inter State Transmission System under the BPTA dated 24.02.2010 and TSA dated 07.12.2010 effective from 16.03.2014 when the Petitioner had applied to Powergrid Corporation of India Limited/the Central Transmission Utility intimating such surrender of the capacity and hold that the Petitioner shall not be liable to pay any transmission charges or other associated charges effective from the said date;
- (b) declare that in the fact and circumstances of the case, there is no stranded capacity in the Inter State Transmission System covered by the BPTA dated 24.02.2010 and TSA dated 07.12.2010 on account of the surrender of the 4700 MW/4985 MW capacity by the Petitioner;
- (c) release the Petitioner from the payment of any surrender charges or stranded charges under the Open Access Regulations, 2009 notified by the Hon'ble Commission;
- (d) direct the utilization of the above 4700 MW/4985 MW capacity for use by the generating companies listed in *Annexure-I* hereto and such other persons who may apply for long term access in the

Western Region and Northern Region and thereby the utilisation of the capacity available in the Inter State Transmission System; and

(e) pass such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.

(f) pass any such other order may deem fit.

2. The petitioner has submitted that CSPTCL has been incorporated with the object of undertaking trading in electricity, namely, Bulk Purchase and Bulk Sale of Electricity including Bulk Supply of Electricity to the Chhattisgarh Power Distribution Company Limited which is the distribution licensee in the State of Chhattisgarh. As per the decision of the Government of Chhattisgarh, the generating companies establishing power plants in the State of Chhattisgarh were required to supply 5% of the net power generated by the project at Energy Charges (7.5% if the generating company was allocated a captive coal block in the State) to the Government or its nominee and further the Government or its nominee had the first right to purchase power up to 30% at rate approved by the Appropriate Commission. The Petitioner was the nominee of the Government of Chhattisgarh with regard to the said generating companies. In its capacity as nominee of Government of Chhattisgarh, the Petitioner has entered into the Power Purchase Agreements with different Generating Companies situated within the State of Chhattisgarh. The petitioner has submitted a list of 23 PPAs with different generating companies. The petitioner has submitted that due to various reasons partly attributable to the generating companies and partly attributable to non-availability of

coal, most of the generating stations have been delayed in commissioning and declaration of commercial operation. The petitioner has submitted that it has entered into BPTAs dated 24.2.2010 with CTU for evacuation of power to Western and Northern Regions from 14 generators for a total capacity of 5303 MW. The petitioner has also signed Transmission Service Agreements with Bhopal Dhule Transmission Company for Long Term Access to ISTS for evacuation of power from 13 generators for 5692 MW. The Petitioner is stated to have decided not to purchase the 30% of the capacity from the generating projects as per the decision of the Government of Chhattisgarh. The Petitioner has already issued notices to the generating companies deciding not to purchase 30% of the installed capacity as per the right available to the Petitioner under the Power Purchase Agreements entered into with the generating companies. Consequently, the Petitioner requires the transmission capacity of 604 MW under BPTA and 707 MW under TSA and has no further requirement of the balance capacity of 4699 MW under the BPTA and 4985 MW under the TSA. The Petitioner approached CTU to terminate the BPTA to the extent of 4699 MW of power and TSA to the extent of 4985 MW of power with immediate effect. The petitioner has submitted that CTU advised the petitioner to approach the Commission for orders. The petitioner has submitted that there has been a significant demand of transmission capacity in the Western Region and Northern Region for the transfer of power and long term/medium term access has been sought by the generating companies/procurers of power and others who wish to avail LTA to Western Region and Northern Region and are in need of the transmission capacity. The petitioner has submitted that a capacity of 4700 MW/4985 MW under the

BPTA/TSA is intended to be surrendered which can be effectively used by long term access applicants and which may be utilized by the applicants for long term access from Chhattisgarh to Western and Northern Regions. Accordingly there will not remain any stranded capacity of the transmission system involving payment of surrender/stranded transmission capacity by the petitioner.

3. During the hearing of the petition, learned counsel for the petitioner submitted that subject to the determination of relinquishment charges by the Commission in the light of the recommendation of the Committee appointed by the Commission for assessment/determination of stranded transmission capacity with regard to relinquishment of LTA right by long term customers, the surrender of the capacity to the extent of 4699MW/4985 MW be allowed. The Commission directed CTU to utilize the relinquished capacity for granting the LTA to the pending applications. We further observed that the liability for relinquishment charges of the petitioner would be decided in terms of the order in the petition, and if the petitioner is held liable to pay the relinquishment charges, the quantum of relinquishment charges would be decided in the light of the decision taken on the basis of the recommendations of the Committee constituted in Petition No. 92/MP/2015 for assessment/determination of stranded transmission capacity with regard to relinquishment of LTA right by a long term customer and relinquishment charges in terms of the provisions of the Connectivity Regulations. The CTU was directed to file the status of the utilization of the relinquished capacity within the period of two months.

4. CTU in its affidavit dated 17.10.2016 has submitted the details of the relinquished capacity by the IPPs either by way of filing the petitions or on account of change of target region as under:

	Name of LTA Customer	Project location	Total LTA Quantum relinquished	Region-wise LTA Quantum relinquished (MW)				Remarks
				ER	WR	SR	NR	
1.	Sterlite Energy Ltd	ER	1400	200	600		600	Capacity relinquished in principle as per ROPs in Petition Nos. 003/MP/2016 and 303/MP/2015.
2.	Jindal India Thermal Power Ltd	ER	1044	210			834	Capacity relinquished in principle as per ROPs in Petition No. 55/MP/2015.
J.	GMR Kamalanga	ER	153				153	Under Regulation - 18 vide notice dated 22-04-2016
4.	Ind Barath Energy (Utkal)	ER	500		350		150	92/MP/2014 Change in Region
5.	Bina Power Supply Company Ltd.	WR	265.35		132.68		132.67	Petition for relinquishment (98/MP/2015).
6.	Jaiprakash Power Ventures	WR	775.5		388.2		387.3	Petition for abeyance & relinquishment (293/MP/2015).
7.	CSPTTrCL, Share from IPPs in WR	WR	4699		2581		2118	Capacity relinquished in principle as per ROPs in Petition No. 84/MP/2016.
8.	Jhabua Power	WR	5.75		5.75			Notice given to Under Regulation 18 of Connectivity Regulations
9.	PEL Power Ltd	SR	987			700	287	Capacity relinquished as per order in Petition No. 315/MP/2013.
10.	GMR Kamalanga	ER	260			200	60	92/MP/2014 Change in Region
11.	Adhunik Power	ER	100	100				92/MP/2014 Change in Region
12.	BALCO	WR	200		100		100	92/MP/2014 Change in Region
13.	Jhabua Power	WR	204.25		204.25			92/MP/2014 Change in Region

14.	DB Power	WR	208		208			92/MP/2014 Change in Region
15.	Jindal Power	WR	400		400			92/MP/2014 Change in Region
16.	KSK Mahanadi	WR	1500		1500			92/MP/2014 Change in Region
17.	TRN Energy	WR	240		240			92/MP/2014 Change in Region
18.	Dhariwal	WR	100		100			92/MP/2014 Change in Region
19.	Maruti Clean Coal	WR	126		126			92/MP/2014 Change in Region
20.	Karcham Wang too	NR	264		176	88		92/MP/2014 Change in Region
<b>Total</b>			<b>13431.85</b>	<b>510</b>	<b>7111.88</b>	<b>988</b>	<b>4821.97</b>	

5. CTU has submitted the summary of the relinquished capacity with respect to the location of the generation projects vis a vis their target beneficiaries as under:

Location of IPPs	Beneficiary Region (in MW)			
	NR	ER	WR	SR
↓				
<b>NR</b>	0	0	176	88
<b>ER</b>	1797	510	950	200
<b>WR</b>	2737.97	0	5985.88	0
<b>SR</b>	287	0	0	700
<b>Total</b>	<b>4821.97</b>	<b>510</b>	<b>7111.88</b>	<b>988</b>

6. CTU has submitted that primarily there are only two transmission corridors where grant of LTAs are relatively constrained viz. (i) NEW grid to SR grid and (ii) from ER/WR to NR. As regards the NEW grid to SR grid corridor, all the LTA applications received till April 2016 seeking transfer of power from NEW grid to SR Grid are already settled except one LTA application which was received after April 2016 for transfer of 60 MW

power to Southern Region from March 2018 onwards, by which time sufficient capacity is expected to be available for transfer of power from NEW Grid to SR Grid. CTU has submitted that there are no issues for grant of LTA on this corridor. As regards the corridor involving ER/WR to NR grid, CTU has submitted that the new LTA applications are mostly from generation projects located in ER/WR seeking transfer of power to NR using WR - NR transmission corridor as under:

- (a) The LTAs are traditionally granted associated with commissioning of different inter-regional corridors between WR & NR. Some of the LTAs have been relinquished even before the commissioning of these inter-regional corridors therefore their capacity shall be available for re-allocation only upon availability of these corridors. The details of the effective capacity relinquished on WR - NR transmission corridor is given as under:

**Details of the effective capacity relinquished on WR - NR transmission corridor**

	Name of LTA Customer	Project location	Effective Capacity On WR-NR corridor
	Present Scenario		
1.	Sterlite Energy Ltd Ph. I	ER	160
2.	Jindal India Thermal Power Ltd	ER	667.2
	GMR Kamalanga	ER	170.4
4.	IndBarath Energy (Utkal) Ltd	ER	120
5.	Bina Power Supply Company Ltd.	WR	132.67
6.	CSPTTrCL, Share from IPPs (Dheeru & MCCL)	WR	172
7.	Jalprakash Power Ventures	WR	387.3
	Sub-total		1810
	Champa - Kurukshetra HVDC Pole-I (Nov,16)		



8.	CSPTTrCL, Share from IPPs in WR	WR	1946
9.	BALCO	WR	100
	Sub-total		2046
Jabaipur - Orai 765kV lines (Apr, 18)			
10.	PEL Power Ltd	SR	287
11.	Sterlite Energy Ltd Ph. II	ER	320
	Sub-total		607
Grand Total			4462.57

The summary of the capacity as mentioned in the above table is as under:

Sl. No.	Time Frame	Effective Capacity Relinquished on WR -NR corridor (MW)
1	Present	1810
2	Dec'16 (Ph-I of Pole-I - 1500 MW of Champa - Kurukshetra HVDC)	0
3	Mar'17 (Ph-2 of Pole-I - additional 1500 MW of Champa - Kurukshetra HVDC)	2046
4	Mar'18	0
5	April, 18	607
	<b>Total</b>	<b>4462.57</b>

(b) CTU has submitted that while evolving the inter-regional transmission corridors, based on the priority of application month, LTAs were granted to a number of applicants (including those who have now relinquished LTA) associated with different inter-regional corridors, which were taken up for development in a phased manner. Thus, in a natural order, LTAs were not only granted by way of 'first-come-first-serve' principle of priority; but barring technical reasons like failure of generation project developer to commission the project or dedicated transmission line, the LTAs on a given inter-regional corridor are naturally scheduled to be operationalized in

accordance with the aforesaid principle of priority. In other words, a 'queue' or 'stack' of long term customers is formed in accordance with their priority and all such LTA customers are to be operationalized in association with different interregional corridors. It has been submitted that when some of the long term customers relinquish LTA, the result of their exit is creation of voids in the queue/stack which requires the evolution of an appropriate procedure or methodology for filling the voids created in this stack/queue due to relinquishment of LTA by some IPPs. Further, CTU has suggested that the only way new LTA applications can be granted with due deference to the principles of priority enshrined in the Regulations and Detailed Procedure is by granting such new LTAs at the bottom of the queue/stack with the ultimate transmission system strengthening scheme in a given corridor and to avoid the anomalous situation of LTAs of lower priority being operationalized before LTAs of much higher priority.

- (c) As regards the availability of actual transmission capacity that were considered while initially granting the LTA to applicants including those who have now relinquished the LTA, CTU has submitted that post grid disturbance in July 2012, the transmission line loading, especially those of 765 kV level has been limited considerably from what it was initially considered while planning. Further, during the period, Transmission Planning Criteria also underwent revision, making it more stringent. The mid-course correction to account for above were subsequently taken wherein very less quantum of LTA has been allocated associated with the new links viz. Champa- Kurukshetra Pole II (3000 MW) and Jabalpur - Orai 765 kV D/c line. The result is that in the

present time frame, some mismatches are likely with respect to the availability of actual transmission capacity and the LTA granted. However, with mid-course corrections, the same get addressed progressively in the ultimate time frame of April 2018 associated with the commissioning of Jabalpur - Orai 765 kV D/c line. CTU has submitted that in this time frame, the cumulative grant of LTA is about 17,960 MW as against the presently envisaged ATC (with the revised criteria & guidelines) of about 17,500-18,000 MW.

(d) As regards the transmission capacity available subsequent to relinquishment on ER - NR and WR - NR Corridor in the present timeframe, CTU has submitted that initially corresponding to the existing transmission system under the present conditions, LTA of 10,585 MW were granted in the year 2009-10. If the loading conditions especially those of 765kV (about 2500-3000 MW per circuit) are considered then the transmission capacity was adequate to cater to the entire LTA requirement. However, post grid disturbance in July, 2012, loadings on 765kV lines are being considered on conservative side by planners as well as grid operators. Further, the revised Planning Criteria also envisages N-1-1 contingency as against N-1 contingency in the earlier criteria. With the above considerations, the effective ATC is 8600 MW which has increased recently (from 7900 MW with the commissioning of Jaipur -Bhiwani 765kV 2<sup>nd</sup>line in first week of Oct, 2016).

(e) CTU has submitted that considering the relinquished LTAs and the abandoned projects who have availed LTAs, the net LTA requirement over WR-NR corridor vis-

a-vis ATC is as under:

- ATC -8600MW
- LTA (effective) - 8041 MW
  - Firm LTA - 7399 MW
  - Target LTA - 642 MW
- **Margin for operationalization**
  - LTA = 559 MW (=8600-8041) and
  - MTOA=590 MW from 30.10.2016 (642 MW-52 MW already under operation till Mar' 19)

CTU has clarified that against the target LTA of 642 MW, MTOA of 521 MW is already ongoing, of which 469 MW of MTOA is expiring on 29.10.2016. Since the said MTOA was granted with utilization of Target LTA capacity, the said capacity can only be used for MTOA upon expiry of the MTOA.

7. CTU has suggested that the utilization of relinquished capacity is required to be undertaken in two steps, i.e. (1) Grant of LTAs to new applicants considering them at the bottom of the stack/queue; and (2) Evolving a procedure for filling up the voids left in the queue/stack for utilization by long term customers already present in the stack/queue. CTU has explained these steps as under:

- (a) Step 1 involves granting LTA to new applications considering those at the bottom of the stack/queue. This exercise has already been completed by CTU for the LTA applications received upto April, 2016 who have been granted LTAs associated with the ultimate time frame of the transmission augmentation viz. Champa- Kurukshetra Pole II & Jabalpur - Orai 765 kV lines:

**Details of LTA granted to new LTA application associated with Champa-Kurukshetra HVDC and Jabalpur-Orai 765 kV D/C line**

	Name of LTA customer	Project location	LTA (MW)	Region-wise LTA (MW)				
				NR		WR	NER	SR
				Firm	Target			
1	MB Power (MP) Ltd	WR	200	169	31			
2	KSK Mahanadi	WR	1000	1000				
3	MB Power (MP) Ltd	WR	144		144			
4	Suzlon Power Infra Ltd.	WR	225		120		105	
5	SEI Sunshine Power Pvt. Ltd.	WR	180		180			
6	TRN Energy Ltd	WR	240	240				
7	Rewa Energy Mega Solar Ltd.	WR	750		200	550		
8	DB Power Ltd	WR	75	75				
9	Maruti Clean Coal & Power Ltd.	WR	205	205				
10	Dhariwal Power Infra. Ltd	WR	20	20				
	<b>Total</b>		<b>3039</b>	<b>1709</b>	<b>675</b>	<b>550</b>	<b>105</b>	

CTU has submitted that LTA of 2384 MW has been granted on WR-NR transmission corridor comprising of 1709 MW on firm beneficiary basis and 675 MW on target beneficiary basis. CTU has further submitted that all the new LTA applicants with firm PPAs have also sought MTOA which have been duly granted associated with Champa –Kurukshetra Pole I (likely by Dec’ 16) as per the details below—

	Name of LTA Customer	Project location	MTOA (MW)	Period
1.	MB Power (MP) Ltd.	WR	169	30.10.2016-29.10.2019
2.	KSK Mahanadi	WR	1000	30.10.2016-29.10.2019
3	DB Power Ltd.	WR	75	30.10.2016-29.10.2019

4.	Maruti Clean Coal & Power Ltd.	WR	205	30.10.2016-29.10.2019
5.	TRN Energy Ltd.	WR	240	30.10.2016-29.10.2019
6.	RKM Powergen Pvt. Ltd	WR	150	1.1.2017-30.9.2019
	<b>Total</b>		<b>1839</b>	

CTU has submitted that for the subsequent months' applications, the exercise is at different stages of consultation/approval and shall be completed in due course.

(b) Step 2 involves operationalization of the LTA customers in the queue from their present position. CTU has submitted that 559 MW of transmission capacity is available in the form of capacity left vacant in voids subsequent to relinquishment of LTA and additionally, 590 MW of transmission capacity is available under MTOA with effect from 30.10.2016. CTU has suggested that transmission capacity of 559 MW can be utilized by making part operationalization of LTA in terms of the directions of the Commission in Petition No. 92/MP/2014 by following a consultative process as under:

- (i) Information to the prospective applicants/customers through official communication as well as publication on the CTU webpage.
- (ii) Meeting with participation of CEA, CTU and concerned applicants/customers.
- (iii) Submission of an Undertaking in the Format (annexed as Annexure - IV to the affidavit) by all the prospective long term customers shall be required to Opt-In/Opt-Out of operationalization. The said concurrence shall inter alia require

the prospective applicants/customers to establish payment security mechanism within the time period prescribed in the Undertaking.

(iv) Non-establishment of payment security in terms of the Undertaking shall lead to default exclusion of the applicant/customer from the operationalization procedure.

(v) The original position of the applicant/customer not availing part-operationalization shall remain intact.

8. In addition to the above, CTU has submitted that as per the extant provisions under Para 22.7 of the Detailed Procedure, the capacity reserved for a long term customer on target region basis can be utilized under MTOA or STOA till such time that the long term customer is able to firm up a beneficiary. However, the long term customers with firm PPA are unable to schedule power in certain cases on account of failure to commission the generation project and/or dedicated transmission line. As a result, such transmission capacity gets 'locked' as the said capacity is neither utilized by the long term customer nor can be offered under MTOA/STOA under the extant provisions of Detailed Procedure. CTU has cited the example of Lanco Babandh Power Limited which was granted LTA of 800 MW {650 for NR and 150 for WR}. CTU has submitted that out of 650 MW for NR, 520 MW has been considered as part of the firm LTA of 7399 MW out of total ATC of 8600 MW on the WR-NR corridor. However, LC has not been opened by Lanco Babandh. CTU has filed Petition No. 229/RC/2015 for opening of LC and Lanco Babandh is a respondent in the said petition. CTU has further submitted that Lanco Babandh has filed Petition No. 38/MP/2016

for extension in the scheduled date of commissioning of Unit I and II of the generation project and deferment of operationalization of LTA. Further, in the 10th Joint Coordination Committee meeting for projects in Eastern Region held on 30.09.2016, the status of the generation project was assessed and it was found that generation project is uncertain; the dedicated transmission line has not yet been awarded; consultancy for terminal bays at Angul POWERGRID Substation has not been awarded as yet; and Lanco Babandh has filed Petition No. 38/MP/2016 for keeping its LTA in abeyance on account of alleged force majeure conditions. CTU has submitted that the 520 MW allocated to Lanco Babandh in the firm LTA category should be permitted to be utilised for grant of LTA/MTOA.

9. CTU has raised an issue regarding the liability of the LTA customer to pay the relinquishment charges in case it is required to surrender its MTOA on operationalization of LTA. CTU has submitted that in the next 2-3 months with commissioning of Champa-Kurukshetra HVDC line, additional transmission capacity of the order of 3000 MW may be available. Some of the MTOA applicants/customers whose MTOA are getting operationalized under the margins may be required to relinquish their MTOA when their LTA would be operationalized under the same PPA. As per Regulation 24 of Connectivity Regulations, any relinquishment of MTOA attracts relinquishment charges. Some of the IPPs have approached CTU with a request that in such cases relinquishment charges should not be levied since the MTOA is in effect being replaced with the LTA and all other aspects of power transfer namely, injection entity, drawal entity, PPA etc. remain the same. CTU has submitted that Petition No 153/MP/2016 has been filed before the Commission on this issue. CTU has requested for consideration of the issue of applicability of relinquishment charges in case of



migration from operationalization of MTOA to operationalization of LTA under the same PPA.

10. In light of the above submission, CTU has prayed for issuance of appropriate directions for operationalization of already granted LTAs/MTOAs.

**Analysis and Decision:**

11. The petitioner in first three prayers has prayed for surrender of transmission capacity to the extent of 4700 MW/4985 MW under the BPTA/TSA with effect from 16.3.2014 when it applied to CTU for surrender of the said capacity and for a declaration that the petitioner is not liable for any relinquishment charges or transmission charges for the said capacity. The issue of stranded capacity in inter-State transmission system arising out of the relinquishment of LTA by LTA customers and consequential liability for payment of relinquishment charges is under consideration of the Commission in Petition No. 92/MP/2015. Therefore, the prayers of the petitioner with regard to the stranded capacity and liability for payment of relinquishment charges/transmission charges shall be decided by the Commission in the light of the final decision in the said petition. Pending decision in 92/MP/2015, the Commission has been directing the CTU from time to time in different petitions to utilize the capacities under LTA which are sought to be relinquished by the LTA Customers. In the present case also, the Commission directed CTU to utilize the relinquished capacity of 4700 MW/4985 MW for granting LTA to the pending applications.

12. The Commission directed the CTU to file the status of utilization of the relinquished capacity. CTU vide its affidavit dated 17.10.2016 has submitted that a

total quantum of 13431.85 MW have been relinquished in four regions i.e. 510 MW (ER), 7111.88 MW (WR), 988 MW (SR) and 4821.97 MW (NR). Out of the said capacity, the effective capacity relinquished in WR-NR corridor is 4462.57 MW. Further, the said relinquished capacity is available progressively in different timeframe, namely, 1810 MW (available at present), 2046 MW (March, 2017 with commissioning of Phase-II Pole I of Champa-Kurukshetra HVDC Line) and 607 MW (April, 2018). CTU has submitted that on account of various factors like restrictions on transmission line loading especially those of 765 kV post the grid disturbance in 2012 and revision in the transmission planning criteria from N-1 contingency to N-1-1 contingency required mid course correction which resulted in the present effective ATC of 8600 MW in WR-NR corridor. CTU has calculated the net availability of capacity over WR-NR corridor vis-a-vis ATC as 559 MW [8600 MW-8041 MW (effective LTA)]. CTU has further submitted that a capacity of 590 MW is available under MTOA from 30.10.2016. CTU has further submitted that the 520 MW capacity allocated to Lanco-Babandh is locked up since the commercial operation of the generation capacity is uncertain and can be utilized under MTOA under special dispensation by the Commission. Effectively, the capacity available for allocation in WR-NR corridor under LTA and MTOA as per the CTU is as under:-

<b>Date from which capacity is available</b>	<b>Capacity available for LTA</b>	<b>Capacity available for MTOA</b>	<b>Remarks</b>
30.10.2016	559 MW	590 MW + 520 MW	Permission required to utilize the 520 MW allocated to Lanco-Babandh
January, 2017	1500 MW	-	With the Commissioning of the

			Phase-I, Pole-I of Champa-Kurukshetra HVDC Line
April, 2017	1500 MW	-	With the Commissioning of the Phase-II, Pole-I of Champa-Kurukshetra HVDC Line
April, 2018	5100 MW	-	With commissioning of Pole-II of Champa-Kurushetra HVDC line and Jabalpur-Orai 765 kV D/C line
Total	8659 MW	1110 MW	

13. It is observed that while the effective capacity relinquished in a timeframe spanning from present till April, 2018 is 4462.57 MW, the capacity available from present till April, 2018 is 8659 MW. However, as against the relinquished capacity of 1810 MW at present, a capacity of only 559 MW is available for grant of LTA. The Commission is of the view that had the generators not relinquished the capacity of 1810 MW in WR-NR corridor and sought operationalization of LTA, the CTU would not have been able to meet the requirement of the generators. In other words CTU has neither planned nor built up the transmission capacity commensurate to the LTA granted. As regards the restriction imposed on ATC following the grid disturbance and the stringent planning criterion of N-1-1 contingency, the Commission is of the view that, these requirements were stated to be introduced way back in 2012/2013 and CTU has sufficient time to re-plan the transmission system and commissioned them by 2016 or within a reasonable time to meet the requirements of the generators. Even after relinquishment of the capacity of some of the generators, the relinquished capacity would have been utilized to grant LTA to the existing LTA applicants. It appears to us

that CTU has not taken appropriate action for mid-course correction in the planning of the transmission system by taking into consideration the impact of restriction imposed on ATC and N-1-1 contingency planning criteria. As a result, there is a mismatch between the transmission corridor availability and the demand received from the LTA applicants. The Commission directs the CTU to plan the transmission system in consultation with CEA and other stakeholders in order to ensure that adequate transmission capacity is available to take care of the system requirements. CTU should also undertake exercise for mid-course correction if there is change in the demand for LTA.

14. CTU has submitted that except WR-NR corridor, sufficient capacity is available in other corridors to meet the demands of LTA applicants. Only in case of WR-NR corridor, CTU has granted LTA to the LTA applications received upto April, 2016 commensurate with the timeframe of commissioning of Champa-Kurukshetra Pole-I & Pole-II HVDC line and Jabalpur-Orai 765 kV lines. CTU has further submitted that all new LTA applicants with firm PPA have also sought MTOA which have been granted commensurate with the expected commissioning of Champa-Kurukshetra Phase-I, Pole-I by December, 2016. This exercise has been carried out by CTU in accordance with the provisions of the Connectivity Regulations, Detailed Procedure and the order dated 16.2.2015 in Petition No. 92/MP/2014.

15. CTU has sought the guidance and directions of the Commission with regard to the operationalization of LTA against the 559 MW of transmission capacity effectively

made available after the surrender of the LTA by different LTA applicants. CTU has suggested a consultative process for part operationalization of LTA which has been quoted in Para 7 above. We have examined the consultative process and find the same in order. CTU is permitted to undertake the exercise by maintaining complete transparency in dissemination of information with regard to the allocation of corridor for operationalization of LTA.

16. CTU has submitted that a capacity of 590 MW is available for operationalization of MTOA w.e.f. 30.10.2016. In addition, CTU has submitted that on account of the uncertainty of the project of Lanco-Babandh Power Limited, capacity of 520 MW is locked up which may be permitted for utilization for grant of MTOA. In this connection, it is noted that Lanco-Babandh Power Limited has filed a Petition No. 38/MP/2016 for deferment of its LTA. The Commission is of the view that this is a generic issue and may arise in case of other generators who are unable to commission their generating stations/dedicated transmission lines in time as a result of which the capacity granted under LTA cannot be utilised. The Commission directs the staff to initiate the process to amend the Connectivity Regulations to address this generic situation. At this stage, the Commission cannot issue any direction to CTU with regard to utilization of 520 MW of Lanco-Babandh Power Limited.

17. CTU is directed to carry out the exercise with regard to operationalization of LTA within a period of 10 days from the date of issue of this order and submit a report by 15.11.2016.

18. The above directions are subject to the final decision in 84/MP/2016.

**sd/-**  
**(Dr. M.K. Iyer)**  
**Member**

**sd/-**  
**(A.S. Bakshi)**  
**Member**

**sd/-**  
**(A.K. Singhal)**  
**Member**

**sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**