

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 26/MP/2018

**Coram:
Shri P.K.Pujari, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order: 27th of February, 2018

In the matter of

Petition under Section 79 (1) (c) and (f) of the Electricity Act, 2003.

And

In the matter of

Essar Power M.P. Limited
Hotel Treebo Conclave Riviera,
Lower Ground Floor,
A-20, Kailash Colony, Delhi-110 048

...Petitioner

Vs.

1. Power System Operation Corporation Limited
Western Region Load Despatch Centre,
F-3, MIDC Area, Marol,
Andheri (East), Mumbai-400 093

2. Western Regional Power Committee
F-3, MIDC Area, Marol,
Opp, SEEPZ, Central Road,
Andheri (East), Mumbai-400 093

...Respondents

The Following were present:

1. Shri Alok Shanker, Essar Power.
2. Ms. Shruti Verma, Essar Power.

ORDER

This petition has been filed by the Petitioner, Essar Power M.P. Limited (EPMPL) seeking permission of the Commission for injection of infirm power into the grid beyond the period of 6 months from the date of first synchronization or till declaration of commercial operation of Unit-II of 1200 MW (2x600 MW) Thermal

Power Plant (the generating station) at Singrauli district in the State of Madhya Pradesh in terms of 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 (hereinafter referred to as “Connectivity Regulations”) as amended from time to time.

2. The Petitioner, a subsidiary of Essar Power Ltd., has set up a 1200 MW (2X600 MW) thermal power plant at district Singrauli in the State of Madhya Pradesh. The Petitioner has submitted that despite various adverse circumstances and events beyond its control, construction of the generating station was completed in a cost-efficient manner. The Unit-I was declared under commercial operation on 29.4.2013 and it has operated at a PLF of approximately 50% for financial year 2016-17. The Unit-II was first synchronized on 4.8.2017. However, due to load restriction on LILO at single circuit of 400 kV Vindhyachal-Korba (LILO), full load testing could not be undertaken for Unit-II. As a result, Unit-II is under shut down after 5.8.2017.

3. According to the Petitioner, power from the generating station is to be evacuated through the 400 kV D/C Mahan-Sipat Transmission Line terminating at WR Pooling Station at Bilaspur. This transmission line is being executed by Essar Power Transmission Company Limited (EPTCL), a group company of the Petitioner after being granted an inter-State Transmission Licence by the Commission on 29.4.2008 to develop the following transmission lines and the sub-stations:

- (a) 400 kV D/c Mahan-Sipat along with associated bays;
- (b) LILO of 400 kV Vindhyachal Korba at Mahan;
- (c) 400 kV D/c Gandhar Hazira line along with associated bays, and
- (d) 400/220 kV substation at Hazira.

4. The Petitioner has submitted that out of the above four elements, three have been commissioned and are already in operation. Only 400 kV D/C Mahan-Sipat line is yet to be operationalised and is expected to be commissioned shortly.

5. The Petitioner has submitted that it is presently evacuating power through the LILO on circuit 1 of the 400 kV D/C Vindhyaachal-Korba line at Mahan. WRPC in the meetings of TCC/WRPC held on 27.7.2017 and 28.7.2017 has allowed synchronization of Unit-II, restricting the net power injection upto 600 MW in real time. Therefore, the Petitioner could not undertake commissioning tests for Unit-II which would require the unit to raise load upto 105% to 110% of its Maximum Continuous Rating/Installed Capacity. The Petitioner has submitted that 72 hours trial run at full load cannot be undertaken on the LILO arrangement.

6. The Petitioner has submitted that due to load restriction, testing and full load trial operation of Unit-II would require taking Unit-I under shut down. Presently, Unit-I of the generating station is the only revenue generating part of the generating station and revenues being generated from Unit-I are being utilized for meeting the operating expenses of both the units, salary of employees and debt servicing for the generating station. Therefore, shut down of Unit-I would have serious financial consequences on the Petitioner.

7. The Petitioner has submitted that pursuant to the Judgement of the Hon`ble Supreme court dated 24.9.2014 cancelling the coal block, the Petitioner participated in the coal block auction conducted by Govt. of India and the Petitioner was allocated Tokisud (North) Coal Block on 27.2.2015. However, the production from the Tokisud (North) Coal Block has not commenced till date. The Petitioner has submitted that it is making efforts to procure coal from Coal India Limited (CIL) for undertaking pre-

commissioning activities. The Petitioner vide its letter dated 30.11.2015 requested CEA for supply of two lakh tonne of coal for pre-commissioning activities and CEA vide its letter dated 30.12.2015 requested CIL to consider supply of 2 lakh tonne coal to the Petitioner. CIL vide its letter dated 26.2.2016 refused to supply pre-commissioning coal stating that Unit-II has not been issued Letter of Assurance by CIL and it has also not entered into the PPA. The Petitioner has submitted that on 22.12.2017, CIL has published "Tentative Timelines" with respect to "Auction of Coal Linkages to Power Producers/IPP's without PPAs". Subsequently, The Petitioner made an application to CIL for registration for the said auction and outcome of the short listing is still awaited.

8. With regard to delay in filing the present petition, the Petitioner has submitted that Unit-II was first synchronized in August, 2017. Since, the transmission line between Mahan-Sipat was likely to be commissioned by December, 2017, the synchronization was as per the expected time lines. In the event, transmission line would have been commissioned as per expected time lines, the present petition would not have been required. Now Mahan-Sipat line is expected to be commissioned by March, 2018.

9. Notice was issued to the respondents. None was present on behalf of the respondents. During the course of the hearing, the representative of the Petitioner reiterated the submissions made in the Petition and requested to allow the Petitioner for injection of infirm power into the grid for commissioning tests including full load test of Unit-II beyond the period of six months from the date of first synchronisation of Unit-II.

10. We have considered the submission of the Petitioner. The Fourth Proviso to Regulation 8 (7) of the Connectivity Regulations, as amended from time to time, provides as under:

“Provided that the Commission may in exceptional circumstances, allow extension of the period for inter-change of power beyond the period as prescribed in this clause, on an application made by the generating station at least two months in advance of completion of the prescribed period:

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

11. The Petitioner has submitted that Unit-II of the generating station was first synchronised on 4.8.2017 and the 6 months period from the date of 1st synchronization has expired on 3.2.2018. The Petitioner has submitted that due to non-availability of transmission corridor (delay in Mahan-Sipat transmission line) and coal to undertake testing and full load trial operation of Unit-II of the generating station, it could not complete testing within the prescribed period of 6 months from the date of first synchronization. Considering these facts, the Petitioner has requested for permission to inject infirm power upto six months from first synchronisation of Unit-II or till declaration of COD, whichever is earlier. Taking into consideration the difficulties faced by the Petitioner, we allow injection of infirm power into the grid for commissioning tests including full load test of Unit-II upto 4.5.2018 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 for IDC/IEDC for delay in declaration of COD which shall be considered on merit at the time of determination of tariff of the unit/generating station.

12. With the above, the Petition No. 26/MP/2018 is disposed of.

Sd/-
(Dr. M. K Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K.Singhal)
Member

sd/-
(P.K. Pujari)
Chairperson