

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.279/MP/2023

Subject : Petition under Section 79(1)(c) of the Electricity Act, 2003 read with Regulation 57 and 58 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 seeking relaxation of the Regulation 43(9), Regulation 45(5)(a)(v) & 45(5)(a)(vi) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023.

Date of Hearing : **29.9.2023**

Coram : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Petitioner : Damodar Valley Corporation (DVC)

Respondents : Central Transmission Utility of India Limited (CTUIL) and Ors.

Parties Present : Shri Venkatesh, Advocate, DVC
Shri Bharath Gangadharan, Advocate, DVC
Shri Nihal Bhardwaj, Advocate, DVC
Shri D. P. Paitundi, DVC
Shri Samit Mandal, DVC
Shri Manas Das, ERLDC
Shri Shubendu Mukarjee, NLDC
Shri Alok Mishra, NLDC
Shri Manish Ranjan, CTUIL
Shri Swapnil Verma, CTUIL
Shri R. S Rajput, CTUIL

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed seeking relaxation/removal of difficulties being faced by the Petitioner by Regulations 43(9), 45(5)(a)(v) and 45(5)(a)(vi) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 ('IEGC, 2023'). Learned counsel for the Petitioner mainly submitted as under:

- (a) Since its inception under the Damodar Valley Corporation Act, 1948, the Petitioner has been a vertically integrated power utility, having its generation, transmission and distribution verticals under the same fold and continues to function as an integrated entity.
- (b) However, under Regulation 43(9) of the IEGC, 2023, the Control Area jurisdiction of the generating stations of the Petitioner (i) which are connected to the transmission lines of ISTS licensees including those owned and operated by DVC which are included in monthly transmission charges under the Sharing Regulations shall be under control area jurisdiction of RLDC (ii) which are connected to the transmission system owned and controlled by the Petitioner but are not included in the monthly transmission charges under the Sharing



Regulations, 2020 shall be under the Control Area jurisdiction of the Load Despatch Centre of the Petitioner, and (iii) which are connected to ISTS and the transmission system owned and controlled by the Petitioner shall be within the jurisdiction of RLDC if more than or equal to 50% of quantum of electricity is with the transmission system covered under (i).

(c) If the generating stations of the Petitioner are to be treated as per Regulation 43(9) of the IEGC, 2023, multiple Regional Entities are likely to be formed considering each of these generating stations & DVC States as separate Regional Entities.

(d) Under IEGC, 2010, the Petitioner had been scheduling the load in the Control Area of the Petitioner through DVC SLDC, including the scheduling from the generating stations therein. However, in the IEGC, 2023, there is a change in the historical treatment of the Petitioner from being treated similarly to a State Electricity Board to being treated as a Regional Entity, which is contrary to its status as a vertically integrated entity by virtue of the DVC Act.

(e) The net schedule of DVC State is at present 'injecting' when considered as a whole including all the generating stations within its control area as per the definition of 'Net Injection Schedule' under the IEGC, 2023. While calculating the Drawl, GNA quantum of the DVC State, the Petitioner's drawl was considered excluding the injection from its CTUIL connected and dual connected (ISTS and ICT system) generating stations under the IEGC, 2010. Accordingly, the drawl quantum of 956 MW was derived for the Petitioner as a whole.

(f) However, in case, the scheduling of its generating stations (connected to ISTS) is carried out by RLDC, the drawl GNA of DVC will be around 2200 MW (increase by 1244 MW) aggregating all ICTs flows with the ISTS drawl and this will entail an exponential increase in the transmission charges of the Petitioner to the tune of Rs. 500 crore even for utilizing its own assets (ICTs) for a significant portion of power drawl. Pertinently, these ICTs flows do not account for drawl from any upstream ISTS lines and a part of the Petitioner's own generation is being drawn through these ICTs to meet its own Control Area's internal demand.

(g) Also, the entitled quantum to DVC from these CTUIL connected generating stations (2280 MW) will be subjected to the ISTS drawl loss of 3.5% (transmission loss) and this translates to an additional financial liability of Rs.350 crore.

(h) Also, as per Regulations 45(5)(a)(v) & 45(5)(a)(vi) of the IEGC, 2023, the pre-requisites of the scheduling activities are submission of valid contracts and declaration of sellers. The Petitioner has, however, only simpliciter agreements with its generating stations to supply the power. The Petitioner being an integrated entity cannot segregate its generation business from its distribution business and enter into bilateral contract agreements. In the absence thereof, the scheduling of these generating stations will be restricted to external LTAM/STOA/ STOA contracts only.

(i) Under Regulation 43(10) of the IEGC, 2023, the Commission, on its own motion or on the application made by a grid connected entity, may grant the approval for a change in the Control Area jurisdiction of such an entity. However, this Regulation is not applicable to the Petitioner as Regulation 43(9)

which determines the Control Area for the Petitioner has been kept out of the purview of Regulation 43(10).

(j) In the above circumstances, the Petitioner has sought relaxations of Regulations 43(9), 45(5)(a)(v) & (vi) of the IEGC, 2023. Also, as the IEGC, 2023 is coming into the force w.e.f. 1.10.2023 and it would not be possible for the Petitioner to transfer the Control Area jurisdiction of its generating stations to RLDC in such a short span, the Commission may direct the parties to maintain the status-quo in respect of the scheduling of its generating stations till such time the present Petition is under consideration.

(k) If the Commission so permits, the Petitioner is also willing to deliberate and discuss the various issues associated with the implementation of the above Regulations with the concerned stakeholders such as CTUIL, NLDC, ERLDC and CEA and to arrive at a feasible solution to the above stated difficulties.

2. The representative of the CTUIL submitted that the transmission system for the evacuation of power from the Petitioner's concerned generating stations (5 Nos.) was discussed and finalized way back on 5.5.2007 wherein such evacuation was planned on the basis of 400 kV level transmission lines. The representative of the CTUIL further submitted that at that stage, the various ICTs as subsequently set-up by the Petitioner were not planned/indicated and had it been the case, then the concerned transmission lines for the evacuation of such power could have been of lower capacity. He pointed out that some of these lines have been developed by PGCIL under RTM basis whereas some of them have been developed by DVC itself. The representative of CTUIL also sought liberty to file a reply in the matter.

3. The representative of NLDC submitted that as per the provision of the IEGC, 2023, the Petitioner would now be required to obtain the drawl GNA for the additional quantum of 1244 MW as against the existing quantum of 956 MW. In addition, for its generating stations, the Petitioner would be required to obtain the Connectivity for the quantum of 4700 MW.

4. In response, learned counsel and the representative of the Petitioner submitted that the ICTs as installed by the Petitioner at its switchyards were part of the original project since inception and these have been installed only after the approval of the CEA. The representative of the Petitioner also submitted that it is not correct to state that due to such ICTs, the concerned transmission lines have remained unutilized and in fact, if these ICTs were not there, these transmission lines would not have been in a position to handle the loading.

5. Considering the submissions made by the learned counsel and the representative of the parties, the Commission ordered as under:

(a) Admit.

(b) The Respondents to file their replies to the Petition, if any, within four weeks with a copy to the Petitioner, who may file its rejoinder, within three weeks thereafter.

(c) The Petitioner shall approach the CEA to deliberate and discuss its issues associated with the implementation of the above stated Regulations of the IEGC, 2023 and CEA (including Grid Management Division & Planning Division) is requested to suggest a feasible solution for the implementation of

such provisions, in consultation with CTUIL, NLDC, ERLDC . The Petitioner will, thereafter, file the outcome of such consultation process on an affidavit within two weeks.

(d) In the meantime, there will be a *status-quo* in respect of the scheduling by the Petitioner from its generating stations and the other associated aspects till the next date of the hearing.

6. The Petition will be listed for hearing on **22.12.2023**.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**