

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Shri Ashok Basu, Chairman,
2. Shri D.P. Sinha, Member
3. Shri G.S. Rajamani, Member
4. Shri K.N. Sinha, Member

Petition No. 81/2001

In the matter of

Non-compliance of RLDC direction and violation of grid discipline by KhSTPP

And in the matter

Eastern Regional Load Despatch Centre

....Petitioner

Vs

1. Kahalgaon STPP of NTPC
2. Bihar State Electricity Board, Patna
3. Damodar Valley Corporation, Kolkata
4. GRIDCO, Bhubaneswar
5. National Thermal Power Corporation, New Delhi
6. National Hydro Electric Power Corporation, Faridabad
7. West Bengal State Electricity Board, Kolkata
8. Department of Power, Govt. of Sikkim, Sikkim
9. Eastern Regional Electricity Board, Kolkata

.... Respondents

The following were present:

1. Shri S.K. Banerjee, AGM, SRLDC
2. Shri P. Mukherjee, ERLDC
3. Shri Amit Kapur, Advocate, NTPC
4. Shri K.K. Garg, GM(Comml.), NTPC
5. Shri R.D. Gupta, ED(OS), NTPC
6. Shri R.T. Swamy, GM, NTPC
7. Shri M.S. Chawla, AGM, NTPC
8. Shri C.K. Mondal, Sr. Manager, NTPC
9. Shri M.R.K. Rao, Sr. Manager (Law), NTPC
10. Shri A.M. Misra, DGM(OS), NTPC
11. Shri R. Datt, NTPC
12. Shri Amis Mukhan , KHSTPP
13. Shri A. Basu Ray, KHSTPP
14. Shri R. Mazumdar, NTPC
15. Shri T.R. Sohal, NTPC

16. Shri A.K.Poddar, NTPC
17. Shri B.K. Misra, MS, EREB
18. Shri R.K. Mehta, Advocate, GRIDCO
19. Shri K.K. Panda, Liaison Officer, GRIDCO
20. Shri S. Misra, AGM, GRIDCO
21. Shri A.P. Dhal, SGM(PP), GRIDCO
22. Shri R.K. Vohra, PGCIL
23. Shri Rajeev Mohan, PGCIL
24. Shri S.S. Sharma, PGCIL
25. Shri U.K. Tyagi, PGCIL
26. Shri S.K. Jain, M(Law), PGCIL
27. Shri S. Mishra, SO, PGCIL
28. Shri Sunil Agarwal, SO, PGCIL
29. Shri G.M. Rao, AGM (CS), PGCIL
30. Shri T.S.P. Rao, PGCIL
31. Mrs. Richen O. Bhutia , Advocate, Govt. of Sikkim

**ORDER
(DATE OF HEARING 22.10.2002)**

Through this petition, the petitioner Eastern Regional Load Despatch Centre seeks to invoke Section 44 and 45 read with Section 47 of the Electricity Regulatory Commissions Act, 1998 for penal action against Kahalgaon STPP (KhSTPP) belonging to National Thermal Power Corporation Ltd. (NTPC) for violation of the Commission's orders dated 17.8.2000 and 6.9.2001. The petitioner further seeks that variable charges on account of supply of power from KhSTPP for over generation beyond schedule at a frequency above 50.5 Hz be disallowed.

2. Under Section 55 of the Electricity (Supply) Act, 1948, Regional Load Despatch Centres have been declared to be the apex bodies for integrated operation of the power system in the region. The law empowers the Regional Load Despatch Centres to give such directions and exercise such supervision and control as may be required for ensuring integrated grid operations and for achieving the

maximum economy and efficiency in the operation of the power system in the region under its control. On consideration of the statutory provisions as contained in Section 55 of the Electricity (Supply) Act, 1948, the Commission in its order dated 17.8.2000 in Enquiry No. 1/2000 pertaining to grid disturbance in the Eastern Region on 25.7.2000, had directed that Eastern Regional Load Despatch Centre shall prepare daily schedule for generation and drawal of electricity based on the inputs provided by the constituents in the region. The Commission further directed that the schedule so prepared by the Regional Load Despatch Centre, would “be binding on all constituents irrespective of whether they agreed with the schedule given by the ERLDC or not”. In the said order dated 17.8.2002, the Commission had further directed NTPC and its Eastern Regional Stations to strictly adhere to the directions of RLDC, with liberty to challenge in accordance with law, if directions were found to be unreasonable. The Commission further observed that it might consider the possibility of disallowing variable charges for excess generation above 50.5 Hz. The principle underlying these directions is that the frequency should be maintained around 50.0 Hz, which is the standard frequency.

3. In its order dated 6.9.2001 in Petition No. 104/2000 (Eastern Regional Load Despatch Centre Vs Bihar State Electricity Board and others), the Commission observed that it is the responsibility of the ISGS concerned to commit the units in a feasible and optimal manner.

4. It has been stated by the petitioner that in the month of September 2001, KhSTPP was violating the generation schedule given by the petitioner even at high frequency. It is alleged that KhSTPP was often maintaining 80-90% of generation of its capacity on bar and was showing reluctance in backing down even at a frequency of 51.5 Hz. According to the petitioner, the deviations from schedule were brought to the notice of KhSTPP number of times requesting for corrective measures in order to avoid high system frequency. However, KhSTPP continued to generate at high frequency and without heeding to the requests from the petitioner. The petitioner has placed on record a number of documents in support of the allegations contained in the petition. The petitioner has further alleged that by not adhering to the schedule, KhSTPP has violated the directions issued by the Commission from time to time on this subject and in particular the orders dated 17.8.2000 in Enquiry No. 1/2000 and the order dated 6.9.2001 in Petition No. 104/2000. By referring to the directions/observations, the petitioner has prayed that KhSTPP should not be allowed variable charges for over generation beyond schedule at frequency above 50.5 Hz and also for penal action for violation of directions of the Commission.

5. A reply to the petition has been filed on behalf of NTPC, who owns KhSTPP. In the reply it has been stated that the generation by the State units, which account for 80% of the total generation in the region, are not within the purview of scheduling by RLDCs for effective and significant control of the grid frequency. NTPC in its counter reply has submitted that on 7th and 12th September 2001,

KhSTPP was running as per schedule and yet the frequency was above 50.5 Hz most of the time of the day. It further pointed out that on certain days, namely 15th, 17th, 28th and 29th September 2001, when KhSTPP was generating more than schedule decided by the petitioner, yet the frequency was within the normal band of 50.0 Hz for most of the time during the day. Under these circumstances, NTPC has submitted that the petitioner should not be permitted to invoke Section 44, 45 and 47 of the Electricity Regulatory Commissions Act, 1998.

6. The reply to the petition has also to be filed by Member Secretary, EREB. Member Secretary, EREB in his affidavit has stated that in the past, NTPC had always insisted that KhSTPP could not back down below 70% of the rated capacity of the units. The matter was considered by the technical experts from CEA. It was decided that off-peak generation of NTPC stations should be scheduled at 60-65%, even though NTPC had been maintaining generation around 70% citing technical constraints. Thus there had been excess generation to the extent of 5-10% by all the three power stations belonging to NTPC in the Eastern Region, which contributed to high frequency profile of the region. Member Secretary has placed on record the necessary documents regarding minimum technical limit for backing down capability and the capability of peak generation of NTPC units in the Eastern Region.

7. In its reply, NTPC did not refer to any technical constraints in the way of backing down below 70%. However, at the hearing before us, the representative of

NTPC had adverted to these constraints. A perusal of the record note of discussions on the subject filed by Member Secretary shows that it is technically feasible to limit generation of power from KhSTPP below 70% of its capacity. Such an inference also flows from the reply filed by NTPC wherein it is stated that KhSTPP had followed the schedule laid down by the petitioner. The petitioner has also referred to certain dates on which KhSTPP was generating electricity below 70% of its generation capacity. We are, therefore, not convinced by the argument made at the hearing before us by the representative of NTPC that because of technical constraints, it was not possible to back down below 70% of the generation capacity of KhSTPP. We are equally unmoved by NTPC's argument that non-adherence to schedule does not have any significant impact on the frequency of the regional grid. In any case, such an argument cannot be used to evade the directions given by the petitioner in discharge of its statutory function of supervision and control over the grid operations in its region.

8. On careful consideration of the material available on record, we are satisfied that KhSTPP has not shown regard for the schedule prepared by the petitioner and the directions issued by it on the question of maintenance of grid frequency at the prescribed standard. This action of KhSTPP is in clear violation of the Commission's orders from time to time and the directions contained in the orders dated 17.8.2000 and 6.9.2001 in particular. We are satisfied that it is a fit case where Section 45 read with Section 47 of the Electricity Regulatory Commissions Act, 1998 should be invoked since it is necessary to maintain the statutory primacy of the Regional Load

Despatch Centres as apex bodies in the region concerned. We have, however, restrained ourselves from imposing the penalty authorised by law on considerations discussed in para 9 below. NTPC stand advised that failure on their part to adhere to generation schedule prescribed by ERLDC shall attract penal action as per law.

9. The petitioner in its petition has stated that there had been occasional violations by other constituents also. These averments made by the petitioner have been supported by Member Secretary, EREB in his affidavit. The petitioner has also stated that the grid parameters in the Eastern Region had significantly improved during May 2001 when ABT in the region was observed for a brief spell of about three weeks when the utilities in the region cooperated in maintenance of grid frequency. In accordance with the schedule for implementation of ABT prescribed by the Commission, ABT was introduced in Eastern Region with effect from 1.5.2001. However, because of the interim stay against implementation of ABT, the position deteriorated after the initial period of three weeks. We were informed that the interim stay granted by High Courts stands vacated and there was no legal bar to implementation of ABT. Member Secretary, EREB informed that a meeting of the EREB Board was scheduled to be held on 21.11.2002. We directed Member Secretary that the question of introduction of ABT in the region should be discussed in the Board meeting to be held on 21.11.2002 and ABT should be introduced in the region as early as possible, but not later than 1.1.2003. Member Secretary, EREB is directed to intimate the outcome of the discussion and final date of introduction of ABT latest by 30.11.2002. Necessary technical and commercial coordination may

be provided by CTU who may obtain required assistance if and when necessary from CEA.

10. In view of the above directions, the petition stands disposed of so far as the substantive prayer in the petition is concerned. The Commission however, reserves its right to consider the issue of implementation of ABT and related grid discipline in the Eastern Region on receipt of report of Member Secretary, EREB, and application of ABT in the Region through appropriate proceedings.

Sd/-	Sd/-	Sd/-	Sd/-
(K.N. SINHA) MEMBER	(G.S. RAJAMANI) MEMBER	(D.P. SINHA) MMBER	(ASHOK BASU) CHAIRMAN

New Delhi dated the 31st October 2002