

CENTRAL ELECTRICITY REGULATORY COMMISSION
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Coram:

- 1. Shri D.P. Sinha, Member**
- 2. Shri G.S. Rajamani, Member**
- 3. Shri K.N. Sinha, Member**

**IA No. 4/2002 in
Petition No. 2/99**

In the matter of

Clarification of Commission's order dated 4.1.2000, 15.12.2000 and
21.12.2000 on Availability Based Tariff (ABT)

And in the matter of

Power Grid Corporation of India Ltd.

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Applicant

The following were present:

1. Shri Bhanu Bhushan, Director (Operations), PGCIL
2. Shri R.G. Yadav, ED (SO), PGCIL
3. Shri V. Mittal, AGM (SO), PGCIL
4. Shri V.V. Sharma, DGM, PGCIL
5. Shri S.S. Vindal, CM (CP), PGCIL

ORDER
(DATE OF HEARING 27-3-2002)

This IA has been filed by Power Grid Corporation of India Ltd (PGCIL) in its capacity as the Central Transmission Utility. The applicant has sought the following issues to be clarified:

QUOTE

- (i) The payment of incentive to generating stations linked with the plant's availability instead of its Plant Load Factor (PLF)
- (ii) The restriction on availability declaration beyond its installed capacity on availability declaration may be removed.

(iii) The following variations of actual MW output of a generating station vis-à-vis its scheduled generation would not be considered as “gaming”:

a) ? 2% for gas/coal fired stations in a time block

b) ? 4% for lignite fired stations in a time block

The above would be subject to a variation of average MW daily generation vis-à-vis the scheduled limited to

(i) ? 1% for gas/coal fired stations

(ii) ? 2% for lignite fired stations

The deviations from the schedule, both plus and minus would be considered as UI, and payments made or received accordingly.

UNQUOTE

2. The clarifications sought by the CTU arise out of the Commission’s order dated 4-1-2000 in Petition No. 2/99, order dated 15-12-2000 in Review Petition No. 13/2000 in Petition No. 2/99, and notification dated 26-3-2001 issued by the Commission in exercise of powers under Electricity Regulatory Commissions Act, 1998.

3. In the Commission’s order dated 4-1-2000 liberty was granted to the CTU to approach the Commission in accordance with the prescribed procedure for clarification on the contents of the said order. This IA is filed keeping in view the liberty that was granted to the CTU.

4. The following norms of operation have been prescribed by the Commission in respect of Thermal Stations:

Quote

2.4 *Norms of Operation*

(i) *Target Availability for recovery of full capacity (Fixed) Charges*

(a) *For all thermal stations except those covered*

under clause (b) below 80%

(b) *For NLC (TPS-II, Stage I&II) Stations* 72%

(ii) *Plant Load Factor based on scheduled energy beyond which incentive shall be payable*

(a) *For all Thermal Stations except those covered*

under clause (b) below 77%

(b) *For NLC (TPS-II, Stage I&II) stations* 72%

UNQUOTE

5. In the opinion of the CTU, linking of incentive with PLF would create an anomaly and consequently it has pleaded that the payment of incentive to generating stations should be linked with plant availability instead of its PLF. This

issue was considered by the Commission in its order dated 4-1-2000. The Commission favoured linking of incentive to PLF, since in view of the Commission, incentive should not be payable merely on the basis of capability (as reflected through availability of the plant) but on account of actual performance stemming from system demand.

6. The CTU has further prayed that the restriction on availability declaration beyond the installed capacity of the station may be removed as contained in the said order dated 4.1.2000. Detailed reasons in support of such a direction are already contained in the said order dated 4-1-2000. We do not find any reasons to reconsider our order as no clarification is involved.

7. On consideration of the submissions made on behalf of the applicant, it follows that in essence, the petitioner seeks review of the Commission's order though the application is termed as application for clarification. We are not inclined to review the directions contained in the original order on availability based tariff in Petition No. 2/99.

8. ABT has not yet been properly implemented because of stay granted by some of the High Courts against the Commission's order on ABT. We feel that ABT is to be given a fair trial in the first instance. Revisions/alterations can be made only after the ABT order comes into operation and practical difficulties are faced during implementation of any of the provision. We, therefore, grant liberty to the CTU to approach the Commission afresh in the light of experience gained after ABT is fully implemented in accordance with the directions

contained in the Commission's orders on the subject, by filing an appropriate application for reconsideration of the matter.

9. With the above directions, IA No. 4/2002 stands disposed of.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(D.P.SINHA)
MEMBER

New Delhi dated the 8th April 2002