

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.128/2010

Subject: Petition for approval of unit configuration change and consequential amendments to the Power Purchase Agreements (PPAs).

Date of hearing: 10.6.2010

Coram: Dr. Pramod Deo, Chairperson
Shri V.S.Verma, Member

Petitioner: Coastal Andhra Power Ltd (CAPL)

Respondents: APCPDCL, APSPDCL, APEPDCL, APNPDCL, BESCO Ltd, GESCO Ltd, HESCO Ltd, MESCO Ltd, CESCO Ltd, MSEDCL, TNEB.

Parties present: 1. Shri Amit Kapur, Advocate, CAPL
2. Shri Anupam Verma, Advocate, CAPL
3. Shri N.K.Deo, CAPL
4. Shri Suresh Nagarajan, CAPL
5. Shri K.Prakasa Rao, CAPL
6. Shri N.V.V.S. Chandrasekhar, APDISCOMS
7. Shri S.Balaguru, TNEB

The learned counsel for the petitioner referred to the petition and listed out the benefits which accrue to the procurers as a result of the change of the unit configuration to 660 MW and advancing the date of commercial operation. Referring to the reply filed by the respondent, TNEB, on issues such as (a) reduction in the gross capacity by 40 MW (b) compliance of Format-3 of Annexure 6 of RFP by petitioner and (c) the availability of surplus power as against original PPA schedule, the learned counsel submitted that the revised contract capacity as per supplementary PPA proposed was 3722.4 MW and to overcome the shortfall in contracted capacity, the petitioner was committed to deliver the same amount of energy at Normative Availability (80%) on the contracted capacity of 3800 MW as per the PPA. He also added that the change in configuration would advance the project by 8 months on firm basis and the capital cost element would not have any impact on the procurers. The learned counsel further submitted that there would be no adverse economic impact on the procurers on account of reduction in the contracted capacity since the petitioner had agreed to keep the procurers energy neutral by increasing the normative availability to meet the energy equivalent of 3800 MW at 80% PLF. As regards compliance with Format- 3, the learned counsel submitted that it would comply with all conditions irrespective of the change in configuration. As regards the availability of surplus power against original PPA, the

learned counsel pointed to the approval of all the procurers for advancement in the commissioning schedule and submitted that the petitioner should be allowed to sell the excess capacity at its discretion in line with article 4.4.2 of the PPA, in case the respondent TNEB was not willing to have the additional capacity before the original commissioning schedule as per PPA. Referring to the reply filed by the respondents 1 to 4 (APDISCOMS) on issues on threshold PLF, mathematics of incentive and disincentive and the relevant provisions of PPA (Article 4.3 Schedule-7 in particular), the learned counsel reiterated that though the contracted capacity was marginally reduced, it would not have adverse impact on the procurers due to increase in normative availability to 81.67%.He also submitted that the petitioner would comply with article 4.3 of the PPA with definition of contracted capacity and allocated contracted capacity amended vide the draft supplemental PPA.

2. On a specific query by the Commission as to whether there would be changes in the configuration, in future, the learned counsel for the petitioner submitted that there would be no changes in the configuration, in future, and was prepared to submit an undertaking in this regard.

3. The Commission directed the petitioner to submit the following information, with copy to the respondents:

- (i) To confirm the normative availability for changed configuration to meet the commitment of supply of contracted capacity of 3800 MW and its energy equivalent on continuous basis.
- (ii) The provisions of the PPA which would require modifications / amendments due to the change in configuration should be specified and the proposed amendments in the PPA.

2. Matter Part-heard. Petition shall be listed again for hearing on 15.6.2010.

Sd/-
T.Rout
Joint Chief (Law)