

CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Coram:

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

**Review Petition No.
82/2001 in Petition
No. 2/99**

In the matter of

Petition for removing difficulties faced during ABT implementation

And in the matter of

National Thermal Power Corporation Ltd.
Vs Union of India and Others

Petitioner

Respondents

The following were present:

1. Shr | N.P. Singh, ED (OS), NTPC Shyam
2. Shr | Wadhera, ED (Comm.), NTPC M.S.
3. Shr | Chawla, DGM (Comm.), NTPC
4. Shr | M.R.K. Rao, Sr.Mgr. (Law), NTPC
5. Shr | S.K.Samul, Sr. Mrg., NTPC C.K.
6. Shr | Mondal, Sr. Mgr., NTPC

**ORDER (DATE OF HEARING
05.12.2001)**

The petitioner, NTPC filed an IA (No.106/2001) in Petition No.2/99 praying for deletion of certain portions of the Commission's order dated 4.1.2000 in Petition No.2/99. Since the prayer in fact amounted to modification of the relevant

parts of the order dated 4.1.2000, it was treated as a Review Petition. We have heard the petitioner on admission.

2. In its order dated 4.1.2000, the Commission had, inter alia, ordered as under in Paras 4 and 6 of the schedule-1 attached to the order:

4. Sent Out Capability:

Sent out Capability of a generating station, hereinafter referred to as SOC, would mean the capability to deliver Ex-bus MWH based on which 'availability' will be worked out,

SOC for Thermal Stations shall be the DC, with all before-the-fact revisions/updating. The declared capacity shall not exceed the installed capacity.

NOTE 1: In case of gas turbine/combined cycle stations, the generator shall give DC for units/modules on gas fuel and DC for units/modules on liquid fuel separately, and the two shall be scheduled separately. Total DC and total SG for the station shall be the sum of the two.

NOTE 2: For the gas turbine/combined cycle stations for any time block, the average frequency is below 49.52 Hz but not below 49.02 Hz and SG is more than 98.5% of DC, SG shall be deemed to have been reduced to 98.5% of DC and if the average frequency of the time block is below 49.02 Hz and SG is more than 96.5% of DC, SG shall be deemed to have been reduced to 96.5% DC.

6. Demonstration of Declared Capability:

The Generator may be required to demonstrate the declared capability of its generating station as and when asked by the RLDC of the region in which the generating station is situated. In the event of generator failing to demonstrate the declared capability, the capacity charges due to the generator shall be reduced as a measure of penalty. The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations, the penalty shall be multiplied in the same geometrical progression as per the order of the Commission.

NOTE: In case it is observed that the declaration of its capability by the generator is on lower side and the actual generation is more than DC, then UI charges due to the generator on account of such extra generation shall be reduced to zero and the amount shall be credited towards UI account of beneficiaries in the ratio of their capacity share in the station.

3. It has been stated that the above provisions of the order dated 4.1.2000 result in denial of UI charges to the generators when they are helping the grid by way of more generation at low frequency and rather penalise the generators since it is denied energy charges in case of generation beyond installed capacity. The petitioner has stated that it is not always possible to maintain a constant value of sent out energy because of variations in input and output parameters beyond the control of the generators. The petitioner has sought deletion of the sentence "the declared capacity shall not exceed the installed capacity" in para 4 and the Note under para 6, reproduced above.

4. It is stated that the issue was discussed by the IEGC Review Panel which found merit in the contention of the petitioner and recommended suitable modification of the order dated 4.1.2000, as prayed for by the petitioner in the present petition.

5. The petitioner had earlier filed a Review Petition (No. 13/2000) against the Commission's order dated 4.1.2000 of which it seeks modification in the present petition. The Review Petition was disposed of by the Commission vide its order dated 15.12.2000. The issues raised in the present Review Petition were not raised by the petitioner in the earlier Review Petition No. 13/2000. Therefore, the present Review Petition is barred on this ground, apart from the fact that the

present Review Petition is barred by limitation as well for which the petitioner has not filed any application for condonation of delay. The present Review Petition is not maintainable on these grounds.

6. In para 4 of the schedule 1 attached to the Commission's order dated 4.1.2000, it has been provided that sent out capability i.e. the capability to deliver ex-bus MWH, shall be the "declared capacity" of the station with all before-the-fact revision/updating. It further provides that the "declared capacity" shall not exceed the "installed capacity". The petitioner, NTPC seeks deletion of the sentence "the declared capacity shall not exceed the installed capacity". The provision in the order has been made keeping in view the commonsense rule. During generation, a part of the electricity generated is consumed by the generating plant itself, which is called the auxiliary consumption. The installed capacity of the plant includes the auxiliary consumption as well. Therefore, by simple logic, the sent out capability of the "declared capacity" can, under no circumstances, exceed the "installed capacity" of a generating station and the former has to be less than the later. Accordingly it has been directed that the declared capacity of a generating station shall never exceed the installed capacity. It has been stated before us that on certain occasions, the actual generation can exceed the "installed capacity" of the station. In our view this is possible only if there is a mis-declaration of the "installed capacity" of the generating station. In such cases, the actual capacity of the generating station is higher but is shown to be on the lower side. We do not find any justification for deletion of the portion of para 4 sought by the

petition. For similar reasons, the deletion of note below para 6 of schedule 1 to the order dated 4.1.2000 cannot be allowed at this stage. A generator cannot be entitled to UI charges when its actual generation exceeds the declared capacity. The provision has been made to discourage mis-declaration of the capability of the generator to generate power and to ensure that generation of power conforms to the "declared capacity",* otherwise scheduling will lose its significance.

7. In view of the foregoing, the Review Petition is dismissed at the admission stage. We, however, grant liberty to the petitioner to approach the Commission for appropriate relief in case it faces any practical difficulties in the implementation of the provisions of schedule 1 to the order dated 4.1.2000 which is stated to be under stay by the orders of different High Courts based on the appeals filed by some of the utilities, after ABT actually comes into force.

L'W-, A .
(K.U. SIKIHA)^ -
-MEMBER

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(G.S. RAJAMANI)
MEMBER


D SINHA)
MEMBER

New Delhi dated the 5th December 2001.