

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 118/MP/2012

Subject : Petition under Regulation 32 of Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009 for keeping the long-term access for phase-II under abeyance and reduction of long term access quantum from 1600 MW to 800 MW for Lanco Babandh Power Limited (IBPL)

Date of hearing : 12.7.2012

Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner : Lanco Babandh Power Limited, Gurgaon

Respondents : Power Grid Corporation of India Limited, Gurgaon
Central Electricity Authority, New Delhi

Parties present : Shri Sanjay Sen, Advocate for the petitioner
Shri Mahavir Singh, R.Jhala, LBIL
Shri Ramchandra, PGCIL
Shri Ashok Pal, PGCIL

Record of Proceedings

At the outset, learned counsel for the petitioner submitted that the petitioner had applied for Long Term Access (LTA) for a capacity of 1600 MW consisting of 800 MW from Phase-I (2x660 MW) and 800 MW from Phase-II (2x660 MW). Phase-I is likely to be commissioned on schedule date. However, development of phase-II project is delayed due to delay in certain statutory clearances and approval from State/Central Government agencies pertaining coal linkage, environment clearance, water and financial closure. Accordingly, petitioner had requested PGCIL for keeping the LTA for phase-II in abeyance and it will approach PGCIL for revival of LTA once clarity on clearance is available.

2. In response to Commission's query as to whether the application has been to keep LTA in abeyance or to surrender it, learned counsel submitted that the Commission may consider as surrendered as they would apply for the same at a later date as and when the project takes off. Learned counsel submitted that CTU and CEA in their replies have submitted that by surrendering the 800 MW LTA for Phase-II of the petitioner, the capacity of the transmission corridor would not be stranded.

3. In response to Commission's query as to whether CEA/CTU has identified projects which would actually be coming up for utilization of the transmission corridor, the representative of CTU informed that seven projects are expected and CTU has planned composite network scheme of minimum transmission system considering the uncertainties of generating stations coming in time. Therefore, with the generation not coming up, the system would be less stressed. He clarified that if the project would have come as per the schedule, the system would have been over utilized and over stressed.

4. The representative of CTU submitted that capacity as the transmission corridor in the area would not be stranded. However, in response to the Commission's query as to whether there is any other applicant who could use this capacity, the representative of CTU submitted that no other generating station is likely to come up during this time period.

5. In response to the Commission's query as to whether CTU has planned the network considering the requirement of Phase-II also, the representative of the CTU submitted that CTU planning has taken into consideration had planned considering all the generating stations expected during the period. He clarified that network is planned considering the uncertainties of the generating stations coming up in time and delay of Phase-II of its generating station by the petitioner would not cause capacity to remain unutilized as other generating stations would make use of the capacity. The representative of the CTU clarified that with non-availing of LTA by the petitioner, the network would be less stressed as CTU has planned skeleton network only for 600 MW. In other words, irrespective of whether LTA of phase-II of 800 MW comes or not, CTU would have planned the same capacity in the network.

6. In response to Commission's further query as to how the transmission charges would be shared if this particular applicant withdraws and what will be the effect on transmission charges on other parties, the representative of CTU submitted that in case of installed capacity of LBPL as 2640 MW with LTA of 1600 MW, the PoC charges shall be calculated based on 1600 MW injection from the generation project. However, in case, the installed capacity is reduced from 2640 MW to 1320 MW and LTA capacity is reduced from 1600MW to 800 MW, the

PoC charges shall be calculated based on 800 MW injection. Therefore, change in injection of power into ISTS shall marginally affect the PoC charges.

7. The Commission observed that the petitioner has taken LTOA for 1600 MW and is liable for payment of transmission charges for that capacity. If the petitioner wants to surrender 800 MW, either the petitioner should pay for it as per the regulation or it should be given to somebody else. The asset should not be stranded.

8. The Commission observed that the status of the construction of transmission system and sub-station at Angul should be submitted by the CTU as it is understood that construction work of concerned pooling station at Angul has not yet commenced. In response, the representative of the CTU intimated that CTU has got the schedule signed by the developers and part-I of the network would be ready by the month of November 2013.

9. The Commission directed the CTU to file the following information/clarifications on affidavit, on or before 10.9.2012, with an advance copy to the petitioner:

(a) Actual status of construction of transmission network, construction of sub-station at Angul and anticipated date of commercial operation of transmission networks/its elements;

(b) Detailed submission as to how the surrendering of 800 MW LTA by the petitioner would not lead to stranding of transmission capacity and how the transmission tariff of the line needs to be shared by others under PoC.

(c) Status and expected date of commercial operation of the generating projects coming in the State of Odisha; and

(d) What would have been the capacity of transmission system, had the petitioner's phase-II project not been conceived at all.

10. Subject to the above, order in the petition was reserved.

By order of the Commission,

sd/-
(T. Rout)
Joint Chief (Law)