

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. RP/006/2014

Subject : Review Petition under clause 12 (Power to Relax) on Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 effective from 17.2.2014.

Date of hearing : 27.3.2014

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member

Petitioner : Tripura State Electricity Corporation Limited, Banamalipur

Respondents : NERLDC, NLDC and NERPC

Parties present : Shri Mahananda Debbarma, TSECL
Shri A. Gan Chaudhuri, TSECL
Shri Manoj Dubey, Advocate, MPPMCL
Shri K.K. Agrawal, MPPMCL
Shri T.S. Singh, NERLDC
Shri S.S. Barpanda, NLDC

Record of Proceedings

At the outset, the representative of the petitioner submitted as under:

(i) The present petition was filed on 18.1.2014 for removal of difficulty under the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 which was came into force from 17.2.2014.

(ii) The petitioner vide its letter dated 7.10.2013 had requested the Commission to defer the Deviation Settlement Mechanism (DSM) in NER States.

(iii) Arunachal Pradesh, Manipur, Mizoram, and Nagaland States are without proper SLDC. Therefore, scheduling was not based on requisition but on the deemed requisition. Thus, without schedule requisition, DSM is meaningless.

(iv) In NER, each day requirement planning is difficult as sudden load crash, due to disruption of distribution network of the utilities, is a common phenomenon in NER during monsoon period or during unexpected heavy rainfall. In such situations, the Utilities/ beneficiaries of NER are forced to go in underdrawl mode and surplus power cannot be sold on Power Exchange because of day ahead concept and transmission constraint in evacuation of surplus power outside the region.

(v) Since, backing down of generation is the responsibility of the States based on the merit orders, the utilities will have to pay unnecessarily the capacity charge for DC of generators till the revival of the distribution system, which normally takes 2-12 hours depending on severity of damage. In the process, the utilities are penalized heavily.

(vi) Although, in four (4) time blocks, the schedule of generation is modified by RLDC, but it is limited to technical minimum declared / specified by the generating company.

(vii) DSM cannot work under the flexibility of hydro generation which increases due to sudden inflow in ROR (run of river) based hydro stations.

(viii) In the State of Tripura, the Deviation level as per 12% is only 2-3 MW or even 1 MW or less. Therefore, there is continuous backing down in the State of Tripura which results in wastage of gas.

(ix) Regarding the additional charges for deviation, the share of the State of Tripura from the capacity of one unit of Palatana is equivalent to the demand of entire State. Hence, if this unit goes out, it would be difficult to maintain the deviation within the limit.

2. The representative of MP Power Management Company Limited (MPPMCL) submitted that the limit of deviation as `12% or 150 MW whichever is lower` is not equitable. The bigger States like M.P. and Maharashtra etc. have far more schedule demand than the smaller States such as Goa, Daman and Diu etc. Accordingly, deviation limit should be reconsidered. The representative of MPPMCL further submitted that actual figure of instant drawal from the grid is not available and the real time data available at the websites of WRLDC is indicative only, as mentioned under the

"notes" column and have been acquired from remote locations in Western Region over the existing communications links. He further submitted that there is no provision of any incentive if anybody is helping in maintaining grid security by overdrawing when the frequency is higher than 50 Hz. and under drawing when the frequency is below 50 Hz. However, in both the cases if an entity underdraws or overdraws above 150 MW or 12% of schedule, whichever is less, it is getting penalized by way of additional charges which need to be addressed by the Commission. The representative of MPPMCL submitted that some of the hydro generating stations are out of purview of DSM.

3. The representative of NLDC submitted that the prayer of the petitioner for making deviation limit 12% or 150 MW whichever is higher instead of less as provided in the Regulations is one sort of seeking amendment in DSM Regulations and amendment of regulations cannot be sought through petition. In this regard, the Commission observed that the State of Tripura has filed the instant petition for removal of specific difficulties under Regulation 12 (Power to Relax) of Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014.

4. The representative of NLDC further submitted as under:

(a) Most of the States in NER are maintaining actual schedule as per their drawal schedule. It is untrue that Tripura is paying heavy deviation charges after 17.2.2014 as the fact is that from 17.2.2014 to 23.3.2014, deviation charges paid by Tripura is at the rate of ₹ 1.80/kWh.

(b) With regard to Technical Minimum, in terms of Regulation 6.4.14 of the Grid Code, schedules finalized by RLDC has to be operational and reasonable. Therefore, it cannot state that NLDC will give schedule of 20% or 30% of a generating station and that has to be ensured by RLDC.

(c) Regarding TTC and ATC, total transfer capacity of ER-NER line has now enhanced to 720 MW. There may be reduction in transfer capacity for few days due to some shut down or contingency but normally it is on higher side.

(d) Even in the eventuality that Palatana station goes out of generation, schedule for 4 blocks of beneficiaries including Tripura, would remain same and Tripura would get power as per its schedule.

5. In response to the Commission's query regarding the writ petition filed by MPPMCL before the Hon'ble High Court of Madhya Pradesh, learned counsel for

MPPMCL clarified that MPPMCL's participation in the present proceedings is in response to the liberty granted by the Commission in its order dated 21.3.2014 in Reference No. 01/Rpn/2014 and such participation is without prejudice to the remedy being pursued through the writ petition filed by MPPMCL before the Hon'ble High Court.

6. The Commission directed MPPMCL to submit its detailed response on the issues within one week.

7. After hearing the parties, the Commission directed NLDC to submit following information on affidavit on or before 16.4.2014, with an advance copy to the petitioner:

- (i) A detailed report on the operation of grid after promulgation of DSM Regulations from 17.2.2014.
- (ii) Frequency profile of grid after 17.2.2014 to till date
- (iii) A detailed note regarding the effect on grid if the request of TSECL and MPPMCL is accepted.

8. The petition shall be listed for hearing on 22.4.2014.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**