

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 157/MP/2013

- Subject : Petition under Regulation 22 (3) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 for revision of Declared Capacity for a day (in MW) for the generating stations of the THDC India Limited.
- Date of hearing : 30.9.2014
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri M.Deena Dayalan, Member
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
- Petitioner : THDC India Limited
- Respondents : Northern Regional Load Despatch Centre and others
- Parties present : Shri M.G.Ramachandran, Advocate, THDC
Ms. Anushre Bardhan, Advocate, THDC
Shri Poorva Saigal, Advocate, THDC
Shri Santosh Majid Siddiqi, THDC Limited
Shri J.K. Hatwal, THDC Limited
Shri Padamjit Singh, PSPCL
Ms. Supriya Singh, NRLDC
Shri D.K. Jain, NRLDC
Shri A.Mani, NRLDC
Shri Rajiv Porwal, NRLDC

Record of Proceedings

Learned counsel for the petitioner referred to opinion of the Central Electricity Authority (CEA) and submitted that CEA in its opinion has confirmed that DC as declared by the generator for three hours during peaking should be certified by the RLDC for recovery of capacity charges as specified in Regulation 22(3) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009

(2009 Tariff Regulations), irrespective of the fact whether machines were taken under shutdown after providing peaking support.

2. The representative of NRLDC informed the Commission regarding an instance when shutdown was taken by THDC for all machines for 8 hours for carrying out certain civil maintenance work after declaring possible peaking for three hours. He submitted that in the present case, DC for the day was allowed on average basis as all the machines were declared under shutdown, considering the fact that beneficiaries would have to pay capacity charges for the period for which plant was under maintenance and none of the machines would be able to provide grid support in case of contingency. The representative of NRLDC further submitted that if most of the pondage/storage based hydro stations take shutdown of machines after meeting 3 hours of peaking requirement, it would be difficult to manage the grid contingency under such scenario.

3. The representative of PSPCL submitted that the recommendations of CEA are not acceptable. He referred to CEA opinion and submitted as under:

(a) CEA has relied upon Regulation 22 (3) of 2009 Tariff Regulations. If a hydro station gives 3 hours peaking DC, then as per CEA the DC for entire day should be taken on the basis of 3 hours figure even if shut down is taken for maintenance purposes during the remaining 21 hours of the day. This means that the plant would be able to achieve higher PAF and will earn incentive even though the plant was under shutdown at the cost of beneficiaries.

(b) During the Financial Year 2013-14, Tehri HPP earned incentive due to higher PAF to the extent of 10% over and above its NAPAF. In such case, it may earn additional incentive while machines are taken on shutdown for short-term maintenance.

(c) If a station gives availability for 3 hours and it is actually allowed capacity charge as per Regulation 22 (3) of 2009 Tariff Regulations, practically it means that the beneficiaries paying full capacity charge for 24 hours become the owners of that capacity for 24 hours. Taking the unit or station out for maintenance purposes leads to a contrary situation where the capacity owner (beneficiary) is paying capacity charge while the station owner is availing maintenance during that period.

(d) The beneficiaries would be double charged for paying capacity charge for the period maintenance was carried out and paying incentive for higher availability factor due to consequent increase in availability. This double charging is not justified as it results in extra earning to the generator at the cost of the beneficiaries.

(e) The above situation conflicts with Section 61 (d) of the Electricity Act, 2003 which provides for recovery of cost of electricity in a reasonable manner

wherein the present situation results in over recovery/excess profits to the generator at the cost of the purchaser/beneficiary.

(f) In a contingency situation, normal scheduling procedure gets by-passed and the priority is of grid security. By nature a hydro station has the advantage that stand-by units can be brought on bar, in any contingency, in a time period as low as 5 minutes. Therefore, considering that a grid contingency can arise unannounced at any time, a hydro station is supposed to be on alert to respond to any grid contingency.

4. After hearing the learned counsel for the petitioner and representatives of NRLDC and PSPCL, the Commission directed NRLDC to submit information, on affidavit, by 22.10.2014 regarding specific instances during the past one year in respect of Tehri HPP and any other pondage/storage based hydro station, where, in a contingency situation, the station was called to provide system support during off- peak period.

5. The Commission directed that due date of filing the information should be strictly complied with. The information filed after due date shall not be considered.

6. Subject to above, the Commission reserved order in the petition.

By order of the Commission

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