

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 309/GT/2015

Subject : Revision of tariff after trueing up exercise in respect of Pragati – III Combined Cycle Power Station power plant (1371.2 MW) for the period from COD of Unit-I to 31.3.2014.

Petition No. 221/GT/2015

Subject : Determination of tariff for of Pragati – III Combined Cycle Power Station power plant (1371.2MW) for the period 2014-19.

Petitioner : Pragati Power Corporation Limited

Respondents : BSES Yamuna Power Limited & Others

Petition No. 89/MP/2016

Subject : Petition under Section 79 (1) (f) of the Electricity Act, 2003 read with (a) Regulations 2 (14) and 2 (30) read with Regulation 21 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, (b) Regulations 3 (15) and 3 (44) read with Regulation 30 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, (c) Clause 5.5 of the Power Purchase Agreement dated 13.8.2009 entered into between the petitioner and PPCL; seeking adjudication of dispute between BSES Rajdhani Power Limited (BRPL) and Pragati Power Corporation Ltd regarding declaration of availability by Pragati-III Combined Cycle Power Project.

Petitioner : BSES Rajdhani Power Limited and BSES Yamuna Power Limited

Respondents : Pragati Power Corporation Limited & Others

Date of hearing : **14.2.2017**

Coram : ShriGireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Parties present : Shri M.G. Ramachandran, Advocate, PPCL
Shri Shubham Arya, Advocate, PPCL
Shri R.K.Yadav, PPCL
Shri Amarjyoti Badgaiyan, PPCL
Shri Surendra Kumar, PPCL
Sri Buddy A. Ranganadhan, Advocate, BRPL & BYPL
Shri Vishal Anand, Advocate, BRPL, BYPL & TPDDL
Shri Anupam Varma, Advocate, BRPL, BYPL & TPDDL
Shri Rahul Kinra, Advocate, BRPL, BYPL & TPDDL
Shri Sanjay Srivastav, BRPL
Shri Nishant Grover, BYPL
Shri Abhishek Srivastava, BYPL



Record of Proceedings

Petition nos. 89/MP/2016, 309/GT/2015 and 221/GT/2015 were heard today.

Petition No. 89/MP/2016

2. During the hearing, the learned counsel for the petitioners, BRPL & BYPL mainly submitted as under:

- (a) The petitioner has executed Power Purchase Agreement (PPA) with PPCL for procurement of power from Pragati-III Combined Cycle Power Station (the generating station). The Delhi government has allocated 60.89 % out of which BRPL's share is 43.58% and BYPL's share is 27.24%. However, the share was revised to 425 MW (31.3%) for BRPL and 247 MW (18%) for BYPL.
- (b) In Statement of Reasons to the 2014 Tariff Regulations, the Commission has observed that that the responsibility for arrangement of fuel lies with the generator and any failure to arrange the fuel should be to the account of the generator. The Commission had also rejected the suggestions of stakeholders with respect to the declaration of availability on the basis of machine availability without considering the fuel and water availability.
- (c) Though the quantum of 6 MMSCMD gas was available to PPCL on long term basis from the gas supplies in terms of the PPA, the same was reduced to zero before commissioning of the plant. Due to scarcity of natural gas there has been a change in gas supply agreements. The quantum of 2.4 MMSCMD of gas was later reduced to 1.564 MMSCMD with effect from March 2013 since 0.836 MMSCMD of gas allocated from KG-D6 basin was reduced to zero. Accordingly, out of 2.4 MMSCMD only 1.564 MMSCMD of firm gas was available with PPCL. Hence, PPCL could not have had firm fuel commitment to show 85% availability.
- (d) PPCL has stated that it requires 4.97 MMSCMD of gas for generating 85% of target availability at design heat rate of 1758.23 Kcal/Kwh. This is contrary to the submissions made by PPCL in Petition No. 257/2010 wherein, it had submitted that the total requirement of gas for this generating station is 5.6 MMSCMD against which it had only 2.40 MMSCMD of gas available. It is evident that PPCL has only firm arrangement of 2.40 MMSCMD gas for generation against the requirement of 4.97 MMSCMD at 85% availability which contributes to 48% of the total requirement of fuel to meet the normative generation of 85%.
- (e) PPCL has entered into Master Sales Spot of Gas Agreement (MSSG) with GAIL on purchase of spot RLNG executed on 28.9.2010 and is valid till date. However, PPCL's right over the gas is only when it executes Gas Sales Purchase Sales notice with GAIL. On the basis of MSSG, PPCL cannot declare its availability which has to be intimated on day ahead basis.
- (f) In the tariff petition filed by the petitioner before this Commission for the period 2014-19, it has been indicated by the petitioner that the allocation of 6 MMSCMD reduced to zero before the commissioning of the units of the generating station. However, the total availability of gas from various sources (Non-APM, RLNG and Spot-RLNG) has been indicated as 3.564 MMSCMD. In this background it is not clear as to how the availability of PPCL is 85%.



- (g) Prior to the month of October, 2015 the availability on month to month basis was in the range from 94% to 105%. When the issue regarding shortage of fuel and declaration of availability by PPCL was raised by the petitioner during October, 2015 there was reduction in the availability in the range of 50% to 52 % on month to month basis. Thus, the payment of fixed charges at 85 % availability in the above background is the burden on consumers.

3. On a specific query by the Commission as to whether the declaration of SLDC on a specified fuel (APM/ non-APM/ RLNG) was disputed by the petitioner, the learned counsel clarified that the declaration given by SLDC is wrong and is against the regulations notified by the Commission. The learned counsel further submitted that it is evident from the '*Power for All documents for Delhi*' report of Delhi Government (December 2015), against the gas requirement of 9 MMSCMD only 2.4 MMSCMD gas is available and the shortfall in availability of gas is adversely affecting the availability of the full capacity in the various state generating stations of Delhi. This substantiates the contention of the petitioner that PPCL does not have adequate fuel to declare 85% availability. Referring to Annexure-A of the affidavit dated 30.8.2016 filed by PPCL, the learned counsel pointed out that there has been variations in the declaration of availability in respect of the Bawana plant for the period April 2013 to March 2016. Accordingly, the learned counsel for the petitioner prayed for in the petition may be allowed.

4. In response, the learned counsel of the respondent, PPCL submitted as under:

- (a) The rights and obligations of the respondent as generating company and the petitioner as the distribution licensees procuring power are governed by the provisions contained in the PPA dated 13.8.2009 and a separate gas supply agreements were entered into by PPCL with GAIL, IOC and BPL.
- (b) PPCL was able to generate and supply electricity to the petitioner and other procurers from its Combined Cycle Gas Power Station by use of Re-gasified Liquefied Natural Gas (RLNG) in terms of the PPA.
- (c) As per the GSA a quantum of 6 MMSCMD of gas was available on annual basis from the gas suppliers for generation and supply of electricity from the generating station. However, in order to source cheaper gas, PPCL has made continuous efforts and succeeded in getting allocation of 1.564 MMSCMD non-APM gas and 0.836 MMSCMD KG D-6 basin gas. The agreement for the 6 MMSCMD RLNG gas continues to exist.
- (d) The petitioner has not been giving schedule to PPCL in accordance with quantum of electricity declared available by PPCL. If the petitioners and other procurers had given the schedule for taking electricity to the extent of declaration of availability made by PPCL from time to time, PPCL would have been able to arrange for delivery of gas required and generate and supply electricity of required quantum with the exception of the time where the generating unit was not available due to repair, shut down.
- (e) The submissions of the petitioner that the diversion of gas from the power stations of IPGCL and PPCL is contrary to the submission of PPCL before the Tribunal are wrong and made out of context, as the submissions made before the Tribunal were in relation to the quantum of gas being diverted.
- (f) In case of PSDF fund based additional utilization for the plant, the petitioner including other discoms refused to avail the scheme on the pretext of higher cost. Moreover, the petitioner and other beneficiaries in availing the LT-RLNG gas through M/s. GAIL had a long term contract from Qatar upto 2028.
- (g) In Petition No. 257/2010, petitioner had informed the Commission regarding its attempt to arrange balance cheaper gas, though gas from spot RLNG is an available option to generate power as per PPA.



(h) The variation in declaration of the availability as referred to by the petitioner was due to mechanical fault of GT-1 during the period 19.1.2015 to 25.4.2015 and then from 16.7.2015 till date wherein the availability of the generating station reduced drastically during 2014-15. Moreover, there has been incidents of fire in transformer of GT-3 which resulted in outage from March 2015 to August 2015.

5. Accordingly, the learned counsel for PPCL submitted that the petitioners and other beneficiaries of this generating station could not utilize cheaper available gas from different sources to reduce the overall cost of power to the consumers of Delhi and prayed that the petition may be rejected.

6. The Commission directed the parties to file their written submissions in the matter on or before 10.3.2017 with copy to the other. The parties shall ensure that the submissions shall be filed within the due date and no extension of time shall be granted. Subject to this, order in the petition was reserved.

Petition No. 309/GT/2015 and Petition No. 221/GT/2015

The Commission directed the listing of these petitions after the disposal of Petition No. 89/MP/2016.

By order of the Commission

-Sd/-
(B. Sreekumar)
Deputy Chief (Law)

