

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.152/MP/2017**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A.K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Dr. M.K. Iyer, Member**

**Date of Order : 31<sup>st</sup> of July, 2017**

**In the matter of**

Petition under Section 79 (1) (k) of the Electricity Act, 2003 read with Regulation 8 (7) of the Central Electricity Regulatory Commission (Grant of Connectivity, long term access and Medium term open access in inter-State transmission and related matters) Regulations, 2009 seeking permission for extension of the period for injection of infirm power and drawal of start-up power for commissioning and testing including full load testing of First Unit (Unit 2) (300 MW) of (4x300 MW) Binjkot TPP of SKS Power Generation (Chhattisgarh) Limited, beyond six months from 31.1.2017 to 31.7.2017.

**And**

**In the matter of**

SKS Power Generation (Chhattisgarh) Limited.  
501B, Elegant Business Park,  
Andheri-Kurla Road, JB Nagar,  
Andheri (East), Mumbai-400 059

**...Petitioner**

**Vs**

Power System Operation Corporation Limited  
WRLDC, F-3, MIDC Area,  
Marol, Andheri (East), Mumbai-400 093

**.....Respondent**

**Following were present:**

Shri Buddy Rangnadhan, Advocate, SKS

Ms Divya Chaturvedi, Advocate, SKS

## ORDER

This petition has been filed by the Petitioner, SKS Power Generation (Chhattisgarh) Limited, under Regulation 8 of the Central Electricity Regulatory Commission (Grant of connectivity, Long-term Access and Medium-term Open access in inter-State transmission and related matters) Regulations, 2009 as amended from time to time (Connectivity Regulations) with the following prayers:

*"(a) Condone the delay in filing the instant petition*

*(b) Allow the petitioner extension of time for interchange of power i.e. drawal of start-up power from the grid for synchronization and injection of infirm power for testing including full load trial operation by the Binjkote TPP upto 31.10.2017 which essentially is summarized as below:*

*(i) Synchronization and COD of first unit (unit No. 2) by 31.10.2017.*

*(ii) Grant drawal of start-up power and injection of infirm power from First Unit (Unit No. 2) till 31.10.2017 or achievement of COD, whichever is earlier .*

*(c) Pass any such other order (s) as this Hon`ble Commission may deem fit and proper under the facts and circumstances of the present case and in the interest of justice."*

2. The Petitioner is setting up a 1200 MW (4X300 MW) thermal power project ("the project") at Villages Binjkote and Darramura of Kharsia Tehsil, Raigarh district in the State of Chhattisgarh.

3. The Commission by its order dated 1.5.2017 in Petition No. 76/MP/2017 had allowed drawal of start-up power and injection of infirm power from first unit (unit 2) of the project for testing including full load testing till 31.7.2017 or up to the declaration of commercial operation of the unit 2, whichever is earlier. The Petitioner has submitted that COD of first unit (unit 2) could not be achieved due to the following reasons:

(a) The Water flow in the Cooling Tower is around 40,000 m<sup>3</sup> per hour. When both the CW pumps were run together, it was found that same caused damage to the Cooling Tower especially the V Bars, V Bar Holders and the Drift Eliminators. On an analysis of the same, it was found out that the said damage has occurred probably on account of the increased pressure of water flow from the CW pump to condenser and thereafter to Cooling Tower. The issue of the damage of the Cooling Water was taken up with the OEM, EPC and the Engineering Consultant. The OEM i.e M/s Paharpur Cooling Systems is working on the issue and repairs would take two to three months.

(b) The Commissioning coal under the Fuel Supply Agreement is granted to project proponents as one time dispensation. Accordingly, based on the recommendation of CEA, commissioning coal for one lakh metric tons was to be granted by South Eastern Coalfields Limited to the petitioner pursuant to the MOU dated 25.5.2017. However, Consent to Operate (CTO) on coal was obtained only on 12.6.2017 even though the Petitioner had applied for the same on 18.7.2016. MOU for commissioning coal is yet to be signed by South Eastern Coalfields Ltd. Therefore, this delay in obtaining the CTO on coal and the subsequent delay in grant of the commissioning coal has resulted in delay of commissioning of first unit (unit 2).

(c) The lenders approved the 1<sup>st</sup> cost over-run assistance in August, 2015 wherein project cost was revised from Rs. 3787.2 crore to Rs. 5240 crore.

Thereafter, the project has undergone significant time and cost over-runs for various reasons beyond the control of the petitioner. The lenders have approved 2<sup>nd</sup> cost over-run of Rs.775 crore in December 2016 (including the untied gap in the earlier means of financing). However, due to procedural issues, the disbursement of funds was delayed at the end of the lenders. The Petitioner vide its letter dated 17.4.2017 requested State Bank of India (SBI) to disburse an amount of Rs. 345.07 crore. On 10.7.2017, SBI has approved for an amount of Rs. 325.23 crore. The said delay in disbursement of the funds has affected implementation of the schedule.

4. The Petitioner has submitted that it has taken all efforts to ensure completion of the project within time granted by the Commission and *bona fidely* believes that it would be able to complete all necessary works and achieve commercial operation of first unit (unit-2) by 31.10.2017, subject to completion of the following various steps:

(a) Timely repairs of the Cooling Towers;

(b) Signing of the amended MOU for grant of commissioning coal with SECL; an

(c) Timely disbursement of funds by the lenders.

5. The Petitioner has submitted that it is seeking extension of time for drawal of start-up power and injection of infirm power into the grid for commissioning tests including full load test of first unit (unit 2) of the project for *bonafide* reasons and not to take undue advantage of the same.

6. During the course of hearing, learned counsel for the Petitioner reiterated the submissions made in the petition and requested to grant permission for drawal of start-up power and extend the time for injection of infirm power into the grid for testing including full load testing from first unit (unit 2) of the project upto 31.10.2017 or the date of commercial operation of unit, whichever is earlier.

7. We have considered the submissions of the learned counsel of the Petitioner. The Fourth Proviso to Regulation 8 (7) of the Connectivity Regulations, as amended from time to time, provides as under:

"Provided that the Commission may in exceptional circumstances, allow extension of the period for inter-change of power beyond the period as prescribed in this clause, on an application made by the generating station at least two months in advance of completion of the prescribed period:

Provided further that the concerned Regional Load Despatch Centre while granting such permission shall keep the grid security in view."

8. The Petitioner has submitted that it is seeking extension of the time for *bona-fide* reasons for completion of the balance works. The Petitioner has submitted that due to design problem encountered in Cooling Tower, delay in grant of CTO and delay in timely disbursement of funds, COD of first unit (unit 2) could not be achieved. We are of the view that non-availability of start-up power would hamper the progress of commissioning work which would jeopardize the commissioning activities and result in further delay in declaring COD of units. Accordingly, we allow extension of time for injection of infirm power into the grid and drawal of start-up power for the commissioning tests including full load test of first unit (unit 2) up to 31.10.2017 or actual date of

commercial operation, whichever is earlier. We expect the Petitioner to make all efforts to ensure the commercial operation of the first unit (unit 2) by the said date.

9. The approval of extension of time for drawal of startup power from the grid and injection of infirm power shall not be taken as a ground for allowing time over-run and cost over-run of the project.

10. With the above, the Petition No. 152/MP/2017 is disposed of.

**Sd/-**  
**(Dr. M.K.Iyer)**  
**Member**

**Sd/-**  
**(A.S. Bakshi)**  
**Member**

**Sd/-**  
**(A. K. Singhal)**  
**Member**

**Sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**