

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 25/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: 29th of March, 2017

In the matter of

Petition under Section 79 (1) (c) read with Section 79 (1)(f) of the Electricity Act, 2003 read with Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 inter alia seeking directions to the respondents to allow the petitioner to draw start-up power for unit-3 of the Petitioner's Thermal Power Plant.

And

In the matter of

Lanco Amarkantak Power Limited
Plot No.4, software Units Layout,
HITEC City, Madhapur,
Hyderabad-500081

..... **Petitioner**

Versus

1. Western Regional Load Despatch Centre
Power System Operation Corporation Limited (POSOCO)
F-3, Central road, MIDC Area, Marol,
Andheri (East), Mumbai
2. Power Grid Corporation of India Limited
Central Transmission Utility (CTU)
Plot No.2, 'Saudamini'
Sector-29, Gurgaon
Haryana-122001
3. National Load Despatch Centre (NLDC)
B-9 (1st Floor), Qutub Institutional Area,
Katwaria Sarai, New Delhi-110016

..... **Respondents**

Parties Present:

Shri Buddy A. Ranganadhan, Advocate

Shri Deepak Khurana, Advocate, LAPL
Ms.Pragya Singh, POSOCO

ORDER

This petition has been filed by the petitioner, Lanco Amarkantak Power Limited under Section 79 (1) (c) read with Section 79 (1) (f) of the Electricity Act, 2003 read with Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 *inter alia* seeking directions to the respondents to allow the petitioner to draw start-up power for Unit-3 of the Petitioner's Thermal Power Plant with the following prayers:

“(a). direct Respondent No. 1 to allow the Petitioner to draw startup power for Unit 3 for testing and commissioning purposes using the interconnection facility between the switchyard of Unit 1 & 2 and switchyard of Unit 3 & 4 till the transmission system for Unit 3 & 4 is ready in all respects; or in the alternative

(b). direct Respondent No. 2 to incorporate in the Connection Agreement a provision for drawl of Start-up Power by the Petitioner for Unit-3 using the interconnection facility between the Switchyard of the generation facility Unit 1 & 2 and Switchyard of Petitioner's generation facility Unit 3 & 4, till the transmission system for Units 3 & 4 is ready in all respects;

(c). Pending disposal of the present Petition, pass an *ad-interim* order directing the Respondents to allow the Petitioner to draw start-up power for Unit-3 for testing and commissioning purposes using the interconnection facility between the switchyard of Unit 1 & 2 and switchyard of Unit 3 & 4;

(d). pass such other and further order or orders as this Hon'ble Court may deem fit and proper under the facts and circumstances of the present case and in the interest of justice.”

2. The petitioner is operating a 2x300 MW (Units 1 & 2) (generating station) coal based Thermal Power Project at Village-Pathadi, Tehsil Korba, District Korba in the State of Chhattisgarh "**Unit 1 and 2**"). The petitioner is in the process of setting up Unit-3 and Unit-4 (660 MW each) of the generating station adjacent to the existing/operational Power Plant.

3. The petitioner has submitted as under:

(a) The power evacuation from Unit 3 and Unit 4 of the Project is to be done through approx. 47 km 400 kV D/C dedicated transmission line connecting to the 765/400 kV PGCIL Pooling Station at Taga (Champa), Chhattisgarh. PGCIL vide its letter dated 22.11.2010 granted connectivity to the inter-state transmission system.

(b) In the 33rd SCM meeting of Western Region and 15th LTOA meeting held on 22.10.2011, for Units 3 and 4, the inter-connection between Stage-I and Stage II was agreed as interim transmission arrangement till the availability of 765/400 KV Champa Pooling Station. At Champa Pooling Station, the petitioner's bays are also under construction by M/s ABB under the consultancy and supervision of PGCIL.

(c) While the petitioner's Units 3 and 4 were in advanced stage of construction, having achieved overall progress of about 80%, the petitioner vide its letter dated 12.8.2016, which was also addressed to the PSPA-I and CEA, requested PGCIL to allow the petitioner to draw start-up power from the grid using the inter-connection facility (normally open and already commissioned) between the switchyard of Units 1 and 2 and switchyard of Units 3 and 4 on interim basis till the completion of transmission system of Units 3 and 4. In response, the CEA vide its letter dated 8.9.2016 informed the petitioner, PGCIL and POSOCO that a meeting has been convened on 15.9.2016 in this regard. Subsequently, the petitioner vide its letter dated

12.8.2016 requested PGCIL to suitably insert a clause for the use of the interconnection facility for drawing up of start-up power, in the draft Connection Agreement to be signed between the petitioner and PGCIL.

(d) CEA vide its letter dated 26.9.2016 approved energisation of 400 kV switchyard (11 No. 400 kV bays No.- 409 to 419) for Units 3 and 4 including inter-connection bays between Units 1 and 2 and Units 3 and 4 and Start-up Transformer (55MVA,400/11kV) and 0.764 kms 400kV D/C Twin Conductor Transmission line from Start-up Transformer to 400 kV switchyard of Unit-3 & 4 of the petitioner under Regulation 43 of Central Electricity Authority (Measures Relating to Safety and Electric Supply), Regulations, 2010.

(e) A meeting was held on 15.9.2016 in which the representatives of NLDC/POSOCO, CEA, PGCIL and the petitioner were participated. In the said meeting, the petitioner's request for facilitation of start-up power for Units 3 and 4 (2 X 660 MW), the progress of construction of Units 3 and 4 as well as the progress of construction of 400 kV D/C dedicated transmission line connecting the petitioner's plant to the 765/400 kV PGCIL Pooling Station at Taga (Champa) and the status of construction of the petitioner's bays being constructed by M/s ABB under consultancy of PGCIL was discussed. In the said meeting, it was agreed that the petitioner would be allowed to draw start-up power for Stage-II (Units 3 and 4) from the grid using the interconnection facility between switchyard of Stage-I and Stage-II on interim basis after review of the progress of the dedicated transmission line in 2nd week of October, 2016.

(f) PGCIL vide its letter dated 4.10.2016 informed the petitioner that there is no requirement to modify/amend the Connection Agreement for start-up power as the same is governed by the Connectivity Regulations and requested the petitioner to approach Regional Headquarter Office of PGCIL at Nagpur for signing the Connection Agreement in line with the Connectivity Regulations.

(g) Pursuant to the meeting held on 15.9.2016, the petitioner on 1.12.2016, executed the Connection Agreement for Units 3 and 4 with PGCIL and the same, in view of PGCIL's above stand, did not contain any provision relating to interim drawl of start-up power by the petitioner for its Unit-3, till the completion of the transmission line of units 3 and 4. The petitioner has submitted the requisite PERT chart pertaining to the status of construction of dedicated transmission line.

(h) The issue of drawl of start-up power for the petitioner's Unit was also deliberated in the 41st meeting of Standing Committee on Power System Planning in WR held on 21.12.2016, wherein the constituents had agreed to allow the petitioner to draw start-up power for its Units 3 and 4 from grid (Stage-I) through the inter-connection facility between Stage I and II of the petitioner. Accordingly, the petitioner on 7.12.2016 made an application to WRLDC seeking start-up power for its Unit 3 from 15.12.2016 onwards as per the Commission's approved procedure for drawal of start-up power. CEA vide letter dated 28.12.2016 informed PGCIL and POSOCO to allow the petitioner to draw start-up power for Unit 3 and 4 of the generating station from the grid

using the interconnection facility between switchyard of Stage-I and Stage-II on interim basis. In response, WRLDC vide its dated 6.1.2017 pointed out that in the absence of any mention for drawing up of start-up power by the petitioner in the Connection Agreement dated 1.12.2017, it would not allow the start-up power to the petitioner unless the Connection Agreement is modified/amended to the extent of incorporating the interim connectivity at Bilaspur S/S by CTU in line with the Regulations 8(3), 8(6) and 8(7) of the Connectivity Regulations.

(i) The petitioner's Unit 3 is in ready condition to draw start-up power for testing and commissioning purpose and timely availability of start up power would greatly help in commissioning of the Unit within the schedule. The delay in drawal of start-up power will lead to delay in synchronisation and commissioning of the Unit 3.

4. The petitioner has submitted that it is seeking permission for drawal of start-up for commissioning tests of Unit 3 using the inter-connection facility between the switchyard of Unit-1 and 2 and Switchyard of unit 3 and 4 of the project for *bona-fide* reasons and not for any form of open access. The petitioner has submitted that it has already been granted long term open access for Units 3 and 4, for which it has signed BPTA and TSA with PGCIL. The petitioner has submitted that the proposed drawl of start-up power by the petitioner in the present case does not exceed 15 months prior to the expected date of first synchronization and shall not exceed 6 months after the date of first synchronization and therefore, there is no impediment for grant of permission for drawl of start-up power to the petitioner.

5. During the course of hearing, learned counsel for the petitioner reiterated the submissions made in the petition and requested to grant permission to drawal of start-up power for testing and commissioning purposes of the Unit-3 using the inter-connection between the switchyard of Unit-1 and 2 and switchyard of Unit 3 and 4 of the project. In response to our query regarding metering, learned counsel for the petitioner submitted that as per Connection Agreement entered into between the petitioner and PGCIL, the applicant or inter-State transmission licensee is required to install the metering equipment in accordance with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and Grid Code.

6. We have considered the submissions of the learned counsel for the petitioner. According to the petitioner, it is seeking permission for drawl of start-up power for testing and commissioning of Unit-3. The petitioner vide its letter dated 7.12.2016 requested WRLDC to permit it for start up power for unit 3 from 15.12.2016 onwards. WRLDC vide its letters dated 6.1.2017 and 10.1.2017 informed the petitioner that it would not extend the start up power to the petitioner unless the Connection Agreement is modified/amended to the extent of incorporating the interim connectivity at Bilaspur sub-station by CTU in terms of the Connectivity Regulations. Subsequently, PGCIL vide its e-mail dated 19.12.2016 informed WRLDC that since the proposed interim arrangement is only for drawl of start-up power, requirement of any modification/amendment in the Connection Agreement is not required.

7. The issue of drawl of start up power was discussed in the 41th meeting of Standing Committee on Power System Planning in Western Region on 21.12.2016 wherein the constituents had agreed to allow the petitioner to draw start up power

for Units 3 and 4 from the grid through the inter-connection facility between stage I and II of the petitioner.

8. The fourth proviso to Regulation 8 (7) of the Connectivity Regulations, as amended from time to time, provides as under:

“Power 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.”

9. Procedure for availing start-up power from the grid by the generating stations under commissioning phase through Deviation Settlement Mechanism approved by the Commission provides as under:

“This procedure is applicable to Generating stations without an existing Unit under Commercial operation. Where one unit has been commissioned and if the start-up power is required by subsequent unit(s), the same may be availed from the existing units of the same plant under Commercial operation. In such case, the existing units shall factor the requirement of start-up power by the new upcoming units before contracting/scheduling the entire sent out capability under STOA so that there will not be any under injection by the existing unit(s).

However, in case power from the unit(s) of the generating station already commissioned is fully allocated or committed under Medium Term Open Access (MTOA)/Long Term Access (LTA), subsequent unit(s) shall be allowed to draw Start-up power under this procedure.”

As per the above provision, in case power from units of the generating station already commissioned is fully allocated or committed under MOTA / LTA, subsequent units shall be allowed to draw start-up power. According to the

petitioner, both the units I and II have been allocated or committed under LTA obtained by PTC.

10. The petitioner has submitted that due to delay in grant of permission to draw start-up power, the commissioning of the Unit-3 is getting delayed, thereby causing serious and grave hardship to the petitioner. We are of the view that non-availability of start-up power would hamper the progress of commissioning work of which would jeopardize the commissioning activities and result in further delay in declaring COD of units-3. Accordingly, we allow drawal of start-up power from the grid for the commissioning tests including full load test of unit-3 using the inter-connection facility between switchyard of Stage-I and II on interim basis till the date of charging of the dedicated line to Champa Pooling station subject to availability of metering at inter-connection facility. No injection of infirm power through the inter-connection would be allowed for carrying out the commissioning activities of units 3 and 4. However, the petitioner may inject firm/infirm power for Stage-II (Units 3 and 4) through the dedicated transmission line, namely Amarkantak-Champa Pooling Station 400 kV D/C (QUAD) transmission line.

11. The petition is disposed of with the above.

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

sd/-
(A.S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson