

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 179/MP/2018

**Coram:
Shri P.K. Pujari, Chairperson
Dr. M.K. Iyer, Member**

Date of Order: 17th of September, 2018

In the matter of

Petition under Section 79 (1) (c) and (f) of the Electricity Act, 2003.

And

In the matter of

Essar Power M.P. Limited
Hotel Treebo Conclave Riviera,
Lower Ground Floor,
A-20, Kailash Colony, Delhi-110 048

...Petitioner

Vs.

1. Power System Operation Corporation Limited
Western Region Load Despatch Centre,
F-3, MIDC Area, Marol,
Andheri (East), Mumbai-400 093

2. Western Regional Power Committee
F-3, MIDC Area, Marol,
Opp, SEEPZ, Central Road,
Andheri (East), Mumbai-400 093

...Respondents

The Following were present:

1. Shri Alok Shanker, Essar Power.
2. Ms. Shruti Verma, Essar Power.

ORDER

This petition has been filed by the Petitioner, Essar Power M.P. Limited (EPMPL) seeking permission of the Commission for injection of infirm power into the grid from Unit-II of 1200 MW (2x600 MW) Thermal Power Plant (the generating station) at Singrauli district in the State of Madhya Pradesh in terms of clause (7) of 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 (hereinafter referred to as “Connectivity Regulations”) as amended from time to time. The Petitioner has made the following prayers:

“(a) Admit the present petition;

(b) Condone the delay in filing the present petition;

(c) Grant an extension of time for interchange of infirm power from Unit-2 of the generating station for testing and full load trial operation for upto 8 months from 3.2.2018 (the date of expiry of the original time period from first synchronization) or 4 months from COD of Mahan Sipat Transmission Line whichever is later, in terms of Regulation 8 (7) (b) 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, 2017.”

2. The Petitioner, a subsidiary of Essar Power Ltd., has set up a 1200 MW (2X600 MW) thermal power plant at district Singrauli in the State of Madhya Pradesh. The Petitioner has submitted that despite various adverse circumstances and events beyond its control, construction of the generating station was completed in a cost-efficient manner. The Unit-I was declared under commercial operation on 29.4.2013 and it has operated at a PLF of approximately 55% for financial year 2017-18. The Unit-II was first synchronized on 4.8.2017. However, due to load restriction on LILO at single circuit of 400 kV Vindhyachal-Korba (LILO), full load testing could not be undertaken for Unit-II. As a result, Unit-II is under shut down after 5.8.2017. The Commission vide order dated 27.2.2018 in Petition No. 26/MP/2018 had allowed injection of infirm power into the grid for commissioning tests including full load test of Unit-II upto 4.5.2018 or actual date of commercial operation, whichever is earlier.

3. According to the Petitioner, power from the generating station is to be evacuated through the 400 kV D/C Mahan-Sipat Transmission Line terminating at WR Pooling Station at Bilaspur. This transmission line is being executed by Essar Power Transmission Company Limited (EPTCL), a group company of the Petitioner after being granted an inter-State Transmission Licence by the Commission on 29.4.2008 to develop the following transmission lines and the sub-stations:

- (a) 400 kV D/c Mahan-Sipat along with associated bays;
- (b) LILO of 400 kV Vindhyachal Korba at Mahan;
- (c) 400 kV D/c Gandhar Hazira line along with associated bays, and
- (d) 400/220 kV substation at Hazira.

4. The Petitioner has submitted that out of the above four elements, three have been commissioned and are already in operation. Only 400 kV D/C Mahan-Sipat line is yet to be operationalized and is expected to be commissioned shortly.

5. The Petitioner has submitted that it is presently evacuating power through the LILO on circuit 1 of the 400 kV D/C Vindhyachal- Korba transmission line at Mahan. WRPC in the meetings of TCC/WRPC held on 27.7.2017 and 28.7.2017 has allowed synchronization of Unit-II, restricting the net power injection upto 600 MW in real time. Therefore, the Petitioner could not undertake commissioning tests for Unit-II which would require the unit to raise load upto 105% to 110% of its Maximum Continuous Rating/Installed Capacity. The Petitioner has submitted that 72 hours trial run at full load cannot be undertaken on the LILO arrangement.

6. The Petitioner has submitted that due to load restriction, testing and full load trial operation of Unit-II would require taking Unit-I under shut down. Presently, Unit-I of the generating station is the only revenue generating part of the generating station

and revenues being generated from Unit-I are being utilized for meeting the operating expenses of both the units, salary of employees and debt servicing for the generating station. Therefore, shut down of Unit-I would have serious financial consequences on the Petitioner.

7. The Petitioner has submitted that pursuant to the Judgement of the Hon`ble Supreme court dated 24.9.2014 cancelling the coal block, the Petitioner participated in the coal block auction conducted by Govt. of India and the Petitioner was allocated Tokisud (North) Coal Block on 27.2.2015. However, the production from the Tokisud (North) Coal Block has not commenced till date. The Petitioner has submitted that it is making efforts to procure coal from Coal India Limited (CIL) for undertaking pre-commissioning activities. The Petitioner vide its letter dated 30.11.2015 requested CEA for supply of two lakh tonne of coal for pre-commissioning activities and CEA vide its letter dated 30.12.2015 requested CIL to consider supply of 2 lakh tonne coal to the Petitioner. CIL vide its letter dated 26.2.2016 refused to supply pre-commissioning coal stating that Unit-II has not been issued Letter of Assurance by CIL and it has also not entered into the PPA. The Petitioner has submitted that on 22.12.2017, CIL has published "Tentative Timelines" with respect to "Auction of Coal Linkages to Power Producers/IPPs without PPAs". Subsequently, the Petitioner made an application to CIL for registration for the said auction and outcome of the short listing is still awaited.

8. The Petition was heard after notices to the parties. None was present on behalf of the respondents.

9. During the course of hearing, learned counsel for the Petitioner submitted that the Commission vide order dated 27.2.2018 in Petition No. 26/MP/2018 had allowed

the Petitioner for injection of infirm power into the grid for commissioning tests including full load test of Unit-I upto 4.5.2018 or actual date of commercial operation, whichever is earlier. Subsequently, the Petitioner approached the Appellate Tribunal for Electricity for seeking permission to use the LILO at Mahan on the Vindhyachal-Korba transmission line beyond 30.6.2018. Appellate Tribunal vide its order dated 23.7.2018 in DFR No. 1052/2018 granted time till 31.10.2018. Learned counsel further submitted that load restriction on the LILO is till the time of commissioning of the Mahan-Sipat line being developed by Essar Power Transmission Company Ltd. The construction and stringing of the Mahan-Sipat transmission line has been completed. Out of 337 km, 260 km has been charged (anit theft) and for balance 77 km with stringing fully completed, only minor rectification works, readiness and final checking for complete charging are in progress. Learned counsel submitted that the COD of Mahan-Sipat transmission line is likely to be declared by 20.9.2018.

10. We have considered the submission 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.”

11. In accordance with the above provision, the Commission in its order dated 27.2.2018 in Petition No. 26/MP/2018 had allowed time for injection of infirm power till 4.5.2018 or the actual date of commercial operation, whichever was earlier. The Petitioner has submitted that due to load restriction of 600 MW on the LILO of Vindhyachal-Korba transmission line, Unit-II of the generating station could not be

tested till the commissioning of the Mahan Sipat transmission line. The Appellate Tribunal vide its order dated 23.7.2018 in DFR No. 1052/2018 granted time till 31.10.2018 to complete the Mahan Sipat transmission line. Learned counsel submitted during the hearing that the said line is in the advance stage of commissioning and is likely to be commissioned by 20.9.2018.

12. After considering all relevant facts, we allow the Petitioner to inject infirm power into the grid during testing including full load testing of Unit-II of the generating station up to 31.12.2018 or actual commercial operation of the Unit-II whichever is earlier subject to the following conditions:

(a) The Petitioner shall be permitted to inject infirm power from Unit-II subject to load restriction of 600 MW from both Unit I and Unit II till commercial operation of Mahan-Sipat transmission line.

(b) After commercial operation of the Mahan-Sipat transmission line, the load restriction will not be applicable.

(c) WRLDC shall facilitate injection of infirm power in accordance with Regulation 8 (7) of the Connectivity Regulations keeping the grid security in view.

13. With the above, the Petition No. 179/MP/2018 is disposed of.

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

sd/-
(P.K. Pujari)
Chairperson