

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 330/MP/2019**

**Coram:**

**Shri P. K. Pujari, Chairperson**

**Shri I. S. Jha, Member**

**Date of Order: 4<sup>th</sup> of October, 2019**

**In the matter of:**

Petition under Section 79 (1) (c) read with Section 79 (1) (f) of the Electricity Act, 2003 and Regulation 7 (1) (aa) 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.

**And**

**In the matter of:**

1. ACME Solar Holdings Limited  
Plot No. 152, Sector 44,  
Gurugram-122 002, Haryana

2. ACME Chittorgarh Solar Energy Private Limited  
Plot No. 152, Sector 44,  
Gurugram-122 002

**....Petitioners**

**Versus**

Power Grid Corporation of India Limited  
B-9, Qutub Institutional Area, Katwaria Sarai,  
New Delhi – 110 016.

**....Respondent**

**INTERIM ORDER**

The Petitioners, ACME Solar Holdings Limited and ACME Chittorgarh Solar Energy Private Limited have jointly filed the present Petition *inter alia* seeking to quash the letter dated 2.7.2019 issued by the Respondent, Power Grid Corporation of India Limited (PGCIL) directing the Petitioners to open the Letter of Credit.



2. The First Petitioner, ACME Solar Holdings Limited (hereinafter referred to as “ACME Holding”) participated in the bidding process initiated by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for procurement of 1000 MW power from Solar Power Projects through competitive bidding and was declared successful bidder pursuant to letter of award dated 5.6.2018 for selling of entire electrical energy produced from 250 MW Solar Power Project situated at village Badisid, District Jodhpur in the State of Rajasthan. The Respondent, PGCIL granted Stage -I and Stage-II connectivity to ACME Holdings on 19.7.2018 and 14.9.2018 respectively. On 23.8.2018, ACME Holdings made an application to PGCIL for grant of LTA. Due to expected non-readiness of the LTA, PGCIL requested ACME Holdings to apply for Medium Term Open Access (MTOA). Accordingly, on 28.11.2018, ACME Holdings made an application to PGCIL for grant of MTOA. PGCIL vide its letter dated 9.1.2019 intimated about grant of MTOA against already applied LTA for transfer for 250 MW power from Bhadla, Rajasthan on firm basis. ACME Holdings executed MTOA Agreement dated 28.1.2019 with PGCIL. Subsequently, PGCIL vide its letter dated 31.1.2019, intimated to ACME Holdings about grant of LTA.

3. PGCIL vide its letter dated 2.7.2019 informed the ACME Holdings that in terms of the MTOA grant, ACME Holdings is required to furnish confirm irrevocable, unconditional and revolving Letter of Credit for Rs. 2565.30 lakh in favour of PGCIL towards payment security mechanism as per 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 and Detailed Procedure made thereunder before the commencement of MTOA.



4. The Petitioner has submitted that till date PGCIL has not intimated the date of operationalization of MTOA. As per the MTOA Agreement, PGCIL is required to operationalize its asset by 16.9.2019. The Petitioners have submitted that in terms of Article 4.1 1 of the PPA dated 27.7.2018 executed with MSEDCL, ACME Holdings is required to give at least 30 days' notice to MSEDCL for synchronization and due to non-responsiveness of PGCIL, ACME Holdings has been compelled to forego its right of early commissioning of its generating station.

5. The Petitioners have submitted that despite making various representations to PGCIL for non-requirement of opening of LC, PGCIL has insisted upon ACME Holdings to open LC. The Petitioners have submitted that there is apprehension that PGCIL may cancel the MTOA granted to ACME Holdings which will lead to non-evacuation of the electrical energy from the generation of ACME Holdings and will have a detrimental financial impact on the project. The Petitioners have submitted that the requirement of LC is towards payment security mechanism for transmission charges. However, ACME Holdings being a renewable energy generator is not required to pay transmission charges for the useful life of the project i.e. 25 years. Aggrieved by the decision of the PGCIL dated 2.7.2019, the Petitioners have filed the present Petition with the following prayers:

“(a) Quash the letter dated 2.7.2019 issued by PGCIL and hold that the same are illegal and arbitrary;

(b) Hold and declare that the Petitioner is not liable to open any letter of credit as a payment security mechanism; and

(c) Pass any such other and further reliefs as this Commission deems just and proper in the nature and circumstances of the present case.”



6. The Petitioners have also sought the following interim reliefs:
- (a) Issue ex-parte interim order directing the Respondent to allow the Petitioner's to connect, synchronize, test and commission its project without demanding that letter of credit be furnished; and
  - (b) Issue ex-parte interim order directing the Respondent not to take any coercive action including termination/cancellation of LTOA and/or MTOA till disposal of the Petition.
7. Considering the submissions of the Petitioner, we admit the Petition by circulation and direct to issue notice to the Respondent. The Respondent is directed to file its reply by 10.10.2019 with an advance copy to the Petitioners who may file their rejoinder, if any, on or before 14.10.2019.
8. The Respondent, PGCIL is directed to notify the Petitioner the likely date of operationalization of MTOA so that the Petitioner may take appropriate steps for synchronization/commencing of the project. Provided that such notified date is not less than 15 days from the date of letter. PGCIL is further directed not to take any coercive measure against the Petitioners till the next date of hearing.
9. List the Petition on 15.10.2019.

Sd/-  
**(I.S.Jha)**  
**Member**

sd/-  
**(P.K. Pujari)**  
**Chairperson**

