

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

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

Date of Order: 19th December, 2019

Petition No. 401/MP/2019

In the matter of:

Petition under Section 79(1)(f) of the Electricity Act, 2003 for adjudication of dispute arising out of the action of Power Grid Corporation of India in withholding three Performance Bank Guarantees of Rs. 3.75 Crore each (Rupees Three Crore Seventy Five lacs only each) despite the relegation of the status of the Petitioner to 'deemed Stage-I grantee' as per the Detailed Procedure notified by Commission in accordance with Regulation 27 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-Term Access & Medium-Term Open Access in Inter State Transmission & related matters) Regulations, 2009.

And

In the matter of

Suzlon Power Infrastructure Limited
One Earth, Opp. Magarpatta City,
Hadapsar, Pune, Maharashtra-411 028

.....**Petitioner**

Vs

Power Grid Corporation of India Limited
Saudamini, Plot No.2,
Sector-29, Near IFFCO Chowk,
Gurgaon, Haryana-122 001

....**Respondent**

Petition No. 440/MP/2019

In the matter of

Petition under Section 79(1)(c) and (f) of the Electricity Act, 2003 read with Regulation 111 of the Central Electricity Act, 2003 read with Regulations 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 seeking directions/clarifications regarding the status of Petitioners' LTA and treatment of Bank Guarantee submitted by it in respect of Chandragiri, Kumarapuram and Kadambur Wind Farms.

**And
In the matter of**

Central Transmission Utility
(Power Grid Corporation of India Limited)
Saudamini, Plot No.2,
Sector-29, Near IFFCO Chowk,
Gurgaon, Haryana-122 001

...**Petitioner**

Vs.

Suzlon Power Infrastructure Limited
One Earth, Opp. Magarpatta City,
Hadapsar, Pune, Maharashtra-411 028

...**Respondent**

The following were present:

Ms. Mazag Andrabi, Advocate, SPIL
Shri Nandkumar Deo, SPIL
Ms. Suparna Srivastava, Advocate, PGCIL
Shri Kunal Kaul, Advocate PGCIL
Ms. Jyoti, PGCIL
Dr. V N Paranjape, PGCIL
Shri Mukesh Khanna, PGCIL
Shri Siddharth Sharma, PGCIL
Shri Anil Meena, PGCIL

ORDER

Petition No. 401/MP/2019

The Petitioner, Suzlon Power Infrastructure Limited, has filed the present Petition seeking direction to the Respondent, PGCIL to release three Bank Guarantees of Rs. 3,75,00,000/- furnished by the Petitioner, which have been kept alive to avoid encashment by the Respondent.

Petition No.440/MP/2019

2. The Petitioner, Central Transmission Utility, has filed this Petition seeking appropriate direction regarding the treatment of LTAs granted to the Respondent, Suzlon Power Infrastructure Limited (hereinafter referred to as "Suzlon") and construction phase bank guarantee submitted thereunder.

3. Learned counsel for the Respondent, Central Transmission Utility (PGCIL) submitted that PGCIL is facing difficulties in treating the presently subsisting long-term accesses of SPIL and the bank guarantee thereunder in light of the fact that SPIL is a Deemed Stage-I Connectivity grantee in terms of the 'Detailed Procedure for Grant of Connectivity to the Projects based on Renewable Sources to inter-State transmission System' dated 15.5.2018 ('Detailed Procedure') and evidently not inclined from making an application for Stage-II Connectivity as envisaged in the Detailed Procedure. Learned counsel submitted that the regulatory implication in such a scenario has not been captured in Detailed Procedure.

4. In response to our query as to whether Suzlon`s case is covered under direction issued by the Commission in order dated 11.6.2019 in Petition No. 18/MP/2019, learned counsel for PGCIL submitted that while disposing of the Petition No. 18/MP/2019, the Commission did not issue generic direction to the Petitioner and desired to hear the applicants facing difficulties on account of Detailed Procedure before passing any order. Accordingly, PGCIL has filed the present Petition seeking direction in respect of Suzlon.

5. We have considered the submissions of the learned counsel for the Parties. In our dated 11.6.2019 in Petition No. 18/MP/2018, the Commission has issued the following directions:

“22. In our view, it would be inappropriate to give a generic direction to CTU. We would like to hear applicants who are facing problems on account of RE Connectivity Procedure before taking any decision. Nonetheless, we also direct CTU that for all other cases where the applicant is a deemed Stage-I grantee and LTA has been granted without Stage-II connectivity and no associated system strengthening for the applicant has been initiated, the CTU shall return the application BG if requested by the applicant, without approaching the Commission. Other cases shall be dealt with as and when they arise.”

6. As per the above, the CTU was directed to ensure that on request of the applicant, CTU shall return the bank guarantee if the following conditions are fulfilled:

- (a) The applicant is a deemed stage-I grantee;
- (b) The applicant has been granted LTA without stage-II connectivity; and
- (c) No associated system strengthening has been initiated for the applicant.

7. Therefore, Suzlon is directed to make an application to CTU, if not already made, with regard to the treatment of its LTA and its request for release of bank guarantee within a week from the date of issue of this order. CTU is directed to take appropriate decision in the light of our direction in order dated 11.6.2019 in Petition No. 18/MP/2019 and other relevant order and intimate the decision to Suzlon within fifteen days thereafter.

8. The Petition No. 401/MP/2019 and Petition No. 440/MP/2019 are disposed of in terms of the above.

Sd/-
(I. S. Jha)
Member

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

sd/-
(P.K. Pujari)
Chairperson