

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 166/MP/2021

Subject : Petition under Sections 79(1)(a) and 79(1)(f) of the Electricity Act, 2003 read with Regulation 7 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 for payment of compensation of de-gradation to the Petitioner

Petitioner : NTPC Limited

Respondents : Southern Regional Power Committee and 11 ors

Date of Hearing : **7.12.2021**

Coram : Shri P.K. Pujari, Chairperson
Shri I.S.Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member

Parties present : Shri Venkatesh, Advocate, NTPC
Shri Anant Singh, Advocate, NTPC
Ms. Simran Saluja, Advocate, NTPC
Shri S. Vallinayagam, Advocate, TANGEDCO
Ms. B. Rajeswari, TANGEDCO
Ms. R. Ramalakshmi, TANGEDCO
Ms. R. Alamelu, TANGEDCO
Shri Prashant Kumar, Advocate, Karnataka Discoms
Shri Ahaan Mohan, Advocate, Karnataka Discoms

Record of Proceedings

Case was called out for virtual hearing on 'admission'.

2. During the hearing, the learned counsel for the Petitioner made the following submissions:

(a) Kudgi Super Thermal Power Station, Stage-I (2400 MW) (in short 'KSTPS') was planned during the control period 2009-14 and, therefore, the guaranteed design gross turbine cycle heat rate and design boiler efficiency of KSTPS was designed and envisaged keeping in mind the parameters provided in the then prevailing 2009 Tariff Regulations. The design heat rate for KSTPS was 2144.89 kCal/kWh, which was much lower than the ceiling of 2176 kCal/kWh provided in Regulation 26B of the 2009 Tariff Regulations.

(b) The generating station achieved COD on 15.9.2018 (during the 2014-19 tariff period) and, therefore, in Petition No.199/GT/2017 filed by the Petitioner for determination of tariff of the generating station from actual COD till 31.3.2019, the Petitioner had sought approval of Gross Station Heat Rate (GSHR) of 2241.41



kCal/kWh, with an operating margin of 4.5% over the design heat rate of the generating station in exercise of the power to relax. However, the Commission in its order dated 8.1.2020 had allowed GSHR of 2210.66 kCal/kWh, in terms of Regulation 36(C)(b)(i) of the 2014 Tariff Regulations. Consequent upon this, the Petitioner has passed on the benefit of reduced Energy Charge Rate to its beneficiaries.

(c) On 5.5.2017, the Commission had approved the Detailed Operating Procedure [Appendix I] and Compensation Mechanism [Appendix II] in terms of sub-clause 6 of Regulation 6.3B of the Grid Code. In view of the normative SHR of 2210.66 kCal/kWh allowed in order dated 8.1.2020, the compensation calculation underwent revision for part load compensation, the Petitioner raised bills on the Respondents for 2017-18 in the month of October 2020 as per compensation mechanism for Rs.12.65 crore.

(d) The issue of compensation for degradation of parameters for 2017-18 in respect of KSTPS was discussed in the 47th meeting of the commercial sub-committee of SRPC on 24.2.2021, wherein, SRPC, after recording the objections of some of the Respondent beneficiaries, recommended that the Petitioner may approach the Commission for clarification for revision of compensation due to part load operation of the generating station for 2017-18.

(e) The Respondents have refused to pay the claim of the Petitioner on the premise that the compensation mechanism does not envisage any retrospective settlement. The Grid Code or the compensation mechanism notified under the Grid Code do not prohibit retrospective settlement of the compensation claim of the Petitioner. The order passed on 8.1.2020 in Petition No.199/GT/2017 should not have an impact on the receivables of the generator. The Commission may, therefore, allow compensation to the Petitioner for degradation of parameters due to part load operation of KSTPS in 2017-18.

3. The learned counsel for the Respondent No.6, TANGEDCO referred to his preliminary reply and submitted that the petition was not 'maintainable' as the fourth amendment to the Grid Code does not provide for any retrospective settlement of compensation for degradation of parameters due to plant load operation. He also submitted that on account of high ECR, KSTPS might have been scheduled at low PLF, due to less requisition of beneficiaries. The learned counsel stated that if lower ECR had been considered during that time, KSTPS would have been scheduled more and the question of part load compensation would not arise. The learned counsel also prayed that the Respondent may be permitted to file detailed reply in the matter.

4. The learned counsel for the Respondent, Discoms of Karnataka, submitted that they had objected to the claim of the Petitioner for compensation on account of degradation of parameters due to part load operation in the SRPC meeting dated 24.2.2021. He also submitted that the Petitioner has not furnished any details to substantiate claim for Rs.12.65 crore. The learned counsel adopted the submissions of the Respondent TANGEDCO and prayed for grant of time to file detailed reply in the matter.

5. The Commission after hearing the matter, directed the Respondents to file their replies on or before 27.12.2021 after serving copy to the Petitioner, who may file its rejoinder, if



any, by 10.1.2022. Pleadings shall be completed by the parties within the due dates mentioned and no extension of time shall be granted.

6. Subject to the above, order was reserved on 'admissibility' of the petition.

By order of the Commission

Sd/-
(B.Sreekumar)
Joint Chief (Law)

