

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 523/MP/2020

Subject : Petition under Section 79(1)(c) and (f) of the Electricity Act, 2003 read with Regulation 33A 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 seeking relaxation of the procedure set out under Clause 10.11 of Detailed Procedure for "Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System".

Date of Hearing : 27.8.2020

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

Petitioner : Shapoorji Pallonji Infrastructure Capital Company Private Limited (SPICCPPL)

Respondent : Power Grid Corporation of India Limited (PGCIL)

Parties present : Shri Venkatesh, Advocate, SPICCPPL
Shri Suhael Bhuttan, Advocate, SPICCPPL
Shri Abhishek Nangia, SPICCPPL
Shri Gurudarshan Madapura, SPICCPPL

Record of Proceedings

The matter was heard through video conferencing.

2. Learned counsel for the Petitioner submitted that the present Petition has been filed seeking return of the two Bank Guarantees (BG) totalling Rs. 10 crore (Rs. 5 crore each) furnished by the Petitioner in favour of the Respondent, PGCIL under the Transmission Service Agreements (TSAs) entered into between the Petitioner and the Respondent. Learned counsel further submitted as under:

(a) The Petitioner was awarded two 250 MW solar projects in the States of Tamil Nadu and Andhra Pradesh and the power from these Projects was to be supplied to the Distribution companies of Telangana (in short, 'Telangana Discoms') through an intermediary procurer, NTPC Limited.

(b) Subsequently, the Petitioner was granted Stage-II connectivity by PGCIL for 250 MW each with respect to its Tuticorin Project (Tamil Nadu) and Anantpur Project (Andhra Pradesh). Consequently, TSAs were entered into with PGCIL and the Petitioner furnished BG of Rs. 5 crore under each TSA.



(c) In terms of the PPAs, Telangana Discoms were required to obtain the approval of the respective PPAs along with NTPC's trading margin from the Telangana State Electricity Regulatory Commission (TSERC) as a condition precedent within a period of 60 days of effective date of PPAs. However, despite extension of 3 months, the PPAs were not approved by TSERC and accordingly, the parties terminated the PPAs.

(d) Consequent to the termination of the PPAs, the Petitioner vide its letters dated 15.1.2020 apprised PGCIL about the said termination and *inter-alia* sought to cancel the Stage-II connectivity and to return BGs.

(e) PGCIL vide its letter dated 4.3.2020 revoked the Stage-II Connectivity. However, the Petitioner's request for return of BG was declined by PGCIL on the ground that the provision in the 'Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission Systems' (in short, 'RE Detailed Procedure') regarding discharge of BG is subsequent to commencement of power evacuation from the renewable project.

(f) 'Power to Relax' under Regulation 33A of Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 has been exercised by the Commission in its order dated 7.1.2020 in Petition No. 159/MP/2019 (Toramba Renewable Energy Pvt. Ltd. v. PGCIL) for relaxing the Clause 10.11 of the RE Detailed Procedure and issuing direction to PGCIL to discharge the BG therein. Accordingly, in the present case also, the BG furnished under TSAs ought to be returned to the Petitioner.

(g) According to the Petitioner, PGCIL has not incurred any expenditure to provide connectivity to the Petitioner.

3. After hearing the learned counsel for the Petitioner, the Commission admitted the Petition and directed to issue notice to the Respondent.

4. The Commission directed the Petitioner to serve copy of the Petition on the Respondent immediately, if not already served. The Respondent was directed to file its reply by 19.2.2021, with advance copy to the Petitioner, who may file its rejoinder, if any, by 8.3.2021. The Commission directed PGCIL to submit the following information along with its reply:

(a) Status of bay(s) at which the Petitioner was granted Stage-II Connectivity and under whose scope of work such bay(s) are covered.

(b) Whether any expenditure has been incurred by it based upon the connectivity granted to the Petitioner?

5. The Commission further directed that the due date of filing of reply, rejoinder and information should be strictly complied with.



6. The Petition shall be listed for hearing in due course for which separate notice will be issued.

By order of the Commission

**Sd/-
(T.D. Pant)
Deputy Chief (Law)**

