

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Review Petition No. 11/RP/2021
in Petition No. 85/TT/2019

Subject : Review of the Commission's order dated 25.1.2021 in Petition No. 85/TT/2019

Petitioner : Power Grid Corporation of India Limited

Respondent : Rajasthan Rajya Vidyut Prasaran Nigam Limited & Others

Date of Hearing : 20.1.2022

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

Parties Present : Shri V. P. Rastogi, PGCIL
Shri S. S. Raju, PGCIL
Shri D. K. Biswal, PGCIL
Shri A. K. Verma, PGCIL

Record of Proceedings

The Review Petition was called out for virtual hearing.

2. The representative of the Review Petitioner made the following submissions:
- a) Instant Review Petition is filed against order dated 25.1.2021 in Petition No. 85/TT/2019 wherein tariff from COD to 31.3.2019 in respect of Asset I: +/-200 MVAR STATCOM at 400/220 kV Nalagarh Sub-station and Asset II: +/-300 MVAR STATCOM at 400 kV Lucknow Sub-station under Provision of STATCOM at Nalagarh and Lucknow in Northern Region was approved.
 - b) The Review Petition was heard and admitted on 20.7.2021. None of the Respondents have filed any reply in the matter.
 - c) The Review Petitioner in Petition No. 85/TT/2019 had claimed Initial Spares @ 6% for STATCOM at Nalagarh as it is a brownfield sub-station as specified in Regulation 13(d)(iii) of the 2014 Tariff Regulations. However, the Commission vide order dated 25.1.2021 had held that STATCOM is a Series Compensation Device and, accordingly, approved the Initial Spares @ 4% as per Regulation 13(d)(iv) of the 2014 Tariff Regulations, which is an error apparent, against which the instant review petition has been filed.
 - d) Regulation 13(d)(iv) of the 2014 Tariff Regulations provides for initial spares for "Series Compensation Device" but STATCOM is not a Series Compensation Device and rather it is a Shunt Compensation Device. Therefore, requirement of Initial Spares in case of STATCOM is higher than a Series Compensation Device like FSCs and other equipment.
 - e) Initial Spares was claimed @ 6.83% for STATCOM at Nalagarh in Petition No. 85/TT/2019 which is more than the allowable ceiling of 6% specified in Regulation 13(d)(iii) of the 2014 Tariff Regulations for Transmission. However, the Commission



had allowed Initial Spares @ 4%, which would lead to under-recovery of Initial Spares.

- f) Equipment like Coupling Transformer, MV Bus, Mechanically Switched Capacitor/ Reactor, Valves, Valve Hall and other necessary auxiliary facilities are required for the installation of STATCOMs. As a result, the related Initial Spares requirement is high, and it should be treated as a Shunt Compensation Device and, accordingly, Initial Spares @ 6% may be allowed.
- g) Prayed to allow Initial Spares @ 6% for STATCOM at Nalagarh as in orders dated 18.10.2021 and 18.1.2022 in Petition No. 658/TT/2020 and Petition No. 481/TT/2020 respectively wherein the Commission allowed Initial Spares @ 6% for STATCOM.

3. After hearing the representative of the Review Petitioner, the Commission reserved the order in the matter.

By order of the Commission

sd/-
(V. Sreenivas)
Joint Chief (Law)

