

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 192/MP/2023

- Subject : Petition under Section 79, including Sections 79 (1)(c), 79 (1)(f) and 79 (1)(k) of the Electricity Act, 2003 seeking direction upon Respondents to allow the said Petitioner to convert and continue its old connectivity under the new regime without the need of applying for GNA.
- Petitioner : Bharat Aluminium Co. Ltd. (BALCO)
- Respondents : Central Transmission Utility of India Limited (CTUIL) and 2 Ors.
- Date of Hearing : **13.8.2024**
- Coram : Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
- Parties Present : Shri Sanjay Sen, Sr. Advocate, BALCO
Shri Hemant Singh, Advocate, BALCO
Ms. Supriya Rastogi, Advocate, BALCO
Ms. Lavanya Panwar, Advocate, BALCO
Shri Nishant Kumar, Advocate, BALCO
Shri Harshit Singh, Advocate, BALCO
Ms. Suparna Srivastava, Advocate, CTUIL
Ms. Astha Jain, Advocate, CTUIL
Ms. Divya Sharma, Advocate, CTUIL
Ms. Priyansi Jadiya, CTUIL
Shri Siddharth Sharma, CTUIL
Shri Ranjeet Singh Rajput, CTUIL
Shri Gajendra Sinh, NLDC & WRLDC
Shri Tushar Mohapatra, NLDC & WRLDC

Record of Proceedings

The learned senior counsel for the Petitioner submitted that the present Petition has been filed seeking conversion and continuation of the old/ existing connectivity of 530 MW granted to the Petitioner under the new General Network Access (GNA) regime without the need of applying for mandatory GNA in terms of Regulation 17.1(iii) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ('the GNA Regulations'). Learned senior counsel mainly submitted as under:

- a) The Petitioner was granted connectivity of 530 MW by the CTUIL under the earlier Connectivity Regulations, 2009, which provided for the grant of connectivity without the necessity of applying for the mandatory Open Access. Also, the said connectivity was granted to the Petitioner as a Bulk Consumer.
- b) The Petitioner has an aluminum smelter, which requires 950 MW power on a continuous basis and in order to meet this power requirement, the Petitioner has set

up a captive power plant. The supply of power to the smelter (Captive Load) from the generating stations is carried out through its dedicated transmission line. As such, the connectivity to the grid ensures the power security to the Petitioner's Smelter (Bulk Consumer) in case of an emergency / forced outage. Additionally, the Petitioner is also an obligated entity under the Renewable Purchase Obligations Rules and Regulations, which makes it mandatory for the Petitioner to fulfill the obligation by procuring renewable power through the grid. Thus, the power requirement for such consumers (Petitioner in the present case) is intermittent, and there is a possibility that power requirement from the grid is negligible for a longer period of time during a year.

c) After the GNA Regulations came into force, the Petitioner was required to convert/transition its existing connectivity (530 MW) in terms of Regulations 37.6 of the GNA Regulations by taking mandatory open access/ GNA equal to the quantum of its connectivity in terms of Regulation 17.1(iii)/ 17.2, failing which the connectivity to the extent not converted will stand surrendered.

d) In terms of Regulation 17.1(iii) of the GNA Regulations, 2022, a Bulk Consumer seeking to connect with ISTS is eligible to apply for the GNA. However, the connectivity of the Bulk Consumer is ingrained with such GNA applied (in terms of Clause 5.11 of the Explanatory Memorandum), and such a Bulk Consumer cannot apply for the standalone connectivity. Further, in the case where a Bulk Consumer has existing connectivity (as in the present case) granted under the old regime, the same can be transitioned under Regulation 37.6 and by applying for the GNA equal to the quantum of such connectivity under Regulation 17.2 of the GNA Regulations.

e) BALCO, being a Bulk Consumer with captive generation, will have to apply for the mandatory GNA in order to retain its connectivity of 530 MW and pay the transmission charges continuously and compulsorily when it does not have actual utilization of the entire quantum at all times. However, if the Petitioner fails to take mandatory GNA, its connectivity to the extent not converted will stand surrendered. Accordingly, BALCO migrated to the said new regime by initially seeking connectivity of 200 MW out of the 530 MW in the new regime. The reason for a decision to seek part GNA at the initial stages was due to the lack of clarity on the part of BALCO as to whether or not it will be saddled with the commercial burden of having to pay the transmission charges for the 530 MW from the very outset.

f) As per Regulation 26.1 of the GNA Regulations, which provides for eligibility for temporary GNA (without qualifying requirement of 50 MW and above), a Bulk Consumer directly connected to the ISTS is also eligible for such temporary GNA. However, since there is no standalone connectivity for a Bulk Consumer under the GNA Regulations, as such, even to apply for the temporary GNA, a Bulk Consumer has to necessarily take the GNA under Regulation 17.1(iii) for ingrained connectivity. The provision of the mandatory GNA, thus, renders the provisions of the T-GNA as otiose in regard to a Bulk Consumer.

g) In the old regime under the Connectivity Regulations, 2009, the Petitioner had the option to take connectivity with or without obtaining Long-Term Access. Further, flexibility was provided to such category of consumers to avail power through Short-Term Open Access and make payment of transmission charges for the power drawn through the grid based on the actual utilization of the transmission corridor. However, in the new regime, despite the fact that the power requirement of the Petitioner is intermittent, the Petitioner is required to bear the transmission charges on the total quantum corresponding to its captive load without there being actual usage of the transmission corridor.

h) As per the estimates of the Petitioner, had the Petitioner been permitted the same dispensation as available under the earlier Connectivity Regulations, i.e., availing the open access / GNA as and when required as against the mandatorily taking the open access/ GNA corresponding to entire connectivity quantum, the liability of the transmission charges for the period from October, 2023 to till date in its case would have been approximately Rs. 6 crores as against the approximately Rs. 170 crores in the new regime. The Petitioner may be permitted to place on record the details of financial repercussions brought about by the new regime.

i) Accordingly, the Petitioner has prayed that the Commission exercises its Power to Relax under the GNA Regulations and that the Petitioner be permitted to transition its connectivity by availing the T-GAN / T-GNARE.

2. The learned counsel for the Respondent, CTUIL, submitted that, as such, there are no enabling provisions in the GNA Regulations basis on which the various reliefs as prayed for by the Petitioner can be considered. The learned counsel further submitted that CTUIL has already filed its written submissions in the matter covering the various aspects, including the relevant provisions of the GNA Regulations along with their scope and extent of their applicability to the Bulk Consumer, the scope of Power to Relax provisions, and liability of the transmission charges, etc.

3. Considering the submissions made by the learned senior counsel for the Petitioner and the learned counsel for the Respondent, CTUIL, the Commission directed WRLDC to file the information on an affidavit within two weeks with a copy to another side block-wise actual drawl data (in excel format) by BALCO-Bulk Consumer from the ISTS, as per the Scheduling, Metering, and Energy Accounting arrangement decided in terms of the Commission's direction in Order dated 29.1.2020 in Petition No. 299/MP/2018, for the period starting from the effectiveness of the Connectivity of BALCO-Bulk Consumer to March 2024.

4. The parties are directed to file a short-written note before the next date of the hearing.

5. The Petition will be listed for the hearing on **24.9.2024**.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Law)