

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 147/MP/2021

Coram:

Shri Jishnu Barua, Chairperson

Shri Arun Goyal, Member

Shri P.K.Singh, Member

Date of Order: 16th May, 2024

In the matter of:

Petition under Section 79 (1)(b), 79 (1)(f) and 79 (1)(k) of the Electricity Act 2003, read with Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 seeking payment of the outstanding amount on account of illegal deductions made by TANGEDCO from the Monthly Bills raised by the Petitioner herein; and for quashing the impugned letters dated 19.01.2021, 04.02.2021 and 03.03.2021.

And in the matter of:

Bharat Aluminium Company Limited (BALCO),

Through its Authorized Representative

Balco Nagar, Korba, Chhattisgarh- 495684

.....**Petitioner**

Vs

1. Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO),

Through its Authorized Representative

NPKRR Maligai, 6th Floor, Eastern Wing, 144,

Anna Salai, Chennai- 600002

2. Kerala State Electricity Board (KSEB),

Through its Authorized Representative

Vydyuthi Bhavanam, Pattom,



Thiruvananthapuram, Kerala- 695004

3. Chhattisgarh State Power Trading Company Ltd. (CSPTrdCo.),
Through its Authorized Representative
Daganiya, Raipur, Chhattisgarh- 492013
4. State Load Despatch Centre (SLDC),
Tamil Nadu Transmission Corporation Limited (TANTRANSCO),
Through its Authorized Representative
Anna Salai, Chennai, Tamil Nadu- 600002
5. Southern Regional Load Despatch Center (SRLDC),
Through its Authorized Representative
29, Race Course Cross Road, Bangalore- 560009
6. Western Regional Load Despatch Center (WRLDC),
Through its Authorized Representative
F-3, M.I.D.C. Area, Marol Andheri (East),
Mumbai- 400093

.....Respondents

Parties Present: Shri Buddy Ranganadhan, Advocate, BALCO
Shri Nishant Kumar, Advocate, BALCO
Shri Ayush Kumar, Advocate, BALCO
Ms. Anusha Nagarajan, Advocate, TANGEDCO
Ms. Kirti Dhoke, Advocate, TANGEDCO
Ms. Aakanksha Bhola, Advocate, TANGEDCO
Shri Rahul Ranjan, Advocate, TANGEDCO
Shri Gajendra Singh, SRLDC

ORDER

The Petitioner, Bharat Aluminium Company Limited (hereinafter referred to as the "Petitioner/ BALCO"), has filed the instant petition under Section 79(1)(b), 79(1)(f) and 79(1)(k) of the Electricity Act, 2003 seeking payment of the outstanding amount on account of illegal deductions made by TANGEDCO from the monthly bills raised by the Petitioner; and for quashing the impugned letters dated 19.01.2021,



04.02.2021 and 03.03.2021, in terms of the provisions contained under Regulation 6.3B of the CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2017 read with various provisions of the PPA.

2. The Petitioner has made the following prayers in the instant petition:

- “
- a) *Direct the Respondent No. 1/ TANGEDCO to make payment of Rs. 10,17,97,541 to the Petitioner towards the illegal deductions made from the Monthly Bills for the power supplied during the months of November 2020, December 2020 and January 2021.*
 - b) *Direct the Respondent No. 1 to make payment of the applicable interest towards the non-payment of Monthly Bills for the months of November 2020, December 2020 and January 2021.*
 - c) *Quash the letters dated 19.01.2021, 04.02.2021 and 03.03.2021 issued by the Respondent No. 1, on account of its being illegal and contrary to Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016.*
 - d) *Direct the Respondent No. 1 to provide schedule of despatch in accordance with Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016 and in accordance with the detailed procedure for taking unit(s) under Reserve Shut Down approved by this Hon'ble Commission vide the order dated 05.05.2017, in future; and*
 - e) *Hold and direct that the Respondent No. 1 is liable to make payment towards compensation for Degradation of Heat Rate, Aux. Consumption and Secondary Fuel Oil Consumption, due to Part Load Operation and Multiple Start/Stop of Units in accordance with:*
 - a) *Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016;*
 - b) *Detailed procedure for taking unit(s) under Reserve Shut Down approved by this Hon'ble Commission vide the order dated 05.05.2017; and*



- f) *Grant liberty to the Petitioner for claiming damages/ compensation from the Respondent No. 1 on account sudden and frequent surrender of power which resulted in deterioration of Petitioner's power plant efficiency; and*
- g) *In the interim, direct the Respondent No. 1 not to make any deductions from the monthly bills raised by the Petitioner on the basis of REA data; and*
- h) *In the interim, direct the Respondent Nos. 5 and 6, i.e. SRLDC & WRLDC, to confirm the schedule of power supplied by the Petitioner; and*
- i) *Pass any other order as this Hon'ble Commission may deem fit in the facts and circumstances of the present case and in the interest of justice."*

Background

3. The Petitioner is a generating company under Section 2 (28) of the Electricity Act, 2003, with its generating station in the State of Chhattisgarh. The Petitioner executed a Power Purchase Agreement ("BALCO-1 PPA") dated 23.08.2013 and an addendum PPA ("BALCO-2 PPA") with Respondent No. 1 for the supply of 200 MW RTC power to Respondent No. 1/TANGEDCO.

4. The Petitioner started the supply of power for the first 100 MW to Respondent No. 1 from 03.09.2015, while the supply for the additional quantum of 100 MW started on 01.12.2015. The Petitioner submitted that during the months of November 2020 to January 2021, for certain time blocks in a day, the available declared capacity was not accepted by the Respondent No. 1/TANGEDCO, which does not allow the Petitioner to operate its power plant in accordance with the required technical minimum standards.

5. The Petitioner is seeking appropriate directions upon Respondent No. 1/TANGEDCO for releasing the alleged outstanding payment accrued in favour of the Petitioner on account of illegal deductions from the monthly bills raised by the Petitioner in terms of the Power Purchase Agreement (PPA) dated 23.08.2013 and the addendum PPA dated 10.12.2013 (hereinafter collectively referred to as the "PPAs").

6. Further, the Petitioner is also seeking the indulgence of CERC for quashing



the letters dated 19.01.2021, 04.02.2021 and 03.03.2021 issued by the Respondent No. 1 (hereinafter collectively referred to as the “Impugned letters”), inasmuch the same are in the teeth of the provisions contained under Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 read with various provisions of the PPAs.

Submissions of the Petitioner and Respondents

7. The Petitioner, vide its affidavit dated 21.6.2021, has mainly submitted as follows:

- a) The Petitioner executed a Power Purchase Agreement with the TANGEDCO/Respondent No. 1 on 23.08.2013 for the supply of 100 MW power for a period of 15 years under Section 63 of the Electricity Act, 2003. Pursuant to the execution of the aforesaid PPA, on 10.12.2013, the Petitioner also executed an Addendum to the said PPA for the supply of additional 100 MW power on a long-term basis for a period of 15 years based on the terms and conditions contained in the PPA dated 23.08.2013. Hence, the total quantum for the supply of power by the Petitioner to the Respondent No. 1 is to the extent of 200 MW.
- b) While the PPAs are in effect, during the months of November 2020 to January 2021 for certain time blocks in a day, the schedule for dispatch of power as provided by Respondent No. 1 was sought to be revised by Respondent No. 1 at the last minute and was sought to be reduced below the technical minimum of the Petitioner’s Plant i.e. 55%, which has resulted in causing difficulty to the Petitioner to manage the technical minimum load required for operating the coal based thermal power plant owned by the Petitioner.
- c) The schedule for dispatch of power as provided by Respondent No. 1 is not in accordance with the technical minimum standard as provided under Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016, i.e., 55%, which has resulted in causing grave difficulty to the Petitioner to manage the technical minimum load required for operating the coal based thermal power plant owned by the Petitioner.



- d) The downward revision schedule was provided by TANGEDCO in such a manner that the Petitioner is not able to go under Reserve Shut Down (“RSD”) as provided under the IEGC, 2010.
- e) The downward revision of scheduling of power, during the months of November 2020 to January 2021 is illegal, and any deductions made from the monthly bills of the Petitioner for the said months are illegal and contrary to the statutory regulatory framework.
- f) Therefore, the Petitioner is constrained to approach this Commission seeking appropriate directions upon Respondent No. 1 to make payment for the power which was sought to be illegally refused to be scheduled as enumerated in the present petition along with applicable interest and for issuance of appropriate directions upon the said Respondent to give the schedule for dispatch of power strictly in accordance with law in the future.
- g) The schedules were never revised by the SRLDC/ Respondent No. 5 as desired by Respondent No. 1. The Petitioner had addressed SRLDC to the effect that the Petitioner had opposed the revisions in Schedule sought by Respondent No. 1. The SRLDC never accepted the Revision in the schedule by the Respondent No. 1. The SRLDC REA will also show that the Petitioner had continued to schedule and supply power as per the schedule against which invoices have been raised by the Petitioner.
- h) The details of the originally scheduled power, Revised Schedule, and the Technical Minimum for 19.11.2020 and 30.11.2020 under “BALCO-1 PPA and BALCO-2 PPA” are as follows:



Nov-20										
Date	PPA	Time From	Time To	Original Net Schedule	Request for surrender by TNEB	Revision number	Surrender request accepted by BALCO	If accept the TNEB request, then Final Schedule	Installed capacity (2 X 300 MW)	Final Schedule w.r.to Installed capacity
				A	B		C	(D=A-B)	E	(F=E/D)
		Hrs	Hrs	MW	MW	No's	MW	MW	MW	%
19-11-2020	BALCO 1	22:00	24:00	384	100	3	-	284	600	47%
	BALCO 2	22:00	24:00	384	100	3	-	284	600	47%
30-11-2020	BALCO 1	22:30	24:00	320	50	5	-	270	600	45%
	BALCO 2	22:30	23:00	320	50	5	-	270	600	45%
		23:00	24:00	320	50	5	60	270	600	45%

- i) The Petitioner issued an email to Respondent No. 1 on 04.01.2021, thereby stating its practical difficulty in implementing the frequent and sudden downward revisions as directed by Respondent No. 1 during the months of November 2020 and December 2020. Further, the Petitioner vide the said email also requested TANGEDCO to intimate the schedule for dispatch of power well in advance so that the Petitioner can undergo shutdown, if required, in order to comply with the CERC (IEGC) Regulations, 2016.
- j) The Petitioner vide another email dated 11.01.2021 stated that pursuant to the meeting held on 08.01.2021 between the representative of the Petitioner Company and the Respondent No. 1, TANGEDCO is required to send a request for surrender of power with maximum time duration and the same may be done possibly on a day-ahead basis. Further, as stated by the Petitioner in the aforesaid email, it was also agreed that TANGEDCO should accept Petitioner's ramp down/ up the rate of decrease/ increase of load during the surrender period, and in such a scenario, the energy scheduled over and above the quantum requested for the surrender of power shall not be treated as lapsed units, and the same shall be duly accounted in the energy bills.
- k) However, in the month of January 2021, while the Petitioner was supplying power in terms of the PPA, Respondent No. 1 issued letters dated 19.01.2021, thereby disputing the invoices dated 05.12.2020 raised by the Petitioner towards the power supplied during the month of November 2020.
- l) As per the said letters, Respondent No. 1 has illegally disputed an amount of

Rs. 66,27,332 under the BALCO-1 PPA and Rs. 73,30,705 under the BALCO-2 PPA. The said amounts have been disputed by TANGEDCO solely on account of the downward revisions made during the month of November 2020, and the said Respondent stated that the energy injected over and above the schedule of dispatch shall be treated as lapsed energy.

- m) Further, Respondent No. 1 issued another set of letters dated 04.02.2021, thereby disputing the invoices dated 05.01.2021 raised by the Petitioner towards the power supplied during the month of December 2020. Respondent No. 1 has illegally disputed an amount of Rs. 3,13,46,968 under the BALCO-1 PPA and Rs. 3,63,60,451 under the BALCO-2 PPA. The said amounts have been disputed by TANGEDCO also on the same ground that the energy injected over and above the schedule of dispatch shall be treated as lapsed energy.
- n) The Petitioner raised invoices amounting to Rs. 22,78,15,362 and Rs 23,37,44,555 towards the power supplied during the month of January 2021 in accordance with the PPAs.
- o) In response to the aforesaid letters dated 19.01.2021 and 04.02.2021 issued by Respondent No. 1 and with reference to emails dated 04.01.2021 and 11.01.2021 issued by the Petitioner, a detailed reply was furnished by the Petitioner on 19.02.2021. In the said reply, the Petitioner once again reiterated that the downward revision made by TANGEDCO during the months of November and December 2020 cannot be accepted by BALCO as the said downward revision itself is illegal and therefore, no deduction ought to have been made by TANGEDCO on account of such downward revision.
- p) The Petitioner, vide its reply dated 19.02.2021, also contended that the dispute letters dated 19.01.2021, are illegal as the same are not in line with Article 8.6.1 and 8.6.2 of the PPA. Respondent No. 1 is required to issue the 'Bill Dispute Notice' within 30 days from the date of receiving a bill. In the present case, Respondent No. 1 issued a Bill Dispute Notice on 19.01.2021 against the invoice dated 05.12.2020. As such, by virtue of the provisions contained under Article 8.6.1 of the PPA and on account of the fact that the Bill Dispute Notice was issued only after the expiry of 30 days. The invoices dated 05.12.2020 are conclusive and the same cannot be disputed by the



Respondent No. 1 at this stage. Hence, the amount withheld by Respondent No. 1 against the invoices dated 05.12.2020 ought to have been released.

- q) Respondent No. 1 again issued dispute letters on 03.03.2021 against the invoices dated 04.02.2021 raised by the Petitioner towards the power supplied in the month of January 2021. Vide the said letters, Respondent No. 1 has illegally disputed an amount of Rs. 88,60,931 under the BALCO-1 PPA and Rs. 1,12,71,154 under the BALCO-2 PPA. The said amounts have also been disputed by TANGEDCO only on the ground that the energy injected over and above the schedule of dispatch shall be treated as lapsed energy.
- r) The amounts disputed by Respondent No. 1 are completely illegal on account of the fact that the energy supplied over and above the revised schedule for dispatch issued by Respondent No. 1 has not been taken into consideration, even if such energy was generated and supplied for the purpose of ensuring the operation of the Petitioner's power plant at the technical minimum load requirement. Also, Respondent No. 1 has been making downward revisions in a sudden and frequent manner, which also restrains the Petitioner from accepting the request for downward revision.
- s) The Petitioner, in terms of Section 79 (1) (b) of the Act, has a composite scheme for the generation and sale of electricity in more than one state. A chart depicting the PPA(s)/ PSA(s) executed by the Petitioner is as follows:

Date of Execution of PSA/ PPA	Procurer	Quantum	Tenure
23.08.2013	Tamil Nadu Generation and Distribution Corporation Ltd.	200 MW RTC Power	15 years (Valid till 30.09.2028)
26.12.2014	Kerala State Electricity Board	100 MW on DBFOO basis	25 Years (Valid till 30.09.2042)

19.01.2015	Chhattisgarh State Power Distribution Company Ltd.	5%	Till the end of life of the plant.
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- t) Respondent No. 1 has given downward revisions below the technical minimum of Petitioner's power plant and, as such, the Petitioner was constrained to punch the schedule on RLDC's portal over and above the downward revision schedules to ensure the operation of its power plant at the technical minimum. However, the said Respondent failed to appreciate the reason for not accepting the downward revision below the technical minimum and deducted the amount from the monthly bills of the Petitioner.
- u) The scheduling pattern of Respondent No. 1 also restricts the Petitioner from undergoing RSD on account of the fact that a downward revision schedule is given for certain time blocks during the day of operation and the time duration for revival of Petitioner's power plant is not in accordance with Clause 7 of the RSD procedure approved by CERC vide its order dated 05.05.2017. As such, the Petitioner is left with no option other than injecting power over and above the downward revision schedule whenever such downward revision is below the technical minimum of the power plant.
- v) The Hon'ble Appellate Tribunal for Electricity, vide its judgment dated 15.02.2017 passed in R.P. No. 22 of 2016 in Appeal No. 34 of 2016, has also clarified the position of law on this aspect. After taking cognizance of the abovementioned CERC 2016 Regulations, the Hon'ble APTEL held that coal-generating units cannot be subjected to erratic scheduling of power.
- w) The Technical Minimum load requirement is only relatable to the generating unit/ plant and not the agreement (PPA) between the Petitioner and the Respondent No. 1. In other words, from a reading of the CERC 2016 Regulations, it is clear that the technical minimum load requirement, i.e., 55%, has to be seen in relation to the installed capacity of the unit/ plant and not the contracted capacity under the PPA.
- x) During the month of November 2020, the Petitioner herein specifically mentioned to the SLDC/ Respondent No. 4 that further downward revision

cannot be accepted by the Petitioner since the units are already operating at the technical minimum load requirement. However, even the SLDC failed to appreciate the concern raised by the Petitioner and accorded its concurrence on the schedule of dispatch which was below the technical minimum requirement of the units installed at Petitioner's power plant.

- y) The power supply arrangement with all the Discoms, including Respondent No. 1, is about 355 MW from its 2 units of 300 MW each. As such, the obligation to supply power on a long-term basis is about 58% of the installed capacity (600 MW). Out of the total supply obligations, the contracted capacity (200 MW) with TANGEDCO constitutes about 36% of the load of the 600 MW installed capacity minus Auxiliary Power Consumption, i.e., 45 MW. As such, any downward revision by TANGEDCO beyond 50 to 100 MW will result in a violation of the technical minimum standards prescribed under CERC (IEGC) Regulations, 2016. Further, the Petitioner also requested TANGEDCO to intimate the schedule for dispatch of power well in advance so that the Petitioner can undergo shutdown, if required, in order to comply with the CERC (IEGC) Regulations, 2016.

Hearing dated 16.11.2021

8. The Petition was heard on 16.11.2021, and the Commission vide RoP of hearing dated 16.11.2021 'admitted' the petition. The Commission directed the Respondents to file their reply and the Petitioner to file its rejoinder.

Reply of the Respondent, TANGEDCO, vide affidavit dated 01.04.2022

9. The Respondent, TANGEDCO, vide affidavit dated 01.04.2022, has mainly submitted as under:
- (a) The Petitioner's claim is misconceived and untenable, both under the provisions of the relevant regulations as well as under the contract. Since TANGEDCO is only supplied with 36% of the project's total capacity, they cannot ensure the plant's operation at the technical minimum.
- (b) TANGEDCO denies the Petitioner's allegation that their scheduling of power is solely responsible for the plant's failure to operate at the technical minimum,



stating that no such case can be made. Further, TANGEDCO is entitled to schedule energy from the Petitioner's plant in accordance with the demand and principles of merit order dispatch (MOD).

- (c) In terms of PPA, the Petitioner is compensated for operating the plant to make the entire contracted capacity available through capacity charges. Hence, there's no basis for additional energy charge claims. TANGEDCO argues that compensation under Regulation 6.3B of the CERC (IEGC) Regulations, 2016, applies when directed by RLDC to maintain grid stability, which did not occur in the Petitioner's case.
- (d) TANGEDCO submitted that SLDC gives backdown instructions to generators under the following conditions:
- i. If the overall demand during the odd hours (00 to 06 hrs) reduces, backdown instructions are given to maintain the frequency within the stipulated IEGC band of 49.90- 50.05 Hz, and DSM within the permissible limit of +/- 250 MW. Further, whenever there is an increase in the RE generations, backdown instructions are given.
 - ii. As per the Government of India policy, Renewable Energy (RE) is to be treated as "MUST RUN" and any increase in the generation of RE is to be accommodated only by reducing the generation of conventional sources to maintain Demand – Generation balance.
 - iii. Amongst conventional sources, the SLDC maintains MOD in order to ensure the economical operation of the TN grid without compromising the grid safety and security.
- (e) The Petitioner has been provided with 6-time blocks to adjust generation as per regulations, allowing sufficient time for backing down or picking up generation based on real-time conditions.

Rejoinder of the Petitioner vide affidavit dated 20.4.2022

10. The Petitioner, vide its affidavit dated 20.04.2022, filed its rejoinder to the reply of Respondent No. 1/ TANGEDCO and reiterated certain submissions made in the original petition. A brief of additional submissions made by the Petitioner is as follows:

- (a) The Petitioner submitted that it has contracted to supply 355 MW of power,



which constitutes about 63% of the installed capacity after adjusting for auxiliary power consumption. Therefore, TANGEDCO's assertion that the Petitioner's claim is untenable because it supplies only 36% of the installed capacity is inaccurate.

- (b) The Petitioner emphasizes that it has already contracted to supply more than 55% of the installed capacity, meeting the technical minimum load requirement. Therefore, TANGEDCO's argument that the Petitioner lacks the capacity to satisfy the technical minimum load is baseless.
- (c) The Petitioner argues that TANGEDCO's frequent downward revisions have forced the Petitioner to inject power over and above the revised schedule to avoid operating below the technical minimum. Despite requests for advance notice and practical difficulties raised, TANGEDCO continued with sudden revisions, leading to operational challenges for the Petitioner.
- (d) The Petitioner contends that it should be compensated for energy injected above the downward revision schedule, as it was necessary to maintain the technical minimum load. TANGEDCO's deductions from energy charges for injected energy over the revision schedule are deemed illegal, as they ignore the purpose of ensuring technical minimum compliance.
- (e) The Petitioner argues that RLDC's role is not limited to issuing directions, it must ensure the operation of power plants at the technical minimum. Therefore, TANGEDCO's claim that RLDC directions are necessary for operating above the technical minimum is unfounded.
- (f) TANGEDCO justifies its backing down instructions by citing the need to maintain grid frequency in accordance with IEGC and DSM within the permissible limits and as per the Govt. of India Policy, RE is to be treated as "Must Run.", However, it overlooks the requirement to maintain the technical minimum load of conventional energy sources, which is mandated by the same Grid Code.
- (g) TANGEDCO relies on CERC (IEGC) (6th Amendment) Regulations, 2019, to justify the time given for backing down and ramping up generation based on real-time conditions. However, the Petitioner argues that while it does not dispute the mechanism for real-time revision of requisitioned capacity, such

revisions should not compel the power plant to operate below the technical minimum.

Hearing dated 10.5.2023

11. The case was scheduled for hearing on 10.5.2023. However, due to paucity of time, the matter could not be taken up for hearing and was adjourned.

Hearing dated 14.7.2023

12. The case was again scheduled for hearing on 14.7.2023. The Commission directed these Respondents to file their response and the Petitioner to file its response thereon. The Commission directed Respondents 4 – 6, i.e., TN-SLDC, SRLDC and WRLDC to depute a senior person well conversant and involved in the matter to remain present during the course of the next hearing to assist the Commission.

Reply on Behalf of Respondent No. 5 and 6/SRLDC and WRLDC vide affidavit dated 05.09.2023

13. In compliance with the RoP of hearing dated 14.7.2023, Respondent No. 5 and 6 (SRLDC and WRLDC) submitted their reply vide affidavit dated 5.9.2023, which are as follows:

- a) Regulation 6.5 of the Indian Electricity Grid Code (IEGC) 2010 covers the scheduling philosophy and Regulation 6.3B of the Fourth Amendment to the IEGC 2010 covers the aspects of the technical minimum schedule for the operation of generating stations.
- b) 11.3.13 of Statement of Reasons of Fourth Amendment to the IEGC 2010 emphasizes the reserve shutdown decision to be taken by the generator only.
- c) The entire scheduling process is being carried out using Web-Based Energy Scheduling (WBES) software.
- d) Regulation 6.5.4 of the IEGC 2010 mandates that SLDCs submit drawl schedules by 1500 hrs for long-term and medium-term bilateral interchange.



- e) The Operating procedures of the Southern Region and Western Region are published by SRLDC and WRLDC, respectively, as per Regulation 5.1(f) of the IEGC 2010. Clause 9.3(10) of the Operating Procedure mandates that the mutually agreed value be entered in Web-Based Scheduling for LTOA and MTOA transactions by the applicant/trader.
- f) In the case of Regional entities like BALCO, the entire generation capacity is not tied up, and the generator enters into multiple fixed MW contracts (i.e., PPAs) with various commercial considerations and technical conditions. The untied merchant capacity can also be sold by such power plants (viz. BALCO) in the short-term market. Further, the seller may have priorities in allocating the contracted capacity among different buyers over a period. The buyer(s) may be requiring a different quantum within the contracted capacity under the PPA.
- g) In view of the complexities mentioned in the preceding paragraph, it was decided to identify a transaction-wise entity (i.e., buyer or seller) who can submit the mutually agreed quantum to RLDC's scheduling portal (WBES) for the purpose of scheduling. Accordingly, the Applicant who has obtained LTA /MTOA from the CTU is identified and given access rights to the scheduling portal of RLDCs. Such an entity is expected to discuss with both the generator/seller and buyer and finalise the mutually agreed quantum to be submitted to RLDCs for scheduling. The applicant could be a trader, generator/seller, or buyer based on who has obtained the network access i.e., LTA/MTOA from CTU. The credentials to punch the mutually agreed quantum for scheduling in WBES are given to the said applicant. However, in case the applicant requests to give that right to another entity involved in the concerned transaction, the same is also honoured by the RLDCs.
- h) The SRLDC and WRLDC submitted the following with reference to the period under consideration, viz. November 2020 to January 2021:
 - i. There were two 100MW transactions from BALCO to TANGEDCO, viz L_15_07 and L_15_01. BALCO was the Applicant for both transactions. Accordingly, BALCO was given rights for punching mutually agreed upon quantum in WBES.
 - ii. BALCO was communicating the Declared Capability for the said

Contracts to the buyer TANGEDCO through email.

- iii. Buyer TANGEDCO was communicating their requirement to BALCO with their acceptance /comments through email.
- iv. Applicant BALCO was punching the schedule quantum in the WBES portal. The values punched by the applicant BALCO are expected to be mutually agreed upon as per the operating procedure of the Southern Region. It would be difficult for SRLDC/WRLDC to enquire whether the value entered was mutually agreed upon or not. Further, RLDC does not have the power to adjudicate the same. Accordingly, the values punched by the applicant BALCO were considered for further scheduling purposes.
- v. SRLDC/WRLDC did not revise the schedule in view of grid requirements as there was no situation of Grid Disturbance/ Transmission constraint during the said period for the above two transactions. Further, SRLDC/WRLDC did not revise the schedule using the Suo Moto Provision under Regulation 6.5.14 and 6.5.20 of the Grid Code for the two Transactions and BALCO during the said period. Accordingly, SRLDC/WRLDC issued schedules based on the quantum submitted by the applicant BALCO, which was deemed to be mutually agreed upon.
- vi. Any discrepancy in the quantum scheduled shall be settled by the parties which was merely based on the quantum submitted by the applicant BALCO in this case during the said period. The quantum submitted by the applicant was deemed/expected to be mutually agreed upon as per the operating procedure of the southern region and settled upon by the parties as per the provisions of the PPA.
 - i) It was the Petitioner's decision to stay on the bar or go on reserve shutdown, which is based on the final schedule issued by RLDC and by taking care of its supply obligation under various types of contracts.
 - j) The Petitioner's reliance upon the energy account based on schedules issued by SRLDC/WRLDC to contend that the revisions in schedule were not approved and that it was, in effect, a direction to the Petitioner to operate its plant above the technical minimum, is entirely misplaced and misconceived.



- k) SRLDC and WRLDC have acted in accordance with IEGC 2010 and its amendments and Operating Procedures of the Southern Region and Western Region.

Hearing dated 12.9.2023

14. The matter was again scheduled for hearing on 12.9.2023. Due to a paucity of time, the matter could not be taken up for hearing. The Commission directed the Petitioner to file its rejoinder.

Rejoinder of the Petitioner vide affidavit dated 07.10.2023 to the Reply filed by SRLDC and WRLDC

15. The rejoinder of the Petitioner to the reply filed by Respondent Nos. 5 and 6 (SRLDC and WRLDC), vide affidavit dated 07.10.2023 are as follows:

- a) The Petitioner clarifies that their grievance is not against the Indian Grid Code or its operating procedures but against TANGEDCO's scheduling pattern, which restricts the Petitioner from accepting multiple downward revisions or opting for reserve shutdowns.
- b) The Petitioner contends that RLDC included the injected energy quantity in the Regional Energy Accounting (REA) despite the Petitioner's rejection of revision requests due to technical constraints. Therefore, RLDC's stance that the Petitioner cannot rely on the RLDC-issued schedule contradicts RLDC's inclusion of injected energy in the REA, effectively directing the Petitioner to operate above the technical minimum.
- c) The Petitioner claims that RLDC duly accounted for the energy injected by the Petitioner to prevent operation below the technical minimum when issuing REA. They refute the suggestion by RLDCs and TANGEDCO that they could have opted for reserve shutdown (RSD) if revisions went below the technical minimum. They argue that the frequent and erratic nature of TANGEDCO's revision requests did not allow sufficient time for the Petitioner to undergo RSD, which requires at least 8 hours after going into RSD and an assurance by the beneficiary to run the unit for not less than continuous 8 hours.



Hearing dated 9.10.2023

16. The case was again scheduled for hearing on 9.10.2023.
17. The representative of Respondent No. 5, SRLDC, submitted that the difference between the Scheduling Procedure for Central Generating station or ISGS, whose tariff is either determined or adopted by the Commission and has 100% tied-up capacity, and the Regional Entities like BALCO where the entire generation capacity is not tied-up, and the generator has multiple fixed MW contracts with various commercial considerations and technical conditions. The representative of SRLDC further submitted that, in view of the various complexities involved in the latter case, it was decided to identify a transaction-wise entity that can submit the mutually agreed quantum to RLDC's scheduling portal (WBES) for the purpose of scheduling, and accordingly, the applicant who has obtained LTA/MTOA from CTUIL (or trader in the case of STOA) is identified and given access rights to the scheduling portal of RLDCs.
18. The representative of SRLDC added that in the present case, there were two 100 MW transactions from BALCO to TANGEDCO, and BALCO was the applicant for both transactions and accordingly, the rights for punching mutually agreed quantum in the scheduling portal were given to BALCO. BALCO was communicating the Declared Capacity for the said contracts to TANGEDCO through e-mails, and TANGEDCO was communicating their requirements to BALCO with its acceptance/comments through e-mails. The representative submitted that it would be difficult for RLDCs to inquire whether the value entered was mutually agreed upon or not, and that, as held by the Commission, RLDCs, as such, do not have the power to adjudicate any dispute arising in relation thereto. He further clarified that SRLDC/WRLDC did not revise the schedule punched in by BALCO in view of grid requirements as there was no situation of grid disturbance/transmission constraints during the concerned period for the above two transactions.
19. Similarly, SRLDC/WRLDC also did not revise the schedule using suo-motu provisions under Regulations 6.5.14 and 6.5.20 of the Grid Code for the above two transactions for the concerned period, and SLRDC/WRLDC issued the schedules based on the quantum submitted by BALCO, which was deemed to be mutually

agreed upon between the parties.

Reply of the 4th Respondent, SLDC-TANTRANSKO vide affidavit dated 21.10.2023

20. SLDC-TANTRANSKO submitted its reply vide affidavit dated 21.10.2023, and a brief of the same is as follows:

- a) During real-time grid operation, they requested the Petitioner to revise power dispatch downward in November 2020, December 2020, and January 2021. However, the Petitioner did not comply with these requests, citing already running units under the technical minimum. Due to the Petitioner's non-acceptance of downward revisions, any energy injected beyond the agreed quantum was treated as lapsed to maintain grid security.
- b) The Petitioner was accused of violating the Grid Code by punching and injecting full declared capacity into the WBES portal, ignoring downward revision requests. A table detailing specific instances where the Petitioner was requested to back down power due to reduced demand, along with reasons, is as follows:

Date	Time in Hrs.	Approval No. 1 [100 MW]			Approval No.7 [100 MW]			Reasons
		Declared Capacity in MW	Final concurrence from TNSLDC in MW	Final Injected quantum in MW	Declared Capacity in MW	Final concurrence from SLDC in MW	Final Injected quantum in MW	
19.11.2020	22.00 TO 24.00	100	50	100	100	50	100	Less demand (From 12750 to 9750 MW)
20.11.2020	00.00 TO 05.30	100	50	100	100	50	100	Less demand (12750 to 9100 MW)
	09.00 TO 16.00	100	50	100	100	50	100	To accommodate solar generation of 2300 MW.



	22.00 TO 24.00	100	50	100	100	50	80	Less demand (12700 to 9900 MW)
21.11.2 020	00.00 TO 05.00	100	50	100	100	50	100	Less demand (From 12700 to 9200 MW)
	09.00 TO 16.00	100	50	80	100	50	100	To accommodate solar generation of 2955 MW.
	23.00 TO 24.00	100	50	100	100	50	100	Less demand (From 12900 to 10000 MW)
22.11.2 020	00.00 TO 06.00	100	50	100	100	50	100	Less demand (From 12900 to 9300 MW)
28.11.2 020	00.00 TO 05.30	100	50	100	100	50	100	Less demand (From 12035 to 8400 MW)
30.11.2 020	22.30 TO 24.00	100	50	100				Less demand (From 12700 to 9550 MW)

- c) The Petitioner's claim of last-minute revision requests, providing evidence that instructions were given well in advance. They accuse the Petitioner of providing false information about technical minimum quantum and intentionally disregarding downward revision requests, violating the Grid Code for monetary gain.
- d) SLDC-TANTRANSCO cites judgments from APTEL cases to support their argument that unauthorized injection of energy into the grid does not entitle generators to compensation.

Rejoinder of the Petitioner vide affidavit dated 15.12.2023 to the Reply filed by SLDC-Tamil Nadu

21. The Petitioner, vide its affidavit dated 15.12.2023, filed its rejoinder to the reply of Respondent No. 4/ SLDC-Tamil Nadu. A brief of additional submissions made by the petitioner in rejoinder to the reply of SLDC-Tamil Nadu is as follows:

- a) The Petitioner insists that all entities involved in power system operation must adhere to the Electricity Act, 2003, and related regulations. They reject SLDC-Tamil Nadu's downward revision requests for jeopardizing their ability to



operate above the technical minimum or undergo reserve shutdown.

- b) The Petitioner says that their plant was already operating at a technical minimum when SLDC-Tamil Nadu requested downward revisions. They argue that further reductions would have violated Regulation 6.3B of the CERC Regulation, 2016.
- c) SLDC-Tamil Nadu argues that backing down instructions are issued to maintain grid frequency and accommodate renewable energy (RE) generation as per the Must Run Policy. However, the Petitioner asserts that SLDC overlooks the mandate to maintain the technical minimum load of conventional sources, revealing the cherry-picking of statutory mandates.
- d) A combined reading of the Detailed Operating Procedure dated 05.05.2017 read with the Operating Procedure for Southern Region 2020 issued by SRLDC, it is apparent that during the real time revision in the scheduling of power, the concerned RLDC had to provide a technical minimum load to the generator if the revision request by the beneficiary would result in operating the plant below the technical minimum standards . RLDC accounted for energy injection to prevent operation below technical minimum, rebuffing TN SLDC's contention that the Petitioner must accept downward revisions even if they breach technical minimum standards.
- e) The Petitioner asserts that where conflicts arise between regulations and PPAs, regulatory compliance takes precedence. They cite Clause 15.24 of the PPA to support their refusal to surrender power below the technical minimum, avoiding violation of regulatory standards. Refusal to surrender power is deemed appropriate by the Petitioner to avoid violation of Regulation 6.3 B of the Central Electricity Regulatory Commission Regulation, 2016.

Hearing dated 18.12.2023

22. The case was scheduled for hearing on 18.12.2023. Due to a paucity of time, the matter could not be taken up for the hearing and accordingly, was adjourned.

23. Considering the Petitioner's request, the Commission permitted the Petitioner to file its brief affidavit within a week.



Submission of the Petitioner, vide additional affidavit dated 09.02.2024

24. In compliance with the RoP of the hearing dated 18.12.2023, the Petitioner vide additional affidavit dated 09.02.2024 submitted a copy of the net schedule punched by the Petitioner on the WBES portal for a time period from 22:00 Hrs to 24:00 Hrs on 19.11.2020. The Petitioner reiterated submissions already made earlier and also requested this Commission to consider the present additional affidavit as part and parcel of the rejoinder filed by the Petitioner to the reply filed by SLDC Tamil Nadu.

Hearing dated 14.2.2024

25. The case was scheduled for hearing on 14.2.2024. Considering the request of the learned counsel for the parties, the Commission permitted both sides to file their respective written submissions, if any, within three weeks.

26. The Commission directed the Petitioner and TANGEDCO/TN SLDC to submit on an affidavit the details for the final schedule corresponding to TANGEDCO's LTA of 200 MW in respect of the date and time-blocks wherein the downward revision of the schedule was under dispute from November 2020 to January 2021.

27. Subject to the above, the Commission reserved the matter for order.

Submission of the Respondent, TANGEDCO, vide affidavit dated 04.03.2024

28. The additional submissions made by the Respondent, TANGEDCO, vide affidavit dated 04.03.2024, are as follows:

- a) TANGEDCO's liability for energy procured under the BALCO PPAs 1 and 2 is limited to the payment of energy charges for the energy scheduled by TANGEDCO. The only obligation imposed upon TANGEDCO is that it has to schedule power in accordance with the Grid Code. In such circumstances, it is liable to only pay energy charges for energy scheduled while making payment of capacity charges for the full quantum. The Petitioner is free to sell un-availed capacity to third parties to mitigate any potential loss due to less schedule, it did not do so in the present case.



- b) Regulation 6.5.18 of the IEGC requires revisions to be made to the day ahead schedule in the course of the day. The only condition is that such revision shall take effect from the 7th time block (for odd time blocks) and 8th time block (for even time blocks) of the revision. The revisions made by the Respondent No. 4 were sought to be given effect from the requisite intervals of the 7th or 8th time block, as the case may be. Even assuming that some revisions were sought to be given effect before the expiry of the prescribed interval – the revision would have only been ineffective for any time blocks prior to the prescribed interval.
- c) The Petitioner claims that the Bill Dispute Notice for the monthly invoice of November 2020, was not raised within 30 days as per PPA. However, an examination of the dates reveals only a minor delay in issuing the notice. TANGEDCO issued all other notices on time, while the Petitioner delayed in objecting by issuing the Bill Disagreement Notice for November 2020, 16 days late, exceeding the prescribed 15-day period as per PPA, and failed to issue the Bill Disagreement Notice at all.
- d) The delay of 14 days in issuing the Bill Dispute Notice dated 19.02.2021 is not inordinate so as to defeat TANGEDCO's right to object to the unjustified levy of energy charges for unscheduled energy. In any event, in the correspondence relating to consent for dispatch, it was communicated to the Petitioner that energy injected beyond the specified quantum will be treated as lapsed, and energy charges will not be paid for the lapsed quantum.

Submission of the 4th Respondent, SLDC TANTRANSCO

29. In compliance with RoP of the hearing dated 14.2.2024, the 4th Respondent, SLDC TANTRANSCO vide affidavit filed on 16.4.2024, submitted a detailed final schedule corresponding to TANGEDCO's LTA of 200 MW in respect of the date and time-blocks wherein the downward revision of the schedule was under dispute.

Analysis and Decision

30. We have considered the submissions of the Petitioner and the Respondents and have perused the records. After considering the submissions of the Petitioner and the Respondents, the following issues arise for our consideration:



Issue No. 1: Whether the Petitioner is mandated to restrict its plant schedule at or above the technical minimum due to a downward revision of schedule by the beneficiary, as per the provisions of the IEGC and its procedures thereof?

Issue No. 2: What should be the treatment of the bills raised by the Petitioner during the dispute period (November 2020 to January 2021) and deductions made by the Respondent 1/TANDEDCO corresponding to the downward revision for certain time blocks?

Issue No. 3: Whether Respondent No. 1 is liable to make payment towards compensation for Degradation of Heat Rate, Aux. Consumption and Secondary Fuel Oil Consumption, due to Part Load Operation and Multiple Start/Stop of Units in accordance with the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016 and RSD Procedure thereof as approved by the Commission vide its order dated 5.5.2017?

The above issues are dealt with in the subsequent paragraphs.

Issue No. 1: Whether the Petitioner is mandated to restrict its plant schedule at or above the technical minimum due to a downward revision of schedule by the beneficiary, as per the provisions of the IEGC and its procedures thereof?

31. The Petitioner has submitted that during the months of November 2020, December 2020 and January 2021, for certain time blocks in a day, Respondent No. 1/TANGEDCO first provided a day-ahead schedule and then rushed multiple downward revisions. The Petitioner was constrained to punch the schedule on RLDC's WBES portal over and above the downward revision schedules to ensure operation of its power plant at the technical minimum.

32. The Petitioner also submitted that the scheduling pattern of Respondent No. 1 also restricts the Petitioner from undergoing RSD on account of the fact that a downward revision schedule is given for certain time blocks during the day of operation and the time duration for revival of Petitioner's power plant is not in accordance with Clause 7 of the RSD procedure approved by CERC vide its order dated 05.05.2017. As such, the Petitioner is left with no option other than injecting power over and above the downward revision schedule whenever such downward revision is below the technical minimum of the power plant.

33. The Petitioner further added that the revised schedules were never accepted by the SRLDC and hence, the schedule against which the Petitioner has raised invoices still holds good. The same is confirmed by SRLDC REA as well.

34. The Petitioner clarifies that their grievance is not against the Indian Grid Code or its operating procedures but against TANGEDCO's scheduling pattern, which restricts the Petitioner from accepting multiple downward revisions or opting for reserve shutdowns.

35. The Respondents TANGEDCO and SLDC-TANTRANSCO submitted that during real-time grid operation, they requested the Petitioner to revise power dispatch downward for certain time blocks in November 2020, December 2020, and January 2021. They further submitted that the Petitioner had been provided with 6-time blocks to adjust generation as per regulations, allowing sufficient time for backing down or picking up generation based on real-time conditions. However, the Petitioner did not comply with these requests, citing already running units under the technical minimum. The said Respondents asserted that due to the Petitioner's non-acceptance of downward revisions, any energy injected beyond the agreed quantum was treated as lapsed to maintain grid security.

36. The Respondent TANGEDCO and SLDC-TANTRANSCO also submitted that since TANGEDCO is only supplied with 36% of the project's total capacity, they cannot ensure the plant's operation at the technical minimum. TANGEDCO's liability for energy procured under the BALCO PPAs 1 and 2 is limited to the payment of energy charges for the energy scheduled by TANGEDCO. The only obligation imposed upon TANGEDCO is that it has to schedule power in accordance with the

Grid Code. In such circumstances, it is liable to only pay energy charges for energy scheduled while making payment of capacity charges for the full quantum.

37. We are of the view that the dispute has arisen because the Petitioner had unilaterally punched the schedule on RLDC's WBES portal over and above the downward revision schedules to ensure the operation of its power plant at the technical minimum, not concurring with the request for downward revision schedule by TANGEDCO for certain time blocks during November 2020 to January 2021. On the one hand, the Petitioner contended that they are mandated to operate the plant over and above the technical minimum schedule as per the IEGC. On the other hand, the Respondents TANGEDCO and SLDC TANTRANSCO believe that they are eligible for a downward revision of the schedule within the timeline as stipulated in the IEGC. The said respondents treated the schedule above the revised downward schedule as lapsed and accordingly deducted the amount from the bills submitted by the Petitioner. The Respondents are also relying on the fact that they are only liable to pay fixed charges and the energy charges are only based on the schedule as mandated in the IEGC.

38. The Petitioner has submitted that the schedule of technical minimum was done as per IEGC, and has also referred to Clause 15.24 of the PPA between the Petitioner with the TANGEDCO vide dated 23.8.2013, which is as follows:

“15.24 Compliance with Law

Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions of this Agreement shall, be in deviation or inconsistent with or any provision contained in the Electricity Act, 2003, or any rules and regulations made there under, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.”

39. Respondent SLDC-TANTRANSCO have also submitted that it has done its downward revision as per IEGC and in its submission has mentioned Clause 5.4.1 of the PPA between the Petitioner with the TANGEDCO which is reproduced as follows:

“5.4 Scheduling and Dispatch

5.4.1 The Seller shall comply/complies with the provisions of the applicable Law regarding Dispatch Instructions, in particular, to the



provisions of the ABT and Grid Code relating to scheduling and Dispatch and the matters incidental thereto”.

40. In light of the above deliberations, let us peruse the relevant provisions of the IEGC. The Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Sixth Amendment) Regulations, 2019 was notified by the CERC, which came into force w.e.f. 1st June 2020. Since the dispute period belongs to the period November 2020 to January 2021 under the present Petition, the aforesaid regulations are applicable in the instant case. The relevant regulations of the Sixth Amendment to the IEGC are as follows:

“

2.4 The clause (18) of Regulation 6.5 of Part 6 of the Principal Regulations, shall be substituted as under:

“18. Revision of declared capability by the ISGS(s) having two part tariff with capacity charge and energy charge and requisition by beneficiary (ies) for the remaining period of the day shall also be permitted with advance notice. Any revision in schedule made in odd time blocks shall become effective from 7th time block and any revision in schedule made in even time blocks shall become effective from 8th time block, counting the time block in which the request for revision has been received by the RLDCs to be the first one.

Note: *Odd Time blocks referred in this clause, are the Time blocks 00:00 to 00:15, 00:30 to 00:45, 01:00 to 01:15 and so on. Even Time blocks referred in this clause, are the Time blocks 00:15 to 00:30, 00:45: 01:00, and 01:15 to 01:30 and so on.*

Illustration:

If a request for revision in schedule or declared capability has been made in Time block 17:00 to 17:15 (odd Time block) of a day D, it shall be effective from Time block 18:30 to 18:45 of the day D (7th Time block from the Time block in which the request for revision was made). Similarly, if a request for revision in schedule or declared capability has been made in Time block 17:15 to 17:30 (even Time block) of a day D, it shall be effective from Time block 19:00 to 19:15 of the day (D) (8th Time block from the Time block in which request of revision was made).



.....”

41. We observe that as per Regulation 6.5.18 of the IEGC, the ISGS having two-part tariff with capacity charge and energy charge, and the beneficiaries are permitted to revise their declared capability and the requisition, respectively, for the remaining period of the day with advance notice as stipulated in the aforesaid regulations. Such revision by the beneficiary, like TANGEDCO in the instant case, is independent of the operating point of the corresponding ISGS, like Petitioner's Plant in the instant case, whether it is running above or below the Technical Minimum level. The restriction, as far as the beneficiary is concerned, is that any revision in schedule made in odd time blocks shall become effective from the 7th time block onwards, and any revision in schedule made in even time blocks shall become effective from the 8th time block onwards, counting the time block in which the request for revision has been received to be the first one.

42. The Respondents/SRLDC and WRLDC submitted that in the present case, there were two 100 MW transactions from BALCO to TANGEDCO, and BALCO was the applicant for both transactions and accordingly, the rights for punching mutually agreed quantum in the scheduling portal were given to BALCO. BALCO was communicating the Declared Capacity for the said contracts to TANGEDCO through e-mails, and TANGEDCO was communicating their requirements to BALCO with its acceptance/comments through e-mails.

43. The Respondents/SRLDC and WRLDC further submitted that it would be difficult for RLDCs to inquire whether the value entered was mutually agreed upon or not and that, as held by the Commission, RLDCs, as such, do not have the power to adjudicate any dispute arising in relation thereto. SRLDC/WRLDC did not revise the schedule punched in by BALCO in view of grid requirements, as there was no situation of grid disturbance/transmission constraints during the concerned period for the above two transactions.

44. We also take note of the submissions made by the Respondents SRLDC and WRLDC, indicating that the Operating Procedure for the Southern Region and Western Region has been published by SRLDC and WRLDC, respectively, in

accordance with Regulation 5.1(f) of the IEGC 2010. The Section 9.3 Scheduling and Despatch Procedure covers the scheduling-related aspects, and to address the scheduling aspects of Regional Entities like BALCO, Clause 9.3(10) of the Operating Procedures for Southern Region-2019 mandates the mutually agreed value to be entered in Web Based Scheduling for LTOA and MTOA transactions by the applicant/trader. The relevant extract of the said Clause 9.3 is as follows:

“9.3 SCHEDULING AND DESPATCH PROCEDURE

*.....
.....*

(10) By 15:00hrs the applicant/trader of LTA/MTOA shall consult both generating station and buyer/beneficiary and submit the mutually agreed value to SRLDC via Web Based Scheduling.”

45. We have also perused the Operating Procedure for Southern Region-2020 submitted by the Petitioner vide its affidavit dated 7.10.2023. The aforesaid Operating Procedure was made effective w.e.f. 20.7.2020 and the said Procedure under Clause 9.3(10), inter alia, mentions that the applicant shall submit the schedule quantum, which is the mutually agreed quantum between the Buyer and Seller utility at the RLDC WBES in which the applicant is registered. The relevant extract of the said Clause 9.3 is as follows:

“9.3 SCHEDULING AND DESPATCH PROCEDURE

*.....
.....*

(10) By 15:00hrs LTA/MTOA schedule data entry shall be done by designated user's at respective RLDC WBES or REMC Scheduling tool (<https://remc.srldc.in/>) for renewable generators.

i) Authorised entity for data submission shall be the “Applicant” of the LTA/MTOA transaction among buyer/ seller / applicant of that transaction. In case of no applicant for the LTA/MTOA, then Data submission right is issued to the buyer of the transaction.

ii) The designated utility for data submission (“Applicant” of the LTA/MTOA) shall submit the schedule quantum which is mutually agreed quantum between Buyer and Seller utility at the RLDC WBES in which applicant is registered. For the Inter and Intra renewable LTAs/MTOAs which are covered under REMC, schedule submission shall be done at the REMC Scheduling tool (<https://remc.srldc.in/>) of the RLDC in which seller is registered.”

46. Therefore, the Commission is of the view that the Petitioner's argument to not allowing downward revisions by Respondent TANGEDCO, on the ground that the

Petitioner's units already operating at the technical minimum, is not consistent with Regulation 6.5.18 of the IEGC and the aforementioned Operating Procedures of SRLDC/WRLDC. We further observe that the aforesaid regulation does not debar the buyer/beneficiaries to restrict the revision of schedules even during the real-time operation. Any revision made shall be effective from the 7th / 8th time block as stipulated in the aforesaid regulation.

47. Based on the perusal of the records of the Petitioner and TANGEDCO, we observe that SRLDC/SRLDC was also aware of the dispute under consideration, as some correspondences between the Petitioner and the TANGEDCO/SLDC-TANTRANSCO were also marked to the SRLDC/WRLDC. In order to avoid any such dispute in the future, the Respondents-SRLDC and WRLDC are directed to incorporate suitable provisions in the Operating Procedure to map the ISGS like the Petitioner's Plant and also its beneficiaries in RLDC's WBES software with the punching rights given to the generator to declare its DC and the corresponding beneficiary to punch their requisition and revisions thereof as per the prevailing regulatory provisions, also in compliance with their contracts.

48. The Petitioner has contended that under Regulation 6.3B of the Grid Code, the RLDC has to necessarily consider the grid conditions and direct the generating company to operate its units above the technical minimum. The Petitioner has also contended that the scheduling pattern of Respondent No. 1 also restricts the Petitioner from undergoing RSD on account of the fact that a downward revision schedule is given for certain time blocks during the day of operation and the time duration for revival of Petitioner's power plant is not in accordance with Clause 7 of the RSD procedure approved by CERC vide its order dated 05.05.2017. In this regard, we have perused the prevailing regulatory provisions and the relevant regulations of IEGC (Fourth Amendment) regulations are as follows:

"6.3B – Technical Minimum Schedule for operation of Central Generating Stations and Inter-State Generating Stations

1. The technical minimum for operation in respect of a unit or units of a Central Generating Station of inter-State Generating Station shall be 55% of MCR loading or installed capacity of the unit of at generating station.



2. *The CGS or ISGS may be directed by concerned RLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the beneficiaries.*

.....”

We observe that the technical minimum for operation in respect of a unit or units of an ISGS shall be 55% of the MCR loading or installed capacity of the unit of the generating station. Further, RLDC may direct the ISGS to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security. The Respondents/SRLDC and WRLDC had submitted that they had not revised the schedule using suo-motu provisions under Regulations 6.5.14 and 6.5.20 of the Grid Code for the transactions for the concerned period, and SLRDC/WRLDC issued the schedules based on the quantum submitted by BALCO, which was deemed to be mutually agreed upon between the parties.

49. We also observe that the decision for going for RSD shall be taken by the generators only. In this regard, the relevant Clause 11.3.13 of Statement of Reasons of IEGC (Fourth Amendment) Regulations is reproduced as below:

“11.3.13 NTPC and SRPC have also submitted that the provision of reserve Shut Down is not in consonance with provision of technical minimum schedule. However, considering the technical constraint as expressed by the generators it may be necessary to provide such an option to the Generators. NTPC has submitted that call for reserve shut down may be taken by the respective RLDCs but we feel that the call for going for reserve shut down has to be taken by the generators only. They are however, free to consult RLDC if deemed fit.”

50. The Petitioner also relies on Clause 7 of the RSD procedure as approved by CERC vide its order dated 05.05.2017. The same is reproduced below:

7. Methodology for the revival of generating station or unit(s) from RSD

7.1 Once a unit is taken out under RSD, the generating station shall notify the period for which the unit will remain under RSD and the unit can be recalled

anytime after 8 hours. In case of system requirements, the generating unit can be revived before 8 hrs as well. The time to start a machine under different conditions such as HOT, WARM and COLD shall be as per the declaration given by the generating station under the Detailed Procedure for Ancillary Services Operations (Format AS-1 and AS-3 of the said Procedure).

7.2 One or more beneficiaries of the generating station as well as the generating station may decide for revival of unit(s) under RSD with commitment for technical minimum schedule with minimum run time of 8 hrs for Coal based generating stations and 3 hrs for Gas based generating stations post revival. In such situations, the generating station shall revise the On Bar and Off Bar DC (with due consideration to ramp up/down capability).

7.3 RLDC may also advise the generating stations to revive unit(s) under RSD for better system operation (IEGC 6.5.20). In such cases, RLDC shall ensure technical minimum schedule by increasing schedule of all the beneficiaries in the ratio of under-requisition.

7.4 In case the machine is not revived as per the revival time declared by the generating station under different types of start, the machine shall be treated under outage for the duration starting from the likely revival time and the actual revival time. RLDC shall ensure that intimation is sent to the generating station sufficiently in advance keeping in view its start-up time.”

In view of the aforesaid methodology, we observe that once the unit is taken under RSD, it can be revived as per the methodology detailed in the aforesaid procedure, and the Petitioner and the Respondents must comply with this, as applicable.

51. The Commission, vide RoP of the hearing dated 14.2.2024, directed the Petitioner and TANGEDCO/TN SLDC to submit an affidavit giving details, in the prescribed format, for the final schedule corresponding to TANGEDCO's LTA of 200 MW in respect of the date and time-blocks wherein the downward revision of the schedule was under dispute during the period from November 2020 to January 2021. In compliance with the same, only the Respondent SLDC TANTRANSCO vide its affidavit filed on 16.4.2024, submitted the requisite details. The Petitioner did not submit any information in compliance with the RoP of the hearing dated 14.2.2024. We have perused the records as submitted by SLDC TANTRANSCO in light of the



prevailing regulatory provisions, including Regulation 6.5.18 of the IEGC, read with the established procedures of SRLDC/WRLDC. It appears that the Respondents TANGEDCO/SLDC TANTRANSCO have duly communicated a request for the downward revision of the schedule to the Petitioner within the stipulated time except under a few cases, which are summarized below for reference and illustration:

SI No	Date and Time blocks for which downward revision request was made by TANGEDCO/TN SLDC (1)			DC (MW) declared by the Petitioner corresponding to TANGEDCO's LTA for date and time blocks mentioned in (1)	Total DC (MW) declared by the Petitioner for date and time blocks mentioned in (1)	Date and time blocks during which request for downward revision was received by the Petitioner for the time blocks mentioned in (1)	Final Schedule (MW) punched on WBES by the Petitioner for the time blocks mentioned in (1)	Whether the downward revision request was made by the TANGEDCO/TN SLDC within the timeline stipulated in IEGC 2010 and amendments thereof		Transaction Reference
	Date	From	To					Mailed at Time(hr s)	(DD-MM-YYYY)	
1	31-12-2020	21:30- 21:45 (87)	23:45- 24:00 (96)	100	100	50	100	22:16	31-12-2020	BALCO-L_SR_2015_07
2	04-01-2021	22:30- 22:45 (91)	23:45- 24:00 (96)	100	100	50	100	21:30	04-01-2021	BALCO-L_SR_2015_07

Illustration for consideration of effective schedule revision:

(a) At Sl. No. 1, as mentioned in the above table, TANGEDCO/TN SLDC, vide its email dated 31.12.2020 at 22:16 hrs requested the Petitioner for downward revision of schedule (from 100 MW to 50 MW) to be made effective from 21:30- 21:45 hrs (Block 87) to 23:45- 24:00 hrs (Block 96) for the same day 31.12.2020, corresponding to the transaction ID BALCO-L_SR_2015_07. However, the Petitioner, being an applicant for the said transaction, punched 100 MW instead of 50 MW as requested by TANGEDCO/TN SLDC. We observe that as per the regulatory provisions, as already discussed in the preceding paragraphs, the TANGEDCO/TN SLDC would have been eligible for the downward revision of schedule for a quantum of 50 MW against the aforesaid transaction w.e.f. 00:00-



00:15 hrs (Block 1) on 01.01.2021 (8th time block from the Time block in which the request of revision was made, i.e., 22:16 hrs on 31.12.2020). However, in the instant case, TANGEDCO/TN SLDC is not eligible to get the revised schedule for a quantum of 50 MW for the request period, i.e., from 21:30- 21:45 hrs (Block 87) to 23:45- 24:00 (96) and, therefore, the schedule of 100 MW during this period is correct as per IEGC.

(b) At Sl. No. 2 as mentioned in the above table, TANGEDCO/TN SLDC vide its email dated 04.01.2021 at 21:30 hrs requested the Petitioner for downward revision of schedule (from 100 MW to 50 MW) to be made effective from 22:30- 22:45 hrs (Block 91) to 23:45- 24:00 hrs (Block 96) for the same day 04.01.2021, corresponding to the transaction ID BALCO-L_SR_2015_07. However, the Petitioner, being an applicant for the said transaction punched 100 MW instead of 50 MW as requested by TANGEDCO/TN SLDC. We observe that as per the regulatory provisions already discussed in the preceding paragraphs, TANGEDCO/TN SLDC is eligible for downward revision of schedule for a quantum of 50 MW against the aforesaid transaction w.e.f. 23:00- 23:15 hrs (Block 93) on 04.01.2021 (7th time block from the Time block in which request of revision was made i.e. 21:30 hrs on 04.01.2021). Accordingly, the TANGEDCO/TN SLDC is eligible to get the revised schedule for a quantum of 50 MW for the period, i.e., from 23:00- 23:15 hrs (Block 93) to 23:45- 24:00 hrs (96) only. The revised schedule for the said transaction for the aforesaid period is summarised in the table below:

Transaction ID	Time blocks for schedule on the Day of operation i.e. on 04.01.2021	Downward revision for schedule (MW) requested by TANGEDCO/TN SLDC	Schedule (MW) punched by the Applicant BALCO on WBES	Revised Schedule (MW) considered legitimate as per IEGC
BALCO-L_SR_2015_07	22:30 - 22:45 hrs (Block 91)	50 MW	100 MW	100 MW

	22:30 - 22:45 hrs (Block 92)	50 MW	100 MW	100 MW
	23:00 - 23:15 hrs (Block 93)	50 MW	100 MW	50 MW
	23:15 - 23:30 hrs (Block 94)	50 MW	100 MW	50 MW
	23:30 - 23:45 hrs (Block 95)	50 MW	100 MW	50 MW
	23:45 - 24:00 hrs (Block 96)	50 MW	100 MW	50 MW

52. In light of the above discussions and facts on record, we are of the considered view that the right to revision of schedule lies with the beneficiary and of DC with the generator, within the stipulated timeline as per the IEGC. In the instant case, the generator had the right to enter the mutually agreed upon schedule between the generator and the Respondent TANGEDCO/SLDC. We observe that as per the provisions of the IEGC, RLDC may direct the ISGS to operate its unit(s) at or above the technical minimum on account of grid security. However, as per the submission of the Respondents/WRLDC and SRLDC, there were no schedule revisions made by WRLDC/SRLDC for the Petitioner's plant on account of grid security during the period under dispute. Therefore, we are of the opinion that the Petitioner had erred in not incorporating the downward revision of the schedule given by the beneficiary as per the provisions of the IEGC and procedures thereof and restricting its plant schedule unilaterally at or above the technical minimum.

Issue No. 2: What should be the treatment of the bills raised by the Petitioner during the dispute period (November 2020 to January 2021) and deductions made by the Respondent 1/TANDEDCO corresponding to the downward revision for certain time blocks?

53. The Petitioner is seeking directions upon the Respondent, TANGEDCO, for



releasing the outstanding payment accrued in favour of the Petitioner on account of alleged illegal deductions from the monthly bills raised by the Petitioner in terms of Power Purchase Agreement dated 23.8.2013 and the addendum PPA dated 10.12.2013.

54. The Petitioner contends that it should be compensated for energy injected above the downward revision schedule, as it was necessary to maintain the technical minimum load. TANGEDCO's deductions from energy charges for injected energy over the revision schedule are deemed illegal, as they ignore the purpose of ensuring technical minimum compliance.

55. The Petitioner is seeking payment of the outstanding amount on account of alleged illegal deductions made by TANGEDCO from the Monthly Bills raised by the Petitioner and for quashing the impugned letters dated 19.01.2021, 04.02.2021 and 03.03.2021.

56. The Respondent TANGEDCO submitted that they are liable to pay the capacity charges for the total contract capacity of its share, i.e., 200 MW, subject to the Declared Capacity as declared by the Petitioner. The obligation imposed upon TANGEDCO is that it has to schedule power in accordance with the Grid Code. In such circumstances, it is liable to only pay energy charges for energy scheduled while making payment of capacity charges for the full quantum.

57. We have already discussed in detail and decided under Issue No. 1 that the Petitioner has erred by not incorporating the downward revision of the schedule made by the beneficiary as per the provisions of the IEGC and procedures thereof as well as maintaining its plant schedule unilaterally at or above the technical minimum. Accordingly, the Petitioner is not liable to get relief for the energy charges

corresponding to the unilateral scheduling punched on the RLDC's WBES portal over and above the revised schedule as requested by TN SLDC, consistent with the prevailing regulatory and PPA provisions. Further, as per submissions made by the respondent, TANGEDCO/SLDC TANTRANSCO have duly communicated the request for the downward revision of the schedule to the Petitioner within the stipulated time except under a few cases. The request for revision of the schedule for the blocks on or after the 7th / 8th block, made by the respondent to the petitioner, is as per the IEGC and should have been revised by the Petitioner in the instant case. However, the request for revision of the schedule for the blocks earlier than the 7th / 8th block, made by the respondent to the petitioner, is not as per IEGC, and in all such instances, the Petitioner's action of not revising its schedule is justified as per IEGC.

58. In light of the above discussions, we direct the Petitioner and the Respondent TANGEDCO to reconcile the energy charges for the disputed period, i.e., from November 2020 to January 2021, preferably within three months from the date of issue of this order.

Issue No. 3: Whether Respondent No. 1 is liable to make a payment towards compensation for Degradation of Heat Rate, Aux. Consumption and Secondary Fuel Oil Consumption, due to Part Load Operation and Multiple Start/Stop of Units in accordance with the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016 and RSD Procedure thereof as approved by the Commission vide its order dated 5.5.2017?

59. We note that the Petitioner is also seeking the direction of the CERC that Respondent No. 1 is also liable to make a payment towards compensation for Degradation of Heat Rate, Aux. Consumption and Secondary Fuel Oil Consumption, due to Part Load Operation and Multiple Start/Stop of Units in accordance with:



- a) Regulation 6.3B of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations 2016;
- b) Detailed procedure for taking unit(s) under Reserve Shut Down approved by CERC vide its order dated 05.05.2017.

60. However, we observe that the Petitioner has not provided any detailed submission to substantiate their claim for compensation like actual values of Heat Rate, Auxiliary Consumption, and Secondary Fuel Oil Consumption achieved during the operation period vis-à-vis values considered at the time of bidding for determination of the ECR.

61. In light of the above discussions, the Commission is of the considered view that the Petitioner's claim on account of compensation due to part load operation and Multiple Start/Stop of Units of the Petitioner's plant is not admissible.

62. **The summary of our decisions is as follows:**

- (a) Petitioner has erred by not incorporating the downward revision of the schedule given by the beneficiary as per the provisions of the IEGC and procedures thereof and restricting its plant schedule unilaterally at or above the technical minimum.
- (b) The Respondents-SRLDC and WRLDC, are directed to incorporate suitable provisions in the Operating Procedure to map the ISGS like the Petitioner's Plant and also its beneficiaries in RLDC's WBES software with the punching rights given to the generator to declare its DC and the corresponding beneficiary to punch their requisition and revisions thereof as per the prevailing regulatory provisions
- (c) Considering the observations made in para 58, the Petitioner and the Respondent TANGEDCO are directed to reconcile the energy charges for the disputed period, i.e., from November 2020 to January 2021, preferably within three months from the date of issue of this order.
- (d) The Petitioner's claim on account of compensation due to part load operation and Multiple Start/Stop of Units of the Petitioner's plant is not admissible.

63. Petition no. 147/MP/2021 is disposed of in terms of the above discussions and findings.

Sd/-
(P. K. Singh)

Member

Sd/-
(Arun Goyal)

Member

Sd/-
(Jishnu Barua)

Chairperson

