

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 388/MP/2024

**Coram:
Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 28th October, 2024

In the matter of

Petition under Regulation 19 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 seeking approval to allow the drawl of startup power and injection of infirm power for Unit-I of 3X660 MW GTPS-NUPPL for an extended period of 6 months or until COD of 1st Unit of GTPS, whichever will be earlier.

**And
In the matter of**

Neyveli Uttar Pradesh Power Limited,
KH-419, G.N. Extension, Gomti Nagar,
Lucknow-226010,
Uttar Pradesh.

....Petitioner

Vs

1. Uttar Pradesh State Load Dispatch Centre,
Phase II, Vibhuti Khand,
Gomti Nagar, Lucknow- 22600 (Uttar Pradesh).

2. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14 Ashok Marg,
Lucknow- 226001 (UP).

3. Assam Power Distribution Company Limited,
4th Floor, Bijulee Bhawan,
Paltanbazar,
Guwahati – 781001 (Assam).

...Respondents

ORDER

This Petition has been filed by the Petitioner, Neyveli Uttar Pradesh Power Limited (hereinafter referred to as 'NUPPL'), seeking approval for the drawl of startup

power and injection of infirm power for Unit-I of 3X660 MW Ghatampur Thermal Power Station (GTPS)- Neyveli Uttar Pradesh Power Limited for an extended period of 6 months or until COD of 1st Unit of GTPS, whichever will be earlier in terms of Regulation 19 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (hereinafter referred to as 'the Grid Code'), as amended from time to time. The Petitioner has made the following prayers:

"i) Admit the present petition.

ii) Allow the drawl of startup power and injection of infirm power to grid for Unit-I of 3X660 MW GTPS-NUPPL for an extended period of 6 months or until COD of 1st Unit of GTPS, whichever will be earlier, as per Regulation 19 of the CERC (Indian Electricity Grid Code) Regulations, 2023.

iii) Condone the delay of around one month in approaching this Commission.

iv) Pass any other order as it may deem fit in the circumstances mentioned above."

2. The Petitioner is a joint venture between NLC India Ltd. and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd., with a shareholding ratio of 51:49, and is "owned and controlled by the Government of India" within the meaning of Section 79(1)(a) read with Section 2(31) of the Electricity Act, 2003 (hereinafter referred to as 'the Act'). The Petitioner is establishing a coal-based supercritical thermal power plant, known as the Ghatampur Thermal Power Station, with a capacity of 1980 MW (3x660 MW), located in Ghatampur Tehsil, Kanpur Nagar District. Out of the total capacity, 75% and 25% of the capacity is allocated to the States of Uttar Pradesh and Assam, respectively.

3. The Public Investment Board (hereinafter referred to as 'PIB'), the Ministry of Finance, Government of India, recommended the project in its meeting held on 9.1.2013, subject to the necessary clearance from the Ministry of

Environment, Forest and Climate Change (hereinafter referred to as 'MoEF&CC'). The requisite clearance from the MoEF&CC was obtained on 17.7.2015. Subsequently, in the meeting held on 8.2.2016, PIB recommended the project. The Government of India accorded its sanction for the project on 27.7.2016, with a capital cost of Rs. 17,237.80 crores (at the December 2015 base price level), which includes Interest During Construction (hereinafter referred to as 'IDC') amounting to Rs. 3,203.42 crores. As per the project schedule, Units I, I, and III, were required to be declared commercial operation in the months of November 2020, May 2021, and November 2021, with corresponding timelines of 52 months, 58 months, and 64 months respectively from the zero date/investment approval date. However, the anticipated Commercial Operation Date (hereinafter referred to as 'COD') for Units-, II and III is now projected to be in the months of October 2024, December 2024, and March 2025, respectively.

4. The Petitioner has submitted that vide letter dated 15.7.2021, the Petitioner requested Uttar Pradesh Power Corporation Limited (hereinafter referred to as 'UPPCL') to grant the clearance for availing the start-up power through the Deviation Settlement Mechanism (DSM) for the commissioning activities of the GTP Station, in accordance with the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2019, and the procedure prescribed by the Commission in this regard. UPPCL, vide its letter dated 1.10.2021, granted in-principle consent for the drawal of the start-up power for the commissioning activities of the GTP Station. Subsequently, the Petitioner, vide its letter dated 22.12.2021, communicated this arrangement to the Uttar Pradesh State Load Despatch

Centre (hereinafter referred to as 'UP SLDC') and requested the commencement of DSM treatment for the 132 kV start-up power from 1.1.2022. On 28.1.2022, UP SLDC confirmed the arrangement and informed NUPPL that the energy accounting would be conducted from the date to be intimated by NUPPL. On 4.11.2023, Unit-I of the GTP Station was first synchronized.

5. The Petitioner has submitted that the drawl of startup power for the GTP Station started from 1.4.2022, i.e., prior to the expected date of the synchronization, and is allowed for 1 year (till 3.11.2024) after the date of first synchronization. The stipulated period of one-year period for the drawl of startup power /infirm power injection as per Regulation 19 (2) (a) and (b) of the IEGC Regulations, 2023, is about to expire on 3.11.2024. Accordingly, the Petitioner, NUPPL, has prayed for the extension of the drawl of start-up power and injection of infirm power for an extended period of 6 months or until COD of Unit-I of GTPS, whichever is earlier.

6. The Petitioner has submitted that following the completion of the remaining works in the Coal Handling Plant (CHP) and Ash Handling Plant (AHP), Unit-I was initially planned to commence trial operations and declare the commercial operation by February 2024. However, during the course of the commissioning, the unit encountered several challenges, resulting in a delay to the Commercial Operation Date (COD) of Unit-I, first to April 2024, then to June 2024, and subsequently to October 2024. Despite the best efforts, the Petitioner could not declare the COD of Unit-I due to the following reasons:

(a) Delay Due to Poor Support from BGRESL/sub-contractors:

- The commissioning of Unit-I was severely delayed due to the subcontractors' failure to mobilize sufficient manpower despite repeated commitments. This forced the Petitioner to engage new agencies to

complete the necessary work. Additionally, a staff shortage at BGR Energy Systems Limited (hereinafter referred to as 'BGRESL'), caused by financial instability, further hindered progress. Delay of payment to the suppliers due to the late processing of the Material Receipt Certificates (MRCs) and invoices at BGRESL's end compounded the challenges. In response, NUPPL took several mitigation measures, including engaging new agencies for the Ash Handling Plant (AHP) and Coal Handling Plant (CHP) works, directly covering BGRESL's operating expenses, and disbursing salaries to BGRESL's staff through third-party contracts. Despite these efforts, the Commercial Operation Date (COD) for Unit-I could not be achieved as planned

(b) **Delay in supply of the critical material:**

- The majority of material for Unit-I has been received at the site, with the supply of the remaining material currently in progress. Almost all Purchase Orders for the critical materials have been issued by BGRESL. However, certain sub-vendors were unable to meet the required timelines due to the limited production capacity or prioritizing other orders over the Petitioner's. Accordingly, the Petitioner implemented mitigation measures, including deploying its executives to sub-vendors' factories and offices to expedite the production, manufacturing, and dispatch of the material. Additionally, sub-vendors were reassured of the certainty of payment to prevent further delays.

(c) **Delay due to the onset of monsoon:**

- Due to the ongoing monsoon season in North India, starting in mid-June 2024, caused a partial stoppage of work on multiple occasions. Heavy rainfall severely hampered erection work at the site, leading to slow progress and a cascading delay in the execution of subsequent works.

(d) **Challenges faced in equipment commissioning:**

- The equipment supplied over four years ago is taking longer to commission due to prolonged storage. A substantial amount of equipment for the Ash Handling Plant and Coal Handling Plant is currently being commissioned. Additionally, in some instances,

intervention from the Original Equipment Manufacturers (OEMs) is required to resolve the issues during the commissioning process, contributing to further delays.

7. The Petitioner has submitted that it is seeking the drawl of startup power and injection of infirm power for Unit-I of GTP Station for an extended period of 6 months or until COD of 1st Unit of GTPS, whichever will be earlier under Regulation 19 (3) of the IEGC Regulations, 2023.

8. The Petition is admitted by circulation.

9. We have considered the submissions of the Petitioner. Regulation 13 of the GNA Regulations provides as under:

“13. Injection of infirm power and drawal of start- up power: Connectivity grantee shall be eligible to inject infirm power and draw start up power in accordance with the provisions of the Grid Code.”

10. Regulation 19 (2) and 19 (3) of the Grid Code provides as under:

“19. Drawal of start-up power and injection of infirm power (1) A unit of a generating station including unit of a captive generating plant that has been granted connectivity to the inter-State Transmission System in accordance with GNA Regulations shall be allowed to inter-change power with the grid during the commissioning period, including testing and full load testing before the COD, after obtaining prior permission of the concerned Regional Load Despatch Centre:

Provided that the concerned Regional Load Despatch Centre while granting such permission shall keep grid security in view.

(2) The period for which such inter-change shall be allowed shall be as follows:

(a) Drawal of start-up power shall not exceed 15 months prior to the expected date of first synchronization and one year after the date of first synchronization; and

(b) Injection of infirm power shall not exceed one year from the date of first synchronization.

(3) Notwithstanding the provisions of clause (2) of this Regulation, the Commission may allow extension of the period for inter-change of power beyond the stipulated period on an application made by the generating station at least two months in advance of the completion of the stipulated period.”

11. We have considered the submissions and the difficulties stated by the Petitioner, as quoted in paragraph 6 above. In the given facts and circumstances, we are inclined to invoke our power under the provision of Regulation 19 (3) of the Grid Code. In the exercise of the power, we hereby allow the drawl of start-up power and injection of infirm power into the grid for commissioning tests, including full load testing of the Unit-I of the generating station up to 3.5.2025 or till COD, whichever is earlier. The Petitioner is hereby directed to make all possible efforts to commission Unit-I as submitted. It is, however, clarified that the extension of time granted as above shall not automatically entitle the Petitioner for IEDC/IDC for the delay in declaration of COD from the scheduled COD, which shall be decided separately in accordance with the relevant provisions of the Tariff Regulations. Let an extract copy of the order be provided to the concerned Regional/State Load Despatch Centre, which will while granting such permission, keep the grid security in view.

14. With the above, the Petition No. 388/MP/2024 is disposed of.

Sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson