

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 412/MP/2024

Coram:

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

Date of order: 16th December, 2024

In the matter of

Petition under Section 79 of the Electricity Act 2003, read with Regulations 57 and 58 of the CERC (Indian Electricity Grid Code) Regulations, 2023 seeking appropriate relief for seeking relaxation due to difficulty faced by the Petitioner in implementing Regulation 24(2) of the CERC (Indian Electricity Grid Code) Regulations, 2023 and Conduct of Business Regulations 2023, to declare 'COD' without the implementation of Automatic Generation Control (AGC) and allow time to the Petitioner for implementation of 'AGC' of Unit-1 (660 MW) of Khurja Super Thermal Power Station (1320 MW).

And

In the matter of

THDC India Limited
Pragati Puram, Bypass Road,
Rishikesh-249 201 (Uttarakhand)

.... Petitioner

Vs

1. Grid Controller of India Limited
B-9, Qutab Institutional Area
Katwaria Sarai
New Delhi-110016
2. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14 Ashok Marg,
Lucknow – 226001 (UP)
3. Uttarakhand Power Corporation,
Limited, Urja Bhawan, Kanwali Road,
Dehradun-248001
4. Rajasthan Urja Vikas Nigam Limited,
Vidyut Bhawan, Jiyoti Nagar,
Jaipur- 302005 (Rajasthan)



5. Jaipur Vidyut Vitran Nigam Limited,
Vidyut Bhawan, Janpath, Jyotinagar,
Jaipur-302005 (Rajasthan)
6. Ajmer Vidyut Vitran Nigam Limited,
Old Powerhouse, Hatthi Bhatta, Jaipur road,
Ajmer-305001 (Rajasthan)
7. Jodhpur Vidyut Vitran Nigam Limited,
New Powerhouse, Industrial Area,
Jodhpur-342003 (Rajasthan)

.....Respondents

Parties Present:

Ms. Swapna Seshadri, Advocate, THDCIL
Shri Utkarsh Singh, Advocate, THDCIL
Ms. Sneha, Advocate, THDCIL
Shri Gajendra Sinh V, GCIL
Shri Anmol Sharma, GCIL

ORDER

This Petition has been filed by the Petitioner, THDC India Limited, seeking the following reliefs:

- (a) *Admit the present Petition;*
- (b) *Grant relaxation in Regulation 24(2) of the CERC (Indian Electricity Grid Code) Regulations, 2023, regarding the implementation of AGC for declaration of COD of Unit#1 of Khurja STPP (2X660 MW) under Regulations 57 and 58 of the CERC (Indian Electricity Grid Code) Regulations, 2023;*
- (c) *Grant twelve months (12 months) time extension to the Petitioner to enable commissioning of AGC of Unit#1 of Khurja STPP from the date of expected COD of the unit i.e. 31.10.2024 or Actual COD, whichever is later under Regulations 57 and 58 of the CERC (Indian Electricity Grid Code) Regulations, 2023;*
- (d) *Pass such orders as deemed fit and necessary in the facts and circumstances of the present case."*

Submissions of the Petitioner

2. The Petitioner has submitted the following:

- (a) The Investment Approval (IA) for the Khurja Super Thermal Power Project (2 x 660 MW) (in short, 'the Project') was accorded by the Ministry of Power, Govt. of India vide letter dated 8.3.2019. The commercial operation date (COD) of Unit-I (660 MW) is 48 months from the date of the IA, and the COD of Unit-II (660 MW) is at an interval of 6 months thereafter. Thus, the details of the COD as per the IA are as under:



Unit-I	Unit-II
9 th March 2023	9 th September 2023

- (b) However, the current status of the commissioning with respect to the Unit-I is that it has achieved synchronization on 28.10.2024 and has been supplying power to the Power Exchange since 12.11.2024. Unit-I is anticipated to achieve COD on 15.12.2024.
- (c) At the time of awarding of packages, the condition for implementation of the Automatic Generation Control (in short, 'AGC') prior to the COD of the Unit was not mandatory either in terms of the IA or the previous regulations in terms of the CERC (Indian Electricity Grid Code) Regulations, 2010 (IEGC Regulations, 2010) or any other regulations and therefore, the implementation of AGC as a pre-requisite for claiming COD was not envisaged at the time of the grant of the IA for the Project.
- (d) Pursuant to the above, the MOP, GOI, vide its allocation letter dated 15.11.2022 allocated the power generated from the Project amongst the States of Uttar Pradesh, Rajasthan, and Uttarakhand. The details of the allocations are as under:

Northern Region	Net Share (Mw)	% Of Installed Capacity
Uttar Pradesh	854.4	64.7
Rajasthan	281.1	21.3
Uttarakhand	51.8	3.9
Unallocated	132.8	10.1
Total (NR)	1320	100.0

- (e) The COD of the Project has to be done in accordance with the prevailing Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (in short, the 'IEGC Regulations, 2023'). This Commission vide order dated 3.8.2023 notified the IEGC Regulations, 2023, and the same came into force with effect from 1.10.2023. As per Regulation 24(2) of the IEGC Regulations 2023, prior to the declaration of the COD, the generating station has to confirm the enablement of AGC to the appropriate Load Dispatch Center, by integrating the controls and telemetering features of their system into the automatic generation control in accordance with the CEA Technical Standards for Construction and the CEA Technical Standards for connectivity.
- (f) At the time of the IA of the Project, there was no such prior requirement for the establishment of AGC before the declaration of the COD of the generating station. This requirement has only come up after the notification of the IEGC Regulations, 2023 i.e., from 1.10.2023.
- (g) Since the SCOD of Unit-I, as per the IA, was 9.3.2023, the Petitioner proceeded



ahead with the construction and civil works right after the IA was granted for the Project. On the aspect of delay in achieving the COD, the Petitioner is in the process of filing a separate petition before this Commission explaining the reasons in detail for the delay in the commissioning of the same.

- (h) After the notification of the IEGC Regulations, 2023 and the introduction of a prior establishment of AGC for claiming the COD, the Petitioner sought approval within its organization and wrote various letters to M/s Bharat Heavy Electricals Limited (BHEL). A brief series of communications in this regard is tabulated below-

S. No.	Date	Particulars
1.	2.8.2024	The Petitioner sent an email to M/s BHEL requesting to take the necessary steps timely to ensure compliance with Regulation 24 (2) and 24 (3) (b) of Grid Code Regulations, 2023, to facilitate the smooth commissioning of Unit-I
2.	21.8.2024	A follow-up email sent by the Petitioner to M/s BHEL requested M/s BHEL to take the necessary steps related to Regulation 24 (2) and Regulation 24 (3) (b) of the IEGC Regulations, 2023 w.r.t declaration of COD of the generating units.
3.	23.8.2024	M/s BHEL wrote back to the Petitioner apprising that the requirement of the Petitioner is not under the scope of supply of M/s BHEL as per the contract agreement signed for the Project and further mentioned that the requirements made by the Petitioner are new and the same shall have time & cost implications.
4.	27.8.2024	The Petitioner has requested M/s BHEL for the submission of a budgetary offer for the supply, and installation of the AGC system at the Project.
5.	2.9.2024	M/s BHEL had furnished budgetary details for the installation of the AGC system and stated that the AGC system shall be installed within 12 months from the receipt of the order.

- (i) M/s BHEL, in its offer letter dated 2.9.2024, has given an estimate of around 12 months for the installation of the AGC system at the Project. Pursuant to the said offer, the Petitioner decided to proceed ahead and is in the process of giving the order for the supply and installation of AGC in terms of the budgetary offer dated 2.9.2024 by M/s BHEL for the establishment of the AGC.
- (j) The Petitioner, vide affidavit dated 5.12.2024, has submitted that an open tender for the supply and commissioning of the AGC system at the Project was floated on the Central Public Procurement (CPP) portal on 28.11.2024. The



tender opening date is 20.12.2024, and after evaluating the tender documents, the work is expected to be awarded by 31.12.2024. The AGC system for both the Units (i.e., Unit-I and Unit-II) of the Project is scheduled to be completed within 6.5 months from the date of award of the Purchase Order (PO), considering the time required for drawing approvals, Factory Acceptance Test (FAT), installation, and commissioning. Unit-I achieved synchronization on 28.10.2024, and in terms of the IEGC Regulations 2023, the trial run is scheduled for 12.12.2024. Unit-I is anticipated to achieve COD on 15.12.2024.

Accordingly, the Petitioner has sought the reliefs as in para 1 above.

Hearing dated 5.11.2024

3. The Petition was heard on 5.11.2024, wherein the learned counsel for the Petitioner submitted that the present Petition had been filed seeking relaxation of Regulation 24(2) of the IEGC Regulations, 2023 for the declaration of COD of the Project, without the implementation of AGC and for granting time for such implementation. She also submitted that the present case is covered by the Commission's order dated 28.2.2024 in Petition No. 72/MP/2024. The Commission admitted the Petition and issued notice to the Respondents, with directions to the parties, to complete pleadings in the matter. None of the Respondents have filed replies in the matter.

Hearing dated 10.12.2024

4. During the hearing dated 10.12.2024, the learned counsel for the Petitioner prayed that since Unit-I is expected to achieve commercial operation by 15.12.2024, the Commissions may consider the grant of the reliefs as sought in the Petition. The learned counsel for the Respondent GCIL prayed that the Petitioner may be directed to expedite the tender process for the supply and commissioning of the AGC system at the Project. Accordingly, the order in the Petition was reserved.

5. We have examined the matter. The present Petition has been filed by the



Petitioner seeking reliefs, mainly on account of the difficulty faced by it, in the implementation of Regulation 24 (2) of the IEGC Regulations, 2023, i.e., for the declaration of 'COD' without the enablement /implementation of the AGC and to allow time extension for the same, for both the Units (Unit-I and Unit-II) of the Project, which is scheduled to be completed within 6.5 months from the date of award of the PO i.e., from 31.12.2024 under Regulations 57 and 58 of the IEGC Regulations, 2023 considering that:

(a) At the time of awarding of the Project, the condition for the implementation of the AGC system prior to the COD of the thermal power Units, was not mandatory in terms of the then Regulations.

(b) The condition for enablement of the AGC before COD was introduced in the IEGC Regulations, 2023, which came into force w.e.f. 1.10.2023; and

(c) To meet the envisaged upcoming increased power demand of the beneficiaries, the declaration of COD of Unit-I & Unit-II of the Project is crucial in the National Interest.

6. Regulation 24(2) of the IEGC Regulations, 2023 provides as under:

“24. DOCUMENTS AND TESTS PRIOR TO DECLARATION OF COMMERCIAL OPERATION:

(1) xxx

(2) All thermal generating stations having a capacity of more than 200 MW and hydro generating stations having a capacity of more than 25 MW shall submit documents confirming the enablement of automatic operation of the plant from the appropriate load despatch centre by integrating the controls and telemetering features of their system into the automatic generation control in accordance with the CEA Technical Standards for Construction and the CEA Technical Standards for Connectivity.”.

7. We have considered the submissions and the difficulties faced by the Petitioner, as mentioned above. As stated above, the Petitioner is seeking the relaxation of Regulation 24(2) of the IEGC Regulations, 2023, with regard to the implementation of the AGC system before the declaration of the COD of Unit-I of the Project (660 MW). It has argued that the enablement of the AGC system prior to the COD of the unit/project was for the first time introduced in the IEGC Regulations, 2023 (effective from



1.10.2023) and therefore, the implementation of the same as a pre-requisite for claiming COD, could not be envisaged at the time of the grant of the IA for this Project. The Petitioner has also submitted that it has floated an open tender for the supply and commissioning of the AGC system for the Project on the Central Public Procurement (CPP) Portal on 28.11.2024, and the opening date of the tender is 20.12.2024. It has also stated that after evaluating the tender documents, the work is expected to be awarded by 31.12.2024, and the AGC system for both the Units (Unit-I and Unit-II) of the Project is scheduled to be completed within a period of 6.5 months from the date of award of the PO. The Petitioner has added that Unit-I achieved synchronization on 28.10.2024, and in terms of the IEGC Regulations, 2023, the trial run is scheduled for 12.12.2024, and the said Unit is anticipated to achieve COD on 15.12.2024.

8. Regulations 57 of the IEGC Regulations, 2023 provides as under:

“57. Power to Relax

The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an affected person to remove the hardship arising out of the operation of any of these regulations, applicable to a class of persons.

9. It is an established principle of law that the power to relax has to be strictly construed and is to be exercised judiciously and with caution. These powers are intended to be invoked only in situations where the strict application of rules or regulations results in undue hardship.

10. As stated, Unit-1 of the STPP is expected to achieve COD on 15.12.2024. As per IEGC, before the declaration of the COD, the generator is required to submit the documents confirming the enablement of the AGC system of the plant from the appropriate Load Despatch Centre by integrating the controls and telemetering features of their system into the automatic generation control. As pointed out by the Petitioner, the implementation/enablement of the AGC system could not be envisaged



by the Petitioner during the approval of IA for the Project, and it is only after notification of the IEGC Regulations 2023 that the implementation of the AGC system was made mandatory. The Petitioner is therefore justified in seeking the extension of time for the implementation of the said system in the Project, the process for which has already been initiated by the Petitioner, as noticed above.

11. In consideration of the submissions of the Petitioner and keeping in view the larger national interest, we find this to be a fit case to exercise the powers under Regulation 57 of the IEGC Regulations 2023 and grant relief to the Petitioner. Accordingly, we relax Regulation 24 (2) of the IEGC Regulations 2023 (as quoted in para 6 above) with regard to the submission of documents confirming the enablement of automatic operation of the plant from the appropriate load despatch centre, prior to the declaration of the COD of Unit-I. The relaxation granted as above for the implementation/enablement of AGC, post COD of Unit-I of the Project, shall, however, not extend beyond 15th July 2025. We direct accordingly.

12. We also make it clear that the relaxation granted as above shall not automatically entitle the Petitioner to claim the IEDC/IDC for the delay in the declaration of COD of the said Unit beyond the scheduled date. Such entitlement will be examined and determined separately in accordance with the relevant provisions of the Tariff Regulations.

13. Petition No. 412/MP/2024 is disposed of in terms of the above.

Sd/-
(Harish Dudani,)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

