

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL**

Sub: Petition under section 86 of the Electricity Act, 2003 read with Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) (Revision-I) Regulations, 2016.

ORDER

**(Hearing through video conferencing)
(Date of Order: 07.02.2024)**

M/s RCCPL Pvt. Ltd.,
Village Bharauli, Post- Itahara,
Teh. Maihar, Dist. Satna,
485773 (MP)

- **Petitioner**

Vs.

Chairman,
MP Power Transmission Co. Ltd.,
Energy Department, GoMP,
Mantralaya, Vallabh Bhawan, Bhopal

- **Respondents**

Shri Ajay Gupta & Shri Ishan Pradeep, Advocate appeared on behalf of the petitioner.

Shri Shubham Arya & MS Poorva Sahagal, Advocate appeared on behalf of the Respondent.

The subject petition is filed by M/s RCCPL Pvt. Ltd., Village Bharauli, under Section 86 of the Electricity Act, 2003 read with Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) (Revision-I) Regulations, 2016

2. By affidavit dt. 29.08.2023 the petitioner broadly submitted the following in its petition:

- i. That the Petitioner (RCCPL Pvt. Ltd. Unit: Solar CPP) is a wholly owned subsidiary of its Flagship Company Birla Corporation Limited which deals in diversified businesses but is primarily engaged in the manufacturing of cement in India with state of art technology having manufacturing plants at different locations in India. The Petitioner is represented by Shri. Satyabir Singh Tanwar working as a Consultant and has been duly authorized vide Authorization letter dated 12.04.2021.*
- ii. That the present dispute is in relation to the Cement Plant situated in Tehsil Maihar in Satna District of Madhya Pradesh having a capacity of over 5 million tonnes clinker and cement and which contributed significantly to the Government Exchequer to the tune of Rs. 462.39 crores approximately in 2020-21. For the purposes of electricity consumption in the plant, the Petitioner has installed a Solar Power Plant with the capacity to generate 7.7 MW of captive power.*
- iii. That the Solar Power Plant in the instant case was commissioned at the Maihar*

Plant since 2019 and an agreement for synchronization of this plant with the MP Grid was executed on 22.11.19 by and between the Petitioner and MPPKVCL, which is silent on the issue of calculation of power factor.

- iv. *That, as per the Equipment Manufacturer, the **Power Factor 1/unit (>0.999)** for the said Solar Captive Power Plant is scientifically approved in diverse temperature range which covers all types of Indian weather conditions and is also mentioned in the information plate of every inverter unit.*
- v. *That it is pertinent to note that the Power Factor PF 1 (>0.999) for thermal power generation is not applicable to Solar Power Generation because in the latter, technically there is only conversion of solar energy into electricity into DC and the same is then converted to AC through an inverter therefore standard power factor is PF 1 (>0.999) in such case.*
- vi. *That the Power is the measure of how efficiently the incoming power is used in an electrical system. A high-power factor indicates that the power supplied electrical system is effectively used. A system with low power factor does not effectively consume the electric supply and results in losses. For Solar Captive Power Plants (Solar CPP, hereinafter) power factor is > 0.999 i.e. **P.F. 1** is scientifically tested in extreme temperatures. One reason is that the Solar Light is converted into electricity direct current (DC) which on turn is converted to alternate current (AC) by use of its inverter. The whole process of conversion to usable form of energy i.e. Alternate Current is high efficient and therefore, the Power Factor as tested through various tests comes out to be **PF > 0.999 i.e., PF 1.***
- vii. *That the calculation of bill towards Grid Support/Parallel Operation Charges by Respondent no. 1 based on power factor P.F. 0.80 as per the **Suo Motu Petition 73/2012** passed by this Hon'ble Commission (MPERC) vide order dated 31.12.2012 wherein the Commission determined Parallel operation charges to be levied at Rs. 20/- per KVA per month on the capacity of the CPP (after deducting load pertaining to auxiliary consumption) connected to the Grid. It is pertinent to mention here that the Petitioner though does not agree with the present Parallel Operation charges to be levied at Rs. 20/- per KVA per month but only challenges the application of wrong power factor i.e. PF 0.80 to arrive at KVA from KW which is applied for calculating the Parallel operation charges levied on the Petitioner (Unit: Solar CPP).*
- viii. *That in order to avoid any adverse action, the Petitioner paid the billed amount towards Grid Support/Parallel Operation Charges to Respondent under protest.*
- ix. *That the Petitioner had submitted various representations to Respondent for redressal of their grievance and to apply correct power factor P.F. 1 instead of P.F. 0.80 but in vain. The representations have remained unanswered till date.*
- x. *That it is noteworthy that from the time the first bill applying incorrect power factor was issued till June 2023 totaling amount of Rs. 13,98,580/- have been paid in excess to the Respondent which otherwise would not have been payable if correct power factor would have been applied by Respondent in quantification of their bills.*

- x. *That Respondent in its letter dated 22.01.2020 have been given vague reply asking Petitioner to produce manufacturer certificate for maximum generation capacity of Captive Solar PV (Photo Voltaic) Power Plant that can be handled by the inverters installed at your premise at any condition.*
- xii. *That, with no alternate remedy available then, the Petitioner had approached this Hon'ble Commission through Petition 73/2021 seeking adjudication of dispute with regard to the application of power factor by Respondent while raising bills to the Petitioners for Grid Support wherein the Petitioner and the Respondent had been ordered to jointly appoint an external agency to ascertain the correct power factor in the instant dispute expeditiously and preferably within a period of three months. The expenses had to be shared equally by the Petitioner and Respondent, and the billing be revised in accordance with the findings of the expert agency.*
- xiii. *That the National Power Training Institute had been appointed as the expert agency for assessment and calculation of the actual Power Factor in the instant case. It calculated the Power Factor be **PF 0.997** for the said Solar Power Plant.*
- xiv. ***That the Respondent has not contributed his share of contribution towards the appointment of the expert agency and has not revised the bill in accordance with the Orders of this Hon'ble Commission and findings of the Expert Agency.***
- xv. *That the Petitioner has further representations to the Respondent demanding compliance with the aforementioned orders to revise the bill and refund the difference in the applied and applicable charge, and to reimburse the Petitioner for half the amount of the appointment of the Expert Agency. However, the Respondent has not complied with the Orders.*
- xvi. *That Madhya Pradesh Poorva Kshetra Vidyut Vitran Company Limited (MPPKVCL), which is a distribution company owned and operated by the State of Madhya Pradesh and falls within the jurisdiction of this Hon'ble Commission, has issued bills by correctly interpreting the power factor $PF > 0.995$ as unity.*
- xvii. *Therefore, with no alternative remedy available, the present petition is preferred feeling aggrieved by the inaction of Respondents on the following grounds inter alia:*

Grounds

- xviii. *Because the inaction on the part of the Respondents to redress the grievance have caused financial losses to the Petitioner and continue to do the same.*
- xix. *Because this Hon'ble Court has directed the Respondent to revise the bills towards Grid/Support in accordance with findings of the Expert Agency i.e. PF 0.997 for the entire duration beginning November 2019 till date.*
- xx. *Because the Expert Agency has assessed and calculated the Power Factor to be PF 0.997, which has to be read and interpreted as P.F.1/Unity in accordance with the definition of Power Factor provided under Madhya Pradesh Electricity Supply Code, 2021:*

shall be the ratio expressed as a percentage of total kilowatt hours to the total kilowatt ampere hours supplied during the month; the ratio being rounded off to the nearest integer figure and the fraction of 0.5 or above will be rounded to the next higher integer and the fraction of less than 0.5 shall be Ignored

- xxi. *Because there is not an iota of doubt that the process of solar light conversion into electricity is a highly efficient mode of generation of electricity with negligible energy loss and hence the power factor with respect to the inverter which converts Direct Current into Alternating Current comes out to be PF 1 (>0.999)*
- xxii. *Because application of the correct power factor in accordance with the scientific reports and findings of the expert agency is the imperative duty of the Respondents but it has not been done owing to the profit making by charging excessive bills.*
- xxiii. *Because the issue of power factor and the Expert Agency (NPTI) findings are well within the knowledge of Respondents but no action or decision has been taken so far for reasons best known to the Respondent.*
- xxiv. *Because the multiple representations made in this regard by the Petitioner have remained unanswered and have not been acted upon till date.*
- xxv. *Because the Petitioner has to file a distinct petition to compel the compliance with Orders in Petition 73/2021 towards the settlements of the excess amount billed, and towards reimbursement for engagement of an external agency.*
- xxvi. ***Because Power Factor PF 0.80 is applicable for thermal power plants or other conventional power plants and the same cannot be applied to the solar CPP.***
- xxvii. *Because the Respondent has charged excess amount from the Petitioner which has been detrimental to the idea of setting up captive power plants by Petitioner. The act of Respondents is contrary to the policy of Union and State Government which promotes the use of Captive Power Plants through Non Conventional Sources of energy.*
- xxviii. *Because the act of the Respondent shall discourage other project proponents from setting up Solar CPP in their establishments. The act of the Respondent is contradictory to Principles of Sustainable Development.*
- xxix. *Because determination of Power Factor for Solar CPP units is a grey area which requires attention.*
- xxx. *Because Respondent is state within the definition of Article 12 of the Constitution the inaction and non-compliance with the Orders of this Hon'ble Commission by the Respondent is an arbitrary exercise of power and is violative of Article 14 of the Constitution of India, 1950.*
- xxxi. *Because the acts of the Respondent are restrictive of Article 19(1)(g) in view of the impediments that it creates in smooth functioning of the Petitioner concern.*
- xxxii. *Because another entity MPPKVCL, which operates as the distribution company and is*

also owned and controlled by the Government of Madhya Pradesh, has correctly interpreted the power factor $PF > 0.995$ as Unity and has raised bills accordingly.

- xxxiii. Because the Respondent has not reimbursed the Petitioner for the appointment of the expert agency NPTI for the evaluation and assessment of the Power factor.
- xxxiv. Liberty is sought from the Hon'ble Commission to add, alter or amend any other grounds at the time of arguments.

DELAY (IF ANY):

- xxxv. The Petitioner declares that there is no delay in filing the present petition.

COURT FEES:

- xxxvi. The Petitioner has paid the requisite court fees as prescribed under the Schedule for the present petition on date 25.08.2023 with the UPI ID 323780574966 in the account of Madhya Pradesh Electricity Regulatory Commission.

RELIEF SOUGHT:

- xxxvii. That the Respondent be directed to revise the Petitioner bills from November 2019 which were issued applying wrong Power Factor as 0.80 instead of Unity 1 as also mentioned in Hon'ble MPERC earlier order dated 05.07.2022 in petition no 73/2021. Thus, an order may please be passed directing Respondent to adjust / refund Rs. 13,98,580/- along with interest @ 18% till the time such refund is credited to the Petitioner.
- xxxviii. That Respondent be directed to reimburse/adjust 50% fees of Rs. 1,77,000/- along with interest @ 18% p.a. towards third party study expenditure i.e. NPTI in accordance with the Order of this Hon'ble Commission in this behalf in its order dated 05.07.2022 to borne 50% fees towards third party study fees.
- xxxix. That the Respondent be directed to reimburse/adjust Rs. 6,00,000/- (Six Lakhs) towards corporate expenses incurred by Petitioner in deputing two dedicated Senior officials, appointment of an advocate again in filing present petition, travel expenses in briefing advocate and attending present petition case hearings, court fees, etc because the present petition is borne out of the inaction by Respondent who did not comply with the previous order of Hon'ble commission in its letter and spirit.

TERRITORIAL JURISDICTION:

- xl. The Present Petition pertains to Tehsil Maihar District Satna (M.P.) and hence well within the territorial jurisdiction of this Hon'ble Commission.

3. With the aforesaid submissions the petitioner prayed the following:

- i. Declare that correct Power Factor for Solar powered electricity generation unit is $P.F > 0.999$ or P.F. 1

- ii. *Declare that the Power Factor calculated for the purpose of generating bill towards Grid Support/ Parallel Operation Charges in case of Solar Captive Power Plant shall be P.F. 1 for all purposes;*
 - iii. *Direct Respondent to refund the excess amount of Rs. 13,98,580/- along with the 18% p.a. interest to Petitioner which has been wrongly received by Respondent over the aforementioned period of time;*
 - iv. *Direct the Respondent to release an amount of Rupees One Lakh and Seventy Seven Thousands towards reimbursement for engagement of NPTI as the expert agency for calculation of the Power Factor. Furthermore, 18% P.A. interest be imposed till the date of such relay.*
 - v. *Impose and direct the Respondent to convey Rs. 6.00 Lakhs costs incurred towards the filing of the present petition and other ancillary expenses.*
 - vi. *Pass such other orders as the Hon'ble Commission may deem fit in the facts of the present case in the interest of justice.*
4. At the motion hearing held on 31.10.2023, petitioner reiterated the prayer made in the petition. Petition was admitted and the petitioner was directed to serve copy of petition to the respondent within 1 Week. Respondent was directed to file their response in 15 days thereafter. Petitioner might file rejoinder, if any, within 7 days of receipt of response from respondent. The case was fixed for hearing on 05th December' 2023
5. By Affidavit dt. 01.12.2023 Respondent MPPTCL submitted the following in its reply:
- i. *The present Petition has been filed by M/s. RCCPL Private Limited (hereinafter the 'Petitioner') seeking for the revision of bills raised by Madhya Pradesh Power Transmission Company Limited (hereinafter 'MPPTCL') levying Parallel Operation Charges in terms of the Power Factor > 0.999 or PF 1 for the Petitioner's Captive Solar Power Project of 7.7 MW (3 x 2.5 MW at 11 KV and 4 x 50 KW at 415V AC).*
 - ii. *Save as specifically admitted herein all the contentions and allegations in the Petition are wrong and specifically denied.*
 - iii. ***That, the plant was synchronized and connected in parallel with the grid on 22.11.2019 and the agreement to this effect was signed between the petitioner and MPPKVCL, Jabalpur on dated 22.11.2019.***
 - iv. *That, considering the power factor as 0.8, the net MVA capacity after deducting the auxiliary consumption from the plant capacity was worked out as 9.6010 MVA and considering the same for levy of Parallel Operation Charges, the first Invoice for Parallel Operation Charges levying the said charges at Rs. 20/- per KVA per month was issued to the Petitioner.*
 - v. *MPPTCL had sought certain technical details from the Petitioner vide letter bearing reference No. 160 issued on 22.01.2020 and thereafter vide letter bearing Reference*

No. 622 issued on 05.05.2020 to ascertain the power factor. The information sought was regarding submission of manufacturers certification for maximum generation capacity in MVA for 7.7 MW captive Solar PV Power Plant that can be handled by the installed inverters.

vi. However, the details furnished by the Petitioner were found to be inadequate in order to ascertain the power factor, the submission of manufacturers certification for maximum generation capacity as earlier requested by MPPTCL vide letter dated 05.05.2020 was emphasized, however, the same was not submitted by the Petitioner.

vii. In the above background, the Petitioner had filed a Petition bearing No. 73 of 2021 before this Hon'ble Commission. This Hon'ble Commission vide order dated 05.07.2022 in Petition No. 73 of 2021, after noting down the contentions of the parties, inter-alia, observed as under:

"The Respondent No. 1 has again stated that applicability of unity power factor can only be considered if the petitioner is able to submit such documents to the satisfaction of Respondent No. 1. Having heard both parties on the 14th June' 2022, the Commission has noted that the documents/certificates which have been shared by petitioner with Respondent No. 1 in support of its claim regarding power factor are not technically adequate to consider unity power factor by Respondent No. 1 for the purpose of levying Parallel Operation Charges on the petitioner's solar power plant. In such a situation and to ascertain the correct power factor of petitioner's solar power plant in this matter, the parties were asked to carry out a study by an independent expert agency in this regard. Both parties have shown their agreement for aforesaid study to ascertain the correct power factor of petitioner's power plant."

viii. It is submitted that the above order has not been challenged by either party and has attained finality. This Hon'ble Commission had ordered an independent study to be carried out after clearly observing that the documents/certificates which have been shared by petitioner with Respondent No. 1 in support of its claim regarding power factor are not technically adequate to consider unity power factor by Respondent No. 1 for the purpose of levying Parallel Operation Charges on the petitioner's solar power plant.'

ix. In view of the above, it is submitted that the Petitioner cannot be entitled for revision of the bills from the date when the parallel operations had commenced. It was on account of fault of the Petitioner that the power factor could not be rectified in time. The liability, if any, ought not to be imposed on MPPTCL.

x. Even otherwise, it is submitted that there be no claim of interest or otherwise including the expenses incurred by the Petitioner in view of the above quoted categorical findings of this Hon'ble Commission. As stated above, the Petitioner cannot be allowed to take advantage of its own wrong in not submitting the documents and then claim interest on account of the above. In this regard, MPPTCL craves leave to refer to the decision dated 25.07.2023 passed by the Hon'ble Appellate Tribunal in Appeal No. 148 of 2018 in the matter of Rajasthan Urja Vikas Nigam Limited -v- Central Electricity Regulatory Commission and Ors., wherein it was held as under:

“While the material placed on record does show that the Appellant had failed to produce this information before the CERC, either along with their petition or at any time subsequent thereto till the order under Appeal was passed, we cannot also ignore the fact that the Appellant had sought to place additional information on record before this Tribunal, by way of their application dated 25.01.2019. As the Appellant is entitled to be compensated towards the actual Station Heat Rate, subject to the statutory regulations governing the field, its computation need alone be considered by the CERC, and not the appellant’s entitlement thereto. As the Appellant cannot take advantage of its own delay / failure to furnish information in support of its claim for compensation towards the Station Heat Rate, we are of the view that the compensation which shall now be determined by the CERC shall not be entitled to carrying cost for the period from 29.04.2017, when the Appellant herein had earlier invoked the jurisdiction of the CERC by filing their petition, till 25.01.2019 when the application was filed before this Tribunal to receive additional evidence.”

- xi. In regard to the claim for the reimbursement of the 50% of total fees of the third party study expenditure (NPTI) in terms of the Order dated 05.07.2022, it is submitted that MPPTCL has already made the payment of Rs. 1,47,500/- on 30.10.2023 as payment of the 50% of the share to be paid by MPPTCL. Further, the claim for corporate expenses amounting to Rs. 6 Lakh Rupees is also completely baseless and devoid of any merit.*
- xii. MPPTCL is not preferring to make any para-wise reply to the Petition at this point. However, MPPTCL crave leave to file a detailed reply in the future if need arises.*

6. At the hearing held on 05th December’ 2023, petitioner informed that they could not receive the reply of respondent. Respondent informed that they had served reply to petitioner recently and it would be again sent to the petitioner. Commission directed to serve the copy of reply to petitioner on the day of hearing i.e. on 05.12.2023 itself. Two weeks’ time was granted to petitioner for rejoinder. The case was fixed for hearing on 9th January 2024.

- 7. At the hearing, held on 4th January 2024 petitioner sought 10 days’ time to file rejoinder. Commission granted 10 days time to petitioner for rejoinder and case was listed for arguments on 23rd Jan 2024.
- 8. Last hearing in the subject matter was held on 23rd January’ 2024 when the petitioner and respondent completed their arguments. Parties prayed for time of 3 days for written submission which was allowed. Case was reserved for Orders.

Commission’s observations and order :

- 9. The Commission has observed the following from the submissions of the petitioner and Respondent in this matter:
 - i. That the Commission in its order dated 31.12.2012 passed in suo-motu petition no. 73/2012 determined parallel operation charges at the rate of Rs 20/- per kVA per

month on the capacity of grid connected captive power plant (after deducting load pertaining to auxiliary consumption).

- ii. That M/s RCCPL Pvt. Ltd, Village Bharauli installed a captive solar plant of capacity 7.7 MW (3 x 2.5 MW at 11 KV and 4 x 50 KW at 415 V AC) and entered into a connectivity agreement for this purpose on 22.11.2019. The Solar CPP was synchronized and connected in parallel with the grid on 22.11.2019 itself.
- iii. That respondent i.e. MP Power Transmission Co. Limited (MPPTCL) started raising demand of parallel operation charges on the petitioner i.e. M/s RCCPL from 22.11.2019 by converting the capacity of solar CPP from MW to MVA using a power factor of 0.8. RCCPL represented use of 0.8 PF for conversion of MW to MVA stating that the power factor ought to have been considered as > 0.999 (unity).
- iv. That the respondent sought certain documents to verify the claim of petitioner for unity power factor of Plant which according to respondent was not furnished. Petitioner stated that the information sought by respondent was vague and not relevant.
- v. The petitioner then approached this Commission through petition no. 73 of 2021 representing the demand being raised by MPPTCL. Commission disposed of petition no. 73 of 2021 vide order dated 05.07.2022. The observations and orders of Commission in its order dated 05.07.2022 are reproduced as under: -

(a) The Respondent No. 1 (MPPTCL) after considering the power factor as 0.8 and after deducting the auxiliary consumption, has worked out the net capacity of plant as 9.6010 MVA and based on this capacity, the Respondent has levied Parallel Operation Charges @ Rs. 20/- per KVA per month to the petitioner as per Commission's order dated 31 December' 2012 in SMP No. 73 of 2012. The petitioner has not challenged the aforesaid Commission's order in the subject petition.

(b) The Respondent No. 1 had sought certain technical details from petitioner regarding manufacturer's certification for maximum generation capacity in MVA for 7.7 MW captive Solar PV Power Plant to ascertain the power factor. However, the details furnished by the petitioner were not found sufficient by Respondent No. 1 to ascertain the contention of petitioner with regard to power factor.

(c) The Respondent No. 1 has again stated that applicability of unity power factor can only be considered if the petitioner is able to submit such documents to the

satisfaction of Respondent No. 1. Having heard both parties on the 14th June' 2022, the Commission has noted that the documents/certificates which have been shared by petitioner with Respondent No. 1 in support of its claim regarding power factor are not technically adequate to consider unity power factor by Respondent No. 1 for the purpose of levying Parallel Operation Charges on the petitioner's solar power plant. In such a situation and to ascertain the correct power factor of petitioner's solar power plant in this matter, the parties were asked to carry out a study by an independent expert agency in this regard. Both parties have shown their agreement for aforesaid study to ascertain the correct power factor of petitioner's power plant. Petition No. 73 of 2021 MPERC, Bhopal.

(d) In view of the above, petitioner and Respondent No. 1 are directed to jointly appoint an expert agency to carry out study to ascertain correct power factor in this matter. The expenses towards this study shall be shared equally by the petitioner and Respondent No. 1. This study be carried out expeditiously and preferably within a period of three months. The outcome of aforesaid study shall be binding on all parties in this matter and billing shall be revised accordingly, if required. Till the outcome of the study, billing for Grid support/parallel operation charges shall be continued as per same power factor which is being considered by Respondent No. 1.

vi. In compliance of order dated 05.07.2022 of this Commission, petitioner and respondent appointed National Power Training Institute (NPTI) as expert agency for measurement of power factor. Measurement of power factor of the Solar CPP was carried out by NPTI along with representatives of RCCPL and MPPTCL on 28.11.2022 and the power factor of the Solar CPP was found to be 0.997. Commission observed that both the parties jointly signed the certificate dated 28.11.22 accepting the power factor measurement taken by NPTI.

vii. The respondent, after verification of power factor of Solar CPP by NPTI, revised the bills of parallel operation charges on the basis of power factor of 0.997 prospectively i.e. after the date of passing order by Commission on 05.07.2022.

viii. The petitioner through this petition has primarily claimed following reliefs: -

- a. To direct the respondent to consider 0.997 power factor as found in joint inspection of NPTI, MPPTCL and RCCPL dated 28.11.2022 as unity on the basis of rounding principles of power factor adopted in HT bills of RCCPL Pvt. Ltd and definition of power factor in MP Electricity Supply Code, 2021 which specifies that fraction of 0.5 and above shall be rounded to next higher integer.

- b. To direct the respondent to revise the bills of parallel operation charges on the basis of unity power factor from 22.11.2019 i.e. from the date of synchronization of solar CPP.
 - c. To direct the respondent to pay 50 % of expenses incurred for appointing expert agency for measurement of power factor along with interest.
- ix. Respondent in his reply submitted that since the petitioner had not submitted necessary data/ information required for ascertaining power factor of the plant for the past period, he is not entitled for revision of the bills from the date when the parallel operation had commenced till 05.07.2022. Regarding payment of 50% charges for appointment of expert agency, respondent submitted that payment of Rs 1,47,500 being 50% of total charges payable to expert agency was already made to petitioner on 30.10.2023. Respondent has however not made any comments regarding rounding of power factor to unity as claimed by petitioner.
- x. Commission noted that 3 days time was allowed to the parties for written submission in daily order dated 23.01.2024 but none of them made any written submissions.
10. In light of the above factual status elaborated in para 9 above, 3 issues have been framed by the Commission for adjudication namely: -
- i. Whether respondent is required to revise the bills of parallel operation charges from the date of synchronization of solar CPP i.e. from 22.11.2019 i.e. the initial date from which the respondent issued parallel operation charges bills to petitioner.
 - ii. Whether the power factor of 0.997 as found in joint inspection of NPTI, MPPTCL and RCCPL dated 28.11.2022 should be rounded to unity on the basis of rounding principles of power factor adopted in HT bills of RCCPL Pvt. Ltd and definition of power factor specified in MP Electricity Supply Code, 2021.
 - iii. Whether respondent has not made payment of 50 % of expenses incurred by petitioner for appointing expert agency for measurement of power factor.
11. Let us deal with the first issue as to whether respondent ought to have revised the parallel operation charges from the date of synchronization of CPP. Commission noted that the matter before the Commission in previous petition No. 73/2021 was regarding laying down a principle for application of power factor for conversion of MW units to MVA units

in respect of captive solar power plant of the petitioner. For this purpose, Commission ordered parties to engage an expert technical agency to ascertain the power factor of the plant. The date of applying the power factor for conversion of MW to MVA was never in question in the petition no. 73/2021. It is elaborated in the certificate dated 28.11.2022 jointly signed by parties along with expert agency i.e. NPTI that the power factor of 0.997 was accepted by MPPTCL and RCCPL. The Commission is therefore of the view that the power factor mutually accepted by the parties should be applicable from the date of synchronization of the power plant i.e. from 22.11.2019 itself.

12. Now, let us deal with the 2nd issue of rounding of power factor in respect of a generating plant on the basis of definition given in MP Electricity Supply Code, 2021 and HT bills of M/s RCCPL. Commission noted that in order dated 05.07.2022, following direction was given to parties in para 13: -

*“13. In view of the above, petitioner and Respondent No. 1 are directed to jointly appoint an expert agency to carry out study to ascertain correct power factor in this matter. The expenses towards this study shall be shared equally by the petitioner and Respondent No. 1. This study be carried out expeditiously and preferably within a period of three months. **The outcome of aforesaid study shall be binding on all parties in this matter and billing shall be revised accordingly, if required.** Till the outcome of the study, billing for Grid support/parallel operation charges shall be continued as per same power factor which is being considered by Respondent No. 1.”*

The power factor of 0.997 as measured by expert agency engaged by the parties was accepted by both of them without any reservation or protest on 28.11.2022. As per direction contained in order dated 05.07.2022, same is binding on all the parties. The Commission therefore does not find any merit in the prayer of petitioner to consider rounding of power factor for conversion of MW to MVA for determination of capacity of Solar CPP.

13. On the 3rd issue, Commission noted that the respondent has submitted proof of payment of 50 % of charges amounting to Rs 1,47,500/- on 30.10.2023 to petitioner. Respondent was provided opportunity to file rejoinder and written submission to counter the submissions made by respondent, if required. Commission noted that petitioner has not filed any rejoinder or written submission to refute the claim of respondent regarding payment of expert agency expenses. It is therefore inferred that the aforesaid submission of respondent regarding payment of 50% charges towards expenses of expert agency has been accepted by petitioner. The Commission is therefore of the view that payment of 50% charges towards expenses of expert agency has been made by the respondent and therefore no separate directives are required to be issued.

Order

In light of the above findings and analysis, following order is passed: -

- (i) The bills of parallel operation charges of the petitioner should be revised on the basis of agreed power factor of 0.997 by the parties from the date of synchronization of solar CPP i.e. from 22.11.2019 itself. The excess amount recovered, if any, shall be refunded along with interest at bank rates as applicable.
- (ii) Actual power factor of 0.997 as found in joint inspection of NPTI, MPPTCL and RCCPL on 28.11.2022 and agreed to by the parties shall be considered for conversion of MW capacity of 7.7 MW CPP of the petitioner to MVA capacity.
- (iii) The 50% charges towards expenses of expert agency have already been paid by respondent on 30.10.2023, therefore this issue is already settled.

With the aforesaid directions, instant petition stands disposed of.

(Prashant Chaturvedi)

Member

(Gopal Srivastava)

Member(Law)

(S.P.S. Parihar)

Chairman