

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of permission under Section 86(1)(e) of the Electricity Act, 2003 for wheeling the energy generated from WEGs to the place of consumption for sale to third party and execution of fresh power purchase and wheeling agreement for the balance period of 8 years for 5 Nos. of WEGs (Location No. 45, 50 to 53).

Petition No. 22/2011

ORDER

(Date of hearing 31st May, 2011)

(Date of order 7th June, 2011)

M/s Cepeco Industries Pvt. Ltd., - Petitioner
82, Mahaveer Nagar,
Kanadia Road, Indore – 452016.

V/s

M.P.Power Trading Co. Ltd., - Respondent No. 1
Shakti Bhawan, Rampur, Jabalpur.

M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd., - Respondent No. 2
GPH Compound, Pologround, Indore.

Shri U.K.Sahasrabuddhe, Authorised Representative appeared on behalf of the Petitioner

A.B.Bajpai, CGM (Comm.) and Ms Parul Dangi, Legal Executive appeared on behalf of the Respondent No. 1.

Shri Sanjay Mohase and Shri P.K.Jain, ASE (Comm.) appeared on behalf of Respondent No. 2.

2. The petitioner is the owner of 5 Nos of WEGs with installed capacity of 225 KW. The petitioner has executed PPA on 17.05.2000 with the erstwhile MPEB for a period of 12 years effective from 27.05.1998 for wheeling of power to third party (M/s Kataria Wires Pvt. Ltd.). The said agreement had expired on 26.5.2010. Thereafter, petitioner had filed a petition (registered as Petition No. 31/2010) before the Commission, seeking permission for continuing the sale of energy to the third party. The Commission vide its order dated 22.06.2010 and 28.06.2010, granted the permission for sale of power to third party. The relevant portion of the said orders is reproduced below:

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- a) *Allow the Petitioner to sell energy generated from his WEGs at Location No. 45, 50 to 53 in windfarm at Jamgodrani Dist. Dewas to third party namely M/s Kataria Wires Ltd., Ratlam for the balance period of 8 years w.e.f. 27.05.2010 to 26.05.2018 and also allows to sell the inadvertent flow of energy, if any, to the MP Power Trading Co. Ltd. at the rates determined by the Commission in the tariff order dated 21.11.2007 for procurement of power from WEGs commissioned on or before 11.06.2004 subject to execution of power purchase agreement as approved by the Commission for third party sale.*
- b) *The Petitioner shall also obtain required open access permission from MP Power Transmission Co. Ltd., Jabalpur and shall pay the applicable charges as determined by the Commission.*
- c) *The Commission has further directed that a tripartite agreement among Petitioner and Respondent No. 1 & 3 shall be executed for wheeling of power for 3rd party sale and any inadvertent flow.*

3. In accordance with the aforesaid directions of the Commission, Power Purchase & Wheeling Agreement was submitted to the M.P. Power Trading Company vide letter dated 18.12.2010. However, respondent returned the same vide letter dated 04.02.2011, for the following reasons:

“It has been decided by the competent authority that power wheeling agreement shall only be signed with WEGs for wheeling power for consumption/sale to third party. Accordingly, M.P. Tradeco will not purchase surplus/excess/ inadvertent flow of power injected in to the system. A draft of revised power wheeling agreement is being sent separately for execution.”

4. The Petitioner alleged that refusal to sign the agreement submitted by the Petitioner is contradictory to the State Govt. Policy under which the WEGs were installed, incentives provided from the date of commissioning & regulations & tariff orders applicable to wind energy notified by the Commission from time to time. The petitioner has quoted relevant statutory provisions in the present petition. The respondent is bound to purchase the inadvertent power generated from the WEGs at the rate determined by the Commission from time to time. The Petitioner has further stated that the M.P. Transco. vide its letter dated 14.10.2010 has accorded approval for open access for wheeling of power to the place of consumption.

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5. In the light of the above, petitioner has prayed as under:

- (a) M.P. Power Trading Co. Ltd. may be asked to comply with the order dated 28.06.2010 of the Commission on the Petition No. 31 of 2010 of M/s CEPCO Industries Ltd by signing the Power Purchase & Wheeling Agreement with the petitioner (M/s CEPCO Industries Ltd) under MPERC Wind Power Tariff Order November 2007 for third party sale of energy provided by their 5 Nos. of WEGs at Loc. Nos 45, 50 to 53 in the windfarm at Jamgodrani, Dist. Dewas for a period of 8 years w.e.f. 27.05.2010 to 26.05.2018.
- (b) Surplus energy (inadvertent flow of energy) fed into the system by these WEGs shall be procured by M.P. Power Trading Co. & Rs. 2.87/unit as determined by the Commission in the Wind Power Tariff Order November 2007.

6. The case was listed for hearing on 20.04.2010 which as adjourned to 31.05.2011.

7. During the hearing on 31.05.2011, the representative of the Petitioner reiterated the requests made in the petition.

8. During the hearing, the representative of the Respondent No.1 submitted that :

- (i) The inadvertent flow in the system cannot be planned in advance to be allocated to any of the identified HT consumers.
- (ii) The possibility of gaming by the WEG developer for dumping such inadvertent flow of power cannot be ruled out.
- (iii) As the inadvertent flow of energy comes into existence due to the default of third party therefore third party consumer can only be made responsible for consuming the wheeling energy. The Respondent may not be insisted upon to purchase any inadvertent flow of power appearing into existence in the grid due to default of third party.
- (iv) Suitable amendment in the tariff order dated 14.05.2010 may be made so that the Respondent is not required to purchase the so called inadvertent flow of energy.

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9. The Respondent No. 2 submitted that they have no objection to issuing necessary directions by the Commission to the Petitioner as prayed in the petition.

10. On hearing the Petitioner and the Respondents, the Commission observed that the petition is filed under Section 86(1)(e) of the Electricity Act, 2003 which is not applicable in this case because this is a dispute between a Generating Company and the Licensee. The Commission further observed that the Respondent No.1 cannot act contrary to the provisions of the order of the Commission. If proper energy accounting is done by the Respondents, there is no possibility of gaming by the Petitioner. The Commission, therefore, directs that the petition is misplaced as it is not filed under the applicable Section of the Electricity Act, 2003. The Commission also directs the Respondent No.1 to ensure compliance of the provisions of tariff order dated 14.05.2010 without demur. The Commission also directed the Respondent No. 2 to submit the details of bills issued by them to 10 third party/captive consumers of their area in the last one year.

11. With the above directions, the Petition No. 22/2011 stands disposed of.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(K.K.Garg)
Member (Engg.)

(Rakesh Sahni)
Chairman