

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities synchronization with grid and for start-up purposes.

Petition No. 30/2012

ORDER

(Date of hearing 28th May, 2012)

(Date of order 2nd June, 2012)

M.P.Biomass Energy Developers Association, - Petitioner
H.No. 6/4, Saket Nagar, Bhopal – 462024.

V/s

MP Poorv Kshetra Vidyut Vitaran Co. Ltd., - Respondent No. 1
Shakti Bhawan, Vidyut Nagar, Jabalpur (MP).
(East Discom)

MP Madhya Kshetra Vidyut Vitaran Co. Ltd., - Respondent No. 2
Nishtha Parisar, Govindpura, Bhopal (MP).
(Central Discom)

M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd. - Respondent No. 3
GPH Compound, Pologround, Indore (MP)
(West Discom)

Shri Chandrashekar Iyer appeared on behalf of the petitioner.

Smt. S.Dixit, EE appeared on behalf of the East Discom.

Shri Ramesh, EE appeared on behalf of the Central Discom.

None appeared on behalf of the West Discom.

2. The petitioner Madhya Pradesh Biomass Energy Development Association has filed this petition in the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities, synchronization with grid and start-up power.

3. The petitioner has submitted that the Biomass based generating stations situated in the State of Madhya Pradesh require star-up power for pre-commissioning/testing activities, synchronization with grid and start-up power.

(cont. to next page)

Sub : In the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities synchronization with grid and for start-up purposes.

4. The petitioner has submitted that the Commission in the present Tariff Order dated 31.3.2012 under Clause 1.28 provides that synchronization with the grid or the start-up power shall only be made available after commissioning of plant. The petitioner has submitted that the above limited provisions of the present Tariff Order would cause significant financial burden on the generators. The petitioner has submitted that the word “Start-up power” has been interpreted by the Hon’ble Appellant Tribunal in Appeal No. 166 of 2010. The relevant part of the judgment reads as under:

44 Startup Power has not been defined in the Electricity Act 2003 or in the Rules and Regulations framed there under. It has also not been defined in the repealed Acts viz., Indian Electricity Act 1910, Electricity (Supply) Act 1948 and Electricity Regulatory Commission Act 1998. Thus we have to go by its general meaning. In general parlance, word ‘Startup’ means to start any machine or motor. In terms of electricity, Startup Power is power required to start any machine. Thus Startup Power is power required to start a generator. Next question is why it is required. Thermal generating units, (to some extent large hydro generating units also) have many auxiliaries, such as water feed pump, coal milling units, draft pumps etc.,. These auxiliaries operate on electrical power and are essentially required to run before generating unit starts producing power of its own. These auxiliaries would draw power from grid till unit starts producing power and is synchronized with the grid. Once unit is synchronized, requirement of ‘startup power’ vanishes. Thus ‘startup power’ is required only when all the generating units in a generating station are under shutdown and first unit is required to startup. Once any one unit in a generating station is synchronized, power generated by the running unit is used to startup other units. Period of requirement of startup would vary from few minutes to few hours depending upon the size of unit.

(cont. to next page)

Sub : In the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities synchronization with grid and for start-up purposes.

45 *Above discussion shows that requirement of startup power is essential for every generating station and is very limited both in quantum (MW) and duration terms.*

5. The petitioner has also mentioned the Hon'ble Appellate Tribunal's judgment dated 15.03.2011, passed in Appeal No. 176 of 2010, wherein it was held that auxiliaries of power station are integral part of the generating unit. It is immaterial whether start-up supply is used by an existing unit under breakdown/outage or by a new unit for initial commissioning of a generating unit and its auxiliaries. Start-up power can be utilized for initial commissioning of a generator and its auxiliaries.

6. Relying on the above decisions, the petitioner has pleaded that the start-up power usage may be permitted for pre commissioning / testing activities. The petitioner has submitted that other State Commissions have created separate tariff category for start-up power.

7. Based on the above submissions and the Hon'ble Appellate Tribunal's judgments, the petitioner has requested that the Commission permit the generators to utilize start-up power for the pre-commissioning/testing purposes apart from the purpose of synchronization with the grid and post synchronization start-up support.

8. The case was listed for motion hearing on 08.05.2012.

9. During the motion hearing on 08.05.2012, the representative of the petitioner reiterated the contents of the petition. The petitioner also submitted that some of the plants are ready for commissioning and require start-up power. The Distribution Companies are allowing temporary connection only for start-up activities, which is very expensive. The petitioner further requested review of the terms & conditions mentioned in point No. 1.28 of the Retail Supply Tariff Order dated 31.03.2012.

(cont. to next page)

Sub : In the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities synchronization with grid and for start-up purposes.

10. The Commission admitted the petition and directed issue of notices to all the Distribution Licensees.

11. The case was listed for hearing on 28.05.2012.

12. During the hearing on 28.05.2012, the representative of the petitioner requested that the Commission allow start-up power during pre-commissioning of the plant. During the hearing, the Commission enquired from the petitioner whether there is any ground for review of terms and conditions mentioned in point 1.28 of the Retail Supply Tariff Order dated 31.03.2012. The representative of the petitioner could not establish the same.

13. During the hearing, the representative of the respondent No.1 submitted that there is significant difference between use of power for start-up of the generator and pre-commissioning activities including construction, installation and testing of equipments. Prior to commissioning of the power plant, it is practically impossible to bifurcate the use of supply in various activities such as construction, installation of equipment's and testing particularly when the supply is availed from the same feeder. It is submitted that the quantum required for construction/installation purpose is almost of the same order as that of the start-up power in case of M/s Shalivahana Green Energy Ltd. Also, the comprehensive testing of equipments in pre-commissioning stage cannot be equated to the post synchronization specific testing of equipments. It was further submitted that it is not specified in any rules/regulations/orders that construction power required for installation and pre-commissioning testing of various equipment of the generating plants should be considered as start-up power. The Hon'ble Appellate Tribunal in its subsequent judgment dated 24.05.2011 passed in Appeal No. 166/2010 of CSPTCL Vs. RR Energy Ltd. has rightly held that period of requirement of start-up would vary from a few minutes to a few hours depending upon the size of the unit. It clearly establishes that requirement of startup power in

(cont. to next page)

Sub : In the matter of availability of start-up power for the generators including captive power generators for use during pre-commissioning/testing activities synchronization with grid and for start-up purposes.

respect of member units of the petitioner's association should be limited to a few hours and start-up power should not be required and should not be allowed on continuous basis for days together. The petition is, therefore, liable to be dismissed.

14. On hearing the petitioner and the respondents No.1 and considering the written submissions, the Commission is of the view that the petitioner could not establish any ground for review of tariff order dated 31.03.2012. The Commission, therefore, directs that the terms and conditions as mentioned in point No. 1.28 of the Retail Supply Tariff Order dated 31.03.2012 shall remain applicable. While parting with this case, the Commission takes note of the fact that these small renewable energy generators are facing hardship on account of minimum contract demand specified in the Supply Code. These generators are given liberty to approach the Commission for relaxation in the minimum contract demand under extant provisions in the relevant regulations.

15. With the above directions, the Petition No. 30/2012 stands disposed of.

Ordered accordingly,

sd/-
(C.S.Sharma)
Member

sd/-
(Rakesh Sahni)
Chairman