

Sub : In the matter of providing connectivity to the proposed Captive Thermal Power Plant 2 x 60 MW of M/s Jaiprakash Associates Ltd.

ORDER

(Date of Hearing : 26th October, 2010)

(Date of Order : 9th November, 2010)

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| M/s Jaiprakash Associates Ltd. (Unit Jaypee Sidhi Cement Plant) Jaypee Vihar, Vill.-Majhgawan Post – Bharatpur, Dist. Sidhi (MP) | - | Petitioner |
| V/s | | |
| M.P.Power Transmission Co. Ltd., Jabalpur. (MPPTCL) | - | Respondent No. 1 |
| M.P.Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur. (East Discom) | - | Respondent No. 2 |
| M.P.Power Generating Co. Ltd., Jabalpur. (MPPGCL) | - | Respondent No. 3 |
| State Load Despatch Centre, Nayagaon, Jabalpur | - | Respondent No. 4 |

Shri P.L.Nene, Advisor and Shri Pankaj Verma, Vice-President appeared on behalf of the Petitioner.

Shri O.P.Jaiswal, CE and Shri S.S.Nigam, SE appeared on behalf of Respondent No.1.

Shri S.K.Okhadе, EE appeared on behalf Respondent No. 2.

Shri S.K.Tiwari, SE (Civil) appeared on behalf of Respondent No.3.

Shri A.P.Bhairve, CE appeared on behalf of the Respondent No.4.

2. The petition is in the matter of providing connectivity to the proposed Captive Thermal Power Plant 2 x 60 MW of M/s Jaiprakash Associates Ltd. The case was listed for motion hearing on 28.09.2010.

3. During the motion hearing on 28.09.2010, the representative of the Petitioner submitted that the Petitioner has an integrated Cement Plant of 2 MTPA capacity along with a Captive Thermal Power Plant of 35 MW, situated at District Sidhi. At present, the Cement Plant is availing 5 MVA power from Respondent No.2 (East Discom) through 132 KV DCSS, 22Km line, laid from 220/132 KV Sub-Station at Silpara, Rewa.

4. The Petitioner Company has planned to double the capacity of the Cement Plant from 2MTPA to 4 MTPA and also intends to establish an additional Captive Power Plant of 2 x 60

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MW thereby enhancing the total capacity of the Captive Power Plant including the existing 35 MW to 155 MW. The representative of the Petitioner had submitted that considering the auxiliary consumption of 10% and captive load requirement of 60 MW, the Captive Power Plant requires a connectivity of 80 MW with additional flows upto 140 MW through short term open access. The Petitioner averred that it has made a requisition for connectivity to MPPTCL Transmission Grid and had also discussed the issue with Respondent No.1 and Respondent No.2.

5. Further, the Petitioner proposed to surrender load of 5 MVA as the same could not be availed on 220 KV. The surrender of load before the end of agreement period invokes payment of minimum charges and had requested to waive these charges.

6. The representative of the Petitioner had submitted that the forest area between the Silpara 220 KV substation and the Cement Plant makes it difficult to get a transmission corridor for 220KV. Hence, Petitioner proposes to use 132 KV DCSS line of MPPTCL by stringing second circuit on this line for transmission of power upto proposed 132/220KV Sub-Station. The representative of the Petitioner had submitted that the Sub-Station is proposed to be built on a land belonging to MPPGCL. The Petitioner had approached MPPGCL for seeking the permission to construct the proposed Sub-Station. The representative of the Petitioner had further submitted that the cost of the line and the cost of the new Sub-Station shall be borne by the Petitioner.

7. During the motion hearing, the Commission had enquired from the representative of the Petitioner as to whether open access is required for long-term or for short-term period and also whether open access being sought is Intra State or Inter State. The representative of the Petitioner had submitted that long-term open access is required although he has mentioned in the petition that short-term open access is required. The Petitioner could not clearly indicate whether he is seeking Intra State or Inter State Open Access. The Commission had further enquired as to how the captive status shall be maintained by the Petitioner under the proposed arrangement as per the provisions of the Electricity Rules, 2005. The representative of the Petitioner could not reply satisfactorily.

8. On hearing the Petitioner, the Commission was of the view that the petition is pre-mature to be considered in the manner it is submitted and requires modification/elaboration clearly bringing out his requests. The Petitioner made a request to allow time to modify the petition

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accordingly. The Commission considered the request of the Petitioner and admitted the petition. The Commission also directed him to submit the modified petition and to make State Load Despatch Centre (SLDC) also a party (Respondent) to the petition.

9. The Petitioner has submitted modified petition on 01.10.2010. The case was listed for hearing on 19.10.2010.

10. During the hearing on 19.10.2010, the representative of the Petitioner made a submission that they require long-term open access for Intra State and short & medium term open access for Inter State Transmission and shall make requisition to Respondent No. 4 for Intra State long-term open access when the points of delivery are fixed. He also submitted that the status of the plant as captive plant will be maintained and 51% of the energy generated will be used for self use in Jaypee Sidhi Plant and in other units of Jaiprakash Associates Ltd. put together.

11. Respondent No.1 in their written reply submitted that :

- i. As per the transmission performance standards the 132 KV line must not be loaded above the SIL i.e. 50 MW per circuit. For export of power of the order of 155 MW, two circuits of 132 KV will not be sufficient.
- ii. After completion of any line by HT consumer and handing over this line to MPPTCL, it becomes the property of MPPTCL and MPPTCL may use this line for providing supply to any other consumer at its discretion. To obtain the connectivity on 220 KV, Petitioner will have to own the 220 KV Substation to be constructed by him and the 132 KV D/C line between his Cement Plant and the proposed 220 KV Substation. In this condition the ownership of the line will be transferred to Petitioner and as such the Petitioner will have to pay the appropriate cost of the existing line to MPPTCL. For such extension of EHV line out of the premises of the Petitioner, in accordance with Section 12 of the Electricity Act, 2003 the Petitioner will require to obtain the licence or permission of the Commission.
- iii. Further, in accordance with Section 17(3) of the Electricity Act, 2003 and para 11 of the "Conditions of Transmission Licence" notified on 30.07.2004, the necessary approval of the Commission shall also be required for transfer of ownership of existing 132 KV line and the necessary piece of land pertaining to MPPGCL for proposed 220 KV Substation to Jaiprakash Associates.
- iv. To evacuate the power of the order of 155 MW from Captive Power Plant of the petitioner to MP Grid and there after National Grid the strengthening of the system shall have to be carried out between Satna 220 KV Substation of MPPTCL and Satna 400 KV Substation of PGCIL. Petitioner shall also have to bear the cost of the necessary system strengthening required for evacuation of power.

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- v. The Petitioner shall also have to pay the cost of 220 KV bays alongwith bus extension and modification work at Rewa 220 KV Substation.
- vi. The Petitioner shall also have to apply for the open access to competent authority of MPPTCL and PGCIL for export of power from his Captive Power Plant to other agencies.

12. Respondent No. 2 made the following written submission :

- (a) M/s Jaiprakash Associates Ltd. are availing power supply for their Cement Plant at Village Majhagawan Dist. Sidhi at 132 KV for a contract demand of 5 MVA. The HT agreement for the said connection was finalized on 19.12.2008 and supply has been commenced on 09.04.2010. At the time of sanction of load, as per original proposal, a captive power plant of 35 MW capacity was proposed to be installed by the Petitioner Company. There is however no relationship between the HT connection governed under a separate HT agreement and installed of Captive Power Plant.
- (b) The HT agreement dated 19.12.2008 has been executed for initial period of 2 years certain from the date of commencement of agreement which is 09.04.2010. As per the Clause 7.26 of the Supply Code, 2004 consumer can terminate the agreement after the expiry of the initial period of 2 years on giving one month notice. However, if the agreement is to be terminated for reasons whatsoever, before expiry of the initial period of agreement, the consumer shall be liable to pay charges as per tariff for the balance period of the said 2 years. The initial 2 years period of Petitioner Company shall expire at the end of April 2012.
- (c) The metering in the consumers premises has been installed on the basis of contract demand of the consumer as per the provisions of Supply Code, 2004. The CT ratio of the metering equipment installed in the consumer's premises is 50-100/1 Amp connected at 50/1 Amp ratio which can record up to 13.8 MVA under 120% over load condition permissible under the provisions of IS 2705 (Part 2): 1992. The Petitioner has now intended to export the surplus power of CPP of the capacity 2x60 MW through the same 132 KV feeder through which the supply under HT agreement is being availed, therefore metering of export of power to the quantum of 2x60 MW and import of power against HT connection for only 5 MVA through the same feeder is not technically feasible.
- (d) It is submitted that no amendment in Supply Code, 2004 has been made by Commission under the provisions of which tariff minimum charges /fixed charges for unexpired period of the HT agreement can be considered for waiver. Further, under Section 62(3) of the Electricity Act, 2003 no undue preference to any consumer of electricity can be given except differentiation in tariff collectively according to the consumers load factor, power factor, voltage, etc.
- (e) The Petitioner Company is liable for payment of tariff minimum charges / fixed charges for the unexpired period of HT agreement in case termination of HT agreement under Clause 7.26 of the Supply Code, 2004 is invoked.

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(f) As far as scheme of connectivity of proposed 2x60 MW CPP of the Petitioner Company with the grid is concerned, no comments are being offered as the complete system study of the grid is available with Respondent No. 1 i.e. MPPTCL, Jabalpur.

13. During the hearing, the representative of Respondent No.3 submitted that if the relevant Act allows, the piece of land as requested by the Petitioner could be transferred to them for construction of 132/220 KV Substation.

14. During the hearing, the Petitioner stated that they wish to transfer ownership of 132 KV line and 132/220 KV Substation to Respondent No.1 and requested that these be maintained by them thereafter. The Respondent No. 1 however refused to accept this arrangement and stated that the lines and the Substation need to be owned and maintained by the Petitioner.

15. After hearing the parties, the Commission enquired from the Petitioner as to whether there is any provision in the Electricity Act, 2003 or Regulations which empowers the Commission to allow relaxation in the grid connectivity at lower voltages with multiple feeders. The representative of the Petitioner could not reply satisfactorily.

16. The Commission observed that there was lack of clarity as well as many grey areas in the Petitioner's request. Moreover, the proposed arrangement is not acceptable to Respondent No. 1 and 2. The Commission, therefore, directed the parties to hold further discussions and come up with mutually acceptable arrangement, if possible, subject to compliance with the legal provisions. The discussion should also bring out issues on which intervention of or relaxation from the Commission is being sought. Details in this regard be submitted by 25.10.2010. The Commission also directed Respondent No.3 to review the provisions of Land Acquisition Act and submit by 25.10.2010 categorically whether or not land could be transferred by them. The next date of hearing was fixed on 26.10.2010.

17. During the hearing on 26.10.2010, the representative of the Petitioner submitted that as directed by the Commission, discussions were held on 23.10.2010 with Respondent No. 1 and mutual agreement was arrived on some points. He has further submitted that out of total proposed capacity of 2 x 60 MW of Captive Power Plant and existing 35 MW, about 10% (15 MW) shall be consumed towards auxiliary consumption leaving 140 MW. The Captive Power Plant therefore requires connectivity of 140 MW on short-term basis. He has further submitted that by

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September 2012, the captive requirement shall be about 80 MW and therefore, the export of power through open access on long-term basis shall be limited to 60 MW only. He has also submitted that an alternate piece of land shall be procured for the proposed 132/220 KV Substation as the Respondent No. 3 has refused to sell the land for building the Substation.

18. The Respondent No.1 has made a written submission as under :

In compliance to the directives of the Commission in the order passed on 23.10.2010. discussions were held with Mr. Pankaj Verma, Vice-President, representative of M/s Jaiprakash Associates Ltd., the Petitioner and MPPTCL (Respondent No. 1) on 23.10.2010 in the office of Chief Engineer (PS), MPPTCL, Jabalpur. The mutual agreement was arrived on following points:

- 1.1. The ownership of existing 132 KV DCSS line presently supplying 5 MW power to the consumer will be transferred to the Petitioner after obtaining approval of the Commission in accordance to Section 17(3) of the Electricity Act, 2003, on payment of the cost of the aforesaid line.
- 1.2. After obtaining the ownership, the Petitioner will –
 - i) String Second Circuit of the 132 KV DCSS line,
 - ii) Construct new 132/220 KV Substation near existing 220 KV Substation, Silpara, Rewa, on the land to be acquired by the Petitioner.
 - iii) Construct 220 KV line from newly constructed 132/220 KV Substation upto existing 220/132 KV Substation, MPPTCL, Rewa.
 - iv) The Petitioner will deposit the cost of necessary system strengthening works alongwith all the charges as applicable.
 - v) All the necessary clearance and permissions for above said activities shall be obtained by the Petitioner from concerning Departments.
- 1.3 The Petitioner will own, operate and maintain the 132 KV DCSS line and 132/220 KV Substation constructed by Petitioner. MPPTCL shall not takeover, operate and maintain these lines and Substations due to shortage of operating staff.

19. The representative of Respondent No.3 in its written submission has mentioned that the land under proposal belongs to Tons Hydel Project, MPPGCL/MPSEB located in village Silpara Dist. Rewa. A notification was published under Section 6 of Land Acquisition Act 1894 (Amendment 1984) by the Collector, Rewa vide No.7 / Land Acquisition/84 Rewa dated 11.12.1984 for acquiring this land for public purpose of colony complex of Tons Hydel Project and the land was acquired. Therefore, the land desired by the Petitioner Company cannot be sold/given on lease for building their Substation.

20. During the hearing, the representative of Respondent No. 4 has submitted that the case for open access shall be separately examined in terms of CERC draft Regulation on Open Access.

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21. During the hearing, the representative of Respondent No.1 made a submission that the Petitioner is required to obtain licence for establishing, operating and maintaining the dedicated 132 KV transmission line.

22. After hearing the Petitioner and the Respondents, the Commission observes that the Electricity [Removal of Difficulty] (fifth) Order, 2005 issued on 8th June, 2005 by the Ministry of Power provides as under :

“2. Establishment, operation and maintenance of dedicated transmission lines:

A generating company or a person setting up a captive generating plant shall not be required to obtain licence under the Act for establishing, operating or maintaining a dedicated transmission line if such company or person complies with the following :

- (a) Grid code and standards of grid connectivity;
- (b) Technical standards for construction of electrical lines;
- (c) System of operation of such a dedicated transmission line as per the norms of system operation of the concerned State Load Despatch Centre (SLDC) or Regional Load Despatch Centre (RLDC).
- (d) Directions of concerned SLDC or RLDC regarding operation of the dedicated transmission line.”

As such, subject to Petitioner complying with the requirements from (a) to (d) above, Transmission Licensee is not needed to establish, operation and maintain proposed infrastructure.

23. After considering the facts and circumstance of the case, the Commission grants permission to provide connectivity to the proposed captive thermal power plant of 2 x 60 MW at 220 KV grid subject to –

- (a) Respondent No.1 and Respondent No. 4 shall ensure that the proposed arrangement for evacuation of power from the Petitioner’s generating station and inter-connection with the transmission network of the Respondent No.1 fully comply with the conditions mentioned in Para 22 above.
- (b) Subject to (a) above, stringing of second circuit of existing 132 KV line, erection and commissioning of 132/220 KV Substation and interconnection to MPPTCL’s 220 KV Substation, satisfactory testing of 132 KV line, 220 KV interconnection and Substation by MPPTCL for ensuring conformity to technical standards.
- (c) Complying with the conditions agreed to with MPPTCL as mentioned in para 18 of this order.

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(d) Petitioner and the Respondent No. 1 / Respondent No.2 shall ensure that the load flows on the proposed dedicated transmission lines are always restricted within the safe operating limits.

24. The Commission also directs that the Petitioner shall pay tariff minimum charges/fixed charges for the unexpired period of HT agreement in accordance with the provisions of the Supply Code, as applicable, in case termination of HT agreement is invoked.

25. In view of the above the Petition No. 64 of 2010 disposed of.

Ordered accordingly,

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

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

(Rakesh Sahni)
Chairman