

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of joint petition for intimation and suitable directions for construction, maintain, operate a Captive Power Plant and laying dedicated power transmission line from CPP generating station to drawal point under Section 9 of the Electricity Act, 2003.

Petition No. 27/2012

ORDER

(Date of hearing 8th May, 2012)

(Date of order 11th May, 2012)

M/s Orient Paper Mills, Amlai, - Petitioner No.1
Prop. Orient Paper & Industries Ltd.
PO Amlai Paper Mill, Dist. Shahdol (MP).

HJI - Division of Orient Paper Mills, Amlai, - Petitioner No.2
Prop. Orient Paper & Industries Ltd.
Dist. Anuppur (MP)

V/s

MP Poorv Kshetra Vidyut Vitaran Co. Ltd., - Respondent
Block No.7, Shakti Bhawan, Rampur, Jabalpur.

Shri P.L.Nene, Advisor, Shri N.K.Saha, CEO, Shri G.C.Jain, Vice-President and Shri Vijay Kandya appeared on behalf of the petitioners.

Shri S.K.Okhade, EE (Comm.) and Shri Amalpushp Shroti, Advocate appeared on behalf the respondent.

2. The petitioners M/s Orient Paper Mills, Amlai and M/s HJI – Division of Orient Paper Mills, Amlai have jointly filed the present petition in the matter for intimation and suitable directions from the Commission to construct, maintain, operate a Captive Power Plant and lay a dedicated power transmission line from CPP generating station to drawal point under Section 9 of the Electricity Act, 2003.

3. The petitioner no. 1 is in the process of installing a 55 MW Captive Thermal Power Plant (CPP) (one unit each of 25 MW and 30 MW) in its premises and the new CPP is expected to be commissioned by May, 2012. Presently, both the petitioners have separate factory licenses, separate premises and separate electricity connection from MPPKVV Co. Ltd but they share a common boundary wall. The petitioner no.1

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is availing 3 MVA contract demand at 33 KV and petitioner no. 2 is availing 11 MVA contract demand at 132 KV. The petitioner no. 1 has already applied for a common factory licence for OPM and HJI which was under consideration at the time of filing of petition.

4. It is further submitted by the petitioner that the captive power plant being set up is a Co-generation power plant and is entitled for treatment similar to Renewable Energy. Petitioners qualify the test of ownership and consumption as envisaged under Rule 3(1)(a) of the Electricity Rules, 2005. Power is proposed to be supplied from the CPP being set up by petitioner no. 1 to petitioner no. 2 by laying dedicated 11 KV power transmission cables, as per provision of Section 9 of the Electricity Act, 2003. Sub Section (1) of Section 9 together with the proviso which reads as under:-

“ 9 Captive Generation:-

(1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:

Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company.

5. The operation of the 11 KV power transmission cable will be under the Electricity [Removal of Difficulty](fifth) Order, 2005 issued by the Ministry of Power. It is submitted that the Ministry of Power, through this order dated 8th June, 2005, provides that “no license is required” provided the “dedicated transmission line” is neither a “transmission line” nor a “distribution system.” Presently the entire system shall be so designed that there is no chance of any mix up of any grid power supply from petitioner no. 2 to petitioner no. 1 and vice versa through the proposed cables, and that the CPP will operate in "Island Mode". Thus the grid power will be utilized in the premises as per Clause 4.18 of the M.P. Electricity Supply Code, 2004. The petitioners would be willing to introduce any protection or safeguards as required by the grid so that the two supplies do not get connected.

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6. The petitioner no.1 has proposed to surrender the grid power connection in its premises once the new CPP is stabilized and a common factory license is in place and retain only one connection from the grid in the premises of petitioner no. 2.

7. The petitioner has, therefore, prayed as under :

(a) The Commission take on record the installation of new CPP of 55 MW capacity (one Unit of 25 MW and 3 MW) by petitioner no.1 in its premises.

(b) The Commission may give suitable direction, for approval of laying power transmission cables from CPP located at the premises of petitioner no.1 to the premises of petitioner no.2 and for supply of CPP power from petitioner no.1 to the premises of petitioner no. 2.

(c) The Commission may give suitable direction to enable both the petitioner no. 1 and 2 to retain the existing grid power connection from MPPKVV Co. Ltd till receipt of common license/stable operation of CPP/and commencement of supply of CPP from petitioner no.1 to petitioner no.2.

8. The case was listed for hearing on 08.05.2012.

9. During the hearing, the representative of the petitioner no.1 and 2 filed the counter reply on the reply filed by the respondent. He has further submitted that the CPP is ready for commissioning which shall be run in isolated mode. The HT connections to the petitioner no. 1 and 2 shall also be maintained alongwith CPP. He has further submitted that as per the common factory licence, the plants pertaining to the petitioner no. 1 and 2 shall work separately. There cannot be one connection because the tariffs for the above two plants are different. Also, there is no possibility of transfer of supply from one connection to another.

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10. During the hearing, the representative of the respondent submitted a copy of revised common factory licence dated 17.04.2012 issued by Chief Factory Inspector, Government of M.P. in the matter of merger of factories of M/s Orient Paper Mills and M/s HJI from which it is clear that both the factories have since been merged and are functioning under a single factory licence w.e.f. 17.04.2012. Also, as per Clause 4.18 of MP Electricity Supply Code, 2004, the premises covered under different licences, or owned or leased by different persons or having different set-up and staff will only be deemed as separate premises. Therefore, the petitioner no.1 and 2 having common licence cannot be treated as separate establishment or premises and cannot have two connections w.e.f. 17.04.2012.

11. On hearing the petitioners and the respondent and considering the written submissions, the Commission enquired from the petitioners whether they did receive common licence w.e.f. 17.04.2012. The representative of the petitioners confirmed the same. He also submitted that the common licence also says that premises could be different as both merged factories will continue to have separate setup and staff and that, hence, these can have two separate connections. The Commission enquired as to why the petitioners' submissions is at variance with the original prayer wherein it was prayed that the Commission may give suitable direction to enable both the petitioner no. 1 and 2 to retain the existing grid power connection from MPPKVV Co. Ltd till receipt of common license/stable operation of CPP/and commencement of supply of CPP from petitioner no.1 to petitioner no.2. The representative of the petitioners could not offer any satisfactory reply.

12. The Commission is, therefore, of the view that the petitioner no.1 and 2 cannot continue with two separate connections from the grid after receipt of common licence with effect from 17.04.2012 in terms of provisions of Clause 4.18 of MP Electricity Supply Code, 2004. The Commission further directs the petitioner no.1 and 2 either to

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get disconnection of both the existing HT connections or to get one HT connection disconnected and to continue with other HT connection with enhanced contract demand, if needed. The Commission also observes that as both the factories have been merged w.e.f. 17.04.2012, no permission is required from the Commission for commissioning of captive power plant in terms of provisions of the Electricity Act, 2003 or for extending supply to other factory post-merger.

13. In view of above, the petition No. 27/2012 is closed and stands disposed of.

Ordered accordingly,

sd/-
(C.S.Sharma)
Member

sd/-
(Rakesh Sahni)
Chairman

