

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the matter of:**

Representation made by M/s. Sravanthi Energy Private Limited regarding treatment of start up power from UPCL and commercial treatment of infirm power and also clarification sought by UPCL on the issue of start up power for testing and pre commissioning activities.

And

**In the matter of:**

Uttarakhand Power Corporation Ltd.

Urja Bhawan, Kanwali Road, Dehradun

..... Respondent

**Coram**

**Shri Jag Mohan Lal**

**Chairman**

**Date of Order: 16<sup>th</sup> March 2012**

**ORDER**

The Commission received two representations from M/s. Sravanthi Energy Private Limited (hereinafter referred to as "Generator") regarding treatment of 5 MVA start up power procured from Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL") and commercial treatment of infirm power and also a clarification sought by UPCL on the issue of start up power for testing and pre-commissioning activities.

2. M/s Sravanthi Energy Private Limited developing a 450 MW (2 X 225 MW) gas based power plant at Khaikhera, Kashipur, District Udham Singh Nagar has submitted that its plant is in the advanced stage of commissioning and Phase-I of the plant is scheduled to be commissioned in open cycle mode by February, 2012 and in combined cycle mode by March, 2012. The Generator has also submitted that for meeting its start-up power requirement UPCL has sanctioned 5 MVA temporary load and the licensee is recovering fixed/demand charges, MCG charges, electricity duty and energy charges from it.

3. In this regard, the Generator has referred to Regulation 58 of **UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011**. The Generator also mentioned that it is pursuing UPCL to sign a PPA with it. However, no PPA has been signed till date. Hence, sub-regulation (3) of Regulation 58 would be applicable to it till it starts selling electricity to UPCL. Since the Regulations would be applicable from 01.04.2013 and its plant is in the advance phase of commissioning, it has requested the Commission to issue orders so that fixed/demand charges can be levied in accordance with the Regulations and it should be exempted from the payment of MCG charges and also from depositing security deposit.
4. In this regard, UPCL vide letter No. 24/UPCL/Com/GG-1/MD dated 05.01.2012 has also sought a clarification from the Commission that under which billing schedule the start-up power drawn by the Generator would be covered. Referring to Regulation 43 of UERC (Tariff and other terms for supply of electricity from renewable energy sources and non-fossil fuel co-generating stations) Regulation, 2010 and applicability para of RTS-7: LT and HT Industries in the Tariff Order, UPCL has submitted that the start-up power connection sought by the Generator, for carrying out the testing and pre-commissioning activities, is neither covered under RTS-10 nor under any other category and therefore, it appears that it should be covered under RTS-7. It has further submitted that although start-up power in all cases, both renewable and conventional generators, is used for similar purpose but the billing of start-up power for RE Generator is covered under RTS-10 and that of conventional Generator appears to be covered under RTS-7 and has submitted that on account of the above reasons, the billing provisions of start-up power of RE Generators and conventional Generator are not similar.
5. The Generator has also submitted that since the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 would be applicable from FY 2013-14 onwards (w.e.f. 01.04.2013) for determination of tariff in all cases covered under the Regulations and, therefore, the above Regulations may not be applied for purchase of Start-up power by the Generator and also for tariff payable for sale of infirm power by the Generator to the distribution licensee. With regard to infirm power, the Generator has submitted that it would start injecting infirm power into the grid once its machines gets synchronised in February, 2012 and has requested the Commission that appropriate directions may be issued to UPCL with regard to tariff payable for sale of infirm power by it.
6. In the absence of any regulations for determination of tariff and other terms & conditions governing operation of Gas based thermal generating stations in the State, the

Commission has decided to invoke Regulation 6 of Regulation, 2011 and the same is reproduced below:

***“6. Control Period***

*The first Control Period under these Regulations shall be of three (3) financial years; the first application under these Regulations shall be made for the control period of three financial years from April 01, 2013 to March 31, 2016.*

*Provided that in case any generating station gets commissioned after notification of these Regulations but before commencement of the first Control Period, the Commission may consider, determining the tariff based on the norms as specified for such generating station under these Regulations, under special case through separate Order.”*

7. Taking cognizance of the submission of the Generator (M/s. Sravanthi Energy Private Limited) that it is scheduled for commissioning in the month of Feb 2012 and two more such thermal generating stations are likely to be commissioned before the start of the Control period, the Commission, in accordance with the provision of Regulation 6 above, has decided that UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 shall be applicable to all the gas based generating stations likely to be commissioned before the commencement of the Control period, i.e. prior to 01.04.2013 from the date of issue of the Order.
8. Now discussing the issue of start-up power by the conventional Generator, i.e. M/s Sravanthi Energy Private Limited, the Commission would like to refer to the relevant provisions of the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 and, accordingly, Regulation 58 is reproduced below:

***“58. Purchase of Electricity by the Generating station/Start up Power***

- (1) *Any person, who establishes, maintains and operates a generating station and normally does not need power from the licensee round the year, i.e. who is not a consumer of the licensee, may purchase electricity from any generating company or a distribution licensee in case his plant is not in a position to generate electricity to meet the its own requirement or for start up and consequently power is required to be drawn from distribution licensee.*
- (2) *In case of electricity generated from the plant is sold to the State Distribution Licensee, the electricity (in kWh) procured by the Generating Station from the State Distribution Licensee to meet its requirement of startup power, will be adjusted from the electricity sold to the Distribution Licensee. The Distribution Licensee shall make the payment for net energy sold to it by the Generating Company, i.e. difference of the total energy supplied by the Generating Company to the Distribution Licensee and energy supplied by the Distribution Licensee to the Generating Company.*
- (3) *In case of electricity generated from the plant is sold to third party other than the State*

*Distribution Licensee, then such purchase of electricity by the generating company from the State distribution licensee, shall be charged as per the tariff determined by the Commission for temporary supply under appropriate "Rate Schedule of tariff" for Industrial Consumers considering maximum demand during the month as the contracted demand for that month. The Fixed/Demand charges for that month shall be payable for the number of days during which such supply is drawn. Such Generating Company shall, however, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges."*

9. Based on the above provisions of Regulations, in the absence of the Generator having PPA with UPCL, sub-regulation (2) of Regulation 58 above will not be applicable and therefore, purchase of electricity by the Generator from the distribution licensee as Start-up power and its tariff/charges thereof should be governed under sub-regulation (3) of Regulation 58. Since the aforesaid sub-regulation provide for exemption from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges, no other charges including security deposit should be levied on to such Generators. Moreover, since the generator is not a consumer of UPCL, hence, security deposit should not be recovered from it. Accordingly, UPCL is hereby directed to carry out the billing for purchase of Start-up power by the Generator from the licensee in accordance with the provisions of Regulation, 2011 from the date of issue of the Order.
10. M/s Sravanthi Energy Private Limited is also directed to file a separate Petition before the Commission to seek approval of its tariff for the sale of infirm power to the distribution licensee in accordance with the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011.
11. The matter is disposed off accordingly.

**(Jag Mohan Lal)**  
**Chairman**