

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 24 of 2020

In the Matter of:

Petition filed under Regulation 59 of Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and Regulation 103 & 104 of Uttarakhand Electricity Regulatory Commission (MYT) Regulations, 2018 for permanent connectivity of M/s Gama Infraprop Pvt. Ltd., for 107 MW from 214 MW Gas Based Combined Cycle Power Plant, Kashipur at 220 kV S/s Mahuakhedaganj.

AND

In the matter of:

M/s Gama Infraprop Pvt. Ltd.

...Petitioner

AND

In the matter of:

Power Transmission Corporation of Uttarakhand Limited (PTCUL)

...Respondent No. 1

Uttarakhand Power Corporation Ltd. (UPCL)

...Respondent No. 2

Coram

Shri D.P. Gairola, Member (Law)

Shri M.K. Jain, Member (Technical)

Date of Hearing December 10, 2020

Date of Order: January 13, 2021

ORDER

The present Petition is filed by M/s Gama Infraprop Pvt. Ltd. (hereinafter referred to as 'the Petitioner' or 'M/s Gama') under Regulation 59 of Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and Regulation 103 & 104 of Uttarakhand Electricity Regulatory Commission (MYT) Regulations, 2018 seeking permanent connectivity of 107 MW from its 214 MW Gas based Combined Cycle

Power Plant (CCPP) at 220 kV S/s Mahuakheraganj of Power Transmission Corporation of Uttarakhand (herein after referred to as 'the Respondent No.1' or 'PTCUL').

1. Background & submission of the Petitioner

- 1.1 The name plate capacity of the gas-based Power Station is 225 MW (ISO condition) which comprises of two Gas turbine generators (GTGs), each having a gross output of about 76 MW, and one common steam turbine generator (STG) of about 73 MW. However, at site conditions the power plant will have a gross capacity of 214 MW.
- 1.2 The Petitioner commissioned its 1st phase on 16.03.2016 and the 2nd phase of 107 MW was commissioned in August 2016.
- 1.3 PTCUL had earlier filed a petition vide letters No. 53 to 61/MD/PTCUL/UERC, dated 10.01.2017, seeking approval of the Commission for the proposed investments involving various works of System Improvement under Para 11 of Transmission Licence [Licence No. 1 of 2003]. The proposal inter-alia included system improvement work of replacement of ACSR Zebra conductor with high capacity ACCC conductor of 220 KV D/C Mahuakhedaganj-Kashipur line along with construction of 132 kV Double Circuit Line from 220 kV Mahuakheraganj S/s to 132 kV S/s Jaspur for enhancing the capacity of the said double circuit line for the purpose of evacuating maximum power generated by 03 Gas Based Generators (214 MW each) namely M/s Sravanthi Energy Pvt. Ltd., M/s Gama Infra Prop Pvt. Ltd. and M/s Beta Infra Pvt. Ltd. The Commission vide order dated 07.02.2017 ordered for investment approval of Rs.62.13 Crore for carrying out the above works.
- 1.4 As per the original planning the Petitioner had to construct a dedicated 220 kV line upto LILO point of 220 kV Behrani-Pantnagar line for evacuation of its entire 214 MW power, whereas, M/s Beta had been allowed connectivity at LILO of 220 kV Mahuakhedaganj-Kashipur line, though, it is not physically connected as on date.

- 1.5 On the information given by PTCUL that the capacity is available in 220 kV S/s Mahuakhedaganj and the power generated from the Petitioner's CCPP may be evacuated through the 220 kV spare bay till M/s Beta Infratech Pvt. Ltd. starts evacuation of its power, the Commission, in order that the generation of power may not be bottled-up, vide its Order dated 19.01.2016 allowed temporary connectivity to the Petitioner's CCPP at 220 KV spare bay at 220 kV S/s Mahuakhedaganj till the time M/s Beta Infratech Pvt. Ltd. starts evacuation of power.
- 1.6 The Petitioner is currently evacuating 107 MW out of 214 MW at the spare bay at 220 kV S/s Mahuakheraganj. The Petitioner has signed a long-term PPA with UPCL for the said 107 MW of power.
- 1.7 The Commission vide order dated 07.10.2020 terminated the PPA dated 01.03.2017 between M/s BETA Infratech Pvt. Ltd and UPCL for procurement of 107 MW of power on long term basis.
- 1.8 The Petitioner submitted that presently 214 MW power by M/s Sravanthi Energy Pvt. Ltd. and 107 MW by M/s Gama Infra Prop Pvt. Ltd is being evacuated from 220 kV S/s Mahuakhedaganj.
- 1.9 According to the Petitioner that since presently 400 to 430 MW power can be evacuated under normal conditions and about 300 to 330 MW power can be evacuated under N-1 contingency conditions and since PPA of 107 MW of M/s Beta Infratech Pvt. Ltd has been terminated by UPCL and upheld by the Commission vide its Order dated 07.10.2020 a capacity has been created at 220 kV S/s Mahuakhedaganj and, therefore, permanent connectivity of 107 MW may be granted to the Petitioner at 220 kV S/s Mahuakhedaganj.
- 1.10 The Petitioner further averred that upon enhancement of 220 KV D/C Mahuakhedaganj-Kashipur line by replacing ACSR Zebra conductor with high capacity ACCC conductor for which investment approval has already been accorded by the Commission, the said 220 kV line would be sufficient for evacuation of entire 642 MW power from the aforesaid 3 gas-based generators and if the Petitioner is simultaneously asked to construct a dedicated 220 kV line upto the LILO point of 220 kV Behrani-Pantnagar line for evacuation of its power

it would not only lead to duplication of assets but would also burden the consumers of the State in the form of increased Tariff.

1.11 The Petitioner has sought following relief from the Commission which are reproduced below:

- (i) Admit the accompanying petition.
- (ii) Issue the necessary order to PTCUL for signing of permanent connectivity agreement with Petitioner for 107 MW within 3 days of this order.
- (iii) Issue the necessary order to PTCUL for LILO between 220 KV S/s Mahuakheraganj-400 KV S/s Kashipur.
- (iv) Issue necessary order to advise PTCUL for cancellation of our connectivity at LILO of 220 KV Behrani-Pantnagar line.
- (v) Allow additions/ alterations / changes/ modifications to the Petition at a future date.
- (vi) pass such other order(s) as this Hon'ble commission may deem fit and proper in the facts and circumstances of the case.

2. Submission of the Respondents

2.1 The Respondent No. 1, i.e. PTCUL with regard to Petitioner's prayer for issuing directions to PTCUL for signing of permanent connectivity agreement with it for 107 MW power within 3 days of this order, submitted that the prayer of the Petitioner is not in conformity with the provisions of Procedure/Regulations. The connectivity to any Generator is granted as per the laid down procedure of connectivity after carrying out necessary interconnection studies.

2.2 PTCUL further submitted that the Petitioner was granted connectivity by the Commission till there is availability of capacity in the spare 220 kV Bay at 220 kV S/s Mahuakheraganj and since then status quo has been maintained till date. PTCUL further stated that M/s Beta Infratech Pvt. Ltd has requested to maintain status quo in the connectivity granted to it by PTCUL since the matter is already sub-judice and being sub-judice shortly.

- 2.3 Regarding the prayer of the Petitioner for cancellation of its proposed connectivity at LILO of 220 kV Behrani-Pantnagar line, PTCUL submitted that Connection Agreement is still not signed by the Petitioner with PTCUL and therefore the question of cancellation of connectivity does not arise. The Respondent No.1 further requested the Commission to direct the Petitioner to construct LILO of 220 kV Behrani-Pantnagar line as was originally planned.
- 2.4 According to the Respondent No. 1. the proposal for replacement of ACSR Zebra Conductor with High Capacity ACCC conductor in 220 kV D/C Mahuakheraganj-Kashipur line is withheld by PTCUL till future requirement of UPCL.
- 2.5 Respondent No. 1 submitted that a joint meeting between PTCUL and UPCL held on 02.12.2020. As per the MoM, UPCL informed that it does not intend to purchase any additional power from the Petitioner's Phase-II plant in near future.
- 2.6 The Respondent No. 2 submitted that the matter basically pertains to the connectivity and evacuation network, the feasibility and technical aspects of the same are required to be looked in to by PTCUL, therefore, in this regard they have nothing to say.
- 2.7 The Respondent No. 2 further averred that Petitioner has requested for allowance of permanent connectivity through LILO between 220 kV S/s Mahuakhedaganj-400 kV S/s Kashipur which they are presently enjoying as an interim arrangement. The Petitioner has nowhere explained as to why they have not erected the LILO infrastructure from 220 kV Behrani-Pantnagar line even after so many years. The benefit arising out of such arrangement should be passed on to UPCL.
- 2.8 The Respondent No. 2 further submitted that PTCUL while insisting that termination of PPA of M/s Beta Infratech Pvt. Ltd. with UPCL cannot be ground for termination of connection agreement executed by PTCUL with M/s Beta Infratech Pvt. Ltd. has failed to consider that transmission charges for the corridor booked by PTCUL for M/s Beta Infratech Pvt. Ltd. could not be recovered from M/s Beta Infratech Pvt. Ltd. and the same have devolved upon UPCL. The Respondent No. 2 submitted that both the Petitioner and Respondent No. 1 has

avoided and not deliberated upon the issue of transmission charges devolving upon UPCL due to non-utilization of capacity by M/s Beta Infratech Pvt. Ltd. and requested the Commission to safeguard its interest with regard to transmission charges which is the only relevant factor as far as the Respondent No. 2 is concerned.

3. Commission's view

3.1 On examining the background of the matter and the submission made by the Petitioner and Respondents, the Commission found it prudent to delve into the period when this 220 kV S/s at Mahuakhedaganj was conceived to be developed by PTCUL. Hence, taking cognizance of the investment approval petition dated 18.05.2009 filed by PTCUL which included besides other works a 220 kV sub-station at Mahuakheraganj alongwith its associated lines, the Commission had then accorded approval of the same on 12.12.2011 and meanwhile the sub-station got commissioned on 24.11.2011. As per UERC MYT Regulations, PTCUL since then has included the cost of this sub-station in its Gross Fixed Assets (GFA) and has been claiming its cost in its ARR from UPCL. The said cost of the sub-station included the spare bay also, to which presently temporary connectivity has been granted to the Petitioner's CCPP by the Commission and UPCL has been paying for the same since then. Later on, in the year 2016, when the Petitioner's generating station got commissioned, it was allowed connectivity in the spare bay of the aforesaid generating sub-station meaning thereby that this bay was actually put to use only in the year 2016 i.e. almost 05 years after the Commissioning of the sub-station while PTCUL has been recovering the cost of the sub-station since 2011 from UPCL even when the said bay was not put to use. On connection of the said generator to the bay for evacuation of power, the bay was put to actual use with no additional burden on UPCL in terms of additional transmission charges or generation tariff.

On the basis of the observations as above, the contention of PTCUL that termination of PPA of M/s Beta Infratech Pvt. Ltd. by UPCL cannot be a ground for termination of connection agreement executed by PTCUL with M/s Beta Infratech Pvt. Ltd. is devoid of any logic since in that case the said spare bay at

220 kV S/s Mahuakhedaganj shall remain idle and UPCL shall have to pay for its cost in the ARR of PTCUL.

- 3.2 With generating stations of M/s Sravanthi Energy Pvt. Ltd. (214 MW) and M/s Gama (107 MW) evacuating their power since last 04 years, there have been no significant instances of back down of generation in the past due to any N-1 contingency. It shows that 220 kV sub-station at Mahuakheraganj alongwith associated transmission line system including 220 kV D/C line between Mahuakheraganj sub-station and 400 kV Kashipur sub-station is capable to transmit/evacuate existing generation without any problem. Further, the Commission vide its Order dated 07.02.2017 has accorded its approval for enhancement of capacity of 220 kV D/C Mahuakhedaganj-Kashipur line by replacing its ACSR Zebra conductor with high capacity ACCC conductor, which will be adequate to transmit/evacuate even the rated capacity generation from the existing gas based generating stations in Kashipur area.
- 3.3 When the above transmission system is existing to evacuate the contracted power (107 MW) of the Petitioner's plant it would be economically unviable decision to create another 220 kV line asset i.e. LILO of Behrani-Pantnagar line at an additional cost, as this will not only lead to duplication of asset but will also amount to additional cost incidence on the generation tariff, resulting in additional burden on UPCL/end consumers of the State in the form of increase in retail Tariffs. The Commission had expressed the similar views while determining the ARR for FY 2020-21 for the Petitioner and the same are reproduced below:

"... the Commission accepts the Petitioner's contention that investment by it in creation of new line would unnecessarily impact the tariffs and in turn would burden the consumers of the State. Final decision on allowing connectivity to the Petitioner's plant on 220 kV Mahuakheraganj would only be taken after hearing all the stakeholders and subject to the capacity available at the substation and associated lines. Therefore, the Commission is of the view that the status-quo be maintained and the current connectivity arrangement for evacuation of power from the Petitioner's plant will continue till final decision in the matter by the Commission"

- 3.4 On the contention of UPCL that benefit arising out of non-construction of 220 KV LILO line at Behrani-Pantnagar line should be passed on to UPCL, it is to clarify that no expenditure on the said LILO line has been made by the generator either prior to CoD or after CoD as additional capex capitalisation in future years, hence, no any such claim has been made by the generator in its ARR till date. It is pertinent to mention that since the expected cost of the LILO line has never been factored in overall GFA of the project till date nor the same has been allowed as an additional capital expenditure for future years, there appears to be absolutely no recovery of any such line cost in its ARR/generator tariff till date and also there will not be any additional burden on either UPCL or the consumers of the State in future. Under these circumstances and fact of the matter, any non-existent cost, as discussed above, was never recovered from UPCL either in the past or will be recovered from it in future. Hence, the question of any benefit arising out of such arrangement is bereft of any rational and does not hold.
- 3.5 In light of the above discussions, the Commission hereby directs PTCUL to grant connectivity and sign a permanent connectivity agreement with the Petitioner for connectivity of 107 MW from its 214 MW gas based combined cycle power plant at 220 kV S/s Mahuakhedaganj within 15 days from the date of issuance of this Order.

Ordered accordingly.

(M. K. Jain)
Member (Technical)

(D.P. Gairola)
Member (Law)