

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR-751 012**

**Present : Shri D.C. Sahoo, Chairman
 Shri H.S. Sahu, Member
 Shri B.C. Jena, Member**

Case No.61 of 2001

M/s Aditya Aluminium, Bhubaneswar	Petitioner
- Vrs. -		
1. M/s GRIDCO, Bhubaneswar.		
2. M/s SOUTHCO, Berhampur	Respondents

For Petitioner	:	Mr. S.K. Gupta, D.G.M. (Project)
For Respondent No.1	:	Mr.Basudev Mohanty, G.M. (R&T),
For Respondent No.2	:	Mr.M.K. Mohapatra, Advocate

Date of argument : **08.03.2002**

Date of Order : **05.04.2002**

ORDER

1. The present proceeding arises out of a review petition filed by M/s Aditya Aluminium Project for review of Commission's order dt.8.6.2000, granting consent for installation of 3X25 M.W. Co-generation Power Plant by the petitioner.

2. The brief facts of the case is that on the application of the petitioner, namely, M/s Aditya Aluminium Project, consent was granted vide Commission's order dt.08.06.2000 to install 3X25 M.W. Co-generation Power Plant in village Kansariguda in the Revenue district of Rayagada. The petitioner has contended that OERC while granting the said permission, has laid down certain conditions some of which are contrary to

the Policy guidelines enunciated by the Govt. of Orissa as well as the National Power Policy.

3. It is contended by the petitioner that Condition No.2 is not in accord with the policy direction and Industrial Policy of Orissa - 1996. Specifically, the Condition No.2 of the permission granted by OERC is contrary to Condition No.6 and also Condition Nos. 2, 12, 14 to 17 are contrary to the Policy of the State Govt. of Orissa issued for establishment of Co-generation/Captive Power Plant for Alumina and Aluminium Industries, and hence should be deleted in the consent letter through this review. The petitioner has, therefore, prayed that consent granted by the Commission may be modified suitably deleting the above conditions.
4. We have heard the argument of the petitioner. Conditions at Sl. 2, 6 and 16 of the consent letter dt.8.6.2000 are indicated below.

Condition No.2:

The energy generated shall be used exclusively for the Alumina Refinery Plant of the applicant company and shall not be sold or supplied to any other person.

Condition No.6 :

Any export-import energy meter of suitable rating and capacity should be installed near the interconnection point of GRIDCO/SOUTHCO's system for recording the energy exchange and energy generated/consumed. The meter should be duly sealed by the concerned Electrical Inspector.

Condition No.16 :

The company shall have no claim for sale of power to GRIDCO or to any third party.

5. The policy guide lines of Govt. of Orissa for establishment of Co-generation Captive Power Plant for Alumina and Aluminium Industries have been referred to.

Clause 4(3) of the aforesaid policy guidelines states as follows:-

"Surplus power from such Co-generation and captive power plant will be purchased by GRIDCO after negotiation on project to project basis and in a manner that is at once economical and equitable to both the parties, i.e., the industry and the GRIDCO."

Clause 4(4) of the aforesaid policy guidelines states as follows:-

"The GRIDCO will permit wheeling of power over its transmission system. It will also allow sale of surplus power by the Industry to other industries in the State or outside the State to the extent permitted by the State Government subject to the carrying capacity of the transmission system and subject to payment of wheeling charges. Bi-lateral sale to other States will be permitted by GRIDCO on specific approval of the State Govt."

6. Perusal of the above guidelines shows that GRIDCO is not obliged to purchase power from CPP, unless the power scenario in the State calls for such purchase. Moreover, the rate at which power is to be purchased by GRIDCO should also be economical to both GRIDCO and the project developer. Therefore, there is no unilateral obligation on GRIDCO to purchase surplus power from the C.P.P. Therefore, we do not find any necessity for modifying Condition No.2, 6 and 16 at this stage specially when GRIDCO has a surplus power to the extent of 4000 MUs.
7. Further, Condition No.12, 14, 15 and 17 of the Commission's order are as follows:-

Condition No.12 :

The applicant company shall bear the cost of upgradation of GRIDCO/SOUTHCO's equipments/lines required due to higher fault MVA during parallel operation of the plant.

Condition No.14 :

GRIDCO/SOUTHCO shall not be liable to pay any compensation for loss of generation or damage to equipment of the plant while operating in parallel with GRIDCO/SOUTHCO system.

Condition No.15 :

The applicant company shall furnish the required data for conducting a technical evaluation with system study, load flow study, fault study etc. at its own cost.

Condition No.17 :

SOUTHCO/GRIDCO shall not be liable to pay for any inadvertent flow of the power from the Co-generation plant to GRIDCO/SOUTHCO system.

Clause 4(5) of the Policy guidelines of the Govt. of Orissa is as follows:

"The GRIDCO will permit interconnection of the co-generation power plant with the State Grid at the cost of industry satisfying the technical requirement. The GRIDCO will supply standby and construction of power to industry on priority basis at tariff determined by OERC."

8. As the Co-generation Captive Power Plant is to be interconnected to the grid in the interest of the petitioner, it is natural that the petitioner should bear the cost of upgradation of GRIDCO/SOUTHCO's equipments due to higher fault MVA, arising out of such interconnection by the petitioner. GRIDCO/SOUTHCO shall not be liable to pay any compensation for loss of generation or damage to the equipment of the plant while operating in parallel with GRIDCO/SOUTHCO system. Neither SOUTHCO nor GRIDCO should be liable to pay for any inadvertent flow of the power from the Co-generation plant to GRIDCO/SOUTHCO system.
9. As regards Condition No15, the petitioner should also furnish the required data for conducting a technical evaluation with system study, load flow study and fault study at its own cost, the necessity of which arises for

interconnection of the CPP and as a natural corollary as such, cost has to be borne by the applicant company.

10. Lastly, a review of the order of the Commission is maintainable only on the following grounds:

- a) Discovery of new and important matter or evidence which after the exercise of due diligence was not within the knowledge of the aggrieved party or could not be provided by him at the time when the order was made.
- b) on account of some mistake or error apparent on the face of record, or
- c) for any other sufficient reason.

10.1 None of the above grounds have been urged by the petitioner to merit review of the Commission's order dt.8.6.2000. However, it may be noted that the conditions laid down in the said Consent letter were based on the present power scenario and existing regulatory framework and are subject to change with changes in power scenario and regulations.

As such, the prayer of the petitioner for modification of the consent order dt.8.6.2000 is rejected.

(B.C. Jena)
MEMBER

(H.S. Sahu)
MEMBER

(D.C. Sahoo)
CHAIRMAN