

**ORISSA ELECTRICITY REGULATORY COMMISSION**  
**BIDYUT NIYAMAK BHAWAN**  
**UNIT-VIII, BHUBANESWAR – 751 012**  
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**Present : Shri D.C.Sahoo, Chairman**  
**Shri H.S Sahu, Member**  
**Shri B.C. Jena, Member**

**Case No.59/2002**

M/s. OCL (India) Limited,  
At/P.O. Rajgangpur, Dist. Sundargarh.

..... **Petitioner**

- Vrs. -

1. M/s.Grid Corporation of Orissa Ltd.,  
Janpath, Bhubaneswar
2. M/s. Western Electricity Supply Company of Orissa Ltd.,  
At/P.O. Burla, Dist. Sambalpur

..... **Respondents**

For petitioner : Shri R.Pandey, Sr.General Manager, OCL  
Shri B. N. Das, Authorized Representative

For respondent No.1: Shri S. Mishra, AGM, GRIDCO

For respondent No.2: Shri R.R.Supkar, Executive Engineer, WESCO

**Date of argument : 31.01.2003**

**Date of order : 18.02.2003**

**ORDER**

M/s. OCL (India) Limited with registered Office and Works at Rajgangpur filed an application on 31.07.2002 under section 44 of the Electricity (Supply) Act, 1948 r/w Sec. 21 (3) of the Orissa Electricity Reform Act, 1995 for setting up of a 12 MW capacity (1X8 MW + 1X4 MW) Captive Co-generation Plant by utilising waste heat, waste char and coal fines generated in course of Sponge Iron Processing.

2. M/s. OCL is having a Sponge Iron plant of 1 X 100 TPD capacity and proposes to augment this capacity to 3X 100 TPD. It complied with all the formalities by 01.09.2002. GRIDCO/WESCO were asked to furnish their views on the proposal through rejoinders.
3. GRIDCO in their rejoinder dt.19.10.2002 clearly observed that they do not have any objection to the proposal since it would operate in the stand alone mode and power available from this CPP would be obviously cheaper and more reliable than that of the grid.
4. WESCO, on the other hand, expressed their apprehension about technical soundness of the proposal and stated that once consent is issued by OERC, M/s. OCL may misuse it and suppress their actual drawl from WESCO.
5. The Commission heard the case on 31.01.2003. Shri B.N. Das, Authorized representative of OCL gave the following justification in favour of the proposal.
  - (a) That they would go for Co-generation plant by utilising the waste heat, waste char and coal fines forming a classic example of utilisation of non conventional energy sources directly resulting in conservation of scarce resources like petroleum products and coal.
  - b) They can avail power from CPP at a much cheaper rate since the input raw material for the plant is already available in the shape of byproducts and wastes. The estimated cost of the generation would be around 1.14 paise/KWH without considering the electricity duty.
  - c) The quality of power and reliability of power plant would be much better, as compared to grid supply since it would operate in the stand-alone mode. Operation of plant would not suffer due to grid disturbances and frequency fluctuations.

- d) That it is an environmental friendly proposition and the State Pollution Control Board, Orissa in their letter No.1463 dt.29.01.2003 to OERC also requested the Commission to encourage such plants.
6. The Commission is aware that Government of India is giving a lot of emphasis on hydro and Co-generation Plants to reduce pollution. In fact, they have advised all state governments to encourage captive Co-generation Plants and to spell out clear-cut policy guidelines for their development. The Commission in their turn, has also furnished draft guideline on CPP to the Department of Energy for their finalisation and notification thereof. We have incorporated several measures in the guidelines in favour of hydro and Co-generation plants.
7. WESCO in their letter No.110 dt.09.10.2002, objected to the proposal. Instead of stating whether they are in a position to provide more economic power and whether it would be more reliable and interruption free than that of the proposed power plants, they dwelt on irrelevant extraneous issues like technical soundness of the proposal and possibility of manipulation of existing load by M/s. OCL. Thus, their objections merit no consideration and are legally untenable.
8. The Commission, therefore, orders that consent for setting up of 1X8 MW + 1X4 MW Captive Co-generation Plant by M/s OCL is given subject to the following terms and conditions:
- a) All statutory provisions related to installation and safety in this regard are to be fulfilled and compliance obtained from Chief Electrical Inspector, Govt. of Orissa.
  - b) The energy generated shall not be sold to others.
  - c) The installation should be so arranged that there will be no risk of accidental back feeding into or running in parallel with the power system of GRIDCO/WESCO

- d) The installations should be subject to inspection by the respective field Superintending Engineer (Elect.), Executive Engineer (Elect.)/ Electrical Inspector, Orissa Bhubaneswar or their authorized representatives and should comply with the requirements as indicated by them.
- e) Energy meters duly tested should be installed near the Sets for recording the energy generated and consumed. The meters should be duly sealed by the concerned Asst. Electrical Inspector.
- f) The installations shall be energised only after written permission of Chief Electrical Inspector, Orissa/Electrical Inspector, Orissa or his authorized representatives.
- g) Actual installation of the sets should be in conformity with the installation drawing furnished by the petitioner.
- h) The Electricity Duty as due to the State Government shall be paid within the prescribed time.
- i) The permission granted may be withdrawn at any time if any one or more of the conditions are violated.
- j) The sets shall conform to the specifications as stipulated in the application of the petitioner.
- k) The petitioner shall follow the provisions of Grid Code and Distribution Code scrupulously.
- l) The consent for installation shall remain valid for a period of 24 months from the date of issue and shall lapse automatically, if the units for which permission now granted are not installed during that period.

**(B. C. Jena)**  
**Member**

**(H.S.Sahu)**  
**Member**

**(D.C. Sahoo)**  
**Chairman**

**Case No.59/2002**

**Dt.18.02.2003**

Order vide separate sheets is passed today. The petition is allowed and consent is given with the terms and conditions stipulated in the order.

Copies of this order be sent to the concerned parties and to the Chief Electrical Inspector, Govt. of Orissa, Bhubaneswar for information and necessary action.

**Member (J)**

**Member (S)**

**Chairman**