

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

Present : Shri D.C.Sahoo, Chairperson
Shri B.C. Jena, Member
Shri S. K. Jena, Member

Dated Bhubaneswar the 27th day of August, 2005

CASE NO.3/2005

M/s.Indian Aluminium Company Ltd.(INDAL) ... **Petitioner**
Hirakud -768 016
Sambalpur (Orissa)

-Vrs. -

- | | | |
|----|---|------------------------|
| 1. | Grid Corporation of Orissa Ltd.
Janpath, Bhubaneswar Respondents | ... Respondents |
| 2. | WESCO, At/PO : Burla,
Dist-Sambalpur | |

For the petitioner	:	Mr.Rabindra Misra, Joint President
For the respondents	:	1. Mr. D. Biswal, CGM (Finance), GRIDCO 2. Mr.J.M. Vashishat, E. D. WESCO

ORDER

This is an application by M/s. Indian Aluminium Company Limited (INDAL) (now designated as HINDALCO), Hirakud seeking open access to GRIDCO's transmission system for wheeling power from its Captive Power Plant at Orissa to its sheet mill at Belur, West Bengal.

The submissions made by the applicant are as follows:

1. M/s. HINDALCO is operating a 65000 TPS smelter and 967.5 MW Captive Power Plant at Hiralud, Sambalpur in Orissa and a sheet mill at Belur in West Bengal. The Hiralud plant is supplied by WESCO, the distribution licensee from the 132 KV network of GRIDCO. The sheet mill at Belur is supplied by the Calcutta Electricity Supply Company, the distribution licensee from Liluha s/s of 132/33 KV s/s of WBSEB.
2. M/s.HINDALCO proposed to utilize the transmission network of GRIDCO, PGCIL and WBSEB to transmit power to Liluha s/s from the CPP at Hiralud to which they have added a 2nd unit of 100 MW capacity that includes a 10 MW power requirement for Belur.
3. M/s.HINDALCO has prayed that;
 - (i) they may be granted the open access to the transmission system to wheel power from its CPP at Hiralud to its own plant at Belur unit in accordance with section 39(2)(d) and 9(2) of the Electricity Act, 2003 read with relevant CERC orders,
 - (ii) transmission charges as fixed by the CERC for the intrastate transmission may be permitted by the Commission,
 - (iii) other commercial issues as relevant may please be decided as well.
4. GRIDCO and WESCO were the respondents in this case, which was heard on dt. 6th April, 2005 on the question of admission and for hearing.
5. GRIDCO, the respondent submitted that
 - (i) M/s. HINDALCO may be directed to establish that they have surplus power for transportation to Belur continuously for three months.
 - (ii) M/s. HINDALCO may be directed to prove that the industry at Belur belongs to them.
 - (iii) M/s. HINDALCO may be directed to pay the transmission charges as approved in the Commission's BST order 04-05.

- (iv) M/s. HINDALCO shall have to be treated as a long term customer.
- (v) Transmission loss as approved by the Commission for 04-05 shall be borne by M/s. HINDALCO.
- (vi) M/s. HINDALCO may be directed to abide by rules and regulations of CERC, OERC as notified from time to time.

6. WESCO, the other respondent submitted that

- (i) That for wheeling additional 10 MW power from the CPP of HINDALCO the generators will have to be synchronised with the 132 KV network of GRIDCO. It is likely that the CPP may inject its full power generated to the grid at Burla in case of outage of its smelter plant.
- (ii) The 132 KV transmission network need to be strengthened by GRIDCO so as to make it possible for transmission of all power generated by M/s. HINDALCO as well as by the Burla Power House during high hydro conditions.
- (iii) Wheeling of 10 MW power to Belur from Hirakud through 132 KV line of GRIDCO shall not affect the power supply to other industrial consumers in WESCO.
- (iv) The revenue earned by way of transmission charges from M/s. HINDALCO should be considered as revenue earned by GRIDCO for determination of BST for 06-07.
- (v) The impact of the likely reactive energy drawl and injections by the proposed transaction may also be taken into account.
- (vi) As M/s. HINDALCO is a consumer of WESCO, necessary metering arrangement has to be done for recording the export/import of power from M/s. HINDALCO to be approved by the both the GRIDCO and WESCO.

7. The Commission admitted the case and heard it. GRIDCO was directed to carry out a system study particularly to find out the possibility of export from HINDALCO during high hydro conditions and report to the Commission within fifteen days.

GRIDCO submitted the study report on 4th July, 05, whose substance report is also follows:

"The study report reveals that during off-peak period (a) under high hydro conditions in Burla commoned area, that 6 out of 7 units of Burla Power House and two out of three units of Chiplima Power House in service, it shall not be feasible to absorb injection of M/s. HINDALCO to GRIDCO network as 132 KV Burla-Budhipadar links get overloaded with the existing system configuration. However, injection of M/s. HINDALCO to the tune of 20 MW can be accommodated provided 5 out of 7 units of Burla Power House are in bus. The safe loading limit per circuit of above and grid lines is considered to be between 50-55 MW. During peak condition of grid system can absorb the injection to the tune of 20 MW from M/s.HINDALCO.

8. The Commission perused the written and oral submissions advanced by the petitioner as well as respondents. CERC notification dt.30.01.04 provides that an application for long term access in interstate transmission shall be submitted to the "nodal agency". The nodal agency is defined as under: -

"(i) The nodal agency for arranging the long-term transmission access shall be the Central Transmission Utility(CTU), if its system is used, otherwise the nodal agency shall be the transmission licensee in whose system the point of drawal of electricity is situated;

(ii) The nodal agency for the short-term transmission access shall be the Regional Load Despatch Centre of the region where point of drawal of electricity is situated."

9. In the instant case, HINDALCO has proposed to utilise the transmission network of GRIDCO, PGCIL and WBSEB to transmit power from Hirakud to Liluha in West Bengal. As the Central Transmission Utility lines are to be utilised by

HINDALCO for the purpose of transmission of power the nodal agency for arranging the long-term open access shall be Central. Transmission Utility.

10. The CTU, Power Grid Corporation of India Ltd. in their letter dt.23.02.04 had requested GRIDCO seeking the consent on the feasibility of power transfer of 9 MW from M/s. HINDALCO CPP at Hirakud to the periphery of Orissa state. In the aforesaid letter, they had indicated that after receipt of GRIDCO's consent regarding feasibility M/s. HINDALCO would be advised to sign the Bulk Power Transmission Agreement with each of the utilities concerned.
11. GRIDCO in their letter 2804 dt.23.07.2004 forwarded the system study for feasibility of power from M/s. HINDALCO through GRIDCO's 132 KV transmission system. This was followed by another letter no.2945 dt.30.07.04 from GRIDCO to M/s. HINDALCO clarifying that "the study has been conducted to wheel/transfer about 9 MW of surplus power from 132 KV switchyard of the proposed CPP, through the 132 KV DC transmission system of GRIDCO, to the factory at Bellurmath, West Bengal". It may please be noted that in no case this office letter No.2804 dt.23.07.04 shall be construed as the consent of GRIDCO for wheeling/transfer of the said power for long term open access usage.
12. M/s.HINDALCO has come up with this petition after the GRIDCO's objection and requested the Commission to grant open access of transmission. system to wheel power from CPP.

This is a case of grant of permission for open access in interstate transmission, which does not fall within the jurisdiction of this Commission. Any dispute arising out of such a request will have to be dealt in accordance with the CERC guidelines. M/s. HINDALCO may take action accordingly.

**-Sd-
(S.K. Jena)
Member**

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

**-Sd-
(D.C. Sahoo)
Chairperson**