

**ODISHA ELECTRICITY REGULATORY COMMISSION**  
**BIDYUT NIYAMAK BHAWAN, PLOT NO-4,**  
**CHUNUKOLI, SHAILASHREE VIHAR,**  
**BHUBANESWAR - 751 021**  
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**Present :      Shri S. P. Nanda, Chairperson**  
**Shri S. P. Swain, Member**  
**Shri A. K. Das, Member**

**Case No. 43/2011**

M/s. GRIDCO Ltd.	.....	Petitioner
Vrs.		
M/s. NTPC & Ors.	.....	Respondents

**In the matter of:      For approval of PPAs executed between GRIDCO & NTPC as well as its joint ventures for purchase of power from different interstate generating stations under Section 86 of the Electricity Act, 2003.**

**ORDER**

**Date of Order: 20.07.2016**

The Petitioner, GRIDCO Ltd. has submitted 14 nos. of Power Purchase Agreements (PPAs) signed with NTPC and its Joint Ventures for 14 Nos. of upcoming Inter-State Generating stations in the Eastern Region with installed capacity of 19540 MW, wherein GRIDCO's requisition was 4591 MW. The Commission last heard the matter on 04.08.2011 and at Para-4 to 9 of its interim order dated 16.08.2011 had observed the following:-

- “4.    *Heard the parties. Prima-facie it is observed that the following issues have not been properly addressed in the PPAs signed between GRIDCO and NTPC and its JVs.*
- a.    *Presently GRIDCO is purchasing power from some of the NTPC Stations in eastern region at a very high cost compared to the generation cost of State Thermal Stations, particularly compared to the variable cost of State Thermal Stations/IPPs. As stated by GRIDCO, NTPC is charging GRIDCO the variable cost as per the escalation formula of variable cost approved by CERC and it has little scope to verify the coal & oil prices etc. used by these NTPC Stations. This is the primarily responsible for high variable cost in the formula. It was opined that GRIDCO should have taken steps for adequate provisions in the PPAs for the forthcoming NTPC stations to overcome these difficulties now being faced under the existing PPAs.*
- b.    *In other regions of India, the 15% unallocated power of the NTPC Stations are being allocated by GOI among the beneficiaries of that region, whereas in the Eastern Region the unallocated power of the*

*NTPC Stations are being allocated to other regions apart from the beneficiaries of this region, particularly for the state of Orissa the allocation from the 15% unallocated power from existing NTPC stations is 'NIL' . Such disparities need to be corrected in the PPAs of the future projects of NTPC after discussion in ERPC forum.*

5. *Further, GRIDCO has tied-up with many IPPs inside the state to purchase the state share of around 8000 MW, which are scheduled to be in operation between 2011-12 to 2021-22. Out of this power substantial quantum, as per the State Thermal Policy, will be available at the variable cost only. In such a scenario, GRIDCO should apprise the Commission regarding utilization of the power to be purchased from the forthcoming NTPC Stations at a higher cost as apprehended.*
  6. *However, we allow time upto 31.08.2011 to Govt. of Odisha and DISCOMs to file their replies. We direct issue of fresh notice to NTPC, Ministry of Power, GOI and Reliance Managed DISCOMs to file their replies.*
  7. *GRIDCO is directed to furnish its views on the above issues before 25.08.2011. GRIDCO may discuss the above issues with the State Govt. and their Board for finalization of their views to take up with NTPC in the PPA.*
  8. *OPTCL is directed to furnish its views on the issues of transmission of such power in the State Grid. Whether OPTCL has assessed how much power from these proposed NTPC stations and IPPs will be transmitted through the state grid. Whether they have planned accordingly for up-gradation of the existing lines and construction of new transmission lines?*
  9. *Put up the matter after compliance by the parties."*
2. Thereafter, in compliance to the above direction of the Commission, GRIDCO Ltd. vide its submission dated 03.09.2011 stated that it has intimated NTPC regarding the concern of the Commission and proposed for a joint meeting with NTPC for further discussions in the matter. GRIDCO Ltd. has further mentioned that it is in the process of putting the matter before its Board of Directors for decision regarding appropriate action to be taken up in connection with the concerns of the Commission. Therefore, the petitioner GRIDCO Ltd. had prayed the Commission to allow three months more time to submit its view in compliance with the order dated 16.08.2011 of the Commission.
3. Further, OPTCL (STU), in compliance to the aforesaid directions of the Commission, vide its submission dated 30.08.2011 had stated that:-
- i. OPTCL has ascertained from GRIDCO Ltd. that they do not want to procure high cost power for consumption in Odisha as they would be having power from IPPs at a considerable lower price. In the ongoing power evacuation plan for IPPs being prepared by M/s. PRDC Ltd., Bangalore against the work order of GRIDCO Ltd., all the NTPC projects i.e. NTPC-Darllipalli, NTPC-Gajamara and NTPC-TTPS expansion have been connected to proposed CTU

network at Jharsuguda and Dhenkanal to evacuate the power directly to PGCIL network. As per the said System Study, about 26,530 MW of IPPs power will flow in OPTCL network out of which 7656 MW is the Odisha State share.

- ii. Keeping in view the upcoming load as well as power to be generated by IPPs, OPTCL has placed work order on M/s. PRDC for preparation of year wise Intra-State Transmission plan up to the end of 12<sup>th</sup> plan period i.e. upto 2016-17. The final report is expected by the end of September, 2011. OPTCL will initiate action for up gradation of the existing lines and construction of new lines as per the proposal of M/s. PRDC in the final Transmission Planning Report.
4. Since, no further submission had been made by GRIDCO Ltd. and OPTCL thereafter, the Commission vide its Letter No. 703 dated. 26.05.2016 had intimated the parties concerned to comply the observations/directions of the Commission in its interim order dated 16.08.2011 passed in present case on or before 15.06.2016 and also to furnish the present status of the matter failing which the Commission will dispose of the matter basing on the documents available in the record. But no submission has been made by any of the concerned parties including the petitioner GRIDCO Ltd. till date. This is unexpected from a state entity like GRIDCO Ltd. and speaks of lack of responsibility.
5. In view of the above, the Commission would like to dispose of the present case and directs the petitioner GRIDCO Ltd. to make fresh submission of individual PPA separately in respect of each of the upcoming Inter-State Generating station in the eastern region after incorporating the issues observed/directed by the Commission in its interim order dated 16.08.2011 passed in present case within three months.
6. With the above observations/directions, the case is disposed of.

Sd/-  
**(A. K. Das)**  
**Member**

Sd/-  
**(S. P. Swain)**  
**Member**

Sd/-  
**(S. P. Nanda)**  
**Chairperson**