

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN,
UNIT – VIII, BHUBANESWAR – 751 012**

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**Present : Shri S.P Nanda, Chairperson
Shri B.K. Misra, Member
Shri S.P.Swain, Member**

Case No.5 of 2012

M/s Orissa Hydro Power Corporation Ltd. Petitioner

Vrs.

M/s. GRIDCO Ltd. & Another Respondents

In the matter of: An Application for approval of reduction of installed capacity of upper Kolab Hydro Electric Project for calculation of PAFM during the period of capital maintenance of unit no. 4.

For the Petitioner: Sri Miraj Kumar Mishra, DIR (O) I/c, OHPC Ltd.

Sri D.K.Sahoo Sr. GM (El.), OHPC Ltd.

Sri D.N.Patra, Manager, OHPC Ltd.

For the Respondents: Sri Ranjit Das, Sr.GM (PP), GRIDCO,

Sri Prasanta Kumar Dash, Sr. GM (PS), SLDC

Date of hearing: 23.04.2012

Date of Order: 01.05.2012

ORDER

The Representative of OHPC submitted that there was a Generator differential and inter-turn fault on 19.07.2005 in the stator of Unit-IV of Upper Kolab Power House having rated capacity of 80 MW. The OEM, M/s BHEL had advised for complete replacement of stator core and bar. However, after repair by M/s BHEL as a short terms measure, the unit was brought to service on 29.09.2006, but the loading of generator after repair was restricted to 70 MW due to rise in temperature of stator winding. The Generating Unit was carried out for capital maintenance with effect from 28.01.2010 for better performance and the machine was brought to service on 06.09.2010 after completion of

the capital maintenance work and it performed satisfactory with its full capacity of 80 MW.

2. The Commission in its order dated 02.11.2010 in case no. 65 of 2010 has observed the following while determining the Normative Annual Plant Availability Factor (NAPAF) of the hydro power stations of the OHPC for the control period of 2009-14.

“However, the capacity of the generating units under renovation and modernization shall not be considered in Installed Capacity while computing the plant availability factor. Further, while computing the plant availability factor, the capacity of the generating units under capital maintenance requiring maintenance period of more than 45 days may also be deducted from installed capacity after due approval of the Commission”.

3. As per the CERC Tariff Regulations 2009 based on which the tariff of OHPC power stations is being determined by the OERC, the Annual Fixed Charges (AFC) is comprising of capacity charge and energy charge on 50 :50 basis. Due to shut down of the generating unit from 28.01.2010 to 05.09.2010 i.e for 221 days in the financial years 2009-10 and 2010-11 for capital maintenance of unit-4 (80 MW) of UKHEP, OHPC has not recovered the capacity charge amounting to Rs.2.25 Crore in respect of Upper Kolab power Station.
4. Therefore, OHPC prayed the Commission to allow OHPC for computing the plant availability factor of Upper Kolab Power Stations during the period from 28.01.2010 to 05.09.2010 with corresponding reduction in install capacity by 80 MW which was under capital maintenance during the said period.
5. The representative of GRIDCO submitted that in CERC norms there is no relaxation to the generator for the capital maintenance period. In ABT regime the payments are released as per availability of the units. Hence, when the unit is not in operation, no payment should be released against the same. In the PPA executed between OHPC & GRIDCO, there is no provision for reduction in installed capacity in case of capital maintenance.
6. Further, OHPC has not made any application before OERC for approval of unit #4 of UKHEP for capital maintenance; hence application for reduction of installed capacity for PAFM calculation does not arise. The unit was brought into operation on 06.09.2010 and OHPC seeks post facto approval for the capital maintenance work on 02.01.2012 i.e after a period of 16 months. Hence, the application of OHPC may not be admitted. The

Commission in its order has clearly mentioned that the capacity of the unit under capital maintenance may be deducted from installed capacity after due approval of the Commission. The Commission has given direction on dtd. 02.11.2010, hence in case of any capital maintenance work having approval of OERC after this date, the installed capacity of the station should be reduced to tune of capacity under capital maintenance.

7. M/s. GRIDCO objected to the OHPC submission of short recovery of capacity charge of Upper Kolab PH due to prolonged capital maintenance period of 221 days of Unit 4 of Upper Kolab project. Gridco submitted that even accounting for reduced availability during the capital maintenance period, upper kolab project in the FY 2010-11, OHPC has already recovered the total capacity charge of Upper Kolab Power Stations as approved by the Commission in the ARR. The additional capacity charge claimed by OHPC if allowed will be an incentive to them even after the unit was under shut down.
8. In view of the above GRIDCO has prayed the Commission not to admit the petition as OHPC has recovered more than the approved capacity charge and the provision is not in conformity with the provisions of PPA and CERC norms.
9. In replying above observations of the GRIDCO OHPC has submitted that even though they have recovered the capacity charge approved by the Commission for the FY 2009-10 and 2010-11 in respect of Upper Kolab Power Station, they have not recovered the total Annual Fixed Charges (AFC) as approved by the Commission for those years because of non-recovery of energy charges due to hydrology failure. There is a short fall of Rs. 9.187 crore in AFC of Upper Kolab Power Stations during these two years. Any additional recovery of capacity charge would compensate towards non-recovery of energy charges during this period.
10. Heard, the parties. We observe that in case no 65 of 2010 while determining the Normative Annual Plant Availability Factor (NAPAF) of OHPC Power Stations, the Commission at para 54 of its order dated 02.11.2010 has indicated as follows.

“However, the capacity of the generating units under renovation and modernization shall not be considered in Installed Capacity while computing the plant availability factor. Further, while computing the plant availability factor, the capacity of the generating units under capital maintenance requiring maintenance period of more than 45 days may also be deducted from installed capacity after due approval of the Commission”.

11. The Commission had considered the above with the contention that a generator should not suffer from non-recovery of capacity charge due to capital maintenance of a generating unit which takes around three months and normally taken in each 3 or 5 years as per the manufactures guidelines. But in the instant case we observe that OHPC has recovered the approved capacity charge during the FY 2009-10 and 2010-11 in respect of Upper Kolab Power Station even though the generating unit-4 was under capital maintenance. However, the approved AFC has not been recovered due to non-recovery of energy charges on account of hydrology failure. Computation of plant availability factor is required for recovery of capacity charge but not the energy charges. Hence, the prayer of OHPC in the instant case for reduction of installed capacity for computation of plant availability factor, when the generating unit-4 of UKHEP is under capital maintenance, is not allowed by the Commission since OHPC has already recovered the approved capacity charge during this period.
12. Accordingly, the case is disposed of.

Sd/-
(S.P.Swain)
Member

Sd/-
(B.K.Misra)
Member

Sd/-
(S. P. Nanda)
Chairperson