

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

Present : **Shri S. P. Nanda, Chairperson**
 Shri S. P. Swain, Member
 Shri A. K. Das, Member

Case No. 30/2013

M/s. CCPPO**Petitioner**

Vrs.

GRIDCO Ltd.**Respondent**

In the matter of: **An Application under S.142 of the Electricity Act, 2003 for non-compliance/violation of order dated 01.10.2012 passed in Case No. 86/2011.**

For Petitioner: Shri P. K. Mohanty, President, M/s. CCPPO, Shri Sidhrath Kumar Panda, Secretary, M/s. CCPPO,

For Respondents: Shri L. R. Dash, GM (PP), GRIDCO Ltd., Shri S. S. Nayak, GM, GRIDCO Ltd.

ORDER

Date of Hearing: 05.05.2015

Date of Order:12.05.2015

The Petitioner is a Confederation of Captive Power Plants of Odisha (in short CCPPO) has filed the present application under Section 142 of the Electricity Act, 2003 for non-implementation of the directions of the Commission in Case No. 86/2011 dated 01.10.2012. The Commission in their order in Case No. 86/2011 dated 01.10.2012 in Para 7 had directed as follows:

“7. After hearing the parties at length and going through the written submission we find that apart the payment of DPS there are two issues over which the GRIDCO and CGPs differ and reconciliation fails. The issues are as follows:

(a) Treatment of “Must Run” status of CGPs as per our order dated 23.11.2010 in Case No. 117 & 118 of 2010

(b) The applicability of “Zero Cost Power” of CGP as per our above order.

The Commission in Para 33 (d) of the Order dtd. 23.11.2010 in Case No. 117 & 118 of 2010 has directed as follows:

“The Captive/Co-generation Plants should operate on “Must Run” condition and any injection over the implemented schedule at a frequency of 50.20 Hz and above shall be considered as “Free Power” to the State Grid.”

Similarly the Commission in Para 31 of the said Order has stated as follows:

“The State of Orissa being a constituent of Eastern Region is operating in synchronism with all the constituents at one frequency under NEW GRID. The installed capacity of NEW GRID is 121522 MW as on 31.10.2010. Any change over 2400 MW under NEW GRID may now result in a frequency rise of 0.02 HZ. The Captive/Co-generation Plants contribution is not that much to the State Grid under NEW GRID which will affect adversely during unscheduled interchange in high frequency regime. Therefore, the Commission feels that the Captive/Co-generation Plants of the State would be allowed to operate as ‘MUST RUN’ power plants and, therefore, the suggestions of GRIDCO to disallow Captive/Co-generation Plants as ‘MUST RUN’ plants is not acceptable to the Commission. However, the Commission accepts GRIDCO’s contention that any power injected by CGPs/Co-generation plants to the State Grid at 50.20 Hz and above, determined on the basis of actual meter reading shall be priced at “Zero” cost. It is expected that any captive generator shall back down its generation upto its captive consumption including open access allowed if any at higher frequency at 50.20 Hz and above.”

From the harmonious reading of the above two paras of our Order we reiterate that the Captive / Co-generation Plant should be treated as ‘Must Run’ power plant for the purpose of supplying power to GRIDCO. When the power plant is a ‘Must Run’ Plant it is within implementable schedule. Therefore, the payment for the power injected beyond the implementable schedule should be treated as Zero-Cost power during the frequency 50.20 Hz and above. There should not be any confusion either in the mind of the GRIDCO or CCPPO that the entire power injected at the frequency level of 50.20 Hz and above irrespective of whether it is within the schedule or not shall be billed at Zero-cost. It is clarified that when the power injected is beyond the schedule at frequency 50.20 Hz and above it shall be treated as Zero-cost power which is also in consonance with ABT principle.”

2. The Petitioner has brought to the notice of the Commission that the respondent GRIDCO is not implementing the Order of the Commission in Case No. 86/2011 and instead has issued LOI contrary to the order of the Commission requiring CGPs to confirm acceptance of the same.
3. After hearing the parties in the interim order dated 12.01.2015 the Commission directed GRIDCO to clear / settle all the dues of the Petitioner within 45 days from the date of that order and to submit the compliance report.
4. The representative of M/s. CCPPO further submitted that as per direction of the Commission vide order dated 12.01.2015 GRIDCO Limited has neither cleared /settled all the dues of the members of M/s. CCPPO within 45 days nor has not submitted the compliance report. This is an intentional act on the part of GRIDCO and hence it should be penalized under Section 142 of the Electricity Act, 2003.
5. During hearing on 05.05.2015 the representative of GRIDCO prayed for further time to settle the issues of the outstanding dues of CGPs. On the query of the Commission, the representative of the GRIDCO submitted that dues of 30 numbers of CGPs require reconciliation and out of that in 6 numbers cases reconciliation have been made. The

Commission expressed dissatisfaction over lackadaisical attitude of GRIDCO in settling issues and directed GRIDCO to sit with Director (Engg.) and Director (RA), OERC on the same day for fixing the date of reconciliation with rest of the CGPs. Accordingly, GRIDCO has submitted time frame for reconciliation with CGPs to the Commission.

6. Basing on its submission, GRIDCO is further directed to complete reconciliation process within 02.07.2015 and submit a compliance report to the Commission by 05.07.2015. If any dispute still survives towards payment of dues between GRIDCO and CCPPO the matter shall be resolved through arbitration under Section 86 (f) of the Electricity Act. In that event the parties are directed to come before the Commission with proposals for appointment of Arbitrators. The remuneration and fees of Arbitrators shall be borne by both the parties. No further order is given under present proceeding under Section 142 but in case of GRIDCO's failure to comply with this order, the Commission would proceed suo motu against GRIDCO and officers concerned without giving further opportunity.
7. Accordingly, the case is disposed of.

Sd/-
(A. K. Das)
Member

Sd/-
(S. P. Swain)
Member

Sd/-
(S. P. Nanda)
Chairperson