

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNUKOLI, SHAILASHREE VIHAR
BHUBANESWAR - 751 021

Present: Shri U. N. Behera, Chairperson
Shri S. K. Parhi, Member
Shri G. Mohapatra, Member

Case No. 14/2020

M/s. IFFCO Ltd.	Petitioner
Vrs.		
M/s. OREDA & Others	Respondents

In the matter of: **Application under Regulation 9 of the OERC(Conduct of Business) Regulations, 2004 for modification of order dated 07.08.2015 of the Commission passed in Case No. 59 of 2014 regarding exemption from the purview of obligated entity under OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010.**

For Petitioner: Shri L. D. Pangari, Sr. Advocate on behalf of M/s. IFFCO Limited.

For Respondent: Shri A. K. Choudhury, Joint Director (Technical Division-II), OREDA.

ORDER

Date of hearing: 03.11.2020

Date of order: 08.12.2020

The present petitioner IFFCO has 2 x 55 MW Steam Turbine Generators installed at the premises of its unit at Paradip. It seeks modification of the order dated 07.08.2015 passed in Case No. 59/2014 so that it shall be exempted from the purview of OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010. It states that OREDA had filed a case under Section 142 of the Electricity Act, 2003 alleging the non-compliance of the above Regulation. Since the present petitioner is not an obligated entity it had not appeared before the Commission during the proceeding of Case No. 59/2014. However, the Commission after hearing the parties had issued a direction to all the parties in the case to comply with the renewable purchase obligation as contained in the OERC Regulation.

2. In the meantime, Paradeep Phosphates Ltd. (PPL) sought the review of the order in the Case No. 59/2014 stating that the co-generation plant of PPL is based on non-

fossil sources and they generate electricity utilising the heat generated from the exothermic reaction of the sulphuric acid. Therefore, they may be treated as renewable generator. Hearing the petition the Commission in their order in Case No. 42/2015 dated 04.02.2016 stated that they are not inclined to classify the power plant of the Petitioner under renewable energy category till the matter is decided by MNRE.

3. The Petitioner states that MNRE, Government of India in their office memorandum dated 06.12.2017 had clarified that the exothermic heat cannot be categorised as energy generated from fossil fuel route. Therefore, prima facie RPO may not be applicable and this may be brought to the notice of OERC.
4. Pursuant to this M/s. PPL filed a case for the modification of the order of the Commission passed in Case No. 42/2015 where they were not treated as renewable energy generator. The Commission after hearing the parties in their order dated 05.02.2019 in Case No. 53/2018 excluded the Petitioner from any RPO obligation till the heat produced only in the exothermic process is used for generation of power. In the event heat produced otherwise is used the Petitioner should inform OREDA immediately. OREDA on its part shall annually inspect the plant, if necessary, to satisfy itself that condition on which relaxation has been granted has not been violated.
5. The Petitioner now submits that in view of the above order of the Commission and clarification given by MNRE, Government of India it is not an obligated entity and should be exempted from OERC Regulation, 2010. The Petitioner further submits that the process heat of sulphuric acid plant is utilised for power generation and process heating in other areas, thereby avoiding fossil fuel consumption and green house gas emission. The Petitioner has two Atmospheric Fluidized Bed Combustion (AFBC) boilers which generate superheated high pressure steam as a make up for any deficit in steam requirement of the complex. The use of AFBC boiler steam is restricted only to the occasions of complete plant start up and emergency shutdown of sulphuric acid plant.
6. The Respondent OREDA submits that they had sent an inspection team to the Petitioner's plant. As per their report total quantum of high pressure steam generated by the sulphuric acid plant is in excess of the total steam requirement for power generation in the complex. But this does not naturally establish that no steam from

coal based AFBC boiler is used for power generation purpose. This is because there is a common steam header for the steam from the both the sources i.e. Sulphuric Acid Plant (SAP) and AFBC boiler. From the statement submitted by IFFCO it is found that the steam generated by AFBC boiler is used for power generation on several occasions. The clarification given by MNRE and observation of the Commission given in Case No. 53/2018 are not fully applicable to the Petitioner as long as the Petitioner uses steam from AFBC boiler for the purpose of power generation. Unless the steam from the SAP unit is fed to the turbine through a separate header the power generating unit cannot be categorised as a non-fossil fuel based system. The Petitioner may be identified as an obligated entity under OERC RPO Regulations, 2010 and 2015 until the steam from SAP unit is fed to the turbine of the power plant through a separate header.

7. In its rejoinder the Petitioner states that the use of AFBC steam is restricted to only the occasion of complete plant start up and shutdown of SAP. Based on past data it is observed that steam from AFBC boiler constitutes a meagre 1 to 3.5% of the total steam consumption for power generation. The use of AFBC steam in power generation is only limited to occasions of cold start up of sulphuric acid plant which is standard practice worldwide. The common header is used for supplying steam from AFBC boiler to SAP during plant start up and shutdown. The spirit of RPO Regulation is to motivate the power generation units to make use of alternative (non-fossil) energy sources upto 3% of total power generation. It may be noted that IFFCO is generating 96 to 99% of its power from non-fossil fuel.
8. Heard the parties in detail. From the submission of the Petitioner and Respondent OREDA it is clear that sulphuric acid plant when in full operation generates more steam than the requirement of the power plant. However, there is a common header which carries steam from both AFBC boiler and SAP to the turbine generator. From the data submitted by the Petitioner from FY 2017-18 to 2019-20 it is seen that the turbine generator has utilised 1.18%, 2.74% and 3.42% of total requirement of steam respectively from AFBC boilers which is negligible in nature. So power generated by turbine generator is basically from steam availed from SAP. Therefore, as per MNRE office memorandum dated 6.12. 2017 the power generated from Turbine Generator

qualify as Renewable power and consumption of this power only does not attract Renewable Purchase Obligation.

9. Accordingly, the case is disposed of.

Sd/-

(G. Mohapatra)
Member

Sd/-

(S. K. Parhi)
Member

Sd/-

(U. N. Behera)
Chairperson