

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

**Present: Shri G. Mohapatra, Officiating Chairperson
Shri, S.K.Ray Mohapatra, Member**

Case No. 27/2022

GRIDCO Ltd.	Petitioner
Vrs.		
NTPC Ltd. & Others	Respondents

In the matter of: Application under 86(1)(b) of the Electricity Act, 2003 read with Section 21 (4) (b) & 21 (5) of the OER Act, 1995 seeking approval of Power Purchase Agreement (PPA) executed between GRIDCO Ltd. and NTPC Ltd. dated 27.12.2010 for purchase of power from Talcher Expansion Project (2X 660 MW) of NTPC Station.

For Petitioner: Shri P. K. Das, CGM (PP), GRIDCO Ltd., Ms. Madhusmita Mishra, GRIDCO Ltd.

Respondents: Shri Umashankar Mohanty, NTPC Ltd., Shri V. Wagle, TPCODL, Shri K. C. Nanda, GM (Fin.), TPWODL, Shri Binod Nayak, AGM (Comm.), TPSODL, Shri Pratap Kumar Mohanty, Sr.GM, TPNODL, Shri Bijay Das, GM(RT&C), OPTCL, Shri R. P. Mahapatra and Ms. Sonali Patnaik, ALO I/c., DoE, GoO.

ORDER

Date of hearing: 19.07.2022

Date of order:02.08.2022

The petitioner-GRIDCO has filed the present application under Section 86 (1) (b) of the Electricity Act, 2003 read with Section 21 (4) (b) & 21 (5) of the Orissa Electricity Reforms Act, 1995 seeking approval of Power Purchase Agreement (PPA) executed between GRIDCO Ltd. and NTPC Ltd. on 27.12.2010 for purchase of power from TTPS Stage-III (2X 660 MW) project of NTPC situated in the State of Odisha.

2. The petitioner, GRIDCO has submitted that;

a) In view of the growing demand of power in the State and basing on long term load forecast of 17th EPS where 10074 MW was forecasted for the State of Odisha, GRIDCO had accepted the offer of NTPC to purchase power from proposed Talcher Stage-III (2X660 MW) expansion project and signed PPA with NTPC on 27.12.2010. As per the notification dated 17.01.2011 of Ministry of Power,

Government of India 50% of the capacity of this project i.e. 660 MW is allocated to the home state.

- b) Earlier GRIDCO had filed a petition before OERC bearing Case No.43/2011 seeking approval of the said PPA dtd. 27.12.2010 alongwith several other PPAs. The Commission vide its Order dated 20.7.2016, had disposed of the said case inter-alia directing GRIDCO to make fresh submissions of individual PPA separately in respect of each of the upcoming Inter-State Generating Stations in Eastern Region.
- c) The said project was approved in the 22nd meeting of High Level Clearance Authority (HLCA) held on 29.02.2020 with a total investment of Rs.7698.46 Crore. The recommendations of HLCA with respect to quantum and evacuation of power are as follows :

“15. At least 50% of the power from the proposed Talcher Expansion Project should be allocated in favour of the State of Odisha being the host state.

16. Appropriate power evacuation scheme shall be worked out by STU (OPTCL) & GRIDCO in consultation with CTU as per applicable regulation in this regard with the approval of competent authority.

17. The tariff of the Thermal Power Plant shall be determined by the competent authority as per applicable regulation.”

- d) On the occurrence of closure of Talcher Thermal Power Station (460 MW) with effect from 01.04.2021, Hon’ble Chief Minister of Odisha, vide letter dated 22.03.2021, had requested Hon’ble Minister of State (Independent Charges) of Power and New & Renewable Energy, Government of India to direct NTPC to address the concerns related to closure of TTPS and to take steps for early execution of the subject TTPS Stage-III project.
- e) Thereafter, a number of meetings and correspondences have been made among the Government of Odisha, Ministry of Power, Government of India and NTPC for implementation of the said project keeping in view future requirement of power of the State after closure of TTPS as well as resentment among the local people and contractual employees as their livelihood was dependent on the TTPS. In the meeting held on 01.11.2021 with participation of Ministry of Power, Central Electricity Authority, Government of Odisha, NTPC Ltd. and Singareni Collieries Company Ltd., under the Chairmanship of Chief Secretary, Government of Odisha, the following decisions were taken:

- 50% of power from the TTPS Stage-III project (2 x 660 MW capacity configuration) to be allocated to Odisha and remaining power to other beneficiaries.
 - The tariff for this TTPS-III project would be determined by CERC.
 - The project is to be connected to both ISTS and Intra-State system such that Odisha can draw its share of power from the generating bus by constructing its own transmission line and other beneficiaries of the project shall draw their share of power from the generating bus through ISTS network.
- f) Further, in the meeting on 01.12.2021 with participation of the Chief Secretary, Government of Odisha and CMD, NTPC, the following points pertaining to TTPS-III expansion project were discussed.
- It was agreed to go ahead with 2 x 660 MW capacity configuration of TTPS-III as the tariff would be lower.
 - NTPC is requested for revalidation of PPA by GRIDCO.
 - It was agreed that the power evacuation from TTPS-III shall be through dual connectivity (STU & CTU) in line with the decision taken in the meeting dated 01.11.2021 held between Secretary (Power), GoI and Chief Secretary, GoO. Both NTPC and Government of Odisha shall work towards it as the same is to be concurred by Eastern Region Power Committee (ERPC).
- g) In the meantime, NTPC, vide its letter dated 09.11.2021, sought fresh consent from GRIDCO under Regulation 2 of CERC Tariff Regulations, 2019, wherein NTPC had mentioned the indicative tariff as Rs.4.10 per kWh (fixed charges Rs.2.62/kWh and variable charges Rs.1.48/kWh) for the 1st year and Rs.3.64 per kWh (fixed charges Rs.2.16/kWh and variable charges Rs.1.48/kWh) as levelised tariff. NTPC, vide its letter dated 25.11.2021, had clarified the queries of GRIDCO as follows ;
- Though expansion of the project is to be set up on existing land and available infrastructure, the cost estimate has been revised for SG-TG package including tentative cost for BOP and additional work of external CHP & site enabling work has been considered. The land and infrastructure constitute a minor part of the overall cost of the project. Accordingly, as per the revised investment approval considering 3rd Qtr. of 2021 as the base year, the indicative Fixed

Charges for the first year would be Rs.2.57/kWh and the Levelized Fixed Charges would be Rs.2.12/kWh.

- The above Indicative Tariff is inclusive of FGD cost.
 - The variable cost is increased due to increase in auxiliary power consumption, coal cost and decrease in GCV of coal.
 - The final cost of the project and the tariff shall be decided by CERC.
 - Expected schedule of commissioning of TTPS-III (2 x 660 MW) shall be 58 months.
- h) GRIDCO, vide its letter dated 27.12.2021, issued in-principle consent to NTPC for procurement of 660 MW power (50% of the installed capacity) from TTPS-III project subject to approval of PPA by OERC and STU connectivity for Odisha share as per the discussions held on 01.11.2021 and 01.12.2021.
- i) The issue of STU connectivity for evacuation of state share of power from TTPS-III, was raised by OPTCL in 6th State Standing Committee Meeting of ERPC held on 09.07.2018 and before 1st Eastern Region Standing Committee on Transmission (ERSCT) meeting held on 16.07.2018. As per the evacuation scheme of OPTCL generation from one unit (660 MW) will be evacuated through Meramundali-B Sub-station of OPTCL, and other unit (660 MW) will be evacuated through Meramundali-A Sub-station of OPTCL, which was also intimated to the State Government.
- j) Power generation from 460 MW TTPS has already been stopped due to closure of the generating station. TTPS-III project is to be set up on the existing land and infrastructure within the state as approved by the High Level Clearance Authority. The State is witnessing a surge in power demand due to post COVID economic recovery and the unexpected heat wave during summer put the State in a power deficit position on outages of large generating stations. Under the present first growing demand of the State the renewable power projects would be inadequate to meet the peak demand. The estimated demand projection prepared by GRIDCO shows that the State would suffer an average peak deficit of approximately 500 MW (with cushion of 400 MW towards contingency) during the period from FY 2022-23 to FY 2029-30. The estimated peak power deficit in the State would be around 849 MW in FY 2026-27, 645 MW in FY 2027-28, 729 MW in FY 2028-29 and 1520

MW in FY 2029-30 in spite of likely penetration of RE generation in the State power system.

- k) In the above backdrop, availability of 660 MW power from TTPS-III project will be essential for the State in the coming years to balance the peak power deficit situation. Therefore, GRIDCO prays the Commission to approve the said PPA dated 27.12.2010 executed between GRIDCO and NTPC towards purchase of State share of power from the TTPS-III project of NTPC

3. The Respondent OPTCL, the STU has submitted that;

- a) In the sixth Standing Committee meeting of ERPC on 09.07.2018, OPTCL had raised the issue of evacuation system for the 2 x 660 MW TTPS-III and on 27.07.2018, Department of Energy, Government of Odisha was intimated about the proposed evacuation plan as under, which was finalised after discussion with CTU.
- Generation of one unit (660 MW) of TTPS-III will be evacuated through Meramundali-B Grid Substation of OPTCL
 - Generation of another unit will be evacuated through Meramundali Grid Substation of OPTCL.
- b) Since decision of STU connectivity was taken long back, a fresh system study needs to be conducted regarding connectivity to both Meramundali-A and Meramundali-B at 400 kV level with quad moose conductor taking into consideration the present fault level. Further, confirmation is required from NTPC whether they have obtained permission for evacuation of share of power of other beneficiaries.
- c) The Commission may allow OPTCL to conduct a fresh system study on connectivity as stated above and direct NTPC to confirm and submit relevant documents towards the status of CTU connectivity permission for evacuation of power of other beneficiaries. In case NTPC fails to find any buyer for balance 50% power, there should not be any adverse effect on the State share of power. The Commission may approve the said PPA dated 27.12.2010 considering the above submissions of OPTCL.
- d) As per the additional submission of OPTCL, in the event of addition of TTPS Stage-III project and evacuation of power through 400 kV TTPS - Meramundali (B) D/C line and 400 KV TTPS - Anugul (PGCIL) D/C line, the fault level at Meramundali-B S/s is found to be 21135.3 MVA i.e. 30.5 kA based on system study. The

equipment rating adopted at Meramundali-B S/s is 63.0 kA. Hence, no more investment is required to augment the present system to withstand the fault level due to addition of above said generators & lines.

4. The submissions of the Respondent TPWODL and TPSODL are similar in nature. They have submitted that;

- a) The present peak load of the State (without Open Access consumption) is about 5000 MW. GRIDCO has contracted/proposed to contract for about 1981 MW power (about 40% of the peak load) from Super Critical Thermal Plant of M/s. NLCIL and North Karanpura STPS, FSTPS-III, KhSTPS-II and TTPS-III of NTPC for which approval is awaited from OERC. The Commission may consider the above prior to the approval of the instant PPA with NTPC for TTPS-III.
- b) The Central Government has set the target of 500 GW power for procurement from renewable sources i.e. procurement of about 40% energy from non-fossil fuel sources by the year 2030. Government of Odisha in its Energy Transition Action Plan on use of non-fossil fuel, have also planned to meet 50% of DISCOMs' energy requirement from non-fossil fuel sources by the year 2030.
- c) The RPO target of Central Government is higher than the RPO target specified by this Commission. On availability of more renewable power, the Commission may increase the RPO in future. Therefore, it would be appropriate to decide the quantum of tie up capacity from fossil and non-fossil sources only after a prudent study by an independent agency. Further, the tie up thermal capacity for the State can be planned only after considering such requirement of the DISCOMs, planning for certain spinning reserves, penetration of renewable power during the period of peak demand.
- d) As per the Tariff Policy, 2016, the State should meet its future requirement through competitive bidding route. As TTPS-III project owned by NTPC, a Central Government organisation, it would be governed by the Tariff Policy and the tariff need to be discovered through competitive bidding. The Commission may take appropriate decision in this regard.

5. The Respondent Shri R P Mohapatra has submitted that;

- a) In 2010, when the PPA was signed, the subject project was designated as TTPS Stage-III as TTPS Stage-I & II (with capacity of 460 MW) were in operation. After

closure of the Stage-I & II of the TTPS with effect from 01.04.2021, the subject 2 x 660 MW project can be referred to as 'Talcher Expansion Project'. Revision of the same may be made in the PPA.

- b) In the interim order dated 31.05.2022 of the present case, the Commission had directed GRIDCO and NTPC to resolve the disputed issues in the PPA. As the PPA requires certain modifications, GRIDCO may be directed to submit the amended PPA for approval after necessary amendments/modifications.
 - c) As per the application of GRIDCO, the indicative tariff towards procurement of power from this project is likely to be around Rs.4.20/kWh. However, the final tariff will depend on the actual cost of the new equipment and installation cost as well as the quality and cost of the coal procured.
 - d) Considering the past growth in demand of power in the State and present annual surplus of about 7000 MU, the entire generation of the proposed Talcher Expansion Project may not be required for State consumption. In the above scenario, GRIDCO has to pay heavy fixed charges to NTPC. Therefore, the PPA should have a specific provision that no fix charges shall be payable for the power which is not scheduled for drawal.
 - e) The Government of Odisha vide their letter dated 08.09.2021 have requested NTPC for a fresh PPA between NTPC and GRIDCO for procurement of power from TTPS expansion project. But TTPS has not given any reply to the above suggestion of the Government of Odisha.
 - f) In view of the changed circumstances and the observation of the Commission in its interim order dated 31.05.2022, a fresh draft PPA may be submitted by GRIDCO after discussion with NTPC for approval of the Commission.
6. In response to the queries raised by the Commission during hearing on the issue of technical minimum of the generating units for flexible operation, NTPC stated that as per the existing guidelines, the technical minimum operation of the generating units is 55%. NTPC shall abide by the guidelines of the Government of India/ CEA in respect of technical minimum level of operation.
7. Replying to the queries of the Commission in its interim order dated 31.05.2022, the petitioner GRIDCO has submitted that:

- a) During the hearing on 31.05.2022, NTPC has stated to take up project only after approval of PPA by OERC. Further, NTPC, vide its email dated 21.06.2022, has replied to GRIDCO that in respect of the status of the project, NTPC has published NIT and the bids are under evaluation.
- b) As per the discussions in 28th meeting of HLCA held on 21.12.2021, the power evacuation from TTPS-III project shall be through dual connectivity (STU & CTU). Both NTPC and the State Government are to take up the matter with ERPC.
- c) Further, Dual connectivity has been permitted in CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020. Clause 13 (11) of this Regulations stipulates that, “where a generating station is connected to both ISTS and intra-state transmission system, only ISTS charges and losses shall be applicable on quantum of long-term access and medium-term access corresponding to the capacity connected to ISTS.”
- d) GRIDCO had requested OPTCL to submit a feasibility report along with load flow study on the proposed evacuation scheme of OPTCL for evacuation of Odisha share of power through State network, to which OPTCL, vide its letter dated 18.06.2022, has intimated that the State share of power from TTPS-III project can safely evacuated through STU network.
- e) Based on the meeting held between NTPC and Government of Odisha on 01.12.2021, GRIDCO had proposed certain modifications/additions in the original PPA signed on 27.12.2010 on the issues like evacuation of power through STU, exit clause in case of inordinate delay in commissioning of the project and approval of PPA by OERC. But NTPC did not agree to the exit clause as proposed by GRIDCO and requested GRIDCO to give unconditional consent for procurement of power from TTPS Stage-III projects, which will enable NTPC to take investment decision and expeditious implementation of the project. Further, in the interim order dated 31.05.2022, the Commission had directed both GRIDCO and NTPC to resolve the disputed issues in the draft PPA and reach at a consensus with mutual discussion. Accordingly, a meeting was held between NTPC and GRIDCO on 22.06.2022, wherein GRIDCO has proposed inclusion of compensation clause in the PPA in case of inordinate delay in commissioning of the project and also sent a letter to NTPC on 24.06.2022 to encompass an appropriate clause in the PPA as the existing PPA does not address the issue of inordinate delay in commissioning and its consequential

financial impact on the beneficiary. NTPC, vide its letter dated 25.06.2022, has replied that adequate checks has been provided in the regulatory framework to ensure that the interest of the procurers is protected. The issue of delay in commissioning of the project including time and/or cost overrun and whether delay is attributable to NTPC or not, are considered by CERC at the time of determination of tariff of the project. The Central Commission also scrutinises the capital cost by considering various factors such as benchmark capital cost, reasonableness of financing plan, Interest During Construction (IDC), Incidental Expenditure During Construction (IEDC), use of efficient technology, procurement of equipment through competitive bidding etc. in a transparent regulatory mechanism. Any exit option in case of delay or otherwise would seriously affect the scheme of investment made in the power project, therefore not envisaged in the PPA. However, NTPC shall make its best efforts to commission the project as per the schedule, barring any force majeure events etc. which are beyond the control of NTPC.

8. Further, the petitioner GRIDCO in its rejoinder has submitted that:

- a) In the preamble of the PPA, it has been mentioned that the capacity of the Talcher Thermal Power Station is being expanded which is referred to as “TTPS Stage-III”. Hence, the suggestion of the Respondent to refer the said project as “Talcher Expansion Project” may not be necessary.
- b) The indicative tariff for the said power project is Rs.4.05 per kWh for the first year and the indicative levelized tariff is Rs.3.60 per kWh. This indicative tariff is inclusive of FGD cost, which may constitute about 40 paise to 50 paise per kWh. But the Respondent has wrongly stated this as Rs.4.20 per kWh. However, the actual tariff for the said project shall be determined by CERC in accordance with CERC (Terms and Conditions of Tariff) Regulations as notified from time to time. As per the PPA, the project would be developed under Mega Power Policy of Government of India with the following benefits :
 - Capital equipments imported would be free of custom duty.
 - Deemed exports benefits is available to NTPC.
 - Price preferences of 15% have been given for domestic PSUs bidders.
 - Income Tax holiday regime can be availed for the project.
- c) Since the tariff is to be determined as per CERC (Terms and Conditions of Tariff) Regulations, approved fixed charges shall be payable to the generator irrespective of

full or part drawal of power. There is no justification to incorporate a clause for nil payment of fixed charges for the power which is not scheduled for drawal.

- d) The Respondents TPWODL and TPSODL have shown 1981 MW capacity as the share of GRIDCO from some central power stations for which approval is awaited from OERC. But, such capacity includes 800 MW of M/s. NLCIL for which PPA has not yet been executed. The respondents have overlooked the peak demand projection of GRIDCO, in which there is an estimated shortfall of more than 1500 MW in peak demand by the FY 2029-30 which is likely to increase further in view of the load growth of more than 15% in DISCOMs consumption in last financial year. Further, the DISCOMs have recommended to GRIDCO for release of more than 450 MVA power from April, 2022 to June, 2022 towards enhancement of contract demand of the industries, although the same had not been projected in their ARR application.
- e) In case of sudden breakdown of the large units of 500 MW and above it may not be possible to maintain reliable and uninterrupted power supply in the state. Further, in view of phasing out of some power stations of NTPC, uncertainty in power supply by the IPPs and frequent outage of large size thermal units, GRIDCO shall need thermal power to meet the state demand and for base load support during evening peak hours.
- f) In the present scenario, thermal power is the only available compensating power against the increasing addition of solar power for meeting the RPO, as other sources of energy are still not viable and not expected in near future.
- g) The proposed RPO trajectory of 41% by FY 2029-30 by MNRE for national goal of 450 GW, GRIDCO has chalked out a realistic RPO trajectory of 14.50% by FY 2022-23 and upto 30% by FY 2029-30, keeping in view the available power both in peak and off peak hour. GRIDCO has duly considered its RPO in its futuristic long term demand supply projection. In view of the rising trend of electricity demand, the addition of available renewable capacity would be inadequate to meet the peak demand of the state. Further, in view of huge capacity addition from renewable sources by 2030 in India, there shall be less addition of thermal capacity from 2027 onwards Hence, the proposed addition of thermal capacity in the state would be capable to sustain the variation of energy due to renewable power infusion and cater the future load growth of the state.

- h) There is prudence in according consent for allocation of 660 MW from TTPS Stage-III without resorting to competitive bidding, because the competitive bidding for a new generating station requires new land and water supply source whereas the existing land and water source of TTPS owned by NTPC can be utilised for the subject power project, the benefits of which can be availed by the end consumers. It also may not be practically feasible to find a suitable new land for the thermal power project in view of the litigations like land dispute, RoW issues, public agitation and heavy compensation under R&R policy etc. Further the said project is a pit-head station having advantages of sourcing coal from nearby colliery, thereby reducing cost of transportation. Furthermore, there is a certainty of coming up of the subject power project whereas implementation of such a new power project through competitive bidding process would be uncertain.
9. Heard the petitioner and respondents through virtual mode. The written submissions of the petitioner and respondents are taken into record. The Commission observed that,
- a) GRIDCO had executed the PPA with the NTPC on 27.12.2010 for procurement of power to the extent of at least 50% from the 1320 MW capacity TTPS Stage-III expansion project of NTPC to be developed in the State of Odisha. Earlier GRIDCO had filed application in Case No. 43/2011 for approval of the said PPA along with other PPAs executed between GRIDCO and NTPC in respect of 14 nos. of thermal generating stations of NTPC. The Commission, vide its order dated 20.07.2016 in Case No.43/2011, had directed GRIDCO to make fresh submission of individual PPA separately within three months after incorporating the issues as directed by the Commission. The High Level Clearance Authority (HLCA), in their meeting on 29.02.2020, have approved the said project with a total investment of Rs.7698.46 Cr.
- b) After closure of 460 MW Talcher Thermal Power Station of NTPC with effect from 01.04.2021, the Government of Odisha has taken up the matter with Ministry of Power, GoI and NTPC for early execution of TTPS Stage-III project. After several meetings among them, it has been decided that Odisha shall avail 50% of power from the said thermal power project with 2 x 660 MW capacity and the tariff will be determined by CERC. Further, the power evacuation from this project shall be through dual connectivity i.e. through STU and CTU and state share of power shall be evacuated through STU network.

- c) As per OPTCL, the STU, evacuation of power from this project shall be made through 400 kV TTPS - Meramundali (B) D/C line and 400 KV TTPS - Anugul (PGCIL) D/C line, without any augmentation of the present system as the fault level would be within designed limit of equipment & switchgear. Hence, State share of power from TTPS Stage-III project can be evacuated through STU network so that ISTS charges and losses shall not be applicable on drawal of State share of power as per CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020.
- d) The proposed indicative tariff is Rs.4.05 per kWh (fixed charges Rs.2.57/kWh and variable charges Rs.1.48/kWh) for the 1st year and levelised tariff is Rs.3.60 per kWh (fixed charges Rs.2.12/kWh and variable charges Rs.1.48/kWh). This indicative tariff is inclusive of FGD cost. However, the final cost shall be determined by the Hon'ble CERC.
- e) The subject thermal project is expected to be commissioned in about 58 months i.e. by the end of FY 2027-28. As per the projection of GRIDCO, the estimated peak power deficit is about 645 MW by the FY 2027-28, 729 MW by the FY 2028-29 and 1520 MW by the FY 2029-30 considering the integration of large quantum of power from RE sources to meet the RPO.
- f) The Commission has considered the following facts while approving PPA :
- power shortage crisis faced recently in the country
 - exorbitantly high rate of power discovered recently in power market (which had gone up to Rs.12/unit)
 - excepted increase in power demand due to industrial growth in State
 - the reduction in thermal generation capacity addition in the years to come in view of huge capacity addition expected from renewable sources by 2030
 - the impact of sudden outage of large generating units like 500 MW/660 MW/800 MW in maintaining reliable power supply to State
 - uncertainty in availability of power from IPPs in the State at times.
 - TTPS Stage-III project of NTPC is a pit-head station and is to be commissioned under the benefit of fiscal concession of mega power policy envisaged by GoI.

- g) The Commission is of the view that the requirement of thermal generation cannot be completely ruled out to meet peak as well as base load demand of the state in future .
- h) The Commission also does not favour the view regarding competitive bidding in case of the subject power plant considering practical difficulties in finding another location (in view to litigations, land disputes, Right of Way issue, public agitation and compensation under R&R policy etc.) and likely uncertainties involved in implementation of the project due to above facts. Since the project will be developed on the existing land and infrastructure of erstwhile 460 MW Talcher Thermal Power Station, there would not be any problem for land acquisition and R&R issues, hence the project is expected to be completed within the scheduled time.
10. In view of the above observations, the Commission is inclined to allow GRIDCO to avail State share of power from TTPS Stage-III project of NTPC for State consumption on merit order basis and hence, accord in principle approval of the PPA dated 27.12.2010 executed between GRIDCO and NTPC. However, the Commission direct NTPC to commission the project within the scheduled time so that there would not be any extra tariff burden on the State consumers due to delay in commissioning of the project. Further, the Commission directs OPTCL to develop Associated Transmission System (ATS) matching with the commissioning of the subject thermal power plant for evacuation of State share of power without any constraint, so that ISTS charges and losses shall not be applicable on State drawal. Further, GRIDCO is directed to take active participation in tariff proceedings at CERC in respect of TTPS Stage-III project and make reasonable endeavour towards reduction of tariff as far as possible. However, Commission further directs NTPC to consider and discuss about operation of unit(s) at lower technical minimum (<55%) as per GoI guidelines during design engineering stage to facilitate flexible operation of generating unit(s) in order to accommodate variability in generation from the renewable sources.
11. With the above observation and directions, the case is disposed of.

Sd/-
(S. K. Ray Mohapatra)
Member

Sd/-
(G. Mohapatra)
Officiating Chairperson