

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 57 of 2016

Date: 30 June, 2016

CORAM: **Shri. Azeez M. Khan, Member**
 Shri. Deepak Lad, Member

Petition filed by Adani Power Maharashtra Limited (APML) under Section 86 (1) (f) of the Electricity Act, 2003 for netting-off start-up power supplied by MSEDCL to APML against the power supplied by APML to MSEDCL and related issues.

Adani Power Maharashtra Limited (APML)Petitioner

Maharashtra State Electricity Distribution Company Limited (MSEDCL)Respondent

Representative for the Petitioner: Adv. Vikram Nankani (Sr. Counsel)
 Shri. Jignesh Langolia
 Ms. A.A. Mujawar (Advocate)

Representative for the Respondent: Smt. Deepa Chawan (Sr. Advocate)

Daily Order

Adv. for the Petitioner set out the chronology of Case and Orders passed by the Commission with regards to Start-up power and the Judgment passed by APTEL.

With reference to a mention in the APTEL Judgment to the Commission asked which are the certain submissions that were advanced before the APTEL but were not pleaded before this Commission in Case No 139 of 2015 which finally resulted to the fresh Petition . On this Smt Deepa Chawan Sr. Counsel for the Respondent submitted that the APTEL mandates the Commission to rehear the case afresh.

Representative of the Petitioner stated that, in its submission, the Petitioner had stated that, after commissioning and declaration of COD, the power drawal from the Grid would be governed by Article 8 of the PPA, which states that the drawal shall be in compliance with the provisions of ABT and Grid Code and Clause 1.2.6 of Schedule 6. Article 11.9 of the PPA only refers to the start-up power required for commission and not thereafter.

Representative of the Petitioner submitted that Article 1.1. of the definitions in the PPA states that the terms used in this agreement unless defined in the PPA shall have the same meaning as assigned to them by the Electricity Act, 2003 and Rules and Regulations framed including those issued/framed by the CERC or MERC. He further stated that CERC has issued a procedure for availing Start-up power from the Grid, where the generator is entitled to draw the start-up power under Deviation Settlement Mechanism. In Schedule 6 of the PPA, Clause 1.2.6, the variation between Scheduled Energy and Actual Energy at the Delivery Point shall be accounted for through Unscheduled Interchange (UI) Charges as detailed in the Grid Code and ABT.

The Commission observed that, once the Power plant is under outage, the power cannot be scheduled by the MSLDC, so there is no question of Balancing and Settlement Mechanism under UI. Further, Maharashtra has a different procedure for treatment under Balancing and Settlement Mechanism.

Advocate for the Petitioner stated that it has requested MSEDCL for disconnection of start-up connection vide letter dated 2 January, 2015, and even after 30 days notice period, the connection is not disconnected and APML is receiving bills from MSEDCL.

Advocate of the Respondent stated that APML has taken a stand regarding start-up power based on the APTEL Judgment in Appeal No. 166 of 2010. The start-up power means the power required to start any machine or motor and the auxiliaries would draw power from the Grid till a Unit starts and producing power. Once the unit is synchronized, the requirement of such power “vanishes”. Start-up power is required only when all the Generating Station is under shutdown and the first Unit is required to start-up. Advocate of Respondent further submitted that start-up power is not defined in the PPA, but APTEL in Case No. 176 of 2010 has clearly clarified that start-up power is that which is required for initial start-up and commissioning of a new generating Unit as well as start-up after break down or planned outage of an existing generating Unit.

Advocate of the Respondent submitted that the definition Clause of the PPA speaks about the Rules and Regulations made by MERC or CERC, whereas the CERC document cited by APML is mere a Guideline not Regulations of CERC. As per Article 4.1.1 (d) of the PPA, Seller is responsible for procurement of electricity at the Project (including construction, commissioning and start-up power) and to meet in a timely manner all formalities for getting such a supply of electricity. Therefore, APML has to ensure that to start-up the power plant after a forced or planned outage there must be a source to start the Generator. APTEL Judgment in Appeal No. 75, 76 and 164 of 2014 has similar prayers as the Petitioner which is recorded in Para 5.21 (ii) and (iii) of the Judgment. APTEL has allowed the Distribution Licensee to recover the Demand Charges applicable to Industrial consumers.

Advocate for Respondent also stated that APML has requested to reduce the Contract Demand from 50 MVA to 30 MVA vide its letter dated 23 October, 2015 and it is charged and paying based on reduced Contract Demand.

Advocate of the Petitioner submitted that start-up power has not been defined in the PPA and plain reading of Article 11.9 of the PPA states the start-up power as envisaged in the PPA is required only upto the project and commissioning. As the project has achieved CoD, APML has applied to MSEDCL for disconnection of start-up power connection.

Case is reserved for Order.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member