

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 118/MP/2012

Coram:

**Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

Date of Order : 22.1.2013

In the matter of

Petition filed under Regulation 32 of CERC (Grant of Connectivity, Long-term Access and Medium-term Open access in Inter-State transmission and related matters) for keeping the Long Term Access for Phase-II under abeyance and reduction of Long Term Access quantum from 1600 MW to 800 MW for Lanco Babandh Power Limited (LBPL).

And

In the matter of

Lanco Babandh Power Limited, Gurgaon
Vs.

Power Grid Corporation of India, Gurgaon
Central Electricity Authority, New Delhi

.....**Petitioner**

....**Respondents**

INTERIM ORDER

After hearing the parties on 12.7.2012, the Commission had reserved the order in the petition.

2. The Commission has perused the materials on record and the pleadings of the parties. It is noticed that the Central Transmission Utility has filed its reply vide affidavit dated 31.5.2012. The Central Transmission Utility has submitted the following with



regard to stranded capacity after surrender of 800 MW by LBPL, its impact on the POC charges and its views on refund / retention of construction Bank Guarantee as under :-

- "3 (e) (i) Stranded Transmission Capacity :- A number of generation projects were proposed to come up in Orissa. The pattern of growth of these IPPs however, was not known with certainty due to a variety of reasons. Accordingly, a minimum transmission system was planned to facilitate evacuation of power from these generation projects and is under various stages of construction. Therefore, with the foreseen delay of the 3rd and 4th units of the generation project of the Petitioner, presently, we do not apprehend any stranded capacity in the transmission system.
- (ii) Change in the POC Charges :- The change in LTA capacity of LBPL shall affect the injection charges in case of installed capacity of LBPL as 2640 MW with LTA of 1600 MW, the POC charges shall be calculated based on 1600 MW injection from the generation project. However, in case, the installed capacity is reduced from 2640 to 1320 MW and LTA capacity reduced from 1600 MW to 800 MW, the POC charges shall be calculated based on 800 MW injection. Therefore, change in the injection of power in ISTS shall marginally affect the POC charges.
- 4(i) xxxx
- (ii) The construction Bank Guarantee submitted by the petitioner shall not be reduced corresponding to surrendering of LTA of 800 MW till the transmission system becomes operational and it is ensured that no transmission capacity is remained stranded, as same depends upon continuance of other developers. The Bank Guarantee shall be reduced / refunded after reviewing the situation on declaration of Date of Commercial Operation of line."

3. It is observed from the above submissions that while no stranded capacity is apprehended by CTU due to reduction of LTA by LBPL from 1600 MW to 800 MW, CTU has recommended for retention of the construction of Bank Guarantee till the date of commercial operation of the transmission line to ensure that no transmission capacity remains stranded. It needs to be clarified regarding the identification of the generator who will substitute for utilization of surrendered capacity of 800 MW. There appears to be lack of clarity with regard to stranded capacity vis-à-vis the need for retention / refund of the construction Bank Guarantee.

4. We direct the CTU to examine the case and submit under affidavit by 25.1.2013 its considered views on the quantum of stranded capacity on account of surrender of 800 MW by LBPL, its effect on the liability of other users under the POC regime and retention / refund of construction Bank Guarantee with cogent reasons.

sd/-
(M.Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson