

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 342/MP/2023

- Subject : Petition under Section 79 read with Section 2(36) of Electricity Act, 2003, seeking, amongst others (i) appropriate directions for transition of ISTS connectivity of the Petitioner as Bulk Consumer under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, and (ii) for modification of the connectivity so that the same is through the existing 400 kV Vedanta- Sundargarh D/C line owned and maintained by the Petitioner, instead of the proposed new 400 kV Vedanta-Sundargarh D/C transmission line.
- Date of Hearing : **1.5.2024**
- Coram : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : Vedanta Limited.
- Respondents : Odisha Power Transmission Corporation Ltd. & 3 Ors.
- Parties Present : Shri Sanjay Sen, Sr. Advocate, Vedanta
Shri Hemant Singh, Advocate, Vedanta
Shri Ruth Edwin, Advocate, Vedanta
Ms. Neha M Dabral, Avocate, Vedanta
Ms. Ankita Bafna, Advocate, Vedanta
Shri Raj Kumar Mehta, Advocate, OPTCL
Ms. Himanshi Andley, Advocate, OPTCL
Shri S. Das, OPTCL
Shri B. Pradhan, OPTCL
Ms. Suparna Srivastava, Advocate, CTUIL
Shri Tushar Mathur, Advocate, CTUIL
Shri Alok Mishra, ERLDC
Shri Siddharth Sharma, CTUIL

Record of Proceedings

Learned senior counsel for the Petitioner submitted that the present Petition has been filed *inter alia* seeking directions upon Respondent, CTUIL, for transitioning of the connectivity granted vide Minutes of Meeting dated 30.5.2023 to the Petitioner as a Bulk Consumer through new 400 kV transmission line under the earlier Connectivity Regulations to GNA Regulations through the existing 400 kV Vedanta-Sundargarh dedicated transmission line owned and operated by the Petitioner. Learned senior counsel briefly recapitulated the aspects involved in the matter and mainly submitted as under:

(a) 400 kV Vedanta- Sundergarh D/C line was built and maintained by the Petitioner at its own cost as a dedicated transmission line. However, subsequently, in a joint meeting held at ERPC on 14.10.2016, it was decided that with the change of control area jurisdiction of the Petitioner from ERLDC to SLDC, Odisha, the status of said line will no longer be a dedicated line of the Petitioner and the said line was to be handed over to OPTCL pursuant to which the said line was to be treated as an ISTS tie of OPTCL.

(b) However, the minutes of the ERPC meeting dated 14.10.2016 were never implemented, and the 400 kV line was never taken over by OPTCL. At the same time, the said line was being wrongfully treated as an intra-State line and ISTS tie-line of OPTCL despite no payment of cost of construction of the said line being paid by OPTCL to the Petitioner. Moreover, the Petitioner was also made liable to pay the intra-State transmission charges to OPTCL towards the power directly drawn from the above-dedicated line.

(c) Subsequently, to procure the renewable energy for RPO obligation and to avoid the incidence of STU charges, the Petitioner applied for CTUIL to grant the connectivity for ISTS. CTUIL, vide Minutes of Meeting dated 30.5.2023, granted GNA(RE) of 180 MW with a new transmission line, viz. Vedanta-Sundergarh (Jharsuguda) 400 kV D/c line along with associated line bays, which was to be implemented by ISTS licensee at the cost of the Petitioner despite the existence of dedicated 400 kV Vedanta- Sundergarh transmission line.

(d) In the minutes of a meeting held on 14.3.2023, CTUIL itself had indicated that in order to grant the ISTS connectivity of 180 MW to the Petitioner as a Bulk Consumer, its new SEZ section needs to be connected to ISTS point, i.e., Sundergarh S/s and this can be done with little modification in the layout at the Vedanta Switchyard, i.e., re-arrangement of 400 kV feeders and generating units need to be carried out such that the Vedanta-Lapanga 400 kV D/c line and G-2 (IPP unit dedicated to GRIDCO) is in new bus section and rest of the plant in old bus section comprising Vedanta- Jharsuguda/Sundergarh 400 kV D/c line, smelter load and CPP units. However, for the grant of ISTS connectivity to the Petitioner, the Vedanta-Jharsuguda 400 kV D/c line would no longer remain an intra-State line and would need to be handed back to Vedanta or may become an ISTS line (which would involve handing over to ISTS licensee).

(e) Thus, CTUIL has suggested a technically feasible solution by way of splitting the bus to enable the Petitioner to obtain connectivity to ISTS through the existing Vedanta – Sundergarh D/C line. Also, as already stated, the said line was never taken over by OPTCL for it to become an inter-State line, and it continues to remain in the books of the Petitioner, who is also incurring costs for its regular O&M. Moreover, it has also been recognised by CTUIL that the implementation of the new line is not optimal in view of the existing Vedanta- Sundergarh D/C line, as the new line will remain significantly underloaded.

(f) Only during the pendency of the present proceedings did OPTCL approach the Petitioner for handing over the Vedanta-Sundergarh D/C line (i.e., after approximately 8 years) and that too at depreciated cost.

2. Learned counsel for Respondent, CTUIL, also confirmed that implementation of the new Vedanta-Sundergarh (Jharsuguda) 400 kV D/c line would not be optimal in view of the existing line as the new line will remain significantly underloaded. Learned counsel added that subsequent to the decision taken in the ERPC meeting back in 2016, the Petitioner is considered a State embedded entity as both the 400 kV D/c line

emanating from its generating plant(s) are considered as lines of STU and, consequently, not been included in the PoC Pool.

3. Learned counsel for Respondent, OPTCL submitted the Respondent is opposing the submissions made by the Petitioner. Learned counsel submitted that pursuant to the ERPC meeting dated 14.10.2016, a number of meetings were held between the parties, and it was the Petitioner who delayed the handing over of the Vedanta – Sundergarh D/C line to OPTCL. Learned counsel also submitted that the Petitioner ought to be directed to implead GRIDCO as it is a necessary party to the Petition. Learned counsel added that as per the PPA entered into between the parties, the Petitioner is required to supply power to GRIDCO from its Unit 2 as well as Captive Units 1-3, and for this purpose, Vedanta-Sundergarh D/C line is being used. Moreover, GRIDCO was also present in the various meetings held between the parties, and accordingly, it may also be impleaded as party Respondent to these proceedings.

4. In response, learned senior counsel for the petitioner submitted that GRIDCO is not a necessary party to the present proceedings. Learned senior counsel submitted that the Petitioner has a Power Purchase Agreement with GRIDCO Limited for the supply of power from its Unit 2 and in case of exigencies from Captive Units 1-3. However, the above arrangement would not result in technical infeasibility of supply of power to GRIDCO, and if at all for any commercial issues, such payment of ISTS charges, etc., the liability would be governed as per the provisions of this PPA, and as such, GRIDCO is not a necessary party to the present proceedings.

5. Due to a paucity of time, the submissions of the parties could not be concluded. The Commission further directed the Respondents to provide the following details/ information on an affidavit within two weeks:

(a) As per the decision taken in the ERPC special meeting held on 14.10.2016, the 400 kV Sterlite- Jharsuguda D/C line will no longer be a dedicated line, and OPTCL was required to take over this line. OPTCL vide its letter dated 12.01.2024, has intimated Vedanta to hand over the line. Respondent, OPTCL, to clarify the reason for such delay, i.e., 14.10.2016 to 12.1.2024, in taking over of the said line and the circumstances where, without such takeover, it was being treated as an STU line.

(b) ERLDC to clarify how the 400 KV Sterlite-Jharsuguda D/c line was treated as an intra-State line before the OPTCL took over the said line.

(c) Respondent, CTUIL will maintain status-quo with regard to the grant of the 180 MW GNA to the Petitioner as communicated vide letter dated 18.9.2023 till the next date of the hearing.

6. The matter remained part-heard. The Petition will be listed for hearing on **4.7.2024**.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Law)