

BEFORE THE A.P. STATE ELECTRICITY REGULATORY COMMISSION

WEDNESDAY, THE 20th DAY OF APRIL
TWO THOUSAND TWENTY TWO

PRESENT:

HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY, CHAIRMAN
SRI P. RAJAGOPAL REDDY, MEMBER
SRI T. RAMA SINGH, MEMBER

O.P.No.31 of 2020

Between :

Andhra Pradesh Power Development Company Limited,
Vidyuth Soudha, Vijayawada-520004.

... Petitioner

And:

1. Southern Power Distribution Company of Andhra Pradesh Ltd,
Tiruchanoor Road, Kesavaya Gunta, Tirupati-517501
2. Eastern Power Distribution Company of Andhra Pradesh Ltd,
P &T Colonty, Seethammadhara, Visakhapatnam - 530020

... Respondents

This O.P. having come up for hearing today i.e., on 20- 4-2022, in the presence of Sri K.Gopal Choudary, learned Counsel for the petitioner and Sri P. Shiva Rao, learned Standing Counsel for the respondents, and upon hearing the arguments of both the Counsel, the Commission made the following :

ORAL ORDER:

This O.P. is filed by the Andhra Pradesh Power Development Company Limited, which is running 2x800 MW Sri Damodaram Sanjeevayya Thermal Power Station (SDSTPS), for adjudication of the issue relating to payment of variable cost at the rate applicable to sub-critical and super-critical levels of despatch of power from time to time by directing the respondents for making appropriate amendments to the Clauses in the PPA between the petitioner and the DISCOMS.

We have heard the O.P. in detail. Vide this Commission's order dated 02-3-2019 in O.P.No.47 of 2017 while fixing the tariff for the petitioner units, this Commission has made the following observations as regards the operating parameters applicable when the units are operated under sub-critical technology:

“As regards the operating parameters applicable when units are operated under sub-critical technology, Regulation 1 of 2008 as well as CERC Regulation are silent. However, the petitioner has requested for certain parameters applicable for sub-critical operation as mentioned supra. The CERC notification L-1/18/2010-CERC dated 6th April, 2016 provides for compensation in case of operating units below normal levels. However, the same is not reflected in the PPA. As such, the parties may negotiate between themselves, if they so desire and the agreed position may be incorporated as an amendment to the PPA. Notwithstanding the above, the petitioner and respondents are advised to operate the plant in super-critical mode in order to improve the efficiency and reduce the cost, however, keeping in view merit order considerations”.

In para 11 (f):-

f. The parties (either or both of them) are at liberty to approach the Commission with an appropriate petition for adjudication and determination of any of the disputes/differences between them relating to the issues specified in para-12 of the order of this Commission in O.P.No.21 of 2016 between the parties decided on 13-07-2018 and about the Operating parameters applicable during the Operation of the units under sub-critical mode or super-critical mode”.

During the hearing, it has come out that while this Commission's Regulation 1 of 2008 has not laid down specific parameters applicable when units are operated under sub-critical technology, the CERC Regulation, however, provides for such parameters.

Sri K.Gopal Choudary, learned counsel for the petitioner, has drawn the Commission's attention to the relevant clause of the CERC (IEGC) Regulation, 2010 (as amended), a copy of which is filed and relied upon by the respondents. The learned counsel further submitted that his client has no objection for incorporating a Clause in the existing PPA, in terms of Provisos

(i),(ii) (iii) to sub-Clause (3) of Clause 6.3B of the said Regulations to be operative in case the respondents give back down instructions or instructions for despatch below the declared availability. For convenience, the said Clauses are reproduced below:

“(i) In case of coal/lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

S.No.	Unit loading as a % of Installed Capacity of the Unit	Increase in SHR (for supercritical units) (%)	Increase in SHR (for sub-critical units) (%)
1	85-100	Nil	Nil
2	75-84.99	1.25	2.25
3	65-74.99	2	4
4	55-64.99	3	6

(ii) In case of coal/lignite based generating stations, following Auxiliary Energy Consumption degradation or actual, whichever is lower, shall be considered for the purpose of compensation:

S.No	Unit loading (% of MCR)	% Degrading in AE admissible
1	85-100	Nil
2	75-84.99	0.35
3	65-74.99	0.65
4	55-64.99	1.00

(iii) Where the scheduled generation falls below the technical minimum schedule, the concerned CGS or ISGS shall have the option to go for reserve shut down and in such cases, start-up fuel cost over and above seven (7) start/stop in a year shall be considered as additional compensation based on following norms or actual, whichever is lower.

Unit Size (MW)	Oil Consumption per start up (KI)		
	Hot	Warm	Cold
200/210/250 MW	20	30	50
500 MW	30	50	90
660 MW	40	60	110

After hearing Sri P.Shiva Rao, learned Standing Counsel for the respondents, we are of the opinion that it is a fit case for amendment of the PPA by incorporating the above Clause to meet the contingencies, as referred to above.

Accordingly, the O.P. is disposed of with the direction to the respondents to take steps to amend the PPA dated 24-8-2016 duly incorporating the above mentioned Clauses of the CERC Regulation, 2010 to be operative in case the respondents give back down instructions or instructions for despatch below the declared availability. This process should be completed within one month from today and place the same before the Commission for approval.

Sd/-

Thakur Rama Singh
Member

Sd/-

Justice C.V. Nagarjuna Reddy
Chairman

Sd/-

P. Rajagopal Reddy
Member

