

## **DELHI ELECTRICITY REGULATORY COMMISSION**

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(406) DEROJO7-08/4700 -4706

Petition No. 01/2008

.. 7/3/08

In the matter of:

Review of reassignment Order of the Hon'ble DERC dated 31.03.2007 of Power Purchase Agreement to the Distribution Licensees including the Deemed Licensees in National Capital Territory of Delhi.

AND

In the matter of:

New Delhi Municipal Council Through its: **Secretary**, Palika Kendra, Sansad Marg, New Delhi-110001.

...Petitioner

Vs.

- Secretary (Power)
   Govt. of NCT of Delhi,
   Delhi Secretariat, I.P. Estate,
   New Delhi.
- 2. Chief Executive Officer, BSES Rajdhani Power Limited BSES Bhawan, Nehru Place, Delhi-110019.
- 3. Chief Executive Officer,
  BSES Yamuna Power Limited
  Shakti Kiran Building,
  Karkardooma,
  Delhi-110092.
- Chief Executive Officer, North Delhi Power Limited, Sub-Station Building, Hudson Lines, Kingsway Camp, Delhi-1 10009
- 5. Managing Director
  Pragati Power Corporation Ltd. (PPCL),
  Himadari, Rajghat Power House,
  New Delhi-110002.
- 6. Chairman-cum-Managing Director Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi-110002.

...Respondents

Coram:

Sh. Berjinder Singh, Chairman & Sh. K. Venugopal, Member.

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## Appearance:

- Sh. S.M. Ali, Director (Com), NDMC;
- 2. Sh. Gourab Banerji, Senior Advocate, NDMC;
- Sh. Dinesh Kumar, Advocate, NDMC;
- Sh. Saurav Agarwal, Advocate, NDMC;
- 5. Sh. Raj Kumar, SE(E), NDMC;
- 6. Sh. Harish Ahuja, Dy. Secretary (Power);
- 7. Sh. Vivek Singla, NDPL;
- 8. Sh. D.K. Daruwala, Manager, NDPL;
- 9. Sh. Anurag Bansal, Sr. Executive, NDPL;
- 10. Sh. Puneet Munjal, NDPL;
- 11. Smt. Prachi Jain, BRPL;
- 12. Sh. Ramesh, BSES
- 13. Sh. Sh. A.K. Kaul, SLDC:
- 14. Sh. V. Venugopal, SLDC;
- 15. Sh. R.K. Srivastav, IPGCL/PPCL;
- 16. Col. G. K. Pandita, CWE(U), MES;
- 17. Sh. Kamal Nayan, Offg. GE(U) E/S.

## **ORDER**

(Date of Hearing: 11.02.2008) (Date of Order: 07.03.2008)

- 1. Parties present.
- 2. The NDMC has preferred the present Petition before the Commission seeking the following relief, mainly:
  - (i) The order dated 31.03.2007 allocating 350 MW power to NDMC from the Badarpur TPS be suitably modified and the Petitioner be reallocated power, in terms of the statutory directions of the Government of India contained in the letter dated 18.12.2007, in the following manner:

S. No.	Source	Power in MW		
1.	Badarpur Thermal Power Station of NTPC	125		
2.	Dadri Power Plant of NTPC	125		
3.	Pragati Power Plant of PPCL	100		
	Total	350		

- 3. The Commission had issued an Order dated 31.03.2007 on the issue of reassignment of PPAs and made the following observations/directions, particularly in respect of NDMC and MES:
  - (i) "The NDMC and the MES would be allocated a capacity of 350 MW and 50 MW, respectively from the Badarpur TPS. Though the Commission visualises pitfalls in allocating capacity only from a single

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power station, the Commission has gone along with what was submitted by these two Licensees when consultations took place on the 30th of March 2007.

- (ii) All existing PPAs (with the exception of Badarpur TPS, NCR Dadri TPS, IPGCL and the PPCL both existing and future capacities) shall be allocated amongst the three Distribution Companies, namely, the NDPL, BRPL and BYPL in a ratio which would be in proportion to the energy drawn by them from the date of unbundling to February 2007. For the NCR Dadri TPS, IPGCL and the PPCL, only 85% of the capacities shall be allocated amongst the three DISCOMs on the same principle. In so far as Badarpur is concerned, only 85% of the capacity left after allocating to the NDMC and the MES would be allocated between the three DISCOMs, again on similar lines. The capacity allotted to each of the Distribution Companies arrived at on the basis of this principle is annexed along with this Order.
- (iii) 15% of the capacity of NCR Dadri TPS, IPGCL and PPCL and the balance of what is left from the Badarpur TPS after allocating to the NDMC and the MES would be treated as unallocated share, analogous to what is done in the Central sector in respect of the Central Public Sector Undertakings (CPSUs). This unallocated share of 15% would be at the disposal of the Government of NCT of Delhi and may be allotted by the Government to the Distribution Company(ies) whose consumers are likely to face a relatively higher retail tariff on account of this exercise of reassignment of PPAs. The cost of power from these plants are regulated and are lower than the cost at which power would be procured through bilateral arrangements and also through UI at present. In case no allocation from the unallocated capacity is done within the specified time frame, such unallocated capacity shall revert back to the three DISCOMs in the same ratio in which the capacity allocation was done. The Government may also use this unallocated share to meet any contingency or force-majeure condition that may arise in any particular geographical area in the NCT of Delhi.
- (iv) If the allocation results in any excess capacity in the hands of any of the Distribution Companies/Agency at any time, such excess capacity shall be offered to other Distribution Utilities in Delhi at the first instance and only if such spare capacity cannot be absorbed within Delhi, it shall be offered to others. Necessary arrangements for

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this purpose shall be evolved in the Power Procurement Group constituted by the Government of NCT of Delhi.

- (v) All transactions for sale/banking of surplus power shall be done by a transparent competitive bidding process. Necessary procedure for the same shall be prepared by the interested stakeholders and submitted to the Commission for approval.
- (vi) With the allocation arrangements discussed above, the allocations made from individual stations shall be effective during the period 1.04.2007 to 31.03.2011:"
- 4. The present Petition has been moved by the NDMC seeking the reallocation of the capacity of 350 MW from three power stations instead of BTPS alone.
- 5. Sh. Gourab Banerji, Senior Advocate, appearing on behalf of NDMC, submitted that it is on the direction of the Govt. of India, Ministry of Home Affairs, that the NDMC has approached the Commission for the reassignment of the Order dated 31.03.2007 on Power Purchase Agreement because the Govt. of India vide its letter no. 14011/3/2006-Delhi-II dated 18.12.2007 have issued statutory directions to the NDMC in terms of sub-section 1 of Section 201 of the NDMC Act, 1994. In the said direction, the Central Government has prescribed these three plants from which the NDMC has to receive electricity in bulk.
- 6. Sh. Banerji further submitted that the NDMC is operating in the highest security zone where a large no. of Government offices, President's Estate, Parliament, Foreign Embassies and VIP residences are located. Because of the sensitivity of the area, the Government is concerned about the reliability of the supply of electricity in this area.
- 7. Sh. Banerji further submitted that they have come before the Commission with a very limited prayer to secure electricity from the three power stations as mentioned hereinabove. He submitted that the scope of the Petition may not be widened as they are only requesting to secure electricity from three power stations instead of one as mentioned herein. The object of his prayer is the reliability of electricity and nothing else. In this regard, he also relied upon the minutes of the meeting conducted by the Home Secretary, Govt. of India on 08.11.2007 at the instance of Chief Secretary, Govt. of NCT of Delhi to discuss the issue of bulk supply of

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electricity in NDMC area, which was attended by the Joint Secretary Ministry of Power, officers of CEA, Principal Secretary (Power) GNCTD and the Chairperson of NDMC and other officers. In the said meeting it was concluded that the requirement of electricity in NDMC area be secured as decided i.e. 125 MW from Badarpur Thermal Power Station of NTPC, 125 MW from Dadri Power Plant of NTPC and 100 MW from Pragati Power Plant of PPCL.

- 8. Sh. Vivek Singla, on behalf of NDPL, submitted before the Commission that the reliability and cheaper power are the concern of all DISCOMs. Why the NDMC be treated differently from others? He further submitted that even the other DISCOMs have a right to purchase the power from a place of their choice, as comparatively the BTPS Tariff is Rs. 2.77 which is higher than the Dadri TPS which is Rs. 2.10. It was also submitted that the DISCOMs have agreed on the issue of transfer of gas from IPGCL to PPCL for getting 20 to 30 MW extra power which they will not get if the arrangement proposed by NDMC is approved by the Commission. It was further submitted by Sh. Singla that because of higher PLF in the case of Dadri (97% PLF) as compared to BTPS with 87% PLF, NDMC will get 70 to 80 MUs extra. The DISCOMs will suffer in case the proposal of NDMC is approved.
- 9. The Petition of NDMC was also listed for hearing earlier on 04.02.2008 before the Commission. On the said date, Sh. S. M. Ali, Director (Commercial) NDMC, sought adjournment on the ground that he wanted to seek instructions from the NDMC/appropriate Govt. on the issue of surrendering extra allocation over and above their requirement considering the data available with the SLDC for the last nearly 8-10 months.
- 10. Sh. Rajendra Kumar, Secretary (Power), GNCTD who was present during the hearing on 04.02.2008, expressed the concern of the State Govt that the consumers of one Licensee may not be subsidised at the cost of other consumers residing in the area of some other Licensee. Therefore, the overall interest of the Delhi Power sector is required to be kept in mind. The case was adjourned for 11.02.2008 on the request of Sh. S. M. Ali, Director (Commercial) NDMC.
- The Commission has considered the issues raised by the parties and gone through the minutes of the meeting held in the Ministry of Home Affairs,Govt. of India as also the decisions taken therein. The Commission also

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appreciates the binding nature of the directions given to NDMC by the MHA in terms of sub-section 1 of Section 201 of the NDMC Act, 1994. The Commission feels that the concern of NDMC to secure reliable power is genuine considering the sensitivity of the area of its supply where many strategically important buildings and offices are located. It is also equally important for the Commission to ensure that the interests of the consumers living in other areas of Delhi are not jeopardised because of review of reassignment order and giving supply to NDMC from three different plants as proposed by it. It is an admitted fact that tariff from BTPS is relatively higher than the tariff from Dadri and Pragati Power Stations. argument of DISCOMs that they will not be able to get extra power ranging from 20 to 30 MW due to transfer of gas from IPGCL to PPCL for which they have given their consent already, is not without substance. Similarly, it is also a fact that PLF in the case of Dadri TPS is 97% as compared to BTPS where PLF is 87% which will facilitate NDMC to get higher quantum of energy. The concern of DISCOMs that NDMC should not be treated differently and given preferential treatment at the cost of other consumers cannot be brushed aside. The Commission feels that the Review Petition of NDMC cannot be considered or decided in isolation. The Commission is under statutory obligation to watch the interests of the consumers as well as the electricity sector as a whole in NCT of Delhi. Once the Petitioner has made a request for review of the Reassignment Order, the Commission has to see that such review does not lead to discrimination or disadvantage and is not detrimental or cause any prejudice to the millions of other consumers residing in the area of other DISCOMs.

- 12. While considering the Petition of NDMC the Commission has also gone into the data available with SLDC for last 8-10 months which reveal that the actual consumption of electricity in the NDMC area at no point of time had exceeded 286/287 MW and that too for a very short duration. Infact, the NDMC has not been able to give any justification as to why it needs 350 MW. The experience of about 10 months of scheduling in the Intra-State ABT regime in Delhi also brings out this fact. The surplus power available with NDMC in 2007-08 has been disposed of by them which resulted in estimated average power purchase cost to be lower by atleast 50 paisa/kwhr when compared to other Distribution Companies.
- 13. Considering all the above factors and the overall interests of the consumers as well as the electricity sector as a whole in NCT of Delhi, the

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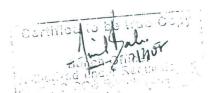
Commission allows the Petition of NDMC with some rider, and reallocate power in the following manner:

S. No.	Source	Power in MW	
1.	Badarpur Thermal Power Station of NTPC	125	
2.	Dadri Power Plant of NTPC	125	
3.	Pragati Power Plant of PPCL	100	
	Total	350	

The above allocation shall be subject to the condition that 15% of this allocated power would be treated as unallocated share, analogous to what is done already by the Commission in its order dated 31.03.2007 and is also akin to the practice adopted by the Central Govt. in this regard. This unallocated share of 15% would be at the disposal of the Government of NCT of Delhi. It is clarified here that by carving out 15% unallocated share from the allocation of NDMC, the total allocation is not reduced and as and when the NDMC needs more power the same would be available to it but, the only difference would be that NDMC would have to approach the Govt. of NCT of Delhi for allocation of power out of the unallocated share of 15%. NDMC would also be eligible to get allocation from 299MW of unallocated capacity carved out in the Commission's Order dated 31.03.2007, if required. It is further clarified that the Government of NCT of Delhi may also use the total unallocated share of (299MW + 53MW) to meet any contingency or force majeure condition that may arise in any particular geographical area in the NCT of Delhi. The revised allocation of capacity is contained in the enclosed Annexure There would be no change in other terms and conditions contained in the previous order of the Commission dated 31st March, 2007 and the same will continue to apply in the NCT of Delhi as heretofore.

- 14. This Order will come into effect from 01st April, 2008.
- 15. Ordered accordingly.

Sd/-(K. Venugopal) \*\*\* Member Sd/-(Berjind er Singh) Chairman



## **EXISTING POWER STATIONS**

(in MW)

L As	Name of the Station	70 70 7	Proposed allocation based on energy consumption pattern of distribution licensees from July 2002 to February 2007			
S. No.		Basic capacity allocation to Delhi <sup>#</sup>				
			NDPL 29.18%	BRPL 43.58%	BYPL 27.24%	
Α	NTPC Stations	3				
1	Singrauli STPS	150	44	65	41	
2	Rihand	100	29	44	27	
3	Rihand Stage-II	126	37	55	34	
4	Anta GPS	44	13	19	12	
5	Auriya GPS	72	21	31	20	
6	Dadri GPS	91	26	40	25	
7	Dadri NCTPS (Th.) 756 MW*	536	156	234	146	
8	Unchahar-I TPS	24	7	10	7	
9	Unchahar-II TPS	47	14	20	13	
10	Unchahar-III TPS	29	8	13	8	
В	NHPC Stations		8	2		
1	Bairasuil HPS	20	6	9	. 5	
2	Salal HPS	80	23	35	22	
3	Tanakpur HEP	12	4	5	3	
4	Chamera HEP	43	12	19	12	
5	Chamera-II HEP	40	12	17	11	
6	Uri HEP	53	16	23	14	
7	Dhauliganga HEP	37	11	16	10	
С	NPCIL			8		
1	Narora APS	47	14	20	13	
D	SIANI					
1	Nathpa Jhakri HEP	142	41	62	39	
E	ER & Tala HEP	180	53	78	49	
F	THDC					
1	Tehri HEP 1000 MW	100	29	44	27	
	1000 1414		27	44		

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S. No.	Name of the Station	Basic capacity allocation to Delhi <sup>#</sup>	Proposed allocation based on energy consumption pattern of distribution licensees from July 2002 to February 2007			
			NDPL	BRPL	BYPL	
			29.18%	43.58%	27.24%	
G	Power Stations in Delhi System**					
1	BTPS (705 MW less 125 MW for NDMC & 50 MW for MES)	451	131	197	123	
	IPGCL/PPCL		L b		1	
1	IP Station(185 MW)	157	46	68	43	
2	Rajghat (135 MW)	115	34	50	. 31	
3	GT (282 MW)	240	70	105	65	
4	Pragati-I [330 MW less 100 MW for NDMC]	196	57	86	53	
	TOTAL	3132	914	1365	853	
(I IP ded	% of the balance capacity of BTPS+ Dadri NCTPS Thermal+ +RPH+GT+PPCL-I) (MW) after lucting the share of NDMC and to be considered as unallocated share.	299 MW	ž.	-	-	
BTPS,	6 of NDMC share of (125 MW in 125 MW in Dadri NCTPS Thermal 100 MW in PPCL-I) to be also isidered as unallocated share.	53 MW***	ja ja	e .		

<sup>#</sup> Allocation of Gross Capacities has been reflected. Normative Auxiliary Power Consumption is to be considered for the purpose of Scheduling.

Unallocated Quota from Central Sector Generating Stations (CSGS), when allocated to Delhi by the Central Govt. shall be further allocated to BRPL, BYPL, NDPL in the ratio indicated above.

\*In Dadri NCTPS Thermal, the total installed capacity is 840 MW, and allocation to Delhi is 756 MW. Out of this, 125 MW is being allocated to NDMC, resulting in a balance of 631 MW. 15% of 631 MW i.e. 95 MW is being retained as unallocated share, to be allocated by GoNCTD atleast 3 days in advance to needy utilities. In case the unallocated quota is not allocated by the State Govt. atleast 3 days in advance, the unallocated quota shall revert back to NDPL, BRPL, BYPL & NDMC in proportion of 27.61%, 41.23%, 25.76% & 5.40% respectively as per relative pattern of energy consumption of these utilities during the period from July 2002 to February 2007.

\*\* 15% of the installed capacity in Delhi [i.e. balance capacity of BTPS & PPCL-I, after allocation to NDMC & MES, plus capacity of IP Power Station, Rajghat Power Station and Gas Turbine Power Station of IPGCL] have been retained as unallocated quota, to be allocated by GoNCTD atleast 3 days in advance to needy utilities. In case the unallocated quota is not allocated by the State Govt. atleast 3 days in advance, the unallocated quota shall revert back to NDPL, BRPL, BYPL & NDMC in proportion of 27.61%, 41.23%, 25.76% & 5.40% respectively as per relative pattern of energy consumption of these utilities during the period from July 2002 to February 2007.

\*\*\* 15% of the 350 MW i.e. 53 MW, allocated to NDMC has also been treated as unallocated share. This unallocated share of 15% would also be at the disposal of GoNCTD, to be allocated to the four Distribution Company(ies) viz., BRPL, BYPL, NDPL & NDMC. In case the unallocated quota is not allocated by the State Govt. atleast 3 days in advance, the unallocated quota shall revert back to NDPL, BRPL, BYPL & NDMC in proportion of 27.61%, 41.23%, 25.76% & 5.40% respectively as per relative pattern of energy consumption of these utilities during the period from July 2002 to February 2007.

