

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

Case No. HERC/PRO-15 of 2021

**Date of Hearing : 30.06.2021 &
1.07.2021
Date of Order : 01.07.2021**

In the Matter of

Application under section 86(1) (B) and section 63 of the Electricity Act, 2003 for approval of source by the Hon'ble Commission for quantum of 500 MW power discovered in NIT-90/HPPC Dated 14.06.2021 floated for procurement 500 MW power on short term basis through Tariff Based Competitive Bidding process

Petitioner

Haryana Power Purchase Centre (HPPC) through Chief Engineer / HPPC.

Present on behalf of Petitioner

Sh. Pradeep Kumar Saini, XEN, Power Purchase, HPPC
Sh. Randeep Singh, Chief Engineer, HPPC.

Quorum

**Shri R K Pachnanda
Shri Naresh Sardana**

**Chairman
Member**

ORDER

1. The case has been heard through video conferencing on 30.06.2021, as scheduled, in view of COVID-19 pandemic. The following information/clarification was sought by the Commission, which the officer appearing for the HPPC, was not able to explain:
 - i. The reasons for Adani supplying only about 475 MW power. Even if, Unit 7 and 9 are not available, it could have supplied 620 MW less 6.5% Auxiliary Consumption from Unit 8.
 - ii. Reasons, as cited by the Generator, for Unit 7 and 9 being unavailable and when the same is expected to be back on bar.
 - iii. Reasons for CGPL supplying only 70 MW against the contracted capacity of 380 MW.

- iv. Efforts made to obtain a reasonable rate from FGPP (NTPC) by combining APM Gas and RLNG.
- v. In case Adani Power Pvt. Ltd. (APL) (Unit 7 and Unit 9) as well as Coastal Gujrat is back on bar, will HPPC be able to dispose off the surplus power at a rate higher than the weighted average rate discovered in NIT-90/HPPC dated 14.06.2021.

2. Subsequent to the hearing in the matter, HPPC, vide its Memo No. Ch-28/CE/HPPC/STP/21.03 dated 30.06.2021, made their submissions in reply to the queries raised by the Commission during the hearing. The replies filed by HPPC and the Commission's view thereto are as under:-

i) NIT - 90 was floated by HPPC for procurement of short-term power for three months only i.e. July 2021 to September 2021. The NIT was floated by HPPC as M/s Adani is supplying only 475 MW out of contracted quantum of 1424MW and M/s CGPL Mundra is supplying only 70 MW out of 380 MW contracted quantum, no power is available from Faridabad Gas Power Plant of capacity 432 MW due to non-availability of cheaper gas.

The Commission has pursued the above submissions and observes that nothing new has been stated in the ibid reply and it is mere repetition of the facts stated in the petition. HPPC has not provided any reasons for Coastal Gujarat Power Ltd (CGPL) Mundra supplying only 70 MW. Further, Adani Power Ltd. is supplying power to Haryana from Unit 7, Unit 8 and Unit 9. Each of these machines are of 620 MW capacity. Net of Auxiliary consumption of 6.5%, APL could have supplied about 570 MW as against 475 MW. Further, the submission that power is not available from FGPP due to non-availability of cheaper gas is too vague. The Commission had allowed procurement of power from FGPP on APM gas as well as blended with RLNG. HPPC ought to have sought clarification from NTPC regarding the reasons for non-availability / non-allocation of APM gas to FGPP instead of making a simple statement that cheaper gas is not available .

ii) It has been submitted that Adani Unit - 7 is under shutdown since 6.05.2021 due to abnormal sound coming from APH 7A and oil leakage from gear box and Unit - 9 is under shut down since 6.06.2021 due to problem in HP feed water outlet valve - heavy leakage. It has been further submitted that there is uncertainty of availability of these plants as Adani keeps on extending the date to bring back the Units on bar.

The Commission has considered the above submissions and is of the considered view that HPPC needs to take recourse to the remedies available to it under the PPA as well as take up the matter at the highest level to resolve the issue of uncertainty in availability of power from APL .

iii) It has been submitted that HPPC is facing acute shortage of power to the extent of 1000 – 2000 MW in various slots of the day. Even if supply from Adani Power Ltd is restored to its contracted capacity, there will still be shortage of power in Haryana. Further, there can be surplus power on the days when there will be rain / bad weather. All the plants in the merit order i.e. HPGCL, CLP, Aravali are having variable rate more than the rates discovered in the NIT. As such, these plants can be backed down or boxed up in such conditions and also if the rates in the power exchange are more, HPPC can sell power in the Power Exchanges.

The Commission has taken note of the above submissions and observes that surplus power , if any, needs to be disposed of in an efficient manner so as to avoid any trading losses.

iv) Regarding termination of PPAs with Dans HEP & Shiga HEP, it has been submitted that the same has been substituted by comparatively lower cost hydro power from Baglihar HEP.

The Commission has taken note of the above submissions and observes that the tradeoff between long term sources and short-term sources for three months, as proposed, is fraught with the risk that during July to September, most regions of the country and especially Northern & Eastern Grid witnesses peak demand; hence there is likelihood of Grid Congestions. In such an event short – term Open Access is the first to be curtailed.

3. The Chief Engineer / HPPC, in the hearing held on 1.07.2021 reiterated the above replies. Additionally, he informed that the peak demand (peak met as well) has already touched 11600 MW and in the coming days it is likely to witness sharp increase due to AP Load. Further, the demand from Industrial and Commercial Consumers have witnessed about 64% rise vis-à-vis their demand in the FY 2019 which can be considered as a normal year as against FY 2020 wherein demand was depressed due to the Pandemic. He further informed that the cost of short-term power in the Power Exchanges have also firmed up and is more than the landed cost of power from the proposed short-term sources.

4. The Commission has taken note of the above submissions of HPPC and observes that the average cost of short-term power for three months is substantially below the Average Power Purchase Cost (APPC) approved by the Commission for the FY 2021-22. Hence, drawl of power from the short-term sources, as proposed, is not likely to put additional financial burden on the electricity consumers of Haryana.
5. In view of the above facts and justification provided by HPPC, the Commission approves the sources of power as discovered in pursuance of transparent process of bidding (NIT – 90 / HPPC dated 14.06.2021) and adopts the tariff under section 63 of the Electricity Act, 2003.

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 1st July 2021.

Date: 01.07.2021
Place: Panchkula

(Naresh Sardana)
Member

(R K Pachnanda)
Chairman