

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT
RANCHI**

Case No. 24 of 2023

Inland Power Limited (IPL) Petitioner

**CORAM: HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)
HON'BLE MR. ATUL KUMAR, MEMBER (TECH)**

For the Petitioner: Mr. Saket Upadhyay, Advocate and Mr. Anand Bardia, CFO, IPL

Date – 29th August, 2023

1. The Petitioner-Inland Power Limited (IPL) has filed an affidavited petition under section A44.1, A45, A46, A46.1, A47.1, A48.1 of the JSERC (Conduct of Business) Regulations, 2016 read with Regulation A.3 sub-clause 3.1(29) and Regulation 14.2 (e), 14.1 (f) of the JSERC (Terms & Conditions for Determination of Generation Tariff) Regulations, 2020 interalia for approval of Capital Expenditure to be included in the Capital Investment Plan for replacement of Exciter and Convertor.
2. The Prayers of the petitioner-IPL are as under: -
 - (a) To admit this application under Clause A44.1, A45, A46, A46.1, A47.1, A48.1 of JSERC (Conduct of Business) Regulation, 2016 read along with Regulation A.3 sub-clause 3.1(29) and Regulation 14.2 (e), 14.1 (f) of the JSERC Terms & Conditions for Determination of Generation Tariff Regulations, 2020 for approval of Capital expenditure to be included in the Capital Investment Plan for replacement of Exciter and Convertor (estimated cost of approximately Rs. 2.8 Crores) by the Hon'ble Commission (JSERC) as urgent and emergency requirement.
 - (b) To grant any other appropriate relief or reliefs deem fit in the facts and circumstance of the instant case.

Submission of the Petitioner

3. Learned Counsel for the petitioner submitted that the petitioner-IPL had entered into MoU with Government of Jharkhand on 18.10.2011 for setting up of 126 MW (2x 63 MW) thermal power station named as Inland Gola Thermal Power Project located at Inland Nagar, Gola, District-Ramgarh, Jharkhand on a build, own and operate basis.
4. It was submitted that on 04.07.2022 a heavy jerk was observed from the grid at 15:58 hours due to which rotor earth fault stage-2 observed and turbine tripped at 186T protection system relay operated. The unit was running at 58 MWH and due to sudden load throw i.e. from 58MWH to 0 MWH, heavy impact on the emergency stop valve and servo motor occurred, causing leakage of oil from the servo motor actuator discharge point flange and submitted the copy of the Incident report annexed at **ANNEXURE – 1& 1/A**.
5. It was also submitted that the main streamline from the boiler at 540 degrees centigrade and 110kg/cm² pressure is connected to the turbine and was in operation. The lub oil drops at the main stream causes a fire near the control valve of the turbine and upon inspection the petitioner discovered that the exciter copper bars found bulged.
6. It was further submitted that the petitioner-IPL was advised by M/s Turbo Engineering Services (TES) Pvt. Ltd for replacing the exciter unit with a new

one since the damage to the exciter is beyond repairable for economic performance and as the procurement period for new exciter is more than one month and during that period prolonged shut down of the plant could have suffered huge generation losses, the petitioner is seeking for temporary repairing arrangement of the exciter.

7. It was also pointed out that since after the repairing, the plant have already faced two more breakdowns (dated 30/07/22 to 01/08/22 and dated 5/08/22 to 08/08/22) and some more repair work needs to be done on the exciter to make it usable till the period of replacement and as mentioned earlier the temporary repaired exciter is not safe to operate in long term as it will result in frequent breakdown and also will adversely affect other connected machinery, the replacement of exciter is necessary and urgently required.
8. It was submitted that the petitioner vide letter dated 12.12.22 **(ANNEXURE – 4)** informed the SLDC (Jharkhand State Load Dispatch Centre) with a request to issue a certificate for the incidental shut down of the unit due to heavy jerk in the grid on 04.07.22 wherein the unit got disconnected from the grid and it was also requested for issuance of the certificate for the loss assessment which is an essential requisite for a surveyor and the SLDC issued the certificate on 27.12.22 **(ANNEXURE –4/A)**.
9. It was submitted that M/s J B Enterprise, Power Plant Services inspected the site on 17.10.22 and advised to change the Exciter unit since the damage cause to the exciter is beyond repairable for economic performance. **(ANNEXURE – 5)**
10. It was further submitted that a committee comprising of six members was constituted to submit its report for the fire broke out in TG section on 04.07.22 and the said committee submitted its report on 15.12.22 **(ANNEXURE – 6)** concluding that the temporary repaired exciter is not safe for operating the system and is required to be replaced with a new one.
11. It was submitted that the J B Enterprises vide its letter dated 03.02.23 **(ANNEXURE – 7)** provided the petitioner with the quotation for supply of JINAN Make 63 MW generator exciter and AVR module and the petitioner in light of the price schedule placed the purchase order on 16.02.23 **(ANNEXURE – 7/A)** for the Generator Exciter and AVR panel.
12. It was submitted that the petitioner has submitted the business plan and multi year tariff petition for the control period (FY 2021-22 to FY 2025-26) before the Hon'ble Commission in light of the Regulation A.3 sub clause 3.1(29) and Regulation 14.2 (e) of JSERC Terms & Conditions for Determination of Generation Tariff Regulations, 2020. The details of the capital expenditure as well as Capital Investment Plan for the control period (FY 2021-22 to FY 2025-26) and after filing of the said petition before the Hon'ble Commission, the incident took place on 04.07.22 wherein the Copper bars of the exciter were found bulged due to sudden load throw resulting in irreparable damage and required replacement with a new Generator Exciter.
13. Learned Counsel for the petitioner in its conclusion submitted that due to urgency for the replacement of the exciter, the petitioner is constrain to approach the Hon'ble Commission under regulation 14.2 to seek the approval of the Capital Expenditure by the Commission in case of emergency work and unforeseen situation to mitigate threat to life and property.

Commission's observation and findings

14. The Commission has considered the submissions made by the petitioner and perused the materials available on records.
15. It is observed that the aforesaid proposed capital expenditure has occurred due to force majeure conditions and is in line with clause 14.3 (b) and clause 29 (iv) of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 which reads as under:

14.3 In case of replacement/upgradation of assets deployed under the original scope of the existing project after cut of date, the additional capitalization may be admitted by the Commission, after necessary adjustment in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

- a)*
- b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure condition;*
16. It is also observed that the aforesaid proposed capital expenditure is of urgent nature and also in consonance with the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

In the result, it is ordered as;

ORDER

17. Considering the facts and circumstances of the case, the prayers of the petitioner are allowed and the Commission approves Capital expenditure for replacement of Exciter and Convertor as prayed for by the petitioner with an estimated cost of approximately Rs. 2.8 crores subject to prudence check by the Commission in the True-up petition, to be submitted by the petitioner-IPL.
18. Accordingly the petition stands disposed off, with the aforesaid directions.

Sd/-
Member (T)

Sd/-
Member (L)