IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI
Case No. 20 of 2024

M/s Nilachal Iron & Power Ltd.....**Petitioner**

Versus

Jharkhand Bijli Vitran Nigam Limited and Ors..... .....**Respondents**

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

For the Petitioner : Mr. Dhananjay Kr Pathak, Advocate and Mr. Rajiv Ranjan Ray, G.M.(Electrical), M/s Nilachal Iron & Power Ltd.

For the Respondent: Ms. Anita Prasad, GM (Rev.) and Mr. Sanjay Besra, G.M.(Coml.), JBVNL

Date – 1st August, 2024

1. The Petitioner M/s Nilachal Iron & Power Ltd. has submitted the instant petition purported to be filed under clause 4.1 of JSERC (Utilization of Surplus Capacity of Captive Power Plants based on Conventional Fuel)Regulations, 2023 seeking approval of the draft agreement executed between the parties for synchronization of 49 (12+37) MVA Captive Power Plant of M/s Nilachal Iron & Power Limited with the grid of the respondents and for supply of 12.5 MW surplus power to JBVNL from the CPP of the petitioner.

2. The Petitioner in its petition has prayed for the following relief:

   a) For approval of the draft agreement executed between the parties for synchronization of 49 (12+37) MVA Captive Power Plant of M/s Nilachal Iron & Power Limited with the grid of the respondents and for supply of 12.5 MW surplus power to JBVNL from the CPP of the petitioner.
   b) For such other order or orders as this Commission deem fit and proper in the interest of justice.

Submission of the Petitioner

3. Learned Counsel of the petitioner has submitted that the petitioner has established an integrated steel plant for manufacturing of billets, Ingots, TMT etc. at Ratanpur, Kandra, Chandil Road at Saraikela Kharsanwa for which the petitioner has established a captive power plant of 49 MVA at their factory site which is running successfully.

4. Learned Counsel further submitted that the petitioner having a surplus

power of approximately 12.5 MW, desired to supply its surplus power and accordingly approached the respondent for synchronization and export of surplus power to JBVNL.

5. Learned Counsel further stated that the General Manager (Tech), Electric Supply Area Jamshedpur had forwarded the proposal of the petitioner to the JBVNL Head Quarter and requested for synchronization of CPP of the Petitioner with JBVNL system along with export of surplus power. It was also submitted that the General Manager (Tech), ESA, Jamshedpur, has also submitted the feasibility study report as well as No Objection Certificate (NOC) for connecting the petitioner's CPP at the Manique grid, based on the submission made by the GM (Tech), Transmission Zone-III, Jamshedpur, JUSNL.

6. Learned Counsel also stated that, the DGM (Tech), Chaibasa, has provided consent for the proposed surplus power to be fed from the petitioner's CPP and GM (Tech), ESA, Jamshedpur has also intimated the respondent JBVNL about the point of connectivity/interconnection point/interface point for installation of meter for billing and energy accounting purposes.

7. Learned Counsel submitted that the CPP agreement has been drafted by the respondent-JBVNL for connectivity/synchronization of the Captive Power Plant with grid and for utilization of surplus capacity of the Captive Power plant wherein the petitioner has agreed to export the surplus power and the respondent has agreed to import 12.5 MW surplus power from the CPP of the petitioner.

8. Learned Counsel for the Petitioner has submitted that the rate applicable for the supply of surplus power has been also agreed upon by the respondent, the details of which are as under:

Particulars	Firm Power Rate	Infirm Power
Peak Hours	Rs.4.285/kWh	Rs.3.428/kWh
Off Peak Hours	Rs.3.642/kWh	Rs.2.913/kWh

9. Learned counsel submitted that the draft CPP agreement has been vetted by the competent authority including legal and Finance Department of the respondents and after completing the entire formalities, the respondents have sent the draft agreement to the petitioner vide letter No. 793 dated 27.06.2024 for obtaining approval from this Hon'ble Commission under clause 4.1 of the JSERC CPP Regulation, 2023.

10. Learned counsel for the petitioner in its conclusion has prayed for approval of the draft agreement to be executed between the parties for

synchronization of 49 (12+37) MVA Captive Power Plant of the petitioner with the grid of the respondent-JBVNL and for supply of 12.5 MW surplus power to JBVNL from the CPP of the petitioner.

Submission of the Respondent

11. The representative of the respondent during the course of hearing reiterated that the CPP agreement has been vetted by the legal and finance departments of JBVNL, and the necessary provisions of the JSERC (Utilization of Surplus Capacity of Captive Power Plants based on Conventional Fuel) Regulations, 2023, have been incorporated in it. It was also submitted that respondent-JBVNL has consented for the execution of the CPP agreement vide its letter No. 793/C.E.(C&R)/Ranchi, dated 27.06.2024.

12. It was also submitted by the respondent that JBVNL has provided standby support for the petitioner, with a contracted standby demand of 3 MVA (3000 kVA).

13. The representative of the Respondent during the course of hearing has also prayed for approval of the draft agreement to be executed between the parties for synchronization of 49 (12+37) MVA with the grid of the JBVNL and for supply of 12.5 MW surplus power to JBVNL.

Commission's Observation and findings

14. The Commission has considered the submission made by the parties and perused the materials available on records.

15. Clause 3.4 of JSERC (Utilization of Surplus Capacity of Captive Power Plants based on Conventional Fuel) Regulations, 2023 provides as under:

"3.4. A CPP, in accordance with provisions of Section 9 of the Act, may sell surplus power, after consuming not less than 51% of the aggregate electricity generated in such plant determined on annual basis as prescribed in Rule 3 of the Electricity Rules, 2005 to a Distribution Licensee as per the provisions of the Act, Rules & these regulations and to any consumer in accordance with the provisions of the JSERC (Terms and Conditions for Intra State Open Access) Regulations, 2016, as amended from time to time."

Further, clause 4.1 of JSERC (Utilization of Surplus Capacity of Captive Power Plants based on Conventional Fuel) Regulations, 2023 reads as under:

"4.1. Any CPP with an installed capacity of 1 MW and above and willing to

sell the surplus power to a Licensee within the state shall be required to enter into a Captive Power Plant (CPP) Agreement with the Licensee. The Licensee shall prepare and submit to the Commission a CPP Agreement to be signed with the CPP, for the Commission's approval."

16. The Commission has observed that NOC has been granted by the respondent after validation and confirmation from GM (Tech) Transmission Zone-III, Jamshedpur along with the fact that the CPP agreement has been vetted and approved by concerned legal and finance departments of the Respondent.

17. The Commission also noted the submission of the parties that all the pre-requisites for connectivity of the plant with the grid in terms of grid connection/parallel operation, metering and calibration, scheduling, balancing and settlement is in accordance with the relevant provision of the regulation.

18. Further, the Commission found that both the parties have mutually agreed to execute the said CPP agreement on the terms and conditions specified in it as per relevant provisions of the aforesaid CPP, Regulation.

In the result it is ordered as,

ORDER

19. Considering the facts and circumstances of the case, the prayers of the Petitioner are allowed. The Commission hereby approves the draft CPP agreement to be executed between the parties for synchronization of 49MVA of CPP of the Petitioner with the grid of JUSNL and for sale of surplus power of 12.5 MW to JBVNL from the Captive Power Plant.

20. The Petition stands disposed off, with the aforesaid directions.

Sd/-
Member(T)

Sd/-
Member(L)