



Petition No. 65 of 2019

In the Matter of:

Miscellaneous petition seeking Commission's approval to the formula for computing plant-wise scheduled energy on proportionate basis by segregating the implemented schedule in the ratio of plant wise injected energy with respect to total injected energy by all the three power plants.

M/s Azure Power India Pvt. Limited ... **Petitioner**

(i) Chhattisgarh State Power Distribution Co. Ltd.
Vidhyut Sewa Bhawan, Daganiya, Raipur

(ii) State Load Despatch Centre
Chhattisgarh State Power Transmission Co. Ltd.
Vidhyut Sewa Bhawan, Daganiya, Raipur

... **Respondents**

PRESENT : **D S Misra, Chairperson**
: **Arun Kumar Sharma, Member**
: **Vinod Deshmukh, Member (Judicial)**

APPEARANCE : Shri M.G. Ramachandran, Sr. Counsel,
Shri Shashwat Kumar and Shri Rahul
Chouhan, Counsels for petitioner.

Shri Vinay Kumar Jain, Counsel for both
respondents.

ORDER
(29.10.2020)

This petition has been filed by M/s Azure Power India Ltd. seeking (i) approval of the Commission to a formula devised by CSPDCL for computing plant-wise scheduled energy, and (ii) direction to CSPDCL to make payments of scheduled energy based on this formula for the period from December 2016 to August 2018.

2. Facts of the case in brief:

2.1 The petitioner is a solar power generating company under the provisions of the Electricity Act, 2003 and has installed three plants of 10

MW each at Durg District. It has executed three separate power purchase agreements with respondent No. 1 CSPDCL for each of the said three power plants on different dates and at different applicable tariffs. However, the power generated from each of the three power plants is fed into 132 KV Dhamdha substation of CSPTCL at a single injection point.

2.2 The petitioner has submitted that prior to notification of CSERC DSM Regulations, 2016, which became effective from 1st December 2016, the payments for the power supplied by the petitioner from these plants were being made by CSPDCL based on the actual plant-wise meter readings and applicable tariffs. Subsequent to notification of DSM Regulations, it became necessary to have a scheduling mechanism for the purpose of settlement of deviation.

2.3 The petitioner's contention is that as per the power purchase agreements, each power plant is entitled for separate scheduling and that CSPDCL has also agreed for separate scheduling and communicated to the State load despatch centre (SLDC) vide its letter No. 02-02/SE-I/azure bill/3356 dated 01.02.2017 *to provide individual scheduled energy for three projects of M/s APIPL (petitioner) so that monthly power purchase bills may verified for payment.* The petitioner states that it is submitting separate schedules for the three power plants to SLDC. However, SLDC is merging these data for scheduling purposes and issuing combined scheduling data to CSPDCL for the entire 30 MW capacity. SLDC's contention is that they are giving combined schedule due to difficulty in calculating transmission loss in respect of each plant separately. The petitioner further submits that CSPDCL broke-down this combined scheduled energy into plant-wise scheduled energy arbitrarily for verification of bills and making payments and while doing so, CSPDCL unilaterally considered capacity utilization factor (CUF) of plant No. 2 and 3, at 19% and computed CUF of plant No. 1 by subtracting the generation of plant No. 2 and 3 thus arrived, from the combined schedule. The bills of petitioner, for the power procured, were processed accordingly for releasing payments, which caused loss to the petitioner. This arrangement continued till August, 2018. In the meantime, the petitioner kept on pursuing the matter with CSPDCL and SLDC. As a result, CSPDCL devised a formula for splitting the combined scheduled energy, communicated to them by SLDC, into individual plant-wise scheduled energy on pro-rata basis, in the ratio of plant-wise generated energy with respect to total energy injected by all the three power plants. This

formula given below, is in use since September 2018 and is also acceptable to the petitioner.

Total implemented schedule X exported energy of respective power unit

Summation of energy recorded in unit No. 1, 2 and 3

2.4 Petitioner has sought Commission's approval for this formula and direction to the CSPDCL to revise the bills for the period December 2016 to August 2018 by implementing the said formula.

3. Heard the parties. The arguments of the parties are covered in the aforesaid para and needs no repetition.

4. Commission's views:

4.1 The point for determination is the calculation of difference of the scheduled energy and the actual energy received at the interface point in respect of each of the three solar power plants separately. Clause 8.1 of the DSM regulations reads as follows:

"Seller / buyer shall have to bear the energy loss (transmission loss or distribution loss) for their injection / drawl schedules at the interface point with the State grid."

4.2 In the present case, the petitioner has three separate solar power plants from which power is injected to the State grid at a common interface point. CSPDCL being the buyer, has to be intimated by the SLDC the exact amount of scheduled energy in respect of each of the plants separately for the purpose of making payment. However, the problem has arisen because of the fact that the power being generated by the three power plants is being injected to the State grid at a single interface point, thereby making it difficult to calculate the transmission loss in respect of each of the plants separately, as provided in the aforesaid regulation 8.1. Hence, the difficulty in calculating the actual scheduled energy at the interface point in respect of each of these plants. However, the aggregate scheduled energy at the interface point in respect of these three power plants is recorded and known, but their segregation is the crux of the matter.

4.3 The DSM regulations, notified in November 2016, do not provide any mechanism to address this issue. In the light of this difficulty, CSPDCL, in May 2017, devised, on its own, a methodology based on assumed capacity utilization factor of 19% in respect of plant No. 2 and 3 and the residual of combined schedule being adjusted for plant No. 1 as mentioned in para 2.3 above. The Commission is of the view that firstly,

the regulations having been formulated and notified by this Commission, any difficulty arising out of any clause therein, has to be clarified by this Commission alone and, accordingly, the methodology devised by CSPDCL is without any authority. On the basis of representations from the petitioner to the CSPDCL stating that the methodology is arbitrary and is causing loss to them, CSPDCL, in consultation with the petitioner came out with an agreed methodology in August 2018, which was based on segregation of the total scheduled energy in proportion to the plant-wise generated energy to the combined injected energy. The formula is as under:

Total implemented schedule X exported energy of respective power unit

Summation of energy recorded in unit No. 1, 2 and 3

Now, the petitioner has approached the Commission to approve this methodology. Respondent CSPDCL is in agreement to the same.

4.4 We have considered the contentions of the petitioner and the respondents i.e. CSPDCL and SLDC. So far as SLDC's contention is concerned, it has been discussed in para 4.2 above by way of analysis of provision in regulation 8.1. The Commission feels that in the absence of any clear-cut provision prescribing the methodology to be adopted in such an eventuality, the formula devised by CSPDCL in August 2018, and which has been submitted to the Commission for approval, appears to be the best possible option and, therefore, the same can be accepted for the purpose of computing the amount of scheduled energy in respect of the individual plants separately, which should be used for making payments to the petitioner. This should be applicable from the date of effectiveness of the DSM regulations i.e. 1st December 2016.

The petition is allowed.

Sd/-
(Vinod Deshmukh)
Member-Judicial

Sd/-
(Arun Kumar Sharma)
Member

Sd/-
(D S Misra)
Chairperson

True Copy

(Asha V. Dev)
Dy. Secretary