

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052

Dated : 30th May, 2019

Present:

Shri Shambhu Dayal Meena	..	Chairman
Shri H.M. Manjunatha	..	Member
Shri M.D. Ravi	..	Member

OP No.28/2019

BETWEEN:

- 1) Paschim Hydro Energy Pvt. Ltd.,
No.23/8, Christu Krupa, 1st Floor,
1st Cross, CST Compound,
Lalbagh Road,
Bengaluru – 560 027.
- 2) Nagarjuna Hydro Energy Pvt. Ltd.,
No.23/8, Christu Krupa, 1st Floor,
1st Cross, CST Compound,
Lalbagh Road,
Bengaluru – 560 027.
- 3) Mysore Mercantile Company Limited,
Nos.201 & 202, wnd Floor,
ShreshtaBumi, No.87,
K.H. Road,
Basavanagudi,
Bengaluru – 560 004.

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PETITIONERS

[Petitioners represented by CrestLaw Partners, Advocates & Solicitors]

AND:

- 1) Karnataka Power Transmission Corporation Limited,
Cauvery Bhavan,
K.G. Road,
Bengaluru – 560 009.
- 2) Maruthi Gen Power Pvt. Ltd.,
No.22/4, Race Course Road,
Bengaluru – 560 001.

RESPONDENTS

*[Respondent-1 represented by Just Law, Advocates,
Respondent-2 represented by Shetty & Hegde Associates, Advocates]*

ORDERS

- 1) Pursuant to the Order dated 08.05.2019 of the Hon'ble High Court of Karnataka, in W.P.Nos.21126-21128/2019 (GM-KEB), this Petition is taken up for final adjudication. The parties appeared in the proceedings before this Commission and filed their respective pleadings and made their submissions in respect of their respective contentions.
- 2) As per the amended Petition, the following reliefs have been sought for by the Petitioners:
 - “a. Quash the letter dated 27.04.2019, issued by the 1st Respondent to the 2nd Respondent, produced herewith as ANNEXURE-T;
 - aa. Direct Respondent No.1 not to approve evacuation of power from the 2nd Respondent until completion of replacing of existing 66 kV DC line with coyote conductor by Drake conductors after duly installing intermediate towers wherever necessary from IPCL generating station to Sakaleshpur Sub-station including the LILo points to the existing generation plants along with replacement of existing bus bar at Sakleshpura Sub-

station, replacement of appropriate capacity Line CT's and other allied works as detailed in letter dated 22.06.2017 produced as ANNEXURE-H;

- bb. Restrain Respondent No.2 from injecting / evacuating any power under existing IPCL – Sakleshpur 66 kV DC line, until completion of replacing of existing 66 kV DC line with Coyote Conductor by Drake Conductor after duly installing intermediate towers wherever necessary from IPCL generation station to Sakleshpur Sub-station including LILO points to the existing generation plants with replacement of existing bus bar at Sakleshpura Sub-station, replacement of appropriate capacity LINE CT's and other allied works as detailed in letter dated 22.06.2017 produced as ANNEXURE – H;
- cc. Direct the Respondents to de-link Respondent No.2's LILO Line from the PHEPL LILO Line and restore the PHEPL Line to its original connection as on 26.04.2019; until completion of replacing of existing 66 kV DC line with Coyote Conductor by Drake Conductor after duly installing intermediate towers wherever necessary from IPCL generation station to Sakleshpur Sub-station including LILO points to the existing generation plants along with replacement of existing bus bar at Sakleshpura Sub-station, replacement of appropriate capacity LINE CT's and other allied works as detailed in letter dated 22.06.2017 produced as ANNEXURE – H;
- b. Direct Respondent No.1 to carry out the upstream strengthening work of the 66 kV DC line connecting to Sakaleshpur Sub-station as per the directions of Respondent No.1 vide letter dated 22.06.2017, produced as ANNEXURE-H.
- c. Direct Respondent No.2 to carry out the works required in terms of letter dated 22.06.2017 with the required due care, quality and ensure no damage is done to the existing towers and equipment and power generation of Petitioners are not affected.

d. Grant any other relief/s that this Hon'ble Commission deems fit in the circumstances of the case, and in the interest of justice and equity."

- 3) The amended Petition contains newly added Prayers - a, aa, bb and cc, in place of Prayer – a, as it existed in the original Petition. The Prayers – b, c & d also existed in the original Petition.
- 4) In substance, the Petitioners are aggrieved by the Provisional Interconnection Approval dated 27.04.2019 (marked as ANNEXURE – T in the amended Petition), issued by the Chief Engineer (Ele) (Planning and Coordination) of the 1st Respondent-Karnataka Power Transmission Corporation Limited (KPTCL), for 24 MW Hongadahalla Mini Hydel Scheme in Saklaehspura Taluk, Hassan District of the 2nd Respondent-Maruti Gen Power Pvt. Ltd., with the 1st Respondent (KPTCL)'s Grid through the 66 kV Loop In Loop Out (LILO) line, connected to the Mini Hydel Project of the 1st Petitioner– Paschim Hydro Energy Pvt. Ltd., to the 66 kV Sakaleshpura Substation-Mini Hydel Project of one International Power Corporation Limited (IPCL), for a period of three months from the date of the said approval or till the commencement of the monsoon period, whichever is earlier, subject to installation of Special Protection Scheme (SPS) for the above 66 kV line at the 66 kV Sakaleshpura Substation. The said Provisional Interconnection Approval dated 27.04.2019 also stipulates the other terms and conditions, stated therein, subject to which this Provisional Interconnection Approval was given.

- 5) For a better understanding of the dispute between the parties, we may note the following :
- (a) From the records, it appears that, the IPCL has established a 18 MW Mini Hydel Power Project around 2003 and constructed a Double Circuit 66 kV dedicated transmission line from Kemphole Mini Hydel Project near Maranahalli Village, Sakleshpura Taluk, up to the Sakaleshpura 66 kV Substation. Thereafter, the 1st Petitioner, around 2007, established a 9 MW Mini Hydel Power Project at Maranahally Heggade Village, Sakleshpura Taluk and interconnected its Project to one of the dedicated 66 kV transmission line (Circuit-2) of the IPCL, through the LILO line. Subsequently, around 2010, the 2nd Petitioner established a 15 MW Mini Hydel Power Project, situated in the same Village, about 10 kms away from the Plant of the 1st Petitioner and interconnected its Project to the LILO line of the 1st Petitioner. Around 2011, the 3rd Petitioner established a 3 MW Mini Hydel Power Project, situated in the same Village, about 5 kms away from the Plant of the 1st Petitioner and interconnected its Project to the LILO line through Circuit-2 of IPCL. The total installed capacity of the Mini Hydel Projects of the Petitioners, is 27 MW.
- (b) The IPCL is exclusively using another 66 kV Dedicated Transmission Line (Circuit-1).
- (c) The 2nd Respondent, for the present, has established a 24 MW Mini Hydel Power Project and has obtained the present Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T), for interconnecting its Project to

the LILO line of the 1st Petitioner. All the Projects of the Petitioners and the 2nd Respondent are on Circuit-2.

- (d) The total installed capacity of the Mini Hydel Project Power Projects of the Petitioners would work out to 27 MW.
- (e) The maximum load that could be transmitted on Circuit-2 is 31 MW, which is not disputed by any of the parties, during the arguments.
- (f) The Chief Engineer (Ele) (Planning and Coordination) of the 1st Respondent (KPTCL) has issued a regular re-revised evacuation scheme dated 22.06.2017 (marked as ANNEXURE-H in the amended Petition), for the Mini Hydel Power Project of the 2nd Respondent - Maruti Gen Power Pvt. Ltd., for 24 MW. This re-revised evacuation Scheme allows the 2nd Respondent to evacuate the 24 MW power from its Project through the LILO line to the 1st Petitioner, connected to Circuit-2. This evacuation approval imposes the following works to be completed by the 2nd Respondent, on self-execution basis:

“a. Replacing of existing 66 kV DC line with coyote conductor by Drake conductor duly installing intermediate towers wherever necessary from IPCL generating station to Sakaleshpur Sub-station including the LILO points to the existing generating Plants along with replacement of appropriate capacity Line CT's & other allied works as per KPTCL standards under self-execution.

b. Constructing 66 kV DC line with Drake conductor from your project site to LILO point of IPCL-Sakaleshpur 66 kV DC line with ABT featured SCADA operational arrangements in your station.

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- 6) The Petitioners have raised objections against the issuance of the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T), for evacuation of 24 MW from the Project of the 2nd Respondent, on the ground that, with the already existing interconnected capacity of 27 MW, the Circuit-2 cannot transmit the proposed 24 MW load of the 2nd Respondent. They have also contended that, during the rainy season, when the generation from their Mini Hydel Power Projects is at its peak, it would reach 31 MW. Therefore, they have contended that the Provisional Interconnection Approval dated 27.04.2019 could not have been granted to the 2nd Respondent.
- 7) It appears, subsequent to issuance of the Provisional Interconnection Approval (ANNEXURE-T), the Petitioners raised objections before the authorities concerned for having issued the said Provisional Interconnection Approval, for 24 MW capacity, in favour of the 2nd Respondent. Thereafter, the Chief Engineer, Transmission Zone, KPTCL, Hassan, along with his subordinates convened a meeting of the Petitioners and the 2nd Respondent on 04.05.2019 in the Conference Hall of the Chief Engineer (Ele), Transmission Zone, KPTCL, Hassan. The Minutes of the Meeting has been recorded (as per ANNEXURE-W to the amended Petition). The Minutes of the Meeting shows that, the Chief Engineer (Ele), Transmission Zone, KPTCL, Hassan, seems to have understood the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T) is limited to evacuation of power not more than 4 MW from the Mini Hydel Project of the 2nd Respondent. This could be seen from the

Minutes of the Meeting dated 04.05.2019 (ANNEXURE-W), wherein it is recorded as follows:

".. The Chief Engineer (Electy.), KPTCL, Hassan informed that the injection capacity of M/s. Maruti Power Gen evacuation not more than 4 MW by installing suitable special protection scheme (SPS) at premises of M/s. Maruti Power Gen instead of SPS at Sakaleshpura sub-station as the generation is to be limited at the injection point of M/s. Maruti Power Gen. The generation of other IPPs will not be affected at any point of time. ..."

- 8) In the objections filed by the 1st Respondent (KPTCL), as well as the 2nd Respondent, it is stated that the Provisional Interconnection Approval (ANNEXURE-T) is limited to injection of 4 MW of power from the Mini Hydrel Project of the 2nd Respondent and that the 2nd Respondent has installed the SPS to limit the injection of power up to 4 MW at the injection point of its generating station.
- 9) We have heard the learned counsel for the parties. The learned counsel for the Petitioners submitted that, the issuance of the Provisional Interconnection Approval, either for 24 MW or for 4 MW, cannot be issued, until and unless the conditions specified in the re-revised evacuation approval dated 22.06.2017 (ANNEXURE-H) are complied with. Further, he submitted that, during the monsoon season, the generation from the Mini Hydrel Projects of the Petitioners may reach 31 MW or exceed it, therefore, the Provisional Interconnection Approval, given for injection of 4 MW, could not have been given. In reply, the learned counsel for the Respondents 1 and 2 have

submitted that, the Provisional Interconnection Approval is deemed to be limited to injection of 4 MW only and that the 2nd Respondent has already installed the SPS, limiting the injection of power up to 4 MW. Further, the 1st Respondent (KPTCL) has submitted that, the total installed capacity of the Mini Hydel Projects of the Petitioners is 27 MW and that the evacuation and interconnection approvals, given to the Petitioners, would restrict the injection of power to a maximum of 27 MW, therefore, they were not expected to exceed the total generation of 27 MW. This submission is not contradicted by the learned counsel for the Petitioners. The learned counsel for the 1st Respondent submitted that, the necessary safeguards have been put in place, to ensure Grid safety and the Plant of the 2nd Respondent has been commissioned and synchronized. We note that, this pleading is specifically mentioned in the Statement of Objections filed by the 1st Respondent.

- 10) From the pleadings on record and the submissions made by the parties, the following Issues would arise for our consideration:
 - (1) Whether the Provisional Interconnection Approval for injection of 4 MW from the Generating Station of the 2nd Respondent could be allowed to be continued or not? If allowed, on what terms and conditions?
 - (2) What Order?

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- 11) After considering the rival contentions and the pleadings and documents filed by the parties, our findings on the above Issues are as follows:
- 12) **ISSUE No.(1)** : *Whether the Provisional Interconnection Approval for injection of 4 MW from the Generating Station of the 2nd Respondent could be allowed to be continued or not? If allowed, on what terms and conditions?*
- (a) The learned counsel for the 1st Respondent has submitted that, from the Provisional Interconnection Approval dated 27.04.2019 (ANNEXYURE – T), it could be inferred that the said approval was given for injecting 4 MW power from the Mini Hydel Project of the 2nd Respondent, as the said approval is subject to the installation of the SPS to the safe thermal loading limits of the 66 kV IPCL-Sakaleshpura Sub-station Line (Circuit-2). A close reading of the Provisional Interconnection Approval (ANNEXURE- T) does not convey such a meaning, as tried to be made out by the learned counsel for the 1st Respondent. This approval clearly relates to 24 MW, for the entire generation capacity of the Mini Hydel Project of the 2nd Respondent. This is clear, because the SPS was instructed to be installed at the 66 kV Sakaleshpur Sub-station, to maintain the safe thermal loading limit of 66 kV IPCL-Sakaleshpur Sub-station Line (Circuit-2). The installation of the SPS at 66 kV Sakaleshpur Sub-station would not restrict the injection of power to 4 MW from the Mini Hydel Project of the 2nd Respondent. We note that, only in the meeting held on 04.05.2019, referred to above, the Chief Engineer (Ele), Transmission Zone, KPTCL, Hassan, interprets that the Provisional Interconnection Approval

would limit only to 4 MW by installing the SPS at the Project premises of the 2nd Respondent, instead of the SPS at the Sakaleshpur Sub-station. The contention of the learned counsel for the 1st Respondent could have been accepted, had the Provisional Interconnection Approval mentioned that the SPS was required to be installed at the Mini Hydel Project of the 2nd Respondent. The Minutes of the Meeting held by the officials concerned, while commissioning the Mini Hydel Project of the 2nd Respondent, also mentions that the injection of power is limited to 4 MW, by installing a suitable SPS at the Project site of the 2nd Respondent. The above developments would clearly indicate that, the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE – T) could not have been issued for 24 MW, and at best, it could have been issued only for 4 MW, subject to installation of the SPS at the Project site of the 2nd Respondent.

- (b) As per the 1st Respondent (KPTCL), the evacuation approval granted to the Mini Hydel Projects of all the Petitioners amounts to 27 MW and both the Respondents 1 and 2 have certified that, the SPS has been installed at the Project site of the 2nd Respondent, for limiting the injection to 4 MW. Hence, the spare capacity of 4 MW is available in Circuit-2. We are, therefore, of the considered opinion that, instead of considering to hold that the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T) is illegal or impermissible, we may allow the injection of energy to the extent of 4 MW from the Mini Hydel Project of the 2nd Respondent through Circuit-2, with installation of the SPS at their Project site.

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- (c) Admittedly, the Respondents have not complied with the terms and conditions imposed, as per the re-revised evacuation scheme dated 22.06.2017 (ANNEXURE – H).
- (d) The Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE–T) imposes the conditions that it shall survive only for three months from the date of issuance of the said approval or till the commencement of the monsoon period, whichever is earlier and it also imposes a condition that the 2nd Respondent should complete the conditions mentioned in the re-revised evacuation scheme (ANNEXURE-H) before the commencement of this year's monsoon season. These conditions appear to be not reasonable, when the injection of power from the Mini Hydel Project of the 2nd Respondent is limited to only 4 MW. Therefore, we are of the considered opinion that, the Chief Engineer (Ele) (Planning & Coordination) of the 1st Respondent (KPTCL) may think of imposing suitable conditions, afresh, in the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T), with a view to getting the works completed, as stated in the re-revised evacuation scheme (ANNEXURE–H), by the Respondents.
- (e) For the above reasons, we answer Issue No.(1), accordingly.
- 13) **ISSUE No.(2)**: *What Order?*
- (a) The Petitioners have prayed for a direction against the Respondents to carry out the works stipulated in the re-revised evacuation scheme

(ANNEXURE-H), with required due care and quality. We are of the considered view that, the present dispute does not call for determination of these issues, therefore, these Prayers cannot be granted.

(b) For the foregoing reasons, we pass the following:

ORDER

The Petition is partly allowed, on the following terms:

- (i) The Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T) shall be construed as having been limited to injection of 4 MW power from the Mini Hydel Power Project of the 2nd Respondent, to the LILO line of the 1st Petitioner, connecting to the 66 kV IPCL-Sakaleshpur Sub-station Line (Circuit-2);
- (ii) The Chief Engineer (Ele) (Planning and Co-ordination) of the 1st Respondent (KPTCL), within 15 (fifteen) days from the date of receipt of this Order, shall re-examine the terms and conditions to be imposed in the Provisional Interconnection Approval dated 27.04.2019 (ANNEXURE-T), considering that the Provisional Interconnection Approval is only for injection of 4 MW; and,
- (iii) All other reliefs, sought for by the Petitioners, are hereby dismissed.

Sd/-
(SHAMBHU DAYAL MEENA)
CHAIRMAN

Sd/-
(H.M. MANJUNATHA)
MEMBER

Sd/-
(M.D. RAVI)
MEMBER