**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,LUCKNOW**

**Petition No.: 1118/2016**

**Quorum**

1. ShriDesh Deepak Verma, Chairman

2. Shri S K Agarwal, Member

**IN THE MATTER OF:**

**Petition No. 1118/2016 under section 61 (h) & (j), 86(1)(e), (f) of the Electricity Act, 2003; Rule 156 & 160 of UPERC (Conduct of Business) Regulations, 2004; Provisions of Power Purchase Agreement and other enabling provisions of the Act and Regulations.**

**And**

**IN THE MATTER OF:**

Uttar Pradesh Sugar Mills Co-gen Association at 4th Floor, Room No 403,Chintels House Trade Centre,16,Station Road,Lucknow-226001 through its Secretary

**......Petitioner**

**Versus**

1. Director,State Load DespatchCentre,Shakti Bhawan,14 Ashok Mark, Lucknow&Ors
2. Managing Director, Uttar Pradesh Power Transmission Company Ltd., 14, Ashok Marg, Shakti Bhawan, Lucknow (UP)
3. Chief Engineer, Directorate of Power Purchase Agreement,Uttar Pradesh Power Corporation Ltd., 14, Ashok Marg, Shakti Bhawan, Lucknow (UP)

……**Respondents**

**Present in Hearing:**

1. Ram Swarath, Director SLDC
2. Shri V.P. Srivastava, Chief Engineer,PPA
3. Rahul Srivastava Advocate UPSLDC
4. SR D.D Chopra,Advocate for Petitioner
5. Anil Gupta UP Cogen Association

**ORDER**

**(Date of Hearing: October18, 2016)**

The Petitioner had filed the petition no. 1118/2016 on 20.6.2016. The Members of Petitioners Association submitted on 2.6.2015that they received instructions from transmission substation that they should stop supply with immediate effect failing which the evacuation system shall be isolated from the grid. These instructions were on the basis of directions received from SLDC. The similar action was also taken earlier on 18.3.2015 which was withdrawn later. On the earlier occasion it was on the basis of written orders but now it has been done verbally.

The Petitioner in the light of the above facts, circumstance and statutory provisions of the Power Purchase Agreements entered into between the parties, has prayed before the Commission to:-

1. Direct Respondent No. 1 to immediately withdraw its verbal order made effective from 2.6.2015 whereby the Petitioner Members have been stopped from exporting power to the grid and their evacuation system has been isolated from the grid.
2. Fix responsibility on the erring parties including Respondent No. 1 for the above illegal act and to initiate strict action against such erring parties to avoid re-occurrence of the verbal orders.
3. The petitioners may be allowed to inject power to the grid.
4. The Members of the Petitioners may be suitably compensated for the loss incurred by them due to non-supply / curtailment of supply of electricity to the grid due to alleged verbal orders followed by isolation of the transmission system to the grid, and
5. Any other suitable relief or reliefs as this learned Commission may think just and proper under the facts and circumstances of the case.

During hearing on 07.09.2016, being the first hearing in the above matter, the Petitioner stated that there has been callous attitude of SLDC. Earlier they used to issue the order in writing but now SLDC is just passing the verbal orders and by that action they have been directed not to inject power into the grid and if they continue to inject their evacuation system shall be isolated from the grid and the breakers shall be opened.

It was submitted by the Respondents that on account persistent of low demand the members of the Co-generation Association were directed to stop the injection to the grid.

The Petitioner further prayed before the Commission to initiate strict action against such erring party to avoid re-occurrence of such incidents.

The Commission after listening both the parties in the matter granted ten days’ time to both UPPCL &SLDC (Respondents) to file the Counter and further asked the Petitioner to file the Rejoinder within next ten days from the date of the filling of Counter by the Respondents.

In the present hearing on 18/10/2016, the Petitioner submitted that both UPPCL &SLDC (Respondents) have filed the Counter. It stated that UPPCL directed SLDC not to take power from the Petitioner members and due to this they have passed the verbal instructions but SLDC should not obey such verbal & arbitrary Orders passed by UPPCL. Respondent (SLDC) submitted that they have always issued instructions to the Petitioner by issuing code, which is the method generally adopted in the SLDC and never issued any oral instructions. The instructions for not injecting the power were issued on the instructions of UPPCL which purchases the power from generator.

Chief Engineer, PPA submitted that he is unable to understand that why PPA has been made a party as he has not passed any instructions regarding the present matter.

Commission enquired SLDC -

1. Under whichProvision of Electricity Act, 2003 & the Regulations, UPPCL directed SLDC to stop purchase of power from Petitioner i.e Members of Uttar Pradesh Sugar Mills Co-gen Association and under which provision they were bound to follow this Order.
2. It is also not clear whether the Renewable Purchase Obligation of the Discoms was fulfilled or not, before passing such Order.

Commission was informed that the verbal instructions were issued by UPPCL. If it is true, it is not proper.

The Commission instructed the Respondent that no verbal order should be issued in future by any organization and directed to pass all the Orders in writing.

The Commission directed that the SLDC has to follow the Merit Order Dispatch as per the directions given in the Commission’s order dated 21.6.2016 in the matter of Petition No. 1070/2015. In this order it has been stated that in case of co-gen units, Merit Order Dispatch is to be followed after the RPO obligation for non solar is fulfilled. SLDC should comply with this order and should not act otherwise.

With these directions the petition is hereby disposed of.

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| **(S. K. Agarwal)** **Member** | **(Desh Deepak Verma)** **Chairman** |
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Place: Lucknow

Dated: 07.11. 2016