



Ref .No: 01: CD: 407

Date: 05.01.2021

To
Managing Director
Jharkhand Bijlee Vitran Nigam Limited (JBVNL)
Engineering Bhawan
Heavy Engineering Corporation
Dhurwa
Ranchi-834004

Sub: Regulation Notice; Regulation of power supply to the Jharkhand Bijlee Vitran Nigam Limited (JBVNL) as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), BPSA dated 28.05.1993, Various GOI letters regarding allocations of power from NTPC Stations and various other PPAs signed with JBVNL

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on JBVNL for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 466.71 Cr** remains unpaid, out of which **Rs 351.19 Cr** remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our letters dated 13.05.2020, 09.07.2020, 01.10.2020 & 22.12.2020, JBVNL has yet not liquidated the outstanding dues which are beyond due dates. As per various agreements and CERC Regulations, in case of default in making payments of bills, NTPC has the right to discontinue/ regulate the power supplies.
2. The Tripartite Agreement signed between Govt. of Jharkhand, RBI and Govt. of India which is applicable for supply of electricity from NTPC stations to state of Jharkhand also provides for regulation of power supply in case of non payment of bills. Further, CERC (Regulation of Power Supply) Regulations, 2010 (as amended) provide that:

Quote

4. ***In case of the outstanding dues or in case the required Letter of Credit or any other agreed Payment Security Mechanism is not maintained as per the Agreement, the generating company or the transmission licensee, as the case may be, may serve a notice for regulation of power supply, on the Defaulting Entity, for reducing the drawal schedule in the case of the generating company.....***
6. ***Upon receipt of the notice under Regulation 4 and within 3 days thereafter, the concerned State Load Despatch Centre/Regional Load Despatch Centre, in whose control area the Regulating Entity is situated, shall make a plan in writing for implementing the regulation of power supply and shall inform the Regulating Entity, Regulated Entity, concerned State Load Despatch Centres, Regional Power Committees, and Regional Load Despatch Centres of the said Plan and shall post the implementation plan on its website.....***

(Emphasis supplied)

Unquote

3. The terms & conditions of Power Purchase Agreement (PPA) dated 19.11.2010 provides as follows at clause 6.2.10 :

Quote

*"6.2.10 Notwithstanding the obligations of JSEB to pay all the dues as per this Agreement, in the event of default in opening of LC of requisite amount in favour of NTPC or **non - payment of bills within a period of 60 days of billing, NTPC shall be entitled to regulate/ divert** the contracted capacity of the JSEB to any other Bulk power Customer(s)/ Third Part(ies) as per the provisions of generic procedure for regulation power supply issued by CERC or any other competent authority from time to time read with the provisions of TPA (during the validity of TPA) till the time default is set right."*

(Emphasis supplied)

Unquote

4. The allocation letters issued by Govt. of India provide that in case of default in payment, NTPC has the right to shut-off or restrict power supply from power stations and reallocate power. The relevant extract from one such letter no.5/31/2006-Th.2 dated 21.02.2007 is as given below :

Quote

" 4. The above allocation will further be subject to the beneficiaries States ensuring compliance with the financial and commercial terms (including coverage for Letter of Credit) of the PPA signed with NTPC Ltd., the tariff notification and any other directives/ guidelines issued by the Government of India/ Central Electricity Regulatory Commission from time to time.

5. In case of failure of the beneficiary States adhering to the condition mentioned above, NTPC Ltd. may shut off or restrict power supply from the power station and also reallocate the power in case beneficiaries default in payment or where they have not opened LCs of an adequate amount in favour of NTPC Ltd."

Unquote

5. An amount of **Rs 351.19 Cr** has remained unpaid beyond due dates. Notice for regulation of power supply on JBVNL is hereby given for effecting regulation of power supply to JBVNL w.e.f. **00:00 hrs of 15.01.2021** initially for a period of 15 days, as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 and as per PPAs/BPSA and various allocation letters issued by Gol.
6. In view of above, power supply to the extent of 100% allocated from NTPC Stations will be regulated to the State of Jharkhand as per the details given below:
- i) Quantum and source of power from which regulation / diversion is proposed: **561.5 MW** from all **applicable NTPC Stations** (Details attached at **Annex-A**).
 - ii) The above is likely to result in excess power available to the extent of scheduled reduction.
 - iii) Regarding diversion/ absorption of regulated share, it is being taken up with other constituents of Eastern and other regions to indicate their requirements. As soon as we

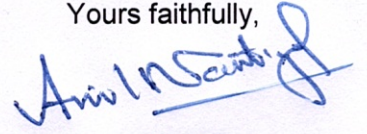
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receive any response from these constituents for absorption of regulated power of JBVNL, the same would be communicated to ERLDC.

7. As per requirement of CERC (Regulation of Power Supply) Regulations, 2010, NTPC is also posting Regulation Notice on NTPC website <https://www.ntpc.co.in/> under the tab "Notices".
8. The proposed regulation would be **implemented w.e.f. 00:00 hrs. of 15.01.2021**, initially for a period of 15 days or till the time outstanding dues get cleared, whichever is earlier. A copy of this notice is also being sent to concerned RLDCs, for preparation of implementation plan for regulation of power supply to JBVNL and implementation of the same as per the procedure laid down by CERC (Regulation of Power Supply) Regulations, 2010.

Thanking you,

Yours faithfully,



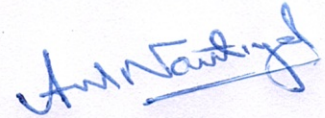
(Anil Nautiyal)

Chief General Manager (Commercial)

CC :

1. Executive Director
Eastern Regional Load Dispatch Centre
14, Golf Club Road, Tollygunje,
Kolkatta – 700033
2. Executive Director
Western Regional Load Dispatch Centre
Mumbai

with a request to prepare **implementation plan** for Regulation/ Suspension of power supply to JBVNL and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010



Chief General Manager (Commercial)

3. Member Secretary, ERPC
4. Member Secretary, WRPC

Distribution List:

- Chairperson, CERC
- Chairman, ERPC
- Chief Secretary, Govt. of Jharkhand
- Principal Secretary (Energy), Govt. of Jharkhand
- JS (Thermal), MoP

ANNEXURE-A

S.N.	Name of Station	Installed Capacity (MW)	Allocation for Jharkhand (MW)
1	Talcher-I	1000	76.7
2	Farakka-I&II	1600	137.2
3	Farakka-III	500	84.7
4	Kahalgaon-I	840	26.9
5	Kahalgaon-II	1500	18.7
6	Barh-II	1320	93.5
7	Darlipalli	800	73.8
8	Korba-III	500	50.0
Total from Stations of NTPC		6760	561.5

