

(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-TRN/2020

Dt.: 10.08.2020

To,
TRN Energy Pvt. Ltd.
7th Floor, Ambience Office Block ,
Ambience Mall, NH 48
Gurgaon-122002, Haryana

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of M/s TRN Energy Pvt. Ltd in payment of dues.

Ref : Our letter CC:Comml:TRN Energy dtd 09.06.2020 and 29.07.2020 on liquidation of dues

1. M/s TRN Energy Pvt Ltd (TRN Energy) is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from its generating plant at Chhattisgarh to different parts of country and is under obligations to make timely payment of transmission tariff and to open requisite Letter of Credit (LC) towards Payment Security Mechanism (PSM) in line with Transmission Service Agreement (TSA) dtd 06.08.2012 referred above and CERC Regulations.
2. It is mentioned that Long Term Access (LTA) quantum of 393 MW of TRN Energy is under operation and as per the terms of LTA Agreement dated 24.02.2010 TRN Energy are liable to pay the transmission charges from the date of LTA operationalization.
3. It is to be mentioned that since Mar'20 no payment has been made by TRN energy.
4. It is, however, a matter of serious concern that TRN Energy is failing to make timely payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, the total dues of TRN Energy have accumulated to **Rs 165.52 Crs** as on date, which includes an amount of Rs. 121.97 Crs. > 45 days (an amount of **Rs. 118.68 Crs.** has even crossed 60 days out of which an amount of **Rs 88.56 Cr.** is pending for >120 days) based on the bills already raised by CTU.
5. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges collected from all the DICs to respective ISTS licences in the country. Such huge outstanding dues as brought out above are seriously affecting the cash flows of all the ISTS Licensees and causing adverse impact on the ability to carry on as a business enterprise and to fulfil loan repayment liabilities towards creation of transmission assets.



6. Regulation 4 of CERC (Regulation of Power Supply), 2010 reads as under:-

"In case of outstanding dues or in case the 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 drawl schedule in the case of the generating company or withdrawal of open access / access to Inter-State Transmission System in the case of the transmission licensee."

7. Further, it may be informed that as per CERC order dtd 02.09.2015 under Pet. No. 142/MP/2012, during the period of Regulation of Power Supply, the STOA to the defaulter shall also be curtailed. The relevant portion of the CERC Order dtd 02.09.2015 is reproduced below:-

"During the period of regulation of power supply, for defaults in payment of transmission charges, STOA to the regulated entity shall be denied by NLDC/RLDCs under Regulation 25A of Open Access Regulations from the date of commencement of regulation of power supply..."

8. As per the provisions of Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010, provisions of BCD procedure approved by CERC and terms of TSA, the CTU is constrained to issue this "Notice for Regulation of Power Supply".

9. Accordingly, in case of failure of TRN Energy to clear the outstanding dues latest by **25.08.2020**, the regulation of power supply of TRN Energy through their Long Term Access shall be effected as follows:-

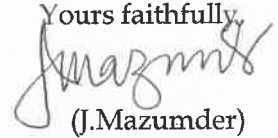
• Quantum of power to be regulated	:	100 MW of power injected by TRN Energy to ISTS network
• Commencement of Regulation of Power supply	:	From 00.00 Hrs of 29.08.2020
• Period of Regulation of Power supply	:	Initially for 2 months or till clearing of the entire dues outstanding for more than 60 days.
• Source of regulation of Power Supply	:	The generation plant of TRN Energy located in Chhattisgarh.
• The regulation of power (for 100 MW) shall be carried out through Western Region Transmission Corridor to Uttar Pradesh in Northern Region Transmission Corridor.		
• All other liabilities of TRN Energy shall be as per the provisions of CERC Regulations		

10. Through a copy of this Notice, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of TRN Energy & implement the same w.e.f. 00:00 Hrs. of 29.08.2020.



11. In view of above, it is advised to liquidate the outstanding dues greater than 60 days latest by 25.08.2020 failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours faithfully,


(J.Mazumder)

Chief General Manager (Commercial)-CTU

CC:

1.	Executive Director Western Regional Load Despatch Centre, POSOCO F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093	With a request to prepare the implementation plan for Regulation of power supply of TRN Energy from its generation plant in Chhattisgarh and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010. Indemnification bond furnished earlier holds good for subject Regulation of power of TRN Energy Pvt Ltd.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action for implementation of Regulation of power supply of M/s TRN Energy Pvt Ltd (Generator), as per CERC (Regulation of Power Supply) Regulations, 2010.
3.	Executive Director, National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi - 110016	With a request to take necessary action to advise the Power Exchanges for implementation of Regulation of power supply of M/s TRN Energy, as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet. No. 142/MP/2012.

Copy of Notice dtd 10.08.2020 for Regulation of Power supply issued to M/s TRN Energy Pvt Ltd is enclosed for kind information of:

1. Secretary CERC, 3rd & 4th Floor, Chandra Lok Building, 36 Janpath, New Delhi 110001.
2. Member Secretary, Western Regional Power Committee, F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093
3. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet Singh Marg, Katwaria Sarai, New Delhi -110016
4. CMD, POSOCO, 61, IFCI Tower, 9th floor, Nehru Place, New Delhi - 110019
5. ED, POWERGRID(WR-I / NR-III)