



Ref.No: 01: CD: 156

Date: 22.10.2021

To,
The Managing Director,
MPPMCL, Jabalpur

Sub: Regulation Notice;

Regulation of power supply to the MPPMCL as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), BPSA dated 12.01.1994, Various GOI letters regarding allocations of power from NTPC Stations and various other PPAs signed with MPPMCL.

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on M.P. Power Management Company Limited (MPPMCL), Jabalpur for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 1645 Crore** remains unpaid, out of which **Rs 683 Crore** remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our various letters dated **19.10.21, 11.10.21, 24.09.21, 23.09.21, 14.09.2021**, etc., **MPPMCL, Jabalpur** has yet not liquidated the outstanding dues which are beyond due date. Further, as per MPPMCL's letter dated 22.10.21, MPPMCL is planning to additionally pay only Rs 215 Crore by Oct'21 end while outstanding amount beyond due date stands at Rs 683 Crore. 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. 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

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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 Bulk Power Supply Agreement (BPSA) dated 12.01.1994 provides as follows at A.7.2 of Appendix A.

Quote

*"It is agreed that the Bulk Power Beneficiary/(ies) will make all efforts to open LC within a reasonable period. In the event of failure to establish/ enhance LC within a reasonable period or alternatively in the absence of LC, **if any bill(s) remain unpaid for a period exceeding two months from the date of issue of the bill, NTPC shall have the authority to discontinue/ reduce supply of power from NTPC station(s) to such bulk power beneficiary/(ies) and advise WREB accordingly.**"*

(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.5/7/2013-Th.II (Vol.I) dated 09.07.2015 is as given below :

Quote

" 4. The above allocation will further be subject to the Power Purchase Agreements (PPAs) entered into by NTPC Limited with State Power Utilities/ Union Territory and will further be subject to the beneficiaries 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 beneficiaries 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 683 Cr** has remained unpaid beyond due date. Notice for regulation of power supply on MPPMCL is hereby given for effecting regulation of power supply to MPPMCL w.e.f. **00:00 hrs of 31.10.2021** initially for a period of 15 days as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 and as per PPAs/BPSA signed and various allocation letters issued by GoI.
6. Further, as per Ministry of Power (MoP), Govt. of India (GoI), directives dated 21.10.2021 (enclosed), it has been directed that in case of delay in payment from States beyond due date, regulation of power shall be started for at least 50% of the power supply and gradually increase the quantum of regulation.
7. In view of above, power supply to the State of MP will be regulated from NTPC Station(s) as per the details given below:
 - i) Quantum and source of power from which regulation / diversion is proposed: **2430 MW** from various **NTPC Stations as per Annexure-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 Western and other regions to indicate their requirements. As soon as we receive any response from these constituents for absorption of regulated power of MPPMCL, Jabalpur, the same would be communicated to WRLDC.

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8. 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".
9. The proposed regulation would be **implemented w.e.f. 00:00 hrs. of 31.10.2021** 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 MPPMCL and implementation of the same as per the procedure laid down by CERC (Regulation of Power Supply) Regulations, 2010.

Thanking you,

Yours faithfully,

(V V Sivakumar)
GM (Commercial)

CC:

1. Executive Director
Western Regional Load Dispatch Centre,
Mumbai.
2. Executive Director
Northern Regional Load Dispatch Centre
New Delhi – 16

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

3. Member Secretary, WRPC

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4. Member Secretary, NRPC

Distribution List:

- Secretary, CERC
- Chief Secretary, GoMP
- Principal Secretary (Energy), GoMP
- Principal Secretary (Fin.), GoMP
- Chief Engineer (Thermal), MoP



Annexure-A

Sl. No.	NTPC Station	Capacity (MW)	Allocation of Power to MP (MW)	Proposed Regulated Power (MW)	Proposed Regulated Power (in %)
1	Korba-III	500	73.24	71.89	14.38%
2	Korba-I	2,100	478.53	472.94	22.52%
3	Rihand-III	1,000	2.4	2.4	0.24%
4	Sipat-I	1,980	325.54	320.18	16.17%
5	Rihand-II	1,000	2.2	2.2	0.22%
6	Rihand-I	1,000	2	2	0.20%
7	Sipat-II	1,000	184.06	181.35	18.14%
8	Singrauli	2,000	4.2	4.2	0.21%
9	Vindhyachal-IV	1,000	277.9	275.19	27.52%
10	Vindhyachal-III	1,000	241.71	239	23.90%
11	Vindhyachal-II	1,000	314.71	312	31.20%
12	Vindhyachal-V	500	138.6	137.25	27.45%
13	Vindhyachal-I	1,260	438.29	409.4	32.49%
	Total			2430	

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Shram Shakti Bhawan, Rafi Marg,
New Delhi, Dated: 21st October, 2021

To

1. CMDs of REC/ PFC/ PGCIL/ NTPC/ NHPC/ SJVN/ THDC/ POSOCO/ NEEPCO,
2. Chairman, DVC/ BBMB
3. CEO, PFCCCL

Sub: Minutes of Meeting held on 08-10-2021 under the chairmanship of Secretary (Power) to discuss the matters relating to GENCO and TRANSCO dues.

Sir,

I am directed to forward herewith Minutes of Meeting held on 08-10-2021 under the chairmanship of Secretary (Power) to discuss the matters related to GENCO and TRANSCO dues for information and necessary action.

Yours faithfully,

Srikanth

(M. Srikanth Reddy)
Deputy Director (UR&SI-II)
Tel:011-23319108

Copy for information to:

- (i) Sr. PPS to Secretary(Power)
- (ii) Sr. PPS to Additional Secretary (SKG)
- (iii) PPS to JS(D), PPS to JS(R&R), PPS to JS(Trans), PPS to JS(Hydro), PS to CE(Thermal)
- (iv) PPS to Director (DS)/ PS to Director (Trans)

Minutes of Meeting held on 8.10.2021 under the chairmanship of Secretary (Power) to discuss the matters relating to GENCO and TRANSCO dues

A meeting to discuss the matters relating to GENCO and TRANSCO dues was held in an online mode under the chairmanship of Secretary (Power) on 8.10.2021.

2. At the onset, Secretary (P) directed CPSEs to adopt zero tolerance Policy for any delay in payment from States. Post due date, CPSEs to start regulation of Power for at least 50% of the power supply and gradually increase the quantum of regulation. In case one CPSE has regulated Power for a State, all other CPSEs and IPPs to support the regulation and not provide alternate power to these States.
3. CEO, PFCCL explained the Action Taken as per Minutes of Meeting held on 13.09.2021 under the chairmanship of Secretary (Power) which are as under:
 - DVC has taken necessary action for recovery of dues from BYPL. Outstanding dues will be liquidated by BYPL in 4 quarterly instalments of Rs. 62.75 Cr. each. BYPL has already paid Rs. 62.75 Cr. on 10th September'21 as first instalment.
 - NHPC has taken necessary action for recovery of dues from WBSEDCL. In turn, WBSEDCL Board has approved payment of Rs. 772 Cr. through Bill discounting on 29.09.2021. Finalising of bank is in process & payment is expected shortly.
 - PFCCL held meeting with Association of Power Producers regarding LPSC data on PRAAPTI portal and has already provided the LPSC data sought by APP.
 - For progress of onboarding Central Transco dues on PRAAPTI portal, it was informed that PGCIL has been onboarded on PRAAPTI portal and has started updating overdue information on the portal.
 - It was apprised that integration of PRAAPTI data with POSOCO portal is under progress and PFCCL has provided the required APIs for the same to POSOCO. Further, POSOCO informed that the software has been prepared and dry test run is completed. POSOCO has submitted the SOP to MoP on 10.09.2021.
4. CEO, PFCCL made a detailed presentation highlighting the status of GENCO dues as per data available on PRAAPTI portal. The major highlights of presentation are as follows:
 - i. Total overdues of GENCOs have increased by 1.5% to Rs. 95,807 Crore (September 2021) from Rs. 94,378 Crore (August 2021).
 - ii. Overdues of CPSE Gencos have reduced by 8% to Rs. 28,662 Crore from August 2021 to September 2021.
 - iii. Overall dues of Gencos have decreased marginally from September 2020 to September 2021.

- iv. Overdues of CPSE Gencos have reduced significantly by almost 40% from Rs. 47,515 Cr. in September 2020 to Rs. 28,662 Cr. in September 2021.
- v. Overdues of IPPs have increased by 6.2% to Rs. 51,234 Crore from August 2021 to September 2021.
- vi. Overdues of REs have increased by 6.4% to Rs. 15,912 Crore from August 2021 to September 2021.
- vii. Top States which account for the major portion of overdues as on 30th September 2021 are: (i) Maharashtra (Rs. 18,648 Crore), (ii) Rajasthan (Rs. 11,205 Crore), (iii) Telangana (Rs. 6,749 Crore), (iv) Karnataka (Rs. 5,217 Crore), (v) Madhya Pradesh (Rs. 4,593 Crore).
- viii. NTPC being the major contributor in reduction of CPSE overdues, has reduced its dues from Rs. 19,609 Cr. to Rs. 4,643 Cr. from September 2020 to September 2021. In the last month alone, NTPC has reduced its overdues by 30% i.e. from Rs. 6,619 Cr. to Rs. 4,643 Cr.

5. The major observations & action points emerged during the deliberations in the meeting are as follows:

- i. Zero tolerance Policy to be adopted by CPSEs for any delay in payment from States. Post due date, CPSEs to start regulation of Power for at least 50% of the power supply and gradually increase the quantum of regulation.

(All CPSE Gencos)

- ii. In case one CPSE has regulated Power for a State, other CPSEs and IPPs to support the regulation and not provide alternate power to these States. POSOCO to provide the list of IPPs to MoP which are not regulating Power in those States where CPSEs have regulated the Power. Further, NEEPCO has to support NTPC in regulation of Power to Meghalaya.

(POSOCO, All CPSE Gencos)

- iii. Telangana has overdue of Rs 396 Cr. to NLCIL and Rs 489 Cr. to NTPL (JV of NLCIL and TANGEDCO). Thermal Division, MoP to take up with NLCIL to regulate power to Telangana immediately.

(Thermal Division, MoP)

- iv. Hydro Division, MoP to process the case to invoke the TPA for Meghalaya (for NTPC & NEEPCO) and Jharkhand (for DVC). Secretary (Power) advised that whenever there is a case for TPA, the concerned Division should also check with other Divisions whether they also have other overdues, so that a consolidated decision can be taken.

(Hydro Division, MoP; Thermal Division, MoP)

- v. PFC in consultation with R&R division MoP, POSOCO and NTPC to address the issue of Karnataka Discoms raised by CMD, NTPC.

(R&R Division, MoP; PFCCL, POSOCO, NTPC)

- vi. PFCCL to include a table of LPSE amount, Principal amount, average monthly bill of IPPs & REs and CPSEs in total overdues status from next presentation onwards.

(PFCCL)

- vii. PGCIL & NTPC informed that NDMC is not paying dues. PGCIL & NTPC to take necessary action for recovery of dues from NDMC.

(NTPC, PGCIL)

- viii. Other relevant CPSEs such as NLC to be invited in future meetings regarding Genco dues.

(Distribution Division, MoP)

The meeting ended with vote of thanks to the chair.

List of Participants for the meeting to discuss matters relating to GENCO and TRANSCO dues at 10:15 AM on 08-10-2021 under the Chairpersonship of Secretary (Power).

S.No.	Name	Designation
Ministry of Power:		
1.	Sh. Alok Kumar	Secretary(Power)
2.	Sh. Ghanshyam Prasad	Joint Secretary(R&R)
3.	Sh. Vishal Kapoor	Joint Secretary(Distribution)
4.	Sh. Pradeep Kumar Meel	Director(Distribution Schemes)
5.	Sh. Srikanth Reddy	Dy. Director(UR&SI-II)
Power Finance Corporation (PFC):		
6.	Sh. R.S Dhillon	Chairman & Managing Director
Rural Electrification Corporation (REC):		
7.	Sh. R. Lakshmanan	Executive Director
8.	Sh. Sanjay Kulshreshtha	CGM, REC
POSOCO:		
9.	Sh. KVS Baba	Chairman & Managing Director
10.	Sh. Sudhansu Sekhar Barpanda	Director (Market Operation)
Powergrid (PGCIL):		
11.	Sh. K. Sreekant	Chairman & Managing Director
12.	Sh. Mohammed Taj Mukarrum	Director (Finance)
PFCCL:		
13.	Sh. Manoj Kumar Rana	Chief Executive Officer (PFCCL)
NTPC Ltd.:		
14.	Sh. Gurdeep Singh	Chairman & Managing Director
15.	Sh. C.K. Mondol	Director (Commercial)
NHPC Ltd.:		
16.	Sh. Abhay Kumar Singh	Chairman & Managing Director (NHPC)
17.	Sh. Rajendra Prasad Goyal	Director (Finance)
Other CPSUs:		
18.	Sh. Ashok Kumar	SJVN Ltd.
19.	Sh. R. K. Vishnoi	Chairman & Managing Director (THDC)
20.	Sh. R.N. Singh	Chairman (DVC)
21.	Sh. N.K. Mao	Executive Director(NEPCO)
22.	Sh. Narendra Sharma	BBMB