

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

Case No. HERC / Petition No. 58 of 2020

Date of Hearing : 04.08.2021
Date of Order : 10.08.2021

IN THE MATTER OF:

Petition under Section 86(1)(b) of the Electricity Act, 2003 read with Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 seeking approval of source as well as approval of the Power Purchase Agreement (PPA) dated 30.11.2010 for procurement of 29.51 MW Hydro Power from the Generator i.e. NTPC Tapovan Vishnugad HEP, as per the allocation made by the Ministry of Power, Government of India vide letter dated 25.03.2013.

Petitioner

Haryana Power Purchase Centre (HPPC)

Present on behalf of HPPC

Smt. Sonia Madan, Advocate

Quorum

Shri R.K. Pachnanda
Shri Pravindra Singh Chauhan

Chairman
Member

ORDER

The petitioner i.e. Haryana Power Purchase Centre (hereinafter referred to as the petitioner or HPPC) has filed the present petition seeking source approval u/s 86 (1) (b) of the Electricity Act 2003 for procuring 29.51 MW power from 520 MW HEP being developed by NTPC viz. Tapovan, Vishnugad, Uttarkhand.

The Commission heard the Ld. Advocate M/s Sonia Madan appearing for the petitioner at length, through Video Conferencing.

Brief facts

The Commission, in suo moto petition, bearing no. HERC / PRO-36 of 2015 passed an order dated 31.03.2016 as under:

"1 c) Taking into consideration power demand and supply position in Haryana as brought out by MECON and upcoming renewable energy/solar power projects, the PPAs in respect of the projects not yet commissioned i.e. Singrauli STPP III, Tanda TPS and NTPC Tapovan Vishnugad HEP, are not approved at this stage.

However, HPPC may, before commissioning of these projects, approach the Commission for approval of these PPAs along with requisite information in accordance with the terms of distribution licence in case HPPC is convinced about the necessity and reasonability of the purchase cost and of power procurement from these projects”.

The petitioner, through the Chief Engineer / HPPC, has filed the present petition by affidavit dated 4th August, 2020. The specific prayer made before this Commission is twofold as reproduced below:

- i) Grant approval of source of 29.51 MW Hydro power from the generator i.e. NTPC Tapovan Vishnugad, as per the allocation made by the Ministry of Power, Government of India vide letter dated 25.03.2013.
- ii) Grant approval to the Power Purchase Agreement dated 30.11.2010 between HPPC and the generator.

The justifications and rationale, in brief, for seeking ibid source approval advanced by the petitioner is that hydro power stations are best suited for meeting peak demand and would reduce the RPO burden and cost thereto. Further, it has been submitted that the SCOD of the project is September / December 2021 and the proposed levelized tariff is @ Rs. 3.34 / kWh. “Thus, the procurement of power would be feasible and economical”.

The Commission heard the petitioner on the 17th of November 2020 and passed an interim order the same day. The crux of the said order was regarding the physical and financial progress of the project vis-à-vis SCOD and the impact of time and cost overrun on the levelized tariff as against the proposed rate of Rs. 3.34 / kWh.

Reply filed by HPPC

In compliance with the interim order (supra) passed by the Commission, the petitioner filed its reply vide Memo No. C-43/CE/HPPC/XEN/LTP-I/Vishnugarh dated 28.07.2021. In summation, the petitioner has submitted as under:

“...from the above, it emerges that the indicative levelized tariff of Rs. 3.34 / kWh at the time of filing of petition has increased to Rs. 5.33 / kWh expected as on date, subject to determination of tariff by the CERC. Tapovan – Vishnugad Hydro Power Project has been hit by an unprecedented massive glacial outburst on 7th February, 2021, due to which the commissioning of the project would be much delayed and tariff may get unviable”.

Commission’s Order:

The Commission has considered the petition as well as the reply filed by HPPC to the queries / additional information sought by the Commission. The admitted position in the matter is that, as of now, there is no certainty regarding CoD of the project as the damage caused due to glacial outburst is still to be assessed and then the process of re-construction will start. Additionally, the Commission observes that the project has suffered abnormal delays from the original commissioning schedule i.e. March, 2013. As a corollary, the project cost has increased manifold and due to the damages now suffered, the same may further escalate.

To sum up, neither is the date of SCOD known nor is the project cost and expected tariff thereto known at this stage with any degree of certainty.

The indicative / expected levelized tariff of Rs. 5.33 / Unit at the busbars of the station, as intimated by the petitioner, has to be seen in the backdrop of the two hydro power projects, for which source got approved by HPPC and tariff was also got determined from the Commission. The levelized tariff for the said projects, determined by the Commission, was considerably lower at Rs. 4.34 / kWh & Rs. kWh 4.38 as compared to the expected Rs. 5.33 / kWh in the present case, which may further increase due to the additional capital expenditure required for restoring the damages caused to the project by the glacial outburst. HPPC exited from the PPAs, as per the terms of PPAs, on the plea that the tariff is high / not viable and cheaper options are available. The present source, as per the admissions of the petitioner, may also become unviable.

In view of the above discussions, the Commission rejects the present petition for seeking source approval for purchase of 29.51 MW power from NTPC Tapovan Vishnugad HEP. As a corollary, the additional prayer, for approval of the Power Purchase Agreement (PPA) dated 30.11.2010, between NTPC Limited and Haryana Power Purchase Centre becomes infructuous.

Before parting with this order, the Commission observes that on a separate petition filed by the petitioner herein i.e. HPPC (Case No. HERC / PRO-15 of 2021), the Commission had allowed purchase of 500 MW power on a short – term basis i.e. from July 2021 to September, 2021. HPPC is directed to provide the details as under:

- i) Actual short – term power purchased during the months of July & August, 2021 up to 5.08.2021.
- ii. The average rate (Rs/kWh) at which the ibid power was purchased.
- iii. Under drawn quantum of power during the said months.
- iv. The quantum and the average rate (Rs / kWh) at which HPPC was able to sell power in the exchange during the said period.

The aforesaid details may be provided within seven days' time from the date of the present order.

In terms of the above order, the present petition is disposed of.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 10th August, 2021.

Date: 10.08.2021
Place: Panchkula

(Pravindra Singh Chauhan)
Member

(R.K. Pachnanda)
Chairman