



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA-116 /21-22**

IN REGARD TO THE APPLICATION SUBMITTED BY THE DAMODAR VALLEY CORPORATION (DVC) FOR APPROVAL OF POWER SALE AGREEMENT EXECUTED ON 20.08.2021 BY AND BETWEEN DVC AND SOLAR ENERGY CORPORATION OF INDIA LIMITED (SECI) FOR PURCHASE OF 200 MW ASSURED PEAK RE POWER IN TERMS OF REGULATION 7.4 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

**PRESENT:
SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE:30.05.2022



In regard to the application submitted by the Damodar Valley Corporation (DVC) for approval of Power Sale Agreement executed on 20.08.2021 by and between DVC and Solar Energy Corporation of India Limited (SECI) for purchase of 200 MW Assured Peak RE Power in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

1.0 The Damodar Valley Corporation (DVC) submitted an application vide letter dated 30.12.2021 for approval of Power Sale Agreement (PSA) executed on 20.08.2021 by and between Solar Energy Corporation of India Limited (SECI) and DVC for purchase of 200 MW Assured Peak Renewable Energy (RE) Power from Inter State Transmission System (ISTS) connected RE Projects with storage for a period of 25 years. DVC vide letters dated 12.04.2022 and 12.05.2022 has submitted additional information regarding proportionate usage of such power in West Bengal and Jharkhand area along with justification of their power requirement. The Commission admitted the application in Case No. PPA – 116/21-22.

2.0 The application of DVC read with the Power Sale Agreement dated 20.08.2021 and additional information inter-alia state the following:

2.1 SECI has been identified by the Government of India (GOI) as the nodal agency for implementation of the scheme for setting up of 'ISTS connected Wind, Solar and Wind- Solar Hybrid Power Projects' issued by the Ministry of New and Renewable Energy, GOI and shall be acting as an 'Intermediary Procurer'. SECI has implemented a scheme to procure 1200 MW power generated from ISTS connected RE Projects with assured peak supply (ISTS-VII) under the provisions of Request for Selection (RfS) dated 01.08.2019 on a long-term basis from the Renewable Power Developer (RPD) selected through competitive bidding. Accordingly, SECI has entered into a Power Purchase Agreement with the RPD for 900 MW ISTS connected RE Projects with storage to be developed by the project developer.

DVC vide letter dated 12.05.2022 has stated that the storage will be through 'Pumped Storage Plant'.

2.2 DVC has agreed to purchase 200 MW of such 'Assured Peak RE Power' from SECI and has entered into a Power Sale Agreement with SECI on 20.08.2021 for a period of 25 years from the scheduled commissioning date of the project.

DVC has submitted that the power will be utilized proportionately in the DVC supply area in West Bengal and Jharkhand. Through additional submission vide letter dated 12.04.2022, DVC estimated utilization of 29.91 MW in West Bengal area. Subsequently, vide letter dated



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12.05.2022, DVC submitted that 289.82 MU is to be utilized in the state of West Bengal based on the sales ratio for the West Bengal region.

- 2.3 The tariff discovered through competitive bidding comprises of Peak Tariff and Off-Peak Tariffs for energy supplied during Peak and Off-Peak period respectively at the rates tabulated below:

Period	Tariff	Remarks
Peak	Rs. 6.12 / kWh	DVC shall choose any 6 hours within the specified 11 peak hour window [Morning peak hours between (& including) 05:30 Hrs. up to 09:30 Hrs. and Evening Peak Hours between (& including) 17:30 Hrs. up to 00:30 Hrs. (day-2)]
Off Peak	Rs. 2.88 / kWh	For other than selected peak hours

In addition to the above, a trading margin of Rs. 0.07 per kWh is payable to SECI for the entire term of the agreement.

- 2.4 The power shall be delivered by the power developer at its interconnection point with Inter State Transmission System (ISTS). DVC has submitted in terms of Ministry of Power, Government of India notification dated 21.06.2021, no inter-state transmission charge will be levied on transmission of solar electricity through ISTS for sale of power by the projects to be commissioned within 30.06.2025 for 25 years from the date of commissioning of the project. In terms of power sale agreement, if the commissioning of project gets delayed beyond 30.06.2025 or any extended date thereof notified by Government due to reasons attributable to the RPD, the transmission charge will be borne by RPD.

- 2.5 DVC submitted that, the 'Assured Peak RE Power' shall help them to achieve the Renewable Purchase Obligation target compliance as per the regulatory guidelines.

It is also submitted that at present there is about 660 MW demand – supply gap considering the present power availability position of DVC and with journey towards supply at 11 kV level, the gap will widen. Thus, the 200 MW power will also help DVC to manage their peak demand.

- 2.6 DVC further submitted that, SECI shall approach CERC for getting approval of the PSA along with adoption of tariff determined under the competitive bidding process.