



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



required for every agreement or arrangement for power procurement by a licensee entered into after 09.02.2007, except for short term procurement.

Observations of the Commission:

6.0 Requirement of power procurement:

- 6.1 The Commission being guided by the Tariff Policy, noted that the Ministry of Power (MoP) vide Order dated 14.06.2018 has specified the long-term growth trajectory of Renewable Purchase Obligation in terms of paragraph 6.4 (1) of the Tariff Policy, 2016. The Commission observes that WBSEDCL has proposed to purchase 701.28 MU of Wind Solar power on RTC basis at estimated CUF of 80.05%. The figure 701.28 MU is derived by applying CUF of 80.05% on 100 MW. On analysis, it is observed that WBSEDCL is lagging far behind the target set by the MoP, GOI since they could only achieve 1.15% of RPO for the period 01.04.2021 to 31.12.2021. Thus, the RTC Wind Solar Hybrid power will help WBSEDCL to improve its RE portfolio.

7.0 Price of power purchase:

- 7.1 The Commission observes that as per the Power Sale Agreement, WBSEDCL will purchase 100 MW Solar Wind Hybrid RE Power on RTC basis from SECI at Rs. 2.90 per kWh for the first year which is escalable as per provisions of the PSA/ PPA/ RfS plus a trading margin to SECI at Rs. 0.07 per kWh. Further, such price is lower than the renewable price of power exchange (Rs. 5.29 /kWh discovered in power exchange (IEX) during FY 2021 – 22). The Tariff has also been discovered through competitive bidding and is well below the average power purchase cost of WBSEDCL and thus, stand-alone economic as compared to the purchase from coal based thermal power stations approved in the Tariff Order of 2021 - 22.
- 7.2 The Commission also observes that no inter-state transmission charge will be levied on transmission of electricity generated from solar and wind sources 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 as per the notification of the Ministry of Power dated 21.06.2021. Since, the scheduled commissioning date is 24 months from the effective date of PSA, thus no ISTS charges are applicable.



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7.3 It is noted that, SECI being the nodal agency is acting as 'Intermediary Procurer'. SECI will purchase power from the hybrid power developers through competitive bidding at Rs. 2.90 per kWh for the first year which is escalable as per provisions of the PSA/ PPA/ RfS. CERC in its order in petition no. 258/AT/2021 dated 08.04.2022 had examined the adherence of SECI to the competitive bidding guideline issued by MNRE, Government of India under section 63 of the Act and found it in affirmative. CERC in its order has also observed that the trading margin as mutually agreed is in consonance with Regulation 8 (1) (d) of CERC Trading License Regulations. The Commission also observes that the trading margin shall be governed by the direction of CERC given in paragraphs 41 to 45 of its order dated 08.04.2022. The trading margin shall be Rs. 0.07 per kWh subject to the fulfillment of the condition as detailed in the above paragraphs of the order of CERC otherwise the trading margin shall be limited to Rs. 0.02 per kWh.

8.0 In view of the above, the Commission concludes the followings:

- (i) The hybrid power will help WBSEDCL to improve its RE portfolio.
- (ii) The price being discovered following the competitive bidding guidelines issued by the Government of India under section 63 is stand-alone economic and is beneficial to end consumers.
- (iii) No ISTS charges for the above Wind Solar Hybrid power is expected to be paid.

Considering the above conclusions, the Commission issues the following order.

Order:

9.0 The Commission after considering the above facts and in order to promote procurement of renewable energy by WBSEDCL to fulfil its obligation and further keeping in mind clause (e) of sub-section (1) of section 86 of the Act, approves the Power Sale Agreement dated 30.06.2021 executed by and between WBSEDCL and SECI for purchase of 100 MW Solar Wind Hybrid RE power on RTC Basis by WBSEDCL from SECI for a period of 25 (twenty-five) years at a tariff determined through competitive bidding by SECI which is Rs. 2.90 per kWh for the first year and is escalable as per provisions of the PSA/ PPA/ RfS plus applicable trading margin (as per paragraph 7.3 of this order) in terms of regulation 7.4.1 of the West



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- 10.0 The Commission also directs WBSEDCL to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.
- 11.0 WBSEDCL shall also explore all available avenues to utilize the surplus contracted conventional energy in order to minimize the burden of power purchase cost to the consumers.
- 12.0 The petition is thus disposed of.
- 13.0 A copy of the order shall be posted in the website of the Commission.
- 14.0 WBSEDCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 30.05.2022

Sd/-
SECRETARY