



obtained the approval of CERC towards the amendments made to the PPA's vide CERC Order dated 04.01.2022.

12. KSK Mahanadi participated in Round-4 auction and secured coal linkage and allocation of 18,30,200 Tones from Southern Eastern Coalfields Limited (SECL), Mahandi Coalfields Limited (MCL) and Northern Coalfields Limited (NCL) on offering discount of 10.00 Paise/kWh to 11.00 Paise/kWh against the three PPAs it had signed with various Distribution Companies of the States. Accordingly, SPPA-III was signed on 25.02.2022.
13. The share of UP DISCOMs in the linkage shall be in proportion to the capacity agreed to be supplied by the Respondent under the following three PPAs signed by it with the following DISCOMs of the three States:

**Table 1: Details of PPA of Respondent**

PPA's	DISCOM	Quantum (MW)
PPA-1	UP DISCOM	1000
PPA-2	CSP Tradeco	40
PPA-3	TANGEDCO	500

14. As per Clause B (ii) (a) of the SHAKTI Policy, 2017 the discount offered by the Generating Company would be adjusted from the gross amount of bill at the time of billing by way of reduction and as per Clause B (ii) (c) of the SHAKTI Policy, 2017, PPAs are required to be amended between the Generator and the Procurers for the purpose of passing on the discount to the procurer and approval of the Appropriate Commission is also to be taken.
15. As regard to "Validity of Agreement", the following provision is agreed to in the SPPA dated 25.02.2022:

*"A-1 Notwithstanding anything to the contrary in this 3<sup>rd</sup> Supplementary PPA, or 2<sup>nd</sup> Supplementary PPA dated 23-01-2018 or in the PPA entered into by KMPCL with Procurers, this Agreement shall cease to be in effect, if there is, for any reason whatsoever, a cessation or suspension of coal supply from the source of coal listed under this 3<sup>rd</sup> Supplementary PPA in lieu of the aforementioned Shakti Scheme. However, the provisions of the PPA, Supplementary Agreement dated 23.01.2018 and 2<sup>nd</sup> Supplementary Agreement dated 23.12.2020 entered into by the parties shall continue to remain in effect."*

The provision is similar to that correspondingly made in that regard under Supplementary Agreement dated 23.01.2018 and 23.12.2020.



## Record of Proceedings

16. The Petitioner's representative, Shri. Vikram Singh apprised the Commission that KSK Mahanadi has secured coal linkage and allocation of 18,30,200 Tones from Southern Eastern Coalfields Limited (SECL), Mahandi Coalfields Limited (MCL) and Northern Coalfields Limited (NCL) on offering discount of 10.00 Paise/kWh to 11.00 Paise/kWh against the three PPAs it had signed with various Distribution Companies of the States. The representative of UPPCL further informed the Commission that all the parties have signed the SPPA-III on 25.02.2022 and that the copy of SPPA-III is attached with the Petition and further requested the Commission to grant its approval to SPPA-III.

## Commission's Analysis and Decision

17. The Respondent, KSK Mahanadi, secured a coal linkage of 1.830200 MMTPA against the three PPAs, as detailed in Table 1 at Para 13 above, signed with various distribution companies of the States. The details of allocation of coal and discount offered are as below:

**Table 2: Details of allocation of coal and discount offered in Round 4 of the Auction**

Sr. No.	Source	Grade/Mode of Transport	Quantity Allocated (Tonnes)	Levelized Discount (Paise/kWh)	Details of LOI
1	(SECL Others Korba and Mand Raigarh, State: Chhattisgarh)	G12 Rail/Road/Captive	9,30,200	10.00	SECL/BSP/M&S/FSA SHAKTI/L01/1/121391/ KMPCL/1401 dated 22.11.2021
2	(MCL IB (IB Valley & Basundhara, State: Odisha)	G13 Rail/Road/RCR/Captive	3,00,000	11.00	MCL/SBP/COMM/GM (M&S)/2021-22/1084 dated 02.12.2021
3	(Northern Coalfields Ltd., State: Madhya Pradesh)	G10 Rail/Road/RCR/Captive	6,00,000	11.00	NCL/SGR/Mktg./21-22/979 dated 13.12.2021
<b>Total Quantity</b>			<b>18,30,200</b>		

18. The Petitioner(s) have signed a Supplementary Power Purchase Agreement dated 25.02.2022 with the Respondent to amend PPA dated 26.02.2014 read with SPPA dated 23.01.2018 and 23.12.2020 to secure discount in tariff offered by KSK Mahanadi in Round 4 auction for coal linkage under SHAKTI Scheme.

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19. The SPPA dated 25.02.2022 shall have an effect to amend the Schedule 4A of the SPPA dated 23.12.2020 to the extent provided in the said SPPA dated 25.02.2022. The agreed 'Schedule-4A' is similar to that agreed in SPPA dated 23.12.2020 with a difference that Discount Amount with respect to Round 4 auction coal linkage from (SECL Others Korba and Mand Raigarh, State: Chhattisgarh), (MCL IB (IB Valley & Basundhara, State: Odisha), (Northern Coalfields Ltd., State: Madhya Pradesh) has been added as "Discount Amount: Source 6, Discount Amount: Source 7 and Discount Amount: Source 8" respectively to receive the discount offered by the Respondent at the time of auction of Round 4 along with "Discount Amount: Source 1-4" considered earlier under SPPA dated 23.01.2018 and "Discount Amount: Source 5" considered earlier under SPPA dated 23.12.2020.

20. The amount to be passed on as discount to the procurers shall be computed with reference to scheduled generation from the corresponding linkage coal supplied and received under the SHAKTI auction (1<sup>st</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Round). The same would be calculated from each source separately. The discount would be adjusted from the gross amount of bill at the time of billing. The discount shall be in addition to any other discount/rebate in terms of the applicable provisions of PPA/SPPA.

#### **Commission's View**

In view of the above and pursuance of the documents available on record, the Commission approves the 3<sup>rd</sup> SPPA dated 25.02.2022 to the PPA dated 26.02.2014 executed between the Petitioners and Respondent under the 4<sup>th</sup> Round of auctions held under "SHAKTI" Policy.

Accordingly, the Petition is disposed of.

(Vinod Kumar Srivastava)

Member (Law)

(Kaushal Kishore Sharma)

Member

(Raj Pratap Singh)

Chairman

Place: Lucknow

Dated: 20.07.2022

