



Approval of First Supplementary Agreement dated 09.12.2016 and subsequent Second Supplementary Agreement dated 28.06.2021 executed by and between Rashmi Cement Limited (RCL) and WBSEDCL for purchase of surplus power from 18 MW waste gas-based power plant of RCL in terms of regulation 7.4.1 of the Tariff Regulations.



### **Observations of the Commission:**

- 4.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that, while discharging its function, the State Commission shall regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State. Further, and clause (e) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that the State Commission shall promote co-generation and generation of electricity from renewable sources of energy.
- 5.0 The Commission observes that it had already accorded approval of the PPA dated 11.12.2010 vide order dated 10.01.2011 for purchase of surplus power from 18 MW waste gas-based power plant of RCL upto 09.01.2016 at a mutually agreed tariff as below:
- (i) Tariff for 1/3<sup>rd</sup> of energy at Rs. 2.55 per kWh;
  - (ii) Tariff for balance 2/3<sup>rd</sup> of energy at minimum of weighted average UI price or weighted average price of power exchanges viz. IEX, PXIL or any other exchange, less by the capping price of trading margin.
- 6.0 The Commission notes that WBSEDCL in its First Supplementary Agreement has extended the period of PPA from 10.01.2016 to 09.01.2021 with the same terms and conditions, except by replacing the word UI with DSM. Now, WBSEDCL and RCL has entered into Second Supplementary Agreement to extend the PPA upto 09.01.2026 and agreed to a overall capped price of Rs. 2.04 per kWh.
- 7.0 The Commission observes that the mutually agreed capped rate of Rs. 2.04 per kWh is well within the ceiling rate of Rs. 3.34 per kWh as specified by the Commission for power purchase from co-generation plants. The proposed tariff is also below the average power purchase of WBSEDCL for 2022 – 23 (Rs. 3.36 per kWh). Further, the purchase of power being at distribution boundary (33 kV), it will also help in reducing the technical losses as well as improve the voltage level of the distribution system. Thus, the power purchase from RCL is found to be beneficial to WBSEDCL and its consumers.



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**Order:**

- 8.0 The Commission after considering the above facts and its responsibility to promote Cogeneration and Renewable source of energy under clause (e) of sub-section (1) of section 86 of the Act approves the First Supplementary Agreement dated 09.12.2016 and Second Supplementary Agreement dated 28.06.2021 executed by and between the WBSEDCL and M/s Rashmi Cement Limited for purchase of surplus power from waste gas based power plant of RCL on mutually agreed basis in terms of regulation 7.4.1 of the Tariff Regulations.
- 9.0 The application is thus disposed off.
- 10.0 A copy of the order shall be posted in the website of the Commission.
- 11.0 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: 05.07.2022**

**Sd/-  
SECRETARY**