



Approval of ARR and MYT for supply of 187 MW from 300 MW Unit-II of DIL to NPCL for FY 2019-20 to FY 2023-24.



UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 1531 of 2019

FILED BY

DHARIWAL INFRASTRUCTURE LIMITED (DIL)

IN THE MATTER OF

Petition under relevant provisions of the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2019 and Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations 2004 for determination of Annual Revenue Requirement and final Generation Tariff for supply of 187 MW of Capacity (Gross Contracted Capacity) for the Tariff Period FY 2019-20 to FY 2023-24 from Unit 2 of 2 x 300 MW Coal-based thermal generating station of Dhariwal Infrastructure Limited located at Tadali, Chandrapur in the State of Maharashtra to Noida Power Company Limited read with the Power Purchase Agreement dated 26.09.2014 approved by the Commission in Petition No. 971 of 2014, Order dated 20.04.2016 read with the Order dated 15.01.2016.

Dated: 21-09-2022



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Petition No. 1531 of 2019
BEFORE
UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

(DATE OF ORDER: _____)

PRESENT:

Hon'ble Shri. Raj Pratap Singh, Chairman
Hon'ble Shri. Kaushal Kishore Sharma, Member
Hon'ble Shri. Vinod Kumar Srivastava, Member (Law)

IN THE MATTER OF

Petition under relevant provisions of the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2019 and Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations 2004 for determination of Annual Revenue Requirement and final Generation Tariff for supply of 187 MW of Capacity (Gross Contracted Capacity) for the Tariff Period FY 2019-20 to FY 2023-24 from Unit 2 of 2 x 300 MW Coal-based thermal generating station of Dhariwal Infrastructure Limited located at Tadali, Chandrapur in the State of Maharashtra to Noida Power Company Limited read with the Power Purchase Agreement dated 26.09.2014 approved by the Commission in Petition No. 971 of 2014, Order dated 20.04.2016 read with the Order dated 15.01.2016.

Dhariwal Infrastructure Limited (DIL)
Registered Office: CESC House, Chowringhee Square,
Kolkata – 700 001, West Bengal

..... Petitioner

AND

Noida Power Company Limited
Electric Sub-Station,
Knowledge Park – IV
Greater Noida, Gautam Buddha Nagar,
Uttar Pradesh – 201 310

..... Respondent

Date of Public hearing: 05.10.2021

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Approval of ARR and MYT for supply of 187 MW from 300 MW Unit-II of DIL to NPCL for FY 2019-20 to FY 2023-24.

1. BACKGROUND AND PROCEDURAL HISTORY

1.1 Background

- 1.1.1 The Petitioner, Dhariwal Infrastructure Ltd., is a Generating Company within the meaning of Section 2 (28) of the Act and has set up 2 X 300 MW (Unit 1 and Unit 2) Coal based thermal generating station located at Tadali, Chandrapur in the State of Maharashtra (hereinafter referred to as 'Project').
- 1.1.2 Noida Power Company Ltd., the Respondent is a Distribution Licensee within the meaning of Section 2 (17) of the Act.
- 1.1.3 Unit-2 of the Project with installed capacity of 300 MW, achieved Date of Commercial Operation (COD) on 02.08.2014 and a Power Purchase Agreement (PPA) was signed on 26.09.2014 between DIL and NPCL for supply of 187 MW power to NPCL.
- 1.1.4 Subsequently NPCL filed Petition No. 971/2014 before the Commission, for approval of PPA for purchase of 187 MW power from DIL under Section 62 read with Section 86(1)(b) of the Electricity Act, 2003. The Commission disallowed approval of PPA considering that for long term power purchase, competitive bidding route should only be availed. NPCL preferred an appeal before the Hon'ble Appellate Tribunal for Electricity (hereinafter referred to as 'Hon'ble APTEL') against this Order of the Commission. In its order dated 28.05.2015, the Hon'ble APTEL clarified that the State Commissions have been given powers either to choose Section 62, 62 (1) (a) to give approval to the PPA or to direct the Distribution Licensee to resort to the Competitive Bidding Process as per Clause 5.1 of the National Tariff Policy read with Section 63 of the Electricity Act and remanded back the case to the Commission. The Commission heard the case afresh on merits.
- 1.1.5 The Commission, vide Order dated 29.09.2015 asked NPCL that whether the cost of power procurement from this project is competitive vis-a-vis the cost of power available from other sources and vis-a-vis the power available from exchange. The Commission in its Order dated 15.01.2016, opined that whole case of NPCL is based on the levelized tariff of Rs. 4.79/kWh (for the period of 25 years) and it becomes necessary to firm up the fixed as well as the variable part of the tariff for the whole term of PPA, so that the consumer may be ensured to get power at a cheaper rate through this PPA as promised by the parties. The parties submitted firm commitment of Fixed Charges for 25 years period and also submitted that since their Power Plant is already complete and commissioned, hence there is no risk of increase in Capital Cost post approval of the PPA which is a significant advantage compared to tariffs from other MOU projects. The Commission further opined that the variable charges is also required to be as per the levelized tariff of Rs. 4.79/kwh for