



**ORDER
OF THE**

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. PPA-115 /21-22

IN REGARD TO THE APPLICATION SUBMITTED BY THE INDIA POWER CORPORATION LIMITED (IPCL) FOR APPROVAL OF POWER SALE AGREEMENT EXECUTED ON 19.07.2021 BY AND BETWEEN IPCL AND SOLAR ENERGY CORPORATION OF INDIA LIMITED (SECI) FOR PURCHASE OF 100 MW RTC – RE POWER BY IPCL, FOR A PERIOD OF 25 YEARS UNDER SUB-SECTION (1) OF SECTION 86 OF THE ELECTRICITY ACT, 2003 AND IN TERMS OF REGULATIONS 2.1.12, 7.4.1, 7.81, 7.8.2 AND 7.8.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

PRESENT:

SRI MALLELA VENKATESWARA RAO, CHAIRPERSON

SRI PULAK KUMAR TEWARI, MEMBER

DATE: 12.12.2022



Approval of Power Sale Agreement executed on 19.07.2021 by and between India Power Corporation Limited (IPCL) and Solar Energy Corporation of India Limited (SECI) for purchase of 100 MW RTC – RE power by IPCL, for a period of 25 years under sub-section (1) of section 86 of the Electricity Act, 2003 and in terms of regulations 2.1.12, 7.4.1, 7.81, 7.8.2 and 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

- 1.0 India Power Corporation Limited (IPCL) submitted an application vide letter dated 27.09.2021 for approval of Power Sale Agreement (PSA) executed on 19.07.2021 by and between Solar Energy Corporation of India Limited (SECI) and IPCL for purchase of Round the Clock Renewable Energy (RE) power of 100 MW for a period of 25 years at a rate determined through competitive bidding and adopted by CERC. Further, on 21.04.2022, IPCL submitted a copy of Central Electricity Regulatory Commission (CERC) order related to confirming the competitive bidding procedure under section 63 of the Electricity Act 2003 and adopting the tariff. Subsequently, IPCL vide letters dated 05.07.2022 and 28.09.2022 has submitted additional information on their application. The Commission admitted the application in Case No. PPA – 115/21-22.
- 2.0 The application of IPCL read with the Power Sale Agreement dated 19.07.2021 and additional information inter-alia states 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'. Accordingly, SECI has implemented a scheme to procure 400 MW Round the Clock (RTC) renewable energy under the provisions of Request for Selection (RfS) dated 18.10.2019 on a long-term basis from the selected RE Power Developers (RPD) and has signed a Power Purchase Agreement with the project company.
 - 2.2 IPCL has requisitioned to SECI for purchasing 100 MW RE Power from the proposed 400 MW RTC RE Project. Accordingly, IPCL has signed a Power Sale Agreement with SECI on 19.07.2021 for purchase of 100 ME RE RTC power for a period of 25 years from the scheduled commissioning date of the project.
 - 2.3 The tariff for procurement of the 100 MW RE Power on RTC basis is Rs. 2.90 per kWh for the first year with yearly escalation of 3% for 15 years and no further escalation after 15th year. In addition to this, a trading margin of Rs. 0.07 per kWh is payable to SECI for the entire term of the agreement. IPCL submitted that the landed cost of power including transmission charges and losses comes to Rs. 3.31 per kWh which is much lower than the



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- existing long term power purchase arrangement (DVC and WBSEDCL) of IPCL available on RTC basis.
- 2.4 The power shall be delivered by the power developer at its interconnection point with Inter State Transmission System. IPCL will receive such power at its proposed 220 kV Chalbalpur sub-station to be connected with Asansol 220 kV substation of WBSETCL. The minimum quantum of power from RTC RE Project will be 701.30 MU at an estimated CUF of 80%.
- 2.5 IPCL further submitted that the RE Power with long term round the clock availability will offset the short-term power purchase requirement and will also help them to meet the solar and non-solar Renewable Purchase Obligation.
- 2.6 In view of above, IPCL has prayed before the Commission to approve the said PSA dated 19.07.2021.
- 3.0 The Commission had directed IPCL to publish the gist of their application as approved by the Commission in terms of paragraph 9.17 of Tariff Order dated 21.07.2016 of IPCL. IPCL, accordingly had published the gist of the petition in (i) the "The Telegraph", (ii) the "Ananda Bazar Patrika", (iii) the "Aajkal" and (iv) the "Sanmarg" and also in their website on 01.02.2022 inviting suggestions and objections on their petition to be submitted within 14 (fourteen) days of publication of the gist. No suggestion and objection were received by the Commission within the stipulated time-period.
- 4.0 Thereafter, IPCL vide letter dated 21.04.2022 submitted that the Central Electricity Regulatory Commission has adopted the tariff in respect of the RE Wind Solar Hybrid Power vide order dated 08.04.2022 in Petition No. 258/AT/2021 and forwarded a copy of the order.

Observations of the Commission:

- 5.0 **Requirement of power procurement:**
- 6.1 The Commission vide letter dated 31.05.2022 directed IPCL to submit proper justification for purchase of 100 MW RTC RE power through a Load Generation Balance analysis considering the already entered PPA/ contracted capacity available with them along with the