



In regard to the application submitted by Damodar Valley Corporation (DVC) for approval of Power Purchase Agreement executed between Daomdar Valley Corporation and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of power by DVC from the Solar Photovoltaic Power plant of 180.56 kWp to be commissioned at Durgapur Steel Thermal Power Station (DSTPS) of DVC in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 and its amendments thereof.



Power Purchase Agreement with Jyotikiran Energy Mumbai Private Limited on 18.12.2020 for a period of 25 years from the scheduled commissioning date of the project.

- 2.5 The tariff for procurement of power of 180.56 kWp is levelized tariff of Rs. 3.33/kWh as per the tariff arrived through SECI tender for RESCO mode, fixed for the entire term of the agreement.
- 2.6 DVC submitted that the solar renewable energy power shall help them to meet the solar RPO target.
- 2.7 In view of above, DVC has prayed before the Commission to approve the said PPA dated 18.12.2020.
- 3.0 The Commission, after carefully analyzing, admitted the application on 20.08.2021 and directed DVC to publish the gist of their application as approved by the Commission in the newspapers and also in the website of DVC in terms of paragraph 8.11 of the Tariff Order dated 25.05.2015 for the years 2014 – 15 and 2015 – 16. DVC accordingly published the gist of the application in (i) The Telegraph (ii) the Times of India (iii) the 'Anandabazar Patrika' and (iv) the 'Bartaman' and in their website on 30.09.2021 inviting suggestions and objections on their application within 14 days (including the date of publication) of publication of the notice in Newspaper. No suggestion and objection were received by the Commission within the stipulated time-period.

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, in terms of Regulation 7.4.1 of the Tariff Regulations, prior approval of the Commission is required for every agreement or arrangement for power procurement by a licensee entered into after 09.02.2007, except for short term procurement.



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5.0 Accordingly, provision of prior approval of Power Purchase Agreement (PPA) has been specified in the Tariff Regulations notified by the Commission. The extent of review of the PPA as specified in the regulation 7.4.2 of the Tariff Regulations is produced below:

"7.4.2 The Commission shall review an application for approval of power purchase agreement / arrangement for a period exceeding one year having regard to the following factors, as appropriate.

- (a) Requirement for power procurement;*
- (b) Adherence to a transparent process of bidding in accordance with guidelines issued by the Central Government;*
- (c) Adherence to the tariff determined by the Central Electricity Regulatory Commission for the purchase of power from Central generating company;*
- (d) Adherence to the agreed tariff for purchase of energy from international sources;*
- (e) Adherence to policy approved by the Commission for purchase of power from captive and non-conventional sources;*
- (f) Availability (or expected availability) of capacity in the Intra-State transmission system for evacuation and supply of power procured under the agreement / arrangement;*
- (g) Adherence to Purchase of power from any source, other than those mentioned from (a) to (e) above in pursuance to different provisions of these regulations;*
- (h) Need to promote cogeneration and generation of electricity from renewable sources of energy."*

6.0 Requirement of power procurement:

6.1 From the different submissions of DVC found from the records of the Commission, it is observed that DVC has fallen short in their achievement of Renewable Power Obligation as stipulated by the Commission for solar part. Thus, the solar renewable energy power from the Solar Photovoltaic Power Plant to be installed at DSTPS will help DVC to meet their RPO.

7.0 Price of power purchase:

7.1. The Commission observes that as per the Power Purchase Agreement, DVC will purchase 180.56 kWp Solar Power from Grid Connected Rooftop Solar Photovoltaic Power Plant to be installed by JEMPL at DSTPS at a levelized tariff of Rs. 3.33 /kWh for 25 years.

7.2. The Tariff has been discovered through competitive bidding and is well below the average power purchase cost of DVC approved in the Tariff Order of 2019 - 20. Thus the Commission finds that the tariff for purchase of 100% solar power from the Solar



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Photovoltaic Power Plant to be installed by JEMPL at DSTPS is beneficial for the end consumers.

- 7.3. In view of the paragraph 7.1 and 7.2 above, the Commission observes that the tariff as mentioned in the Power Purchase Agreement has been discovered following the competitive bidding guidelines issued by the Government of India under section 63 and is also beneficial for the end consumers.

Order:

- 8.0 Considering the above facts and in order to promote Cogeneration and Renewable source of energy in terms of clause (e) of sub-section (1) of section 86 of the Act, the Commission in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended, approves the Power Purchase Agreement dated 18.12.2020 executed by and between DVC and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of 180.56 kWp Solar renewable energy power from Solar Photovoltaic Power Plant to be installed by JEMPL at Durgapur Steel Thermal Power Station for a period of 25 (twenty-five) years to the extent utilized in West Bengal for meeting the RPO compliance at a tariff to be adopted by the Central Electricity Regulatory Commission.
- 9.0 The Commission also directs DVC to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.
- 10.0 The petition is thus disposed of. Let a copy of the order be served upon DVC.
- 11.0 A copy of the order shall be posted in the website of the Commission.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 22.06.2023

Sd/-
SECRETARY