



**ORDER
OF THE**

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. PPA-120 /22-23

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF THE THIRD SUPPLEMENTARY AGREEMENT TO POWER PURCHASE AGREEMENT DATED 26.05.2010 (PRINCIPAL AGREEMENT) EXECUTED BY AND BETWEEN HIMADRI SPECIALITY CHEMICAL LTD (FORMERLY KNOWN AS HIMADRI CHEMICAL & INDUSTRIES LTD) (HSCL) & WBSEDCL UP TO 16.02.2026 IN TERMS OF REGULATION 7.4.1 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: 08.06.2023



Approval of the third supplementary agreement to power purchase agreement dated 26.05.2010 (Principal Agreement) executed by and between Himadri Speciality Chemical Ltd (Formerly known as Himadri Chemical & Industries Ltd) (HSCL) & WBSEDCL up to 16.02.2026 in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application vide letter dated 27.12.2022 for approval of third Supplementary Agreement to the Power Purchase Agreement dated 26.05.2010 executed by and between WBSEDCL and Himadri Speciality Chemical Ltd. (HSCL, formerly known as Himadri Chemical & Industries Ltd) for purchase of surplus power from waste gas-based power plant of HSCL in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended. The Commission admitted the application in Case No. PPA – 120/ 22 - 23.
- 2.0 The application of WBSEDCL inter-alia state the following:
 - 2.1 WBSEDCL had entered into a Power Purchase Agreement with M/s Himadri Speciality Chemical Ltd on 26.05.2010 for purchase of surplus power from 12 MW waste gas-based power plant of HSCL for an initial period of 5 years at a mutually agreed tariff which was approved by the Commission vide order dated 17.08.2010.
 - 2.2 On expiry of the Principal Agreement, WBSEDCL and HSCL agreed to extend the purchase of surplus power from the waste gas-based power plant of HSCL through an agreement termed as 'Amended First Supplementary Agreement' dated 11.02.2022 and thereafter through a 'Second Supplementary Agreement' dated 10.05.2022 with the contract period upto 16.02.2026 and at a capped price of Rs. 2.00 per kWh. The Commission approved the agreements vide order dated 25.07.2022.
 - 2.3 Now, HSCL has added a capacity of 12 MW in the form of new Captive Power Plant (CPP) and HSCL has also agreed to sell the surplus power from the new 12 MW waste gas based generating unit to WBSEDCL as per existing terms and conditions of PPA in respect of existing 12 MW plant. Accordingly, WBSEDCL and HSCL has executed a 'Third Supplementary Agreement' on 20.09.2022 to purchase power from total 24 MW plant upto 16.02.2026 at a capped price of Rs. 2.00 per kWh.
 - 2.4 WBSEDCL submitted that the Board of Directors of WBSEDCL in its 109th meeting held on 11.11.2022 has accorded post facto in principle approval for execution of Third Supplementary Agreement to the Principal Agreement dated 26.05.2010.