



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



- 2.5 WBSEDCL also submitted that the purchase of surplus power from HSCL shall be beneficial to promote cogeneration, restrict pollution by utilizing the waste gas-based power generation and also helps the power system since the same is a distributed generation.
- 2.6 In view of the above, WBSEDCL prayed for approval of the 'Third Supplementary Agreement' dated 20.09.2022.

**Observations of the Commission:**

- 3.0 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.
- 4.0 The Commission observes that it had already accorded approval of the PPA dated 26.05.2010 vide order dated 17.08.2010 for purchase of surplus power from 12 MW waste gas-based power plant of HSCL 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.
- 5.0 Thereafter, the Commission has accorded approval of the Amended First Supplementary Agreement dated 11.02.2022 and Second Supplementary Agreement dated 10.05.2022 executed by and between the WBSEDCL and HSCL for purchase of 3.5 MW surplus power from 12 MW waste gas-based power plant of HSCL on mutually agreed basis at capped rate of Rs. 2.00 per kWh vide order dated 25.07.2022.
- 5.0 The present 'Third Supplementary Agreement' dated 20.09.2022 is only an extension of added capacity of 12 MW by HSCL and thereby increasing the surplus quantum from 3.5



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MW to 6.5 MW. Tariff and other conditions are kept same with the already approved second supplementary agreement.

- 6.0 The Commission further observes that the mutually agreed capped rate of Rs. 2.00 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 2023 – 24 (Rs. 3.79 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 HSCL is found to be beneficial to WBSEDCL and its consumers.

**Order:**

- 7.0 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 Third Supplementary Agreement dated 20.09.2022 executed by and between the WBSEDCL and M/s Himadri Speciality Chemical Ltd for purchase of surplus power from 24 MW (2 x 12 MW) waste gas-based power plant of HSCL on mutually agreed basis in terms of regulation 7.4.1 of the Tariff Regulations.
- 8.0 The petition is thus disposed of.
- 9.0 A copy of the order shall be posted in the website of the Commission.
- 10.0 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/-  
(MALLELA VENKATESWARA RAO)  
CHAIRPERSON

Dated: 08.06.2023

Sd/-  
SECRETARY