



**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
IN CASE NO. PPA – 121 / 22 – 23**

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF THE POWER PURCHASE AGREEMENT DATED 12.12.2022 EXECUTED BY AND BETWEEN M/S ALAKNANDA BALMUKUND ISPAT PRIVATE LIMITED (ABIPL) AND WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR A PERIOD OF 5 YEARS

**PRESENT:**

**SRI MALLELA VENKATESWARA RAO, CHAIRPERSON  
SRI PULAK KUMAR TEWARI, MEMBER**

**DATE: 05.07.2023**



Approval of the Power Purchase Agreement dated 12.12.2022 executed by and between M/s Alaknanda Balmukund Ispat Private Limited (ABIPL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for a period of 5 years



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**Facts in brief:**

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application for approval of the Power Purchase Agreement dated 12.12.2022 executed by and between M/s Alaknanda Balmukund Ispat Private Limited (ABIPL) and WBSEDCL for a period of five years in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time [in short 'Tariff Regulations']. The Commission admitted the application in Case No. PPA – 121/22 – 23.
- 2.0 The application of WBSEDCL inter-alia states the following:
  - 2.1 WBSEDCL had a Power Purchase Agreement (PPA) with M/s Concast Steel and Power Limited (Concast) for purchase of surplus power from the cogeneration plant at Bankura District of West Bengal. The said PPA was automatically terminated due to non-supply of power to WBSEDCL by M/s Concast for more than one year.
  - 2.2 Now, ABIPL had purchased the entire Bankura Unit of Concast with total Captive generation capacity of 22.50 MW turbine generator unit consisting of 17.50 MW coal-based boiler and 2 x 2.5 MW Waste Heat Recovery Based Boiler (WHRB) in the premises of the steel plant. ABIPL has also planned for installation of 3<sup>rd</sup> 2.5 MW WHRB unit and after commissioning of the same, the total plant capacity will be 25 MW.
  - 2.3 Accordingly, WBSEDCL and ABIPL has entered into a PPA to purchase power from the Waste Heat Recovery Based Boiler (WHRB) of ABIPL Captive plant, which inter-alia mentions the followings:
    - (i) At present WBSEDCL will purchase 4.8 MW surplus power which will subsequently increase to 7.2 MW after commissioning of 3<sup>rd</sup> unit.
    - (ii) Delivery point for injection of energy to WBSEDCL shall be the 132 kV bus at Bankura 132 kV sub-station of WBSETCL.
    - (iii) The meters shall be installed at delivery (injection) point.
    - (iv) Tariff: WBSEDCL and ABIPL have agreed to a single part tariff of Rs. 2.00 per kWh. Taxes, levies, cess, duties, etc, if any, shall be paid by ABIPL.



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- 2.4 WBSEDCL submitted that the Board of Directors of WBSEDCL in its 109<sup>th</sup> meeting held on 11.11.2022 has accorded in principle approval for execution of Power Purchase Agreement with ABIPL.
- 2.5 WBSEDCL also submitted that the purchase of surplus power from ABIPL shall be beneficial to promote cogeneration, restrict pollution by utilizing the waste gas-based power generation.
- 2.6 In view of the above, WBSEDCL prayed for approval of the PPA dated 12.12.2022.

**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 for purchase of 7.2 MW surplus power from M/s Concast Steel and Power Limited at mutually agreed tariff of Rs. 3.19 per kWh vide order dated 24.07.2013 in Case No. PPA – 68/13 – 14 read with letter dated 29.08.2013. The Commission noted that the PPA was terminated in terms of clause 17 (viii) of the PPA dated 08.08.2013.
- 5.0 In the instant petition, WBSEDCL submitted that ABIPL had purchased the entire Bankura Unit of Concast and therefore WBSEDCL has executed a fresh PPA with ABIPL on 12.12.2022 for purchase of 7.2 MW of surplus power at a mutually agreed tariff of Rs. 2.00 per kWh to streamline the process of procurement of power.
- 6.0 The Commission observes that the mutually agreed 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). Thus, the power purchase from ABIPL is found to be beneficial to WBSEDCL and its consumers.

**Order:**



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- 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 Power Purchase Agreement dated 12.12.2022 executed by and between the WBSEDCL and M/s Alaknanda Balmukund Ispat Private Limited for purchase of surplus power from the Waste heat Recovery Boiler of the Captive Generating Plant of ABIPL 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:05.07.2023

Sd/-  
SECRETARY