

by the Central Government. However, till such notification, any such procurement of power from renewable energy sources Projects, may be done under Section 62 of the Electricity Act, 2003.”

- 11) Hon'ble GERC has notified GERC (Procurement of Energy from Renewable Sources Regulations, 2010) dated 17.04.2010 and thereafter 1<sup>st</sup> Amendment dated 03.03.2014, 2<sup>nd</sup> Amendment dated 20.04.2018 and 3<sup>rd</sup> Amendment Regulations dated 08.04.2022. In accordance with the same, the stipulated RPO% targets for the Obligated Entities of Gujarat are as under:

Year	Minimum quantum of purchase (%) from RE sources				
	Wind RPO %	Solar RPO %	Large Hydro HPO%	Other RPO% (Biomass, Bagasse & Bio-fuel Cogeneration, MSW and Small / Mini / Micro Hydel)	Total %
2021-22	8.25	8.00	-	0.75	17.00
2022-23	8.25	8.00	-	0.75	17.00
2023-24	8.40	9.50	0.05	0.75	18.70
2024-25	8.55	11.25	0.10	0.80	20.70

In view of above, the purchase of power from Bagasse based co-generation power plants can help in RPO compliance of GUVNL. Additionally, power from bagasse based co-generation projects will also contribute to diversify the energy mix of GUVNL. The local generation from bagasse based projects is expected to improve grid scenario of the State Grid as generation from the bagasse based plants is more predictable compared to other RE sources like Wind and Solar.

- 12) GUVNL had received request from Shree Narmada Khand Udyog Sahakari Mandli Limited vide letter dated 03.05.2023 for signing of PPA for procurement of 15 MW power from their 30 MW Bagasse based co-generation project to be set up at Dharikheda, P.O. Timbi, Ta. Rajpipla (Nandod), Dist. Narmada.
- 13) The control period of order dated 27.06.2022 has expired on 31.03.2023. However, in the order, the Hon'ble Commission has decided the following in relation to the Scheduled Commercial Operation Date of the Projects.

*“Further, we are of the view that to promote the renewable energy available from biomass/bagasse co-generation projects if any project developers approach the distribution licensees and the distribution licensees may consider the proposal and enter into the PPA with project developer with the provisions that the SCOD of*



*such project may have available time up to 36 months from date of signing of the PPA and the tariff receivable by generators should be lower of applicable tariff in two control periods, i.e., (i) date of signing of the PPA and (ii) date of actual SCOD."*

14) In view of the above, GUVNL had forwarded the draft PPA to Shree Narmada Khand Udyog Sahakari Mandli Limited prepared in accordance with Hon'ble GERC order dated 27.06.2022 and in response the developer had approached GUVNL for signing of PPA. Accordingly, GUVNL has signed Power Purchase Agreement (PPA) on 25<sup>th</sup> September 2023 with Shree Narmada Khand Udyog Sahakari Mandli Limited. The PPA signed with the developer is placed herewith as **Annexure – 'A'**. The salient features of PPA are as under:

- (i) As per GERC's order dated 27.06.2022, the term of the PPA has been kept as 20 years from the commercial operation date of the entire project.
- (ii) The time period available to the project developer for commissioning of the project is kept as 36 months from date of signing of PPA.
- (iii) If the project is commissioned within the control period of GERC order dated 27.06.2022, the applicable tariff shall be (i) The fixed charges of Rs.1.98/Kwh (without AD benefit) payable on the Scheduled Energy as certified in the monthly SEA by SLDC upto cumulative PLF of 60% per annum and (ii) Energy Charges determined by Hon'ble GERC from time to time on the Scheduled Energy as certified in the monthly SEA by SLDC. The Energy Charge rate of Rs 4.63 per Kwh determined by GERC is applicable for the period up to 30.03.2023.

OR

- The tariff to be determined by GERC for the upcoming control period pursuant to expiry of existing control period on 31.03.2023.
- (iv) In case the project is commissioned in the control period of subsequent tariff order, the applicable tariff shall be lower of applicable tariff in two control periods i.e. (i) Date of signing of PPA, (ii) Date of actual COD.
  - (v) The Power Producer shall construct the project and it's Interconnection Facilities including Plant Switchyard upto Delivery Point at its own cost. The transmission line from the Delivery Point to the sub-station of GETCO shall be constructed by GETCO. All charges and losses upto Delivery Point shall be borne by the power producer.
  - (vi) The projects can meet the start-up / stand-by power requirement from the existing power supply available at the sugar factory from the power project. For energy drawn from grid for start-up / stand-by power, the power



producer shall pay at HT tariff applicable for power supply at the sugar factory from time to time as determined by Hon'ble GERC.

- (vii) If the project is not commissioned by its Scheduled Commercial Operation Date except due to Force Majeure, the Power Producer shall pay to the GUVNL liquidated damages for delay at the rate of Rs.3000 (Rupees Three Thousands Only) per day per MW with a ceiling of Rs.5,00,000 (Rupees Five Lakhs only) per MW. The delay in commissioning with levy of Liquidated Damages shall be allowed for a maximum period of 365 days after which GUVNL may terminate this Agreement or give a chance to the Power Producer to complete the construction to get to the Commercial Operation.
- (viii) Under the PPA, the "Crushing Season" has been defined as the period during each year in which the Power Producer is processing sugarcane and producing Bagasse which typically starts around 15<sup>th</sup> October and ends by 15<sup>th</sup> April each year. However, if there is any variation in the same, the Power Producer shall inform GUVNL through written communication at least 10 days prior to commencement of Crushing Season.
- 15) The Petitioner would like to mention that the PPA signed with the developer is subject to approval of the Hon'ble Commission. It is specifically mentioned in the recitals of the PPA that *"the parties hereby agree that GUVNL shall approach the Hon'ble Gujarat Electricity Regulatory Commission for approval of this Power Purchase Agreement under Section 86 of the Electricity Act 2003 and that all terms & conditions of this Power Purchase Agreement shall be subject to aforesaid approval of the Hon'ble Commission and shall also be subject to all other terms & conditions that may be stipulated by the Hon'ble Commission in pursuance of the approval."*
- 16) In the above backdrop, the Petitioner has filed the present petition for the approval of Power Purchase Agreement appended herewith as Annexure A signed by GUVNL with Shree Narmada Khand Udyog Sahakari Mandli Limited, for procurement of 15 MW power during crushing season and 0 MW power during non-crushing season from their 30 MW Bagasse based Co-generation Project under Order No.03 of 2022 dated 27.06.2022 issued by Hon'ble GERC for Determination of Tariff for Procurement of Power by the Distribution Licensees and Others from Biomass based Power Projects and Bagasse based Co-generation Projects for Control Period from FY 2020-21 to FY 2022-23 in the State of Gujarat.

