



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA – 88 / 18 – 19 / VOL II**

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF 2ND AMENDMENT AGREEMENT DATED 04.03.2024 TO THE POWER PURCHASE AGREEMENT DATED 28.12.2010 EXECUTED BY AND BETWEEN WBSEDCL AND HIRANMAYE ENERGY LIMITED (HMEL) FOR PURCHASE OF 300 MW POWER FROM THE THERMAL POWER PLANT OF HMEL

**PRESENT:
DR MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 20.03.2024



Facts in Brief

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 11.03.2024 for approval of 2nd Amendment Agreement dated 04.03.2024 to the Power Purchase Agreement dated 28.12.2010 executed by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Hiranmaye Energy Limited (HMEL) for purchase of 300 MW power from the thermal power plant of Hiranmaye Energy Limited, 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 and registered it in Case No. PPA – 88/ 18 – 19/ Vol II.
- 2.0 WBSEDCL in its application inter-alia submitted the following:
 - 2.1 HMEL has a 450 MW (3x150 MW) coal fired power station at Haldia in Purbo Medinipur district of West Bengal. WBSEDCL and HMEL executed a Power Purchase Agreement (hereinafter termed as the Principal PPA) on 28.12.2010 for purchase of 300 MW power from the thermal power station at regulated price to be determined by the Commission with contract period of 25 years and is referred to as the Principal PPA.
 - 2.2 Thereafter, the First Supplementary Agreement to the Principal PPA was enacted on 06.04.2018 between WBSEDCL and HMEL to arrive at an ad hoc tariff until the tariff is officially determined by the Commission under Section 62 of the Act. The First Supplementary Agreement was approved by the Commission on 29.08.2018.
 - 2.3 Subsequently, HMEL participated in auction of coal linkage under 2nd Round of SHAKTI Scheme and got allocation of 15,02,300 MT of G13 grade coal per annum from Mahanadi Coalfields Ltd. (MCL) for 24 years with a tariff discount of 7 paisa/kwh to the beneficiary distribution licensee. Accordingly, WBSEDCL and HMEL entered into 1st Amendment to the Principal PPA and First Supplementary Agreement on 02.08.2019. The Commission approved the 1st Amendment Agreement dated 02.08.2019 on 30.08.2019 in Case No. PPA – 88/ 18-19.
 - 2.4 Further, WBSEDCL and HMEL on 03.07.2020 entered into Second Supplementary Agreement to the Principal PPA to revise their adhoc tariff, which was approved by the Commission on 15.10.2020.



Approval of 2nd Amendment Agreement dated 04.03.2024 to the Power Purchase Agreement dated 28.12.2010 executed by and between WBSEDCL and Hiranmaye Energy Limited (HMEL) for purchase of 300 MW power from the thermal power plant of HMEL



- 2.5 Now, HMEL has participated in the bidding under 6th Round of SHAKTI Scheme B(ii) and successfully received provisional allocation of 2,68,900 Tonnes of G13 grade per annum from Mahanadi Coalfields Limited (MCL) by offering a levelized tariff discount of 17 paisa/kWh for 19 years. Accordingly, WBSEDCL and HMEL on 04.03.2024 has executed and signed a 2nd Amendment to the Principal PPA read with the 1st Amendment Agreement dated 02.08.2019.
- 3.0 In view of above, WBSEDCL has prayed before the Commission for approval of the 2nd Amendment Agreement executed on 04.03.2024, in terms of regulation 7.4.1 of the Tariff Regulations of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations.2011, as amended.

Observations of the Commissions

- 4.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 (hereinafter referred as "the Act") 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.
- 5.0 SHAKTI Scheme envisages allocation of linkage coal on the basis of long term approved PPA and also to what extent, the licensee can pass on benefits to the end consumers.
- 6.0 HMEL has participated in the bidding process under 6th Round of SHAKTI Scheme B(ii) and successfully received provisional allocation of 2,68,900 Tonnes per annum from MCL by offering a levelized tariff discount of 17 paisa/ kWh to its consumers for 19 years.
- 7.0 The Commission observes that the power of 300 MW of HMEL thermal plant is supplied to the consumers of WBSEDCL where the tariff is determined under section 62 of the Electricity Act. Thus, the proposed tariff discount of 17 paisa/ kWh will be beneficial to the end consumers of WBSEDCL.

Order

- 8.0 The Commission after considering the above facts and submission of WBSEDCL approves the 2nd Amendment Agreement dated 04.03.2024 to the Principal PPA dated 28.12.2010 entered between WBSEDCL and HMEL for purchase of 300 MW power from the thermal power plant of



Approval of 2nd Amendment Agreement dated 04.03.2024 to the Power Purchase Agreement dated 28.12.2010 executed by and between WBSEDCL and Hiranmaye Energy Limited (HMEL) for purchase of 300 MW power from the thermal power plant of HMEL



HMEL, in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations, 2011, as amended.

- 9.0 HMEL shall compute the monthly energy bill with applicable levelized discount of 7 paise/ kWh under linkage received in 2nd round of SHAKTI Scheme and 17 paise/kWh under linkage in 6th round of SHAKTI scheme, as specified in the approved agreement. The discount shall be computed with reference to the scheduled generation from the linkage coal to the extent supplied through both the SHAKTI Schemes.
- 10.0 HMEL shall maintain all documents related to receipt of coal under the SHAKTI schemes in round-2 and round-6 separately and submit the same along with the bills to WBSEDCL in order to substantiate the computation of discount adjustment. HMEL shall intimate SLDC regarding the energy charge after considering the applicable discount rate for considering under merit order despatch. HMEL shall also submit all details to the Commission while submitting APR and FPPCA petitions
- 11.0 The application is thus, disposed off.
- 12.0 A copy of the order shall be posted in the website of the Commission.
- 13.0 WBSEDCL, HMEL and SLDC 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: 20.03.2024

Sd/-
SECRETARY