



TARIFF ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEAR 2014 – 2015, 2015 – 2016 AND 2016 – 2017

IN

CASE NO: TP – 64 / 14 - 15

IN RE THE TARIFF APPLICATION OF HALDIA ENERGY LIMITED

FOR 2 X 300 MW GENERATING STATION AT HALDIA

FOR THE YEARS 2014 – 2015, 2015 – 2016 AND 2016 – 2017

UNDER SECTION 64(3)(a) READ WITH

SECTION 62(1) OF THE ELECTRICITY ACT, 2003

PRESENT:

SRI R. N. SEN, CHAIRPERSON

SRI S DASGUPTA, MEMBER

SRI A. BISWAS, MEMBER

DATE: 29.01.2016

In re the tariff application of Haldia Energy Limited for 2 x 300 MW generating station at Haldia for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 under section 64(3)(a) read with section 62(1) of the Electricity Act, 2003

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		29.01.2016	<p style="text-align: center;"><u>ORDER</u></p> <p>1.0 This is in regard to the application submitted by Haldia Energy Limited (in short 'HEL') on 21.08.2014 for determination of tariff of charges for their generating station (2X300 MW) at Haldia for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 as per provision of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short "Tariff Regulations'). The tariff application submitted by HEL has been admitted by the Commission on 05.09.2014 in case no. TP-64/14/15.</p> <p>2.0 It has been observed from the communications received from HEL that the 1st and 2nd units of their 2 x 300 MW project achieved commercial operation with effect from 28.01.2015 and 21.02.2015 respectively.</p> <p>3.0 The tariff petition submitted by HEL is based on their estimated project cost, at an intermediate position, for an amount of Rs. 394870.00 lakh. However, HEL is required to submit the final project cost as per the provision of regulation 2.8.1.4.13 of the Tariff Regulations. In terms of regulation 2.8.1.4.13 of the Tariff Regulations, only on submission of certain reports, the final project cost of the generating station will be determined and till submission of such report, the submitted project cost as mentioned in the tariff petition shall be reduced by atleast 5% as per the discretion of the Commission. The regulation 2.8.1.4.13 is reproduced below:</p> <p style="text-align: center;">"Within three years of COD of the last unit of a generating station the generating company or the licensee shall submit a detailed report showing whether the provisions of different</p>

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penalty(ies) or incentive(s) of contractual conditions are applied or not. The fact of waiver of non-application of penalty or incentive shall be specifically mentioned. Such analysis shall be given against each such provision specially as stipulated in the contract. Only on submission of such reports, the final project cost of the generating station will be determined. Till submission of such report, the submitted project cost as mentioned in any tariff application will be reduced by at least 5% as per the discretion of the Commission. On submission of such report, the Commission will finally decide the final project cost to be approved for capitalization for the purpose of the tariff determination and such fresh capitalization on the basis of approved project cost will be considered from the date of approval of the project cost."

4.0 The annual capacity charges and energy charge claimed by HEL for the years 2014 – 2015 to 2016 – 2017 are as under:

Particulars	Unit	Year		
		2014 - 2015	2015 – 2016	2016 – 2017
Energy charge at CTU Bus				
Energy charge during stabilization period	(Paise/kWh)	292.00	291.00	-
Energy charge during stabilized period	(Paise/kWh)	262	261	259
Capacity charge (post COD)	(Rs. in lakh)	31536.00	83387.30	96615.70
Overall	(Paise/unit sold)	530.00	498.00	514.00

5.0 In exercise of the power under regulation 2.8.1.4.13, the Commission decides to grant tariff to HEL considering 95% of the project cost as claimed by HEL subject to pending determination of final tariff on the basis of the final project cost to be approved by the Commission.

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6.0 After carrying out prima-facie prudence check, the Commission at present allows capacity charge and energy charge for the years 2014 – 2015 to 2016 – 2017 in respect of generating station of HEL at Haldia as under:

Particulars	Unit	Year		
		2014 – 2015 (for the period of commercial operation)	2015 – 2016	2016 – 2017
Energy charge at CTU Bus	(Paise/kWh)	275.09	262.47	253.83
Capacity charge	(Rs. in lakh)	10886.00	76628.00	88586.00

7.0 The above annual capacity charges are subject to adjustment through Annual Performance Review (in short 'APR') as per regulation 2.6 of the Tariff Regulations based on the final Project cost to be approved by the Commission and the energy charges are subject to adjustment through Fuel and Power Purchase Cost Adjustment (in short 'FPPCA') as per regulation 2.8.7 of the Tariff Regulations.

8.0 The capacity charge is recoverable at the target normative availability as provided in following table for 2014 – 2015 to 2016 – 2017:

2014 – 2015		2015 – 2016		2016 – 2017	
Target normative availability factor	capacity charge in Rs. lakh	Target normative availability factor	capacity charge in Rs. lakh	Target normative availability factor	capacity charge in Rs. lakh
85%	10886.00	85%	76628.00	85%	88586.00

9.0 The energy charge recoverable in 2014 – 2015, 2015 – 2016 and 2016 – 2017 against injection of energy under implemented schedule on injection shall be as follows:

Generating Station	Energy Charge (Paise/kWh)		
	2014 – 2015 (For the period under commercial operation)	2015 – 2016	2016 – 2017
Generating station of HEL at Haldia	275.09	262.47	253.83

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			<p>10.0 HEL shall, however, be entitled to realize Monthly Fuel Cost Adjustment (MFCA) for any subsequent period after 31.03.2016 as per provision of the Tariff Regulations.</p> <p>11.0 The tariff as determined by the Commission for the year 2014 – 2015 is applicable from the COD of the respective units and the tariff for the year 2015 – 2016 shall be applicable from 01.04.2015 to 31.03.2016. Adjustment if any, for over recovery / under recovery by HEL from CESC Limited for the period under commercial operation upto 31.01.2016 shall be adjusted in subsequent order of the Commission in respect of HEL. The tariff for 2016 – 2017 shall be applicable from 1st April, 2016 and shall continue till further order of the Commission.</p> <p>12.0 HEL is directed to submit fresh application for generating station and transmission system for determination of final tariff after finalization of the project cost in terms of the applicable Regulations.</p> <p>13.0 With the above decision, the tariff application of HEL is disposed of.</p> <p>14.0 Let a copy of this order be served upon HEL.</p> <p style="text-align: center;">Sd/- (A. BISWAS) MEMBER</p> <p style="text-align: center;">Sd/- (S. DASGUPTA) MEMBER</p> <p style="text-align: center;">Sd/- (R. N. SEN) CHAIRPERSON</p> <p>Dated : 29.01.2016</p>
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