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**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
IN THE MATTER OF  
CASE NO: WBERC/OA-435/22-23**

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR IN-PRINCIPLE CLEARANCE IN RESPECT OF INVESTMENT FOR INSTALLATION AND COMMISSIONING OF 125 MW (AC) SOLAR PV POWER PLANT AT GOALTORE OF PASCHIM MEDINIPUR DISTRICT, WEST BENGAL IN TERMS OF REGULATION 2.11.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED.

**PRESENT:**

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

**DATE: 04.08.2023**



## **CASE IN BRIEF**

1.0 WBSEDCL has submitted a petition in terms of regulation 2.11.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for 'in principle' investment approval of Rs. 750 crores for installation and commissioning of 125 MW Solar PV plant at Goaltore of Paschim Midnapore District, West Bengal.

2.0 The Petition contains the following prayers:

*"a) Approve total investment of Rs. 750 crore for installation and commissioning of 125 MW(AC) Solar PV Power plant at Goaltore of Paschim Medinipur district, West Bengal by West Bengal State Electricity Distribution Company Limited (WBSEDCL) in terms of regulation 2.11.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.*

*b) Pass an order as the Hon'ble Commission may deem fit and proper keeping in mind the fact and circumstances of the case."*

3.0 The Petition has been admitted by the Commission on 19.09.2022 and marked as OA-435/22-23.

4.0 The Regulation 2.11.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 is reproduced as below:

### **"2.11 Mitigation of Regulatory Uncertainty and Risk**

*2.11.1 In order to remove any uncertainty in electricity business any licensee or generating company may submit any application to*



*the Commission for getting 'in principle' clearance on any issue and/or for incurring any expenditure for which there is no specific approval mechanism mentioned under the regulations and have an impact on the tariff of the licensee or generating company prospectively:*

*Provided that in issuing such 'in principle' clearance, the Commission shall follow such procedure as is deemed necessary."*

5.0 The petitioner (WBSEDCL) has submitted the following facts in the instant petition:

a) In order to fulfil the solar energy Renewable Purchase Obligation (RPO) target, Department of Power & NES, GoWB entrusted WBSEDCL to undertake necessary measure for setting up of grid connected solar PV Power Plants at different districts of the State.

b) The instant petition has been filed for installation and commissioning of 125 MW (AC) Solar PV Power plant at Goaltore of Paschim Medinipur district, West Bengal. The Detailed Project Report (DPR) was prepared by WBSEDCL that envisaged the suitability of the proposed site along with designing size and shape of the plant, power availability with financial details including cost estimates etc. Total project cost comes to tune of Rs. 750 crore, including GST. The land for the project has been allotted free of cost.

c) The petitioner (WBSEDCL) at para #8 of the petition has submitted the benefits of the project, which are as follows:



- i) Generation of the project shall be used for meeting RPO requirement of WBSEDCL.
  - ii) Saving of Fossil Fuel and reduction of Green House Gas (GHG) emissions.
  - iii) Periodic rise in coal price consequent to consistent hike electricity tariff can be contained by developing such solar PV plants as a cheaper alternative of conventional counterparts.
- d) The petitioner (WBSEDCL) in January 2020 submitted an application before Hon'ble Commission for "in principle" clearance in respect of investment approval for installation and commissioning of 125 MW (AC) (Phase - 1 of 200 MW Solar Power Project) at Mouza - Dadanpatrabar, Mania and Dakshin Purushottampur under Ramnagar Block of Purba Medinipur district, West Bengal vide application letter no. REG/SERC/Investment/Approval/376 dated 24.01.2020. Furthermore, WBSEDCL requested the Hon'ble Commission to keep the application in abeyance for the time being vide letter no. REG/SERC/Investment Approval/243 dated 13.09.2021. Subsequently, Hon'ble Commission vide letter no. WBERC/OA-326119-20/1217 dated 01.10.2021 stated that the submitted application has been withdrawn by WBSEDCL.
- e) Consequent upon the withdrawal of the above application, the site modification proposal of Dept. of Power & NES, GoWB has been made. Accordingly, the petitioner (WBSEDCL) has



recently taken up the project for installation and commissioning of 125 MW (AC) Solar PV Power Plant at Goaltore, Paschim Medinipur District.

- f) With regard to funding of the project, WBSEDCL has submitted that out of estimated cost Rs. 750 crore, 20% of the project cost i.e. Rs. 150 crore will be funded by equity participation of Government of West Bengal and balance 80% cost of the project i.e. Rs. 600 crore will be met through interest free loan from KFW.
- g) As for the technical specifications of the project, WBSEDCL has submitted that Capacity of the power plant is 125 MW (AC) with Capacity Utilization Factor (CUF) of 18.50% and Annual Energy export to Grid is 202.069 MUs.
- h) While the Project is expected to commence in October, 2022, the same would be completed by June, 2024. In addition, considering Rs. 750 crore as the estimated project cost, the estimated cost of generation and levelised tariff of the project as per DPR has been derived as Rs. 3.31/kWh.

### **OBSERVATIONS OF THE COMMISSION**

6.0 The Commission observes that in order to fulfil the solar energy Renewable Purchase Obligation (RPO) target, Department of Power & NES, GoWB entrusted WBSEDCL for setting up of grid connected solar PV Power Plants at different districts of the State. Accordingly, instead of earlier proposal for setting up of 125 MW (AC) (Phase -1 of 200 MW Solar Power Project) at Mouza - Dadanpatrabar, Mania and Dakshin Purushottampur



Order of the West Bengal Electricity Regulatory Commission on an application submitted by West Bengal State Electricity Distribution Company Limited for in-principle clearance in respect of investment for installation and commissioning of 125 MW (AC) Solar PV Power Plant at Goaltore of Paschim Medinipur District, West Bengal in terms of regulation 2.11.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.



under Ramnagar Block of Purba Mednipur district, West Bengal, the present application has been filed for installation and commissioning of 125 MW (AC) Solar PV Power plant at Goaltore of Paschim Medinipur district, West Bengal at a cost of Rs. 750 crore.

7.0 It is further noted that estimated cost of the project is Rs. 750 crore, which is to be funded with a debt-equity ratio of 80:20. While KFW has agreed to provide 80% of the project cost i.e. Rs. 600 crore through interest free loan, the Government of West Bengal shall infuse equity to the tune of Rs. 150 crore, which is 20% of the estimated project cost. The petitioner at Annexure – ‘A’ of the petition, has enclosed a copy of the approval dated 22.01.2020 for ‘No-objection’ issued by the Finance Department of Government of West Bengal for obtaining Rs. 600 crore as loan from KFW with balance Rs. 150 crore as State Share in form of equity of WBSEDCL.

8.0 It is noted by the Commission that while the project is to be completed by June 2024, the levelised tariff is derived as Rs. 3.31 per kWh with Capacity Utilization Factor (CUF) of 18.50%.

### **ORDER**

9.0 The Commission after considering the above facts and submission made by the petitioner (WBSEDCL) in their application dated 02-08-2022 hereby accords the ‘in-principle’ approval of the investment proposal for installation and commissioning of 125 MW (AC) Solar PV Power plant at Goaltore of Paschim Medinipur district, West Bengal at a cost of Rs. 750 crore with debt-equity of 80:20 in terms of 2.11.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.



Order of the West Bengal Electricity Regulatory Commission on an application submitted by West Bengal State Electricity Distribution Company Limited for in-principle clearance in respect of investment for installation and commissioning of 125 MW (AC) Solar PV Power Plant at Goaltore of Paschim Medinipur District, West Bengal in terms of regulation 2.11.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.



10.0 The Commission also gives the following directions with regard to submission of the final project cost:

- i) The necessary details along with justifications for deviations from the investment plan, if any, shall also be submitted at the time of approval of final project cost.
- j) In case of escalation in the project cost, WBSEDCL shall take due approval from the Commission before capitalization of assets.

11.0 The petition is disposed of in terms of the above.

12.0 A copy of the order shall be posted on the website of the Commission.

13.0 WBSEDCL shall download the copy 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: 04.08.2023**

**Sd/-**  
**SECRETARY**