



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO. OA – 493 / 24 – 25

**IN REGARD TO THE APPLICATION SUBMITTED BY WEST
BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY
LIMITED FOR PRIOR APPROVAL OF PRELIMINARY
EXPENDITURE ON ACCOUNT OF EXPLORATORY WORKS FOR
PREPARATION OF DETAILED PROJECT REPORT INCLUDING
SURVEY AND INVESTIGATION WORKS I.R.O. BANDU PUMPED
STORAGE PROJECT OF 900 MW**

DATE: 11.07.2025



Prior approval of preliminary expenditure on account of exploratory works to be incurred by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for preparation of Detailed Project Report (DPR) including Survey and Investigation works i.r.o Bandu Pumped Storage Project of 900 MW

Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (hereinafter referred to as "WBSEDCL") has submitted an application on 12.07.2024 before the West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission") for prior approval of preliminary expenditure on account of exploratory works to be incurred by WBSEDCL for preparation of Detailed Project Report (DPR) including Survey and Investigation works i.r.o Bandu Pumped Storage Project of 900 MW. The application has been admitted by the Commission and registered in Case No. OA – 493 / 24 – 25.
- 2.0 The application of WBSEDCL inter-alia states the following:
 - 2.1 In order to harness the renewable energy and also to meet the peak demand of the State, WBSEDCL is required to undertake survey and investigate potential hydro generation projects as per the direction of the Government of West Bengal. The survey and investigation of such potential generation projects require preliminary expenditures.
 - 2.2 The Government of West Bengal has been contemplating to develop Pumped Storage Project at Bandu Nala in the district of Purulia, West Bengal with proposed installed capacity of 900 MW. The estimated investment for the project will be around Rs. 5000 Crores to Rs. 6000 Crores. WBSEDCL has been advised by the Department of Power, Government of West Bengal to select 3 to 4 competent global agencies / consultants through Expression of Interest to evaluate and prepare the DPR.
 - 2.3 WBSEDCL stated that the financial involvement for preparation of DPR including carrying out necessary Survey and Investigation works through selected Consultant/ Agency has been estimated to Rs. 26 Crore including taxes. The total expenditure will be incurred in a phase wise manner over a period of 3 years. For funding of the exploratory activity, WBSEDCL is contemplating for arrangement of loan.
 - 2.4 WBSEDCL submitted that the source and funding of the project will be finalized after completion of the feasibility study and thereafter, after completion of statutory clearances, WBSEDCL shall approach the Commission for necessary investment approval of the project.



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- 2.5 WBSEDCL submitted that the Commission in its order dated 06.10.2023 in Case No. OA – 444/ 22 – 23 had directed WBSEDCL to take prior approval before undertaking any exploratory works failing which the entire financial risk associated with such work is to be entirely borne by WBSEDCL. In view of the above and in order to mitigate financial risk, WBSEDCL prayed for prior approval for preliminary expenditure on account of exploratory works for preparation of DPR including Survey and Investigation works in respect of 900 MW Bandu Pumped Storage Project.

Observations of the Commission:

- 3.0 The Commission notes that conducting a Survey and Investigation works is a pre-requisite for assessing the feasibility or contemplate any new project. These studies are also required for the subsequent preparation of a Detailed Project Report (DPR).
- 4.0 The Commission is of the considered view that the preliminary expenditure towards such exploratory works for preparation of DPR in respect of 900 MW Bandu Pumped Storage Project is a part of project cost and therefore, is required to be considered in the DPR.
- 5.0 Moreover, WBSEDCL is required to obtain investment approval for new generating station in two stages and submit DPR of the project along with other related documents as specified in regulation 2.8.1.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time, for approval of the Commission.

Order:

- 6.0 In view of the above, the Commission approves the exploratory works for preparation of DPR including Survey and Investigation works in respect of 900 MW Bandu Pumped Storage Project and directs WBSEDCL to consider the such preliminary expenditure as a part of project cost during preparation of DPR of the pumped storage project and submit the same for approval as per the provisions of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time.
- 7.0 With this order, the petition filed by WBSEDCL stands disposed of.
- 8.0 A copy of the order shall be posted in the website of the Commission.



Prior approval of preliminary expenditure on account of exploratory works to be incurred by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for preparation of Detailed Project Report (DPR) including Survey and Investigation works i.r.o Bandu Pumped Storage Project of 900 MW

- 9.0 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/-
(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 11.07.2025

Sd/-
DEPUTY DIRECTOR, WBERC