



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

IN CASE NO. PPA- 120 (VOL-II) /25-26

APPROVAL OF THE FOURTH SUPPLEMENTARY AGREEMENT TO POWER PURCHASE AGREEMENT DATED 26.05.2010 (PRINCIPAL AGREEMENT) EXECUTED BY AND BETWEEN HIMADRI SPECIALITY CHEMICAL LTD (HSCL) & WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) UP TO 16.02.2031

DATE: 29.05.2026



Approval of the fourth supplementary agreement to power purchase agreement dated 26.05.2010 (Principal Agreement) executed by and between Himadri Speciality Chemical Ltd (Formerly known as Himadri Chemical & Industries Ltd) (HSCL) & WBSEDCL up to 16.02.2031

Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application vide letter dated 13.03.2026 for approval of fourth Supplementary Agreement to the Power Purchase Agreement (PPA) dated 26.05.2010 executed by and between WBSEDCL and Himadri Speciality Chemical Ltd. (HSCL, formerly known as Himadri Chemical & Industries Ltd) for purchase of surplus power from waste gas-based power plant of HSCL in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended. The Commission admitted the application on 27.03.2026 in Case No. PPA – 120 (Vol-II) / 25 - 26.
- 2.0 The application of WBSEDCL inter-alia states the following:
 - 2.1 WBSEDCL had entered into a PPA with M/s Himadri Speciality Chemical Ltd (HSCL) on 26.05.2010 for purchase of surplus power from 12 MW waste gas-based power plant of HSCL for an initial period of 5 years at a mutually agreed tariff which was approved by the Commission vide order dated 17.08.2010.
 - 2.2 On expiry of the Principal Agreement, WBSEDCL and HSCL agreed to extend the purchase of surplus power from the waste gas-based power plant of HSCL through an agreement termed as 'Amended First Supplementary Agreement' dated 11.02.2022 and thereafter through a 'Second Supplementary Agreement' dated 10.05.2022 with the contract period upto 16.02.2026 and at a capped price of Rs. 2.00 per kWh. The Commission approved the agreements vide order dated 25.07.2022.
 - 2.3 Subsequently, HSCL added a capacity of 12 MW in the form of new Captive Power Plant (CPP) and also agreed to sell the surplus power from the new 12 MW waste gas based generating unit to WBSEDCL as per existing terms and conditions of PPA in respect of existing 12 MW plant. Accordingly, WBSEDCL and HSCL executed a 'Third Supplementary Agreement' on 20.09.2022 to purchase power from total 24 MW plant upto 16.02.2026 at a capped price of Rs. 2.00 per kWh. The Commission approved the Third Supplementary Agreement vide order dated 08.06.2023.



Approval of the fourth supplementary agreement to power purchase agreement dated 26.05.2010 (Principal Agreement) executed by and between Himadri Speciality Chemical Ltd (Formerly known as Himadri Chemical & Industries Ltd) (HSCL) & WBSEDCL up to 16.02.2031

- 2.4 Now, WBSEDCL and HSCL have agreed to extend the contract period for further 5(five) years from 17.02.2026 to 16.02.2031 with a condition that the agreement may be mutually extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties may agree to.
- 2.5 WBSEDCL and HSCL also have agreed that all other existing terms and conditions of the agreement will remain same.
- 2.6 The Board of Directors of WBSEDCL in its 136th meeting held on 08.01.2026 has accorded post facto in principle approval for execution of Fourth Supplementary Agreement to the Principal Agreement dated 26.05.2010.
- 2.7 In view of the above, WBSEDCL prayed for approval of the 'Fourth Supplementary Agreement' dated 05.02.2026.

Observations of the Commission:

- 3.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 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. Further clause (e) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that the State Commission shall promote co-generation and generation of electricity from renewable sources of energy.
- 4.0 The Commission has accorded approval of the PPA dated 26.05.2010 executed by and between WBSEDCL and HSCL vide order dated 17.08.2010 for purchase of surplus power from 12 MW waste gas-based power plant of HSCL at a mutually agreed tariff.
- 5.0 The approval of the Amended First Supplementary Agreement dated 11.02.2022 and Second Supplementary Agreement dated 10.05.2022 executed by and between the WBSEDCL and HSCL for purchase of surplus power from 12 MW waste gas-based power plant of HSCL on mutually agreed basis at capped rate of Rs. 2.00 per kWh was accorded by the Commission vide order dated 25.07.2022.



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- 6.0 The Commission also accorded approval of the 'Third Supplementary Agreement' dated 20.09.2022 for purchase of surplus power from 24 (2 X12 MW) waste gas-based power plant of HSCL with existing Tariff and terms & conditions.
- 7.0 The present 'Fourth Supplementary Agreement' dated 05.02.2026 is executed to extend the contract period by five years i.e. from 17.02.2026 to 16.02.2031. Tariff and other conditions are kept the same with the already approved third supplementary agreement.
- 8.0 It has been observed that the purchase of surplus power from HSCL shall promote cogeneration, restrict pollution and also helps the power system since the same is a distributed generation.
- 9.0 The Commission observes that the mutually agreed capped rate of Rs. 2.00 per kWh is well within the ceiling rate of Rs. 3.34 per kWh as specified by the Commission for power purchase from co-generation plants. The proposed tariff is also below the average power purchase cost of WBSEDCL for 2025 – 26 (Rs. 3.66 per kWh). Further, the purchase of power, being at distribution boundary (33 kV), will also help in reducing the technical losses as well as improve the voltage level of the distribution system. Thus, the power purchase from HSCL is found to be beneficial to WBSEDCL and its consumers.

Order:

- 10.0 The Commission after considering the above facts and its responsibility to promote Cogeneration and Renewable sources of energy under clause (e) of sub-section (1) of section 86 of the Act approves the Fourth Supplementary Agreement dated 05.02.2026 executed by and between the WBSEDCL and M/s HSCL for purchase of surplus power from waste gas-based power plant of HSCL on mutually agreed basis in terms of regulation 7.4 of the Tariff Regulations.
- 11.0 The petition is thus disposed of.
- 12.0 A copy of the order shall be posted in the website of the Commission.
- 13.0 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



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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: 29.05.2026

Sd/-

DEPUTY DIRECTOR, WBERC