ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO: PPA -133/24-25

Power Purchase Agreement executed between India Power Corporation Limited (IPCL) & Damodar Valley Corporation (DVC) for 45 MW .

DATE: 29.07.2026

Facts in Brief

1.0 The India Power Corporation Limited (in short 'IPCL') has submitted an application vide letter No. RA/II/002/24-25/71 dated 07.02.2025 for the approval of Power Purchase Agreement executed on 02.12.2024 by and between India Power Corporation Limited (IPCL) and Damodar Valley Corporation (DVC) for purchase of total 45 MW of power which comprised 15MW (1.50% of Installed Capacity (IC)) from 2x500 MW Durgapur Steel Thermal Power Station (DSTPS-1&2), 15 MW (1.50% of IC) from 2x500 MW Mejia Thermal Power Station U#7&8 (MTPS-7&8) and 15 MW (3.00% of IC) from 2x250 MW Mejia Thermal Power Station U#5&6 (MTPS-5&6) of DVC by IPCL for a period of 12 years from the date of commencement of supply at the regulated price determined by Central Electricity Regulatory Commission (CERC) in terms of regulation 7.4.1, 7.8.1, 7.8.2 & 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended (hereinafter to be referred as "Tariff Regulations"). The application is admitted by the Commission on 20.02.2025 and registered as Case No. PPA -133/24-25.

2.0 The application of IPCL read with the Power Purchase Agreement dated 02.12.2024 inter-alia states the following:

2.1 IPCL stated that in compliance with Commission's observations regarding execution of power purchase agreement, they approached DVC proposing to align or amend the historical PSAs with mutually agreed terms and conditions. Subsequently, DVC proposed transition from existing radial mode of power purchase quantum of 45 MW to a new arrangement through schedule and dispatch mechanism.

2.2 DVC and IPCL both have mutually agreed to have a long-term power supply agreement where DVC offered to supply power Round the Clock (RTC) from its generating units, namely 2x500 MW DSTPS-1&2, 2x500 MW MTPS-7&8 and 2x250 MW MTPS-5&6 at the regulated price determined by CERC.

2.3 IPCL has executed the Power Purchase Agreement (PPA) with DVC on 02.12.2024 for the purchase of total quantum of 45 MW of power comprising 15MW (1.50% of IC) from 2x500 MW DSTPS-1&2, 15 MW (1.50% of IC) from 2x500 MW MTPS-7&8 and 15 MW (3.00% of IC) from 2x250 MW MTPS-5&6 for a period of 12 years from the date of commencement of power supply from the stations, unless it is extended on mutually agreed terms.

3.0 IPCL shall have the right to schedule the Declared Capacity (DC) in proportion to its allocation from the respective station.

4.0 Delivery Points of Sale of electricity to IPCL under the agreement shall be at the busbars (EX-Bus) of the Stations.

5.0 Drawal points of supply to IPCL shall be the existing interconnection points between T&D network of DVC and IPCL Sub-stations at Kumardhubi-Dishergarh, Kalipahari-Luchipur, Kalipahari-Satgram, Kalipahari-Seebpur. Both DVC and IPCL agreed on a diversified supply arrangement of 45MW RTC power at the above-mentioned four (4) different off-take points to mitigate risks associated with single-plant dependency. Such diversified procurement approach enhances reliability and stability, reducing vulnerabilities in the event of any unforeseen contingencies at a single generating station.

6.0 The Tariff and other Terms and Conditions for the electricity supplied from the Stations shall be determined by CERC. Incentives and all other applicable taxes/charges/fees as per CERC Regulations shall be applicable during the contracted period. Income tax applicable for sale of power as per agreement shall be governed by the applicable CERC Regulations.

7.0 IPCL shall also bear all charges on account of GNA/T-GNA, if applicable in future, in proportion to its share as determined by SLDC of DVC, Kolkata in accordance with the CERC Regulations, 2022 (Connectivity and General Network Access to inter-State Transmission System) as amended.

8.0 All charges / fees related to scheduling and dispatch of electricity shall be borne by IPCL as per CERC (Fees and Charges of Regional Load Dispatch Centre and other Related Matters) Regulations, 2024.

9.0 In case of Scheduling of power from DVC stations to IPCL done by ERLDC, IPCL shall additionally bear ISTS transmission loss as per applicable CERC Regulations.

10.0 Rebates and Late Payment Surcharge shall be as per CERC Regulations, 2024 as amended thereafter.

11.0 DVC shall operate as per grid operating standards, directions of the CERC and relevant statutory provisions. Scheduling of power from DVC generating stations to IPCL as per agreement shall be done by SLDC of DVC as per IEGC Regulation, 2023 and the amendments thereafter.

12.0 DVC shall apply composite T&D loss of DVC system as approved by the Appropriate Commission and Transmission charges of T&D system of DVC as determined by CERC.

13.0 In case of non-availability of transmission system of DVC, IPCL may surrender its share of power entitlement. Any gain realized by DVC on sale of such surrendered power in market shall be shared with IPCL as per applicable LPSC rules of Ministry of Power (MOP), Government of India. However, liability of fixed charges will be with IPCL.

14.0 The Charges for Supply of Electricity shall be billed by DVC on the electricity supplied to IPCL from the station(s) for the previous month based on Energy Account issued by SLDC of DVC.

Observations of the Commission

15.0 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.

16.0 This PPA ensures that the tariff for power purchase between two licensees, IPCL and DVC, shall be determined by CERC which shall provide all sort of clarity in power procurement rates and payment mechanisms etc. for both the parties.

17.0 The Commission asked to provide certain clarifications from IPCL in regard to the break-up of landed cost of power (i.e. generation cost, transmission cost, SLDC / RLDC charge etc.) at the existing rate for each of the proposed units of the generating station through Letter, vide Ref. No. WBERC/PPA-133/24-25/153 dated 20.05.2025. IPCL vide their Letter No. RA/II/002/25-26/20 dated 02.06.2025 has submitted that the landed cost of IPCL periphery in respect of the power purchase from Durgapur Steel TPS U#1&2, Mejia TPS U#5&6 and Mejia TPS U#7&8 arrives at Rs.5.38/kWh, Rs.5.69/kWh and Rs.5.07/kWh respectively.

18.0 The Commission has also sought clarification vide its letter Ref: WBERC/PPA-133/24-25/407 dated 04.08.2025 regarding IPCL's requirement of 45MW power from three (3) generating stations and the benefit therein for changing of existing 'Radial' mode to 'Schedule and Dispatch mechanism' of supply of DVC. In response, IPCL, vide their letter No: RA/II/002/25-26/42 dated 23.09.2025 stated that the transition from 'Radial' to 'Scheduled and Dispatch mechanism' ensures streamlined power procurement, improved accountability in power scheduling and dispatch mechanism with greater transparency, reliability in power procurement process and optimized resource utilization, which will be beneficial for the consumers of IPCL.

19.0 IPCL also submits that they have been historically receiving power supply from DVC system radially through existing four (4) off-take points. Prior to entering into the PPA with DVC on Schedule mode of supply, the consumer load requirement through those off-take points was around 45MW. There is no change in their load requirement while switching over from 'Radial' to 'Schedule' mode of supply.

20.0 Further, IPCL also submits that upon approval of the PPA dated 02.12.2024, the existing historical Power Sale Agreements (PSA) dated 30.10.1990 and 12.09.1995 for the procurement of power at the above four (4) off-take points through radial mode will stand terminated.

Order

21.0 The Commission after considering the above facts and submission of IPCL, approves Power Purchase Agreement executed on 02.12.2024 by and between IPCL & DVC for purchase of total 45 MW of power which comprised 15MW (1.50% of IC) from 2x500 MW DSTPS-1&2, 15 MW (1.50% of IC) from 2x500 MW MTPS-7&8 and 15 MW (3.00% of IC) from 2x250 MW MTPS-5&6 of DVC, for a period of 12 years from the date of commencement of supply at the regulated price determined by CERC in terms of regulation 7.4.1, 7.8.1, 7.8.2 & 7.8.3 of the Tariff Regulations replacing the Power Sale Agreements (PSA) dated 30.10.1990 and 12.09.1995 for the procurement of power in radial mode through existing four (4) off-take points by IPCL from DVC.

22.0 The application is thus disposed of.

23.0 A copy of the order shall be posted in the website of the Commission.

24.0 IPCL and DVC shall download the copy of the order from the website of the Commission and act on it. A 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: 29.07.2026

Sd/-
DEPUTY DIRECTOR, WBERC