



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

IN CASE NO. PPA-139/25-26

APPROVAL OF POWER PURCHASE AGREEMENT EXECUTED ON 28.03.2025 BY AND BETWEEN WBSEDCL AND NHPC FOR PURCHASE OF 29 MW HYDRO POWER FROM THE NHPC POWER STATION AT TEESTA-VI HE PROJECT 500 MW (4 X 125 MW) AT SOUTH SIKKIM, SIKKIM IN TERMS OF REGULATION 7.4 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

DATE: 01.08.2025



Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application vide letter dated 05.05.2025 for approval of Power Purchase Agreement (PPA) dated 28.03.2025 executed by and between National Hydroelectric Power Corporation Ltd (NHPC Ltd) and WBSEDCL for procurement of power of 29 MW Hydro Power from the NHPC Power Station at Teesta-VI HE project 500 MW (4 X 125 MW) at South Sikkim, Sikkim in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended, for a period of 40 years. The Commission admitted the application in Case No. PPA – 139/25-26.
- 2.0 The application of WBSEDCL read with the Power Purchase Agreement dated 28.03.2025 inter-alia state the followings:
 - 2.1 NHPC has installed 500 MW (4 X 125 MW) Teesta-VI HE plant at South Sikkim, Sikkim-737134..
 - 2.2 WBSEDCL on 11.08.2023 has expressed its interest to purchase 100 MW power from NHPC's Teesta-VI HEP.
 - 2.3 The Ministry of Power Hydel Division, GoI vide office order No 11/29/2023-NHPC dated 25.02.2025 allocated 29 MW power to WBSEDCL from Teesta-VI Hydroelectric project of NHPC Ltd. WBSEDCL in its 130th Board Meeting held on 18.03.2025 agreed to enter into Power Purchase Agreement for purchase of Hydro Power from Teesta -VI HE Plant of NHPC.
 - 2.4 Subsequently, a PPA between NHPC Ltd and WBSEDCL was executed on 28.03.2025 for procurement of power from Teesta-VI HEP as per the allocation to be made by Ministry of Power, Govt of India, at a tariff determined by Central Commission (CERC) under Sec 62 of the Electricity Act, 2003 for a period of 40 (Forty) years from the date of commercial operation (COD) of the last unit or balance useful life/Operational Life of Teesta-VI HEP whichever is later as per Regulations/Order/Directives of CERC/GOI issued from time to time.



2.5 The delivery point for injection of energy to WBSEDCL system from NHPC Power Station shall be 220 kV Bus bar or any other point designated at the NHPC Power Station.

2.6 In view of the above, WBSEDCL filed the instant petition for approval of the PPA executed between WBSEDCL and NHPC from the Commission in accordance with Regulation 7.4 of Tariff Regulations.

Point of determination:

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, in terms of Regulation 7.4.1 of the Tariff Regulations, prior approval of the Commission is required for every agreement or arrangement for power procurement by a licensee entered into after 09.02.2007, except for short term procurement.

Observations of the Commission:

4.0 Requirement of power procurement:

From the letters of WBSEDCL dated 09.07.2025 and 23.07.2025 the Commission observed that

4.1. The expected quantum of Hydro Power would be 105 MU corresponding to allocation of 29 MW from 500 MW Teesta-VI HEP of NHPC.

4.2. WBSEDCL submitted that its Hydro Power Purchase Obligation as per Ministry of Power Notification dated 20.10.2023 comes to 624.383 MU. This 105 MU hydro power purchased from Teesta -VI HEP will help to meet its HPO target partially.



- 4.3. This procurement of power will provide support to WBSEDCL demand profile during summer and monsoon with least impact in winter surplus imbalance energy. Thus, this hydro power purchase will reduce dependency on costlier market power during peak period by equivalent quantum.

5.0 Price of power purchase:

The Commission observes that the tariff of the hydro generation from the Teesta-VI HEP of NHPC will be determined by CERC under Sec 62 of the Electricity Act, 2003 as per para no. 6.1 of PPA.

- 5.1 WBSEDCL estimated a levelized tariff of Rs 4.07 / Kwh based on the price level of July 2018 as per the provisions of CERC Guidelines. It is further submitted that the useful life of hydro power projects is extendable for an additional 25 years after initial operational life of 40 years which will provide cheap, clean, reliable power on long term basis.
- 5.2 Further, as the location of Teesta-VI HE Project is in Himalayan Region and the flow of water generally remains high, therefore, it is capable of generating secondary energy over and above design energy and the price of such power as per existing Regulation is Rs 1.20 / Kwh. Due to the impact of this secondary generation, the effective price of Teesta -VI will drive down the effective price to WBSEDCL.
- 5.3 WBSEDCL also submitted that the power procured from this Hydroelectric Project will enjoy waiver of ISTS charge for the period of 18 years from the date of commercial operation (COD) as per CERC Regulation on sharing of ISTS charge, 2020 (first amendment).
- 5.4 From the submissions mentioned above the Commission prima facie observes the following:



Approval of Power Purchase Agreement executed on 28.03.2025 by and between WBSEDCL and NHPC for purchase of 29 MW Hydro Power from the NHPC Power Station at Teesta-VI HE project 500 MW (4 X 125 MW) at South Sikkim, Sikkim in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended

- (i) This hydro power will help WBSEDCL to improve its Renewable Energy Portfolio including Hydro Power Obligation.
- (ii) This procurement of Hydel power from Teesta-VI HE project will help in meeting demand during peak period and during summer-monsoon season and simultaneously reduce dependency on costlier market power during peak period.
- (iii) The tariff of the hydro generation from the Hydel power from stated NHPC project will be determined by CERC under Sec 62 of the Electricity Act, 2003.

Order:

- 6.0 The Commission after considering the facts and further keeping in mind clause (b) of sub-section (1) of section 86 of the Act, approves the Power Purchase Agreement dated 28.03.2025 executed by WBSEDCL with NHPC for power procurement from Teesta-VI HEP as per the allocation to be made by MoP, Govt. from time to time, at the tariff determined by CERC for a period of 40(forty) years from the date of commercial operation (COD) of the last unit or balance useful life/Operational Life of Teesta-VI HEP whichever is later as per Regulations/Order/Directives of CERC/GOI issued from time to time, to the extent utilized in West Bengal in terms of Regulation 7.4.1 of the Tariff Regulations.
- 7.0 The Commission also directs WBSEDCL to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.
- 8.0 The petition is thus disposed of.
- 9.0 A copy of the order shall be posted in the website of the Commission.
- 10.0 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



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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/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 01.08.2025

Sd/-
DEPUTY DIRECTOR, WBERC