



**ORDER**  
**OF THE**  
**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**  
**IN THE MATTER OF**  
**CASE NO: PPA-148/25-26**

FOR APPROVAL OF POWER PURCHASE AGREEMENT EXECUTED BY  
AND BETWEEN DAMODAR VALLEY CORPORATION & JAL POWER  
CORPORATION LIMITED FOR PURCHASE OF HYDRO POWER AS PER  
ALLOCATION BY MINISTRY OF POWER FROM RANGIT-IV HE  
PROJECT 120 MW (3 X 40 MW).

**DATE: 17.10.2025**





**Facts in brief:**

- 1.0 The Damodar Valley Corporation (DVC) submitted an application on 28.08.2025 for approval of Power Purchase Agreement (PPA) dated 31.03.2025 executed by and between DVC and Jal Power Corporation Limited (JPCL) (wholly owned subsidiary unit of NHPC Limited) for procurement of power as per allocation by Ministry of Power, Government of India, ((In short "MoP, GOI"), limited to 100 MW by DVC from Rangit-IV HE project, capacity 120 MW (3 X 40 MW) for a period of 40 years from the date of commercial operation of the last unit or balance normative life of JPCL Station(s), whichever is earlier, in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended, (hereinafter referred to as the "Tariff Regulations"). The Commission admitted the application on 16.09.2025 in Case No. PPA – 148/25-26
- 2.0 In the above application DVC have submitted that:
- 2.1 NHPC, a Central Power Sector Undertaking (CPSU), incorporated under the Companies Act, 1956, vide letter dated 15.12.2021 had sought the consent of DVC as prospective buyer and tie up on long term basis providing salient features of the project as follows:

| Sl. No. | Description                         | Rangit IV                                                                 |
|---------|-------------------------------------|---------------------------------------------------------------------------|
| a)      | Installed Capacity                  | 120 MW (3 X 40 MW)                                                        |
| b)      | Location                            | West Sikkim                                                               |
| c)      | Type of Project                     | Run of River (ROR) with pondage for peaking of 3 hours during lean season |
| d)      | Expected Commissioning              | May 2024                                                                  |
| e)      | Free Power and LADF % to Home State | 13%                                                                       |
| f)      | Levelized tariff                    | 4.37 INR/kWh                                                              |
| g)      | Annual Design Energy                | 507.88 MU                                                                 |
| h)      | Useful Life                         | 40 years                                                                  |





|    |                                            |                                                                                                    |
|----|--------------------------------------------|----------------------------------------------------------------------------------------------------|
| i) | Actual Tariff                              | Annual Fixed Cost (AFC) shall be determined by CERC under section 62 of Electricity Act, 2003      |
| j) | Allocation of power among States/DISCOM(s) | Allocation is to be done by Ministry of Power, GOI based on consent received from States/DISCOM(s) |

- 2.1 DVC assessed the future load growth projection to meet consumer demand in the DVC valley area. To suitably meet the projected demand, DVC vide letter dated 04.08.2023 has expressed their interest to purchase maximum upto 100 MW power from NHPC's Rangit-IV HE Project.
- 2.2 DVC has obtained the approval for procurement of Hydro Power from Rangit-IV HE Plant of NHPC in Board Meeting held on 30.09.2024.
- 2.3 Based on the consent by DVC, the Ministry of Power Hydel Division, GoI vide office Order No 11/29/2023-NHPC dated 25.02.2025 allocated 5 MW firm power to DVC from Rangit-IV HE Project of JPCL, a wholly owned subsidiary unit of NHPC Limited.
- 2.4 Subsequently, a PPA between JPCL and DVC was executed on 31.03.2025 for procurement of power from Rangit-IV HEP as per the allocation to be made by MoP, GOI, 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 of the last unit or balance normative life of JPCL Station(s), whichever is earlier.
- 2.5 DVC also mentioned that, the power purchased from the Rangit-IV HE Project will be exempted from ISTS charges for 18 years from COD, as per CERC regulations on the sharing of ISTS charges (2020, first amendment) dated 07.02.2023.
- 2.6 In view of the above, DVC filed the instant petition for approval of the PPA executed between them and JPCL 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 submission of DVC, the Commission observed the following: -

- 4.1. This procurement of power will provide support to DVC to meet the demand during peak period and during monsoon season when solar power availability is low.
- 4.2. The Hydroelectric projects possess longer project life rendering a sustainable and cost-effective source of electricity.

**5.0 Price of power purchase:**

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

- 5.1 DVC submitted that the estimated levelized tariff of the Rangit-IV HE Project is Rs 4.37 / KWh, but this will be subject to final approval of CERC. Additionally,





absence of fuel costs and comparatively lower O&M expenditures is contributing to lower tariff and enhanced economic viability in the long run.

5.2 DVC 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).

5.3 This procurement of Hydro Power will provide flexibility in economic operation of overall DVC power system.

6.0 In view of the above observations, the finding of the Commission are as follows: -

6.1 This procurement of Hydel power from Rangit-IV 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.

6.2 The tariff of the hydro generation from Rangit-IV HE project of NHPC will be determined by CERC under Sec 62 of the Electricity Act, 2003

**Order:**

7.0 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 31.03.2025 executed by DVC with JPCL for power procurement from Rangit-IV HEP as per the allocation to be made by MoP, GoI, at the tariff determined by CERC for a period of 40(forty) years from the date of commercial operation of the last unit or balance normative life of JPCL Station(s), whichever is earlier, to the extent utilized in West Bengal in terms of Regulation 7.4.1 of the Tariff Regulations.

8.0 The Commission also directs DVC to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.





9.0 The petition is thus disposed of.

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

11.0 DVC 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: 17.10.2025**

**Sd/-**  
**DEPUTY DIRECTOR, WBERC**