



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

IN CASE NO. PPA-74 (Vol. V)/14-15

**APPROVAL OF FIFTH SUPPLEMENTARY AGREEMENT TO POWER
PURCHASE AGREEMENT DATED 11.12.2010 EXECUTED BY AND
BETWEEN M/S BENGAL ENERGY LIMITED (BEL) AND WEST BENGAL
STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL)
FOR A PERIOD OF FIVE YEARS**

DATE: 24.09.2025



CASE IN BRIEF

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 31.07.2025 for approval of Fifth Supplementary Agreement dated 09.07.2025 to the Power Purchase Agreement (PPA) dated 11.12.2010 (Principal Agreement) executed by and between M/s Bengal Energy Limited (BEL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for a period of five years in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time [in short Tariff Regulations']. The Commission admitted the application on 06.08.2025 in Case No. PPA- 74/14-15 (Vol. V).
- 2.0 WBSEDCL in their application inter-alia stated the following:
 - a) WBSEDCL entered into a PPA with BEL on 11.12.2010 (Principal Agreement) for purchase of entire power from their 40 MW waste heat-based cogeneration plant at Makrampur, West Bengal for a period of 5 years with effect from 17.03.2012 at a mutually agreed tariff which was approved by the Commission vide order dated 10.01.2011.
 - b) Thereafter, as per the direction of the Commission vide order dated 22.06.2016, WBSEDCL and BEL agreed to amend the PPA dated 11.12.2010 through First Supplementary Agreement dated 17.03.2017 by extending the contract period up to 16.03.2022. The Commission vide its order dated 06.08.2019 approved the First Supplementary Agreement dated 17.03.2017 and directed WBSEDCL to modify certain provisions in the PPA and submit the same for record. Accordingly, WBSEDCL submitted Amendment 1 to the First Supplementary Agreement on 03.11.2020 for record of the Commission.
 - c) WBSEDCL and BEL entered into Second Supplementary Agreement on 31.03.2022 to extend the contract period for further one (1) year i.e., from 17.03.2022 to 16.03.2023 with a single part tariff of Rs.2.84/ kWh which was approved by the Commission vide its order dated 03.11.2022.
 - d) WBSEDCL and BEL entered into Third Supplementary Agreement on 14.03.2023 to extend the contract period for another one (1) year, from 17.03.2023 to 16.03.2024,



maintaining the single-part tariff of Rs. 2.84/ kWh which was approved by the Commission vide order dated 12.06.2023.

- e) WBSEDCL and BEL entered into Fourth Supplementary Agreement on 15.03.2024 to extend the contract period for further one year with the same tariff and the same was approved by the Commission vide order dated 30.08.2024.
- f) The instant petition is for approval of the Fifth Supplementary Agreement executed on 09.07.2025 by & between WBSEDCL and BEL to extend the contract period for five years starting from 17.03.2025 keeping tariff clause same as that of the Fourth Supplementary Agreement dated 15.03.2024, i.e., single part tariff of Rs. 2.84/ kWh. All other existing terms and conditions of the Agreement are also kept unchanged.
- g) Fifth Supplementary Agreement to the Principal Agreement dated 11.12.2010 WBSEDCL is approved by the Board of Directors WBSEDCL in its 131st meeting dated 29.05.2025.
- h) In view of the above, WBSEDCL prayed for approval of the Fifth Supplementary Agreement dated 09.07.2025 in terms of regulation 7.4.1 of the Tariff Regulations.

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, and 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 sources of energy.

4.0 In the instant petition, WBSEDCL has proposed to purchase cogeneration power from BEL for a period of five years starting from 17.03.2025 at a mutually agreed single part tariff of Rs. 2.84 per kWh. In terms of applicable regulations, the Commission observes the following:

- i. The proposed purchase of power by way executing a Fifth Supplementary Agreement is basically an extension of the tenure of existing PPA, which has already been approved



by the Commission vide orders dated 10.01.2011, 06.08.2019, 03.11.2022, 12.06.2023 and 30.08.2024.

- ii. The proposed single part tariff of Rs. 2.84 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 of WBSEDCL for 2025-26 (Rs. 3.66 per kWh). Thus, the power purchase from BEL is found to be beneficial for the consumers.

ORDER

5.0 The Commission, after considering the above facts and its responsibility to promote Cogeneration source of energy under clause (e) of sub-section (1) of section 86 of the Act, approves the Fifth Supplementary Agreement dated 09.07.2025 executed by and between the WBSEDCL and BEL for purchase of entire 40 MW power from waste gas-based power plant of BEL in terms of regulation 7.4 of the Tariff Regulations.

6.0 The application is thus disposed of.

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

8.0 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

Sd/-
DEPUTY DIRECTOR, WBERC

Dated: 24.09.2025