



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA- 107/21-22**

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF POWER SALE AGREEMENT EXECUTED ON 16.06.2021 BY AND BETWEEN WBSEDCL AND SOLAR ENERGY CORPORATION OF INDIA LIMITED (SECI) FOR PURCHASE OF ROUND THE CLOCK WIND SOLAR HYBRID POWER OF 100 MW IN TERMS OF REGULATION 7.4.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 30.05.2022



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application vide letter dated 29.07.2021 for approval of Power Sale Agreement (PSA) executed on 30.06.2021 by and between Solar Energy Corporation of India Limited (SECI) and WBSEDCL for purchase of Round the Clock Wind Solar Hybrid power of 100 MW for a period of 25 years. Further, WBSEDCL vide letter dated 15.09.2021 has submitted additional information on their application. The Commission admitted the application in Case No. PPA – 107/21-22. Subsequently, on 12.04.2022, WBSEDCL submitted a copy of Central Electricity Regulatory Commission (CERC) order related to confirming the competitive bidding procedure under section 63 of the Electricity Act 2003 and adopting the tariff.
- 2.0 The application of WBSEDCL read with the Power Sale Agreement dated 30.06.2021 and additional information inter-alia state the following:
- 2.1 SECI has been identified by the Government of India (GOI) as the nodal agency for implementation of the scheme for setting up of 'ISTS connected Wind, Solar and Wind- Solar Hybrid Power Projects' issued by the Ministry of New and Renewable Energy, GOI and shall be acting as an 'Intermediary Procurer'. Accordingly, SECI has implemented a scheme to procure 400 MW renewable energy under the provisions of Request for Selection (RfS) dated 18.10.2019 on a long-term basis from the selected Hybrid Power Developers (RPD) and has signed a Power Purchase Agreement with the project company.

WBSEDCL vide letter dated 15.09.2021 submitted that at the backyard, the project is of 1300 MW which consists of Solar and Wind plants in different states of Rajasthan, Maharashtra and Karnataka. Therefore, Round the Clock (RTC) power of 400 MW comes with the backing of 1300 MW. WBSEDCL also submitted that the selection of bidders for the project ~~is~~ was done through competitive bidding conducted under Section 63 of the Electricity Act, 2003 as per the Conformity Certificate issued by SECI on 24.08.2021.

- 2.2 WBSEDCL has agreed to purchase 100 MW RE Solar Wind Hybrid Power on RTC basis from SECI and has accordingly signed a Power Sale Agreement with them on 30.06.2021 for a period of 25 years from the scheduled commissioning date of the project.



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



- 2.3 The tariff for procurement of the 100 MW RE Solar Wind Hybrid Power on RTC basis is Rs. 2.90 per kWh for the first year with yearly escalation of 3% for 15 years and no further escalation after 15 years. In addition to this, a trading margin of Rs. 0.07 per kWh is payable to SECI for the entire term of the agreement.
- 2.4 The power shall be delivered by the power developer at its interconnection point with Inter State Transmission System.
- 2.5 WBSEDCL submitted that the Wind-Solar Hybrid renewable energy power shall help them to meet the solar and non-solar Renewable Purchase Obligation requirement.
- 2.6 In view of above, WBSEDCL has prayed before the Commission to approve the said PSA dated 30.06.2021.
- 3.0 The Commission had directed WBSEDCL to publish the gist of their application as approved by the Commission in terms of paragraph 8.12 of Tariff Order dated 04.07.2018 of WBSEDCL. WBSEDCL, accordingly had published the gist of the petition in (i) the "Bartaman", (ii) the "The Telegraph", (iii) the "Ananda Bazar Patrika" and (iv) the "Sanmarg" on 21.01.2022 inviting suggestions and objections on their petition to be submitted within 14 (fourteen) days of publication of the gist. No suggestion and objection were received by the Commission within the stipulated time-period.
- 4.0 Subsequently, WBSEDCL vide letter dated 12.04.2022 has submitted that the Central Electricity Regulatory Commission has adopted the tariff in respect of the RE Solar Wind Hybrid Power vide order dated 08.04.2022 in Petition No. 258/AT/2021 and forwarded a copy of the order.

Point of determination:

- 5.0 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



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



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:

6.0 Requirement of power procurement:

6.1 The Commission being guided by the Tariff Policy, noted that the Ministry of Power (MoP) vide Order dated 14.06.2018 has specified the long-term growth trajectory of Renewable Purchase Obligation in terms of paragraph 6.4 (1) of the Tariff Policy, 2016. The Commission observes that WBSEDCL has proposed to purchase 701.28 MU of Wind Solar power on RTC basis at estimated CUF of 80.05%. The figure 701.28 MU is derived by applying CUF of 80.05% on 100 MW. On analysis, it is observed that WBSEDCL is lagging far behind the target set by the MoP, GOI since they could only achieve 1.15% of RPO for the period 01.04.2021 to 31.12.2021. Thus, the RTC Wind Solar Hybrid power will help WBSEDCL to improve its RE portfolio.

7.0 Price of power purchase:

- 7.1 The Commission observes that as per the Power Sale Agreement, WBSEDCL will purchase 100 MW Solar Wind Hybrid RE Power on RTC basis from SECI at Rs. 2.90 per kWh for the first year which is escalable as per provisions of the PSA/ PPA/ RfS plus a trading margin to SECI at Rs. 0.07 per kWh. Further, such price is lower than the renewable price of power exchange (Rs. 5.29 /kWh discovered in power exchange (IEX) during FY 2021 – 22). The Tariff has also been discovered through competitive bidding and is well below the average power purchase cost of WBSEDCL and thus, stand-alone economic as compared to the purchase from coal based thermal power stations approved in the Tariff Order of 2021 - 22.
- 7.2 The Commission also observes that no inter-state transmission charge will be levied on transmission of electricity generated from solar and wind sources through ISTS for sale of power by the projects to be commissioned within 30.06.2025 for 25 years from the date of commissioning of the project as per the notification of the Ministry of Power dated 21.06.2021. Since, the scheduled commissioning date is 24 months from the effective date of PSA, thus no ISTS charges are applicable.



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



7.3 It is noted that, SECI being the nodal agency is acting as 'Intermediary Procurer'. SECI will purchase power from the hybrid power developers through competitive bidding at Rs. 2.90 per kWh for the first year which is escalable as per provisions of the PSA/ PPA/ RfS. CERC in its order in petition no. 258/AT/2021 dated 08.04.2022 had examined the adherence of SECI to the competitive bidding guideline issued by MNRE, Government of India under section 63 of the Act and found it in affirmative. CERC in its order has also observed that the trading margin as mutually agreed is in consonance with Regulation 8 (1) (d) of CERC Trading License Regulations. The Commission also observes that the trading margin shall be governed by the direction of CERC given in paragraphs 41 to 45 of its order dated 08.04.2022. The trading margin shall be Rs. 0.07 per kWh subject to the fulfillment of the condition as detailed in the above paragraphs of the order of CERC otherwise the trading margin shall be limited to Rs. 0.02 per kWh.

8.0 In view of the above, the Commission concludes the followings:

- (i) The hybrid power will help WBSEDCL to improve its RE portfolio.
- (ii) The price being discovered following the competitive bidding guidelines issued by the Government of India under section 63 is stand-alone economic and is beneficial to end consumers.
- (iii) No ISTS charges for the above Wind Solar Hybrid power is expected to be paid.

Considering the above conclusions, the Commission issues the following order.

Order:

9.0 The Commission after considering the above facts and in order to promote procurement of renewable energy by WBSEDCL to fulfil its obligation and further keeping in mind clause (e) of sub-section (1) of section 86 of the Act, approves the Power Sale Agreement dated 30.06.2021 executed by and between WBSEDCL and SECI for purchase of 100 MW Solar Wind Hybrid RE power on RTC Basis by WBSEDCL from SECI for a period of 25 (twenty-five) years at a tariff determined through competitive bidding by SECI which is Rs. 2.90 per kWh for the first year and is escalable as per provisions of the PSA/ PPA/ RfS plus applicable trading margin (as per paragraph 7.3 of this order) in terms of regulation 7.4.1 of the West



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Power Sale Agreement executed on 16.06.2021 by and between WBSEDCL and Solar Energy Corporation of India Limited (SECI) for purchase of Round the Clock Wind Solar Hybrid power of 100 MW in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.

- 10.0 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.
- 11.0 WBSEDCL shall also explore all available avenues to utilize the surplus contracted conventional energy in order to minimize the burden of power purchase cost to the consumers.
- 12.0 The petition is thus disposed of.
- 13.0 A copy of the order shall be posted in the website of the Commission.
- 14.0 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/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 30.05.2022

Sd/-
SECRETARY