



सत्यमेव जयते

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

IN CASE NO. PPA-109 /21-22

IN REGARD TO THE APPLICATION SUBMITTED BY DAMODAR VALLEY CORPORATION (DVC) FOR APPROVAL OF POWER PURCHASE AGREEMENT EXECUTED ON 03.07.2020 BY AND BETWEEN DVC AND JYOTIKIRAN ENERGY MUMBAI PRIVATE LIMITED (JEMPL) FOR PURCHASE OF POWER OF 247.90 KWP FROM SOLAR PHOTO VOLTAIC POWER PLANT TO BE COMMISSIONED AT DURGAPUR STEEL THERMAL POWER STATION BY DVC IN TERMS OF REGULATION 7.4 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED.

PRESENT:

**DR. MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 22.06.2023



In regard to the application submitted by Damodar Valley Corporation (DVC) for approval of Power Purchase Agreement executed between Damodar Valley Corporation and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of power by DVC from the Solar Photovoltaic Power plant of 247.90 kWp to be commissioned at Durgapur Steel Thermal Power Station (DSTPS) of DVC in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 and its amendments thereof.



Facts in brief:

- 1.0 The Damodar Valley Corporation (DVC) submitted an application vide letter dated 15.04.2021 for approval of Power Purchase Agreement (PPA) executed on 03.07.2020 between Damodar Valley Corporation and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of power by DVC from the Solar Photovoltaic Power Plant of 247.90 kWp to be commissioned at Durgapur Steel Thermal Power Station (DSTPS) of DVC for a period of 25 years. The Commission admitted the application in Case No. PPA – 109/21-22.
- 2.0 The application of DVC submitted vide letter dated 15.04.2021 read with the Power Purchase Agreement executed on 03.07.2020 inter-alia state the followings:
 - 2.1 Solar Energy Corporation of India Limited (SECI) had invited Request for Selection (RfS) for implementation of 97.5 MWp Grid Connected Rooftop Solar PV System Scheme for Government Buildings in different zones of India under CAPEX/RESCO Model under Global Competitive Bidding under the provisions of Request for Selection (RfS) dated 29.08.2019.
 - 2.2 As per provision, under regulation 11(iv) of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), as amended, DVC had approached SECI to include envisaged rooftop solar plants at different DVC installations in the state of Jharkhand and West Bengal (both in Zone-3) in RESCO Mode in the above RfS.
 - 2.3 SECI issued Letter of Allocation (LOA) dated 15.01.2020 to the Sunsource Energy Pvt Ltd as one of the successful bidders/developers against the RfS. Amongst the successful bidders, Sunsource Energy Pvt Ltd showed interest to install roof top solar projects at DVC premises. Subsequently, as per provision of section 4.1 of the RfS, SECI had accepted the proposal of Sunsource Energy Pvt Ltd for incorporation of Jyotikiran Energy Mumbai Private Limited (JEMPL) as Project Company vide letter dated 19.03.2020.
 - 2.4 DVC has agreed to purchase power of 247.90 kWp from Grid Connected Rooftop Solar Photovoltaic Power Plant to be commissioned by JEMPL at Durgapur Steel Thermal



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Power Station (DSTPS) and has accordingly signed a Power Purchase Agreement with Jyotikiran Energy Mumbai Private Limited on 03.07.2020 for a period of 25 years from the scheduled commissioning date of the project.

- 2.5 The tariff for procurement of power of 247.90 kWp is levelized tariff of Rs. 3.33/kWh as per the tariff arrived through SECI tender for RESCO mode, fixed for the entire term of the agreement.
- 2.6 DVC submitted that the solar renewable energy shall help them to meet the solar RPO target.
- 2.7 In view of above, DVC has prayed before the Commission to approve the said PPA dated 03.07.2020.
- 3.0 The Commission, after carefully analyzing, admitted the application on 10.09.2021 and directed DVC to publish the gist of their application as approved by the Commission in the newspapers and also in the website of DVC in terms of paragraph 8.11 of the Tariff Order dated 25.05.2015 for the years 2014 – 15 and 2015 – 16. DVC accordingly published the gist of the application in (i) The Telegraph (ii) the Times of India (iii) the 'Anandabazar Patrika' and (iv) the 'Bartaman' and in their website on 30.09.2021 inviting suggestions and objections on their application within 14 days (including the date of publication) of publication of the notice in Newspaper. No suggestion and objection were received by the Commission within the stipulated time-period.

Observations of the Commission:

- 4.0 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.



In regard to the application submitted by Damodar Valley Corporation (DVC) for approval of Power Purchase Agreement executed between Daomdar Valley Corporation and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of power by DVC from the Solar Photovoltaic Power plant of 247.90 kWp to be commissioned at Durgapur Steel Thermal Power Station (DSTPS) of DVC in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 and its amendments thereof.



- 5.0 Accordingly, provision of prior approval of Power Purchase Agreement (PPA) has been specified in the Tariff Regulations notified by the Commission. The extent of review of the PPA as specified in the regulation 7.4.2 of the Tariff Regulations is produced below:

"7.4.2 The Commission shall review an application for approval of power purchase agreement / arrangement for a period exceeding one year having regard to the following factors, as appropriate.

- (a) Requirement for power procurement;*
- (b) Adherence to a transparent process of bidding in accordance with guidelines issued by the Central Government;*
- (c) Adherence to the tariff determined by the Central Electricity Regulatory Commission for the purchase of power from Central generating company;*
- (d) Adherence to the agreed tariff for purchase of energy from international sources;*
- (e) Adherence to policy approved by the Commission for purchase of power from captive and non-conventional sources;*
- (f) Availability (or expected availability) of capacity in the Intra-State transmission system for evacuation and supply of power procured under the agreement / arrangement;*
- (g) Adherence to Purchase of power from any source, other than those mentioned from (a) to (e) above in pursuance to different provisions of these regulations;*
- (h) Need to promote cogeneration and generation of electricity from renewable sources of energy."*

- 6.0 Requirement of power procurement:

From the different submissions of DVC found from the records of the Commission, it is observed that DVC has fallen short in their achievement of Renewable Power Obligation as stipulated by the Commission for solar part. Thus, the solar renewable energy power from the Solar Photovoltaic Power Plant to be installed at DSTPS will help DVC to meet their RPO.

- 7.0 Price of power purchase:

- 7.1. The Commission observes that as per the Power Purchase Agreement, DVC will purchase 247.90 kWp Solar Power from Grid Connected Rooftop Solar Photovoltaic Power Plant to be installed by JEMPL at DSTPS at a levelized tariff of Rs. 3.33 /kWh for 25 years.
- 7.2. The Tariff has been discovered through competitive bidding and is well below the average power purchase cost of DVC approved in the Tariff Order of 2019 - 20. Thus, the Commission finds that the tariff for purchase of 100% solar power from the Solar



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Photovoltaic Power Plant to be installed by JEMPL at DSTPS is beneficial for the end consumers.

- 7.3. In view of the paragraph 7.1 and 7.2 above, the Commission observes that the tariff as mentioned in the Power Purchase Agreement has been discovered following the competitive bidding guidelines issued by the Government of India under section 63 and is also beneficial for the end consumers.

Order:

- 8.0 Considering the above facts and in order to promote Cogeneration and Renewable source of energy in terms of clause (e) of sub-section (1) of section 86 of the Act, the Commission in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended approves the Power Purchase Agreement dated 03.07.2020 executed by and between DVC and Jyotikiran Energy Mumbai Private Limited (JEMPL) for purchase of 247.90 kWp Solar renewable energy power from Solar Photovoltaic Power Plant to be installed by JEMPL at Durgapur Steel Thermal Power Station for a period of 25 (twenty-five) years to the extent utilized in West Bengal for meeting the RPO compliance at a tariff to be adopted by the Central Electricity Regulatory Commission.
- 9.0 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.
- 10.0 The petition is thus disposed of. Let a copy of the order be served upon DVC.
- 11.0 A copy of the order shall be posted in the website of the Commission.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 22.06.2023

Sd/-
SECRETARY