



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

IN CASE NO. PPA-12/10-11/ (VOL-II)

IN REGARD TO THE APPLICATION FOR APPROVAL OF SUPPLEMENTARY AGREEMENT DATED 28.03.2024 TO THE POWER PURCHASE AGREEMENT DATED 13.11.2010 (PRINCIPAL AGREEMENT) EXECUTED BY AND BETWEEN NTPC LIMITED AND WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR DARLIPALI SUPER THERMAL POWER STATION UPON RESTRUCTURING OF PROJECT OF NOMINAL CAPACITY OF 3200 MW OF NTPC LIMITED AT DARLIPALI IN SUNDARGARH DISTRICT OF ODISHA STATE 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 MALLELA VENKATESWARA RAO (CHAIRPERSON)

DATE: 21.11.2024



Facts in brief:

- 1.0 West Bengal State Electricity Distribution Company Limited (hereinafter referred to as "WBSEDCL") submitted an application on 10.06.2024 before the West Bengal Electricity Regulatory Commission (hereinafter referred to as "the Commission") seeking approval for a Supplementary Agreement dated 28.03.2024 to the Power Purchase Agreement (PPA) dated 13.11.2010 executed with NTPC Limited for the procurement of power from the Darlipali Super Thermal Power Station (STPS). Subsequently, WBSEDCL vide letter dated 13.09.2024 submitted additional information to its application. The Commission admitted the application and registered it in Case No. PPA – 12/ 10 – 11 / (Vol II).
- 2.0 The application of WBSEDCL read with the Supplementary Agreement executed on 28.03.2024 inter-alia states the following:
 - (i) WBSEDCL had entered into a PPA with NTPC Limited on 13.11.2010 for the purchase of power from Darlipali STPS, which was envisaged to have a nominal capacity of 3200 MW, comprising Stage-I (2x800 MW) and Stage-II (2x800 MW).
 - (ii) NTPC Limited is now in the process of restructuring Stage II (2 x 800 MW) of the project due to land constraints, resulting into fresh Stage-II (1x800 MW) and Stage-III (1x800 MW).
 - (iii) To reflect this restructuring, WBSEDCL and NTPC Limited executed a Supplementary Agreement dated 28.03.2024, modifying the Principal Agreement to the extent necessary, which has been approved by the Board of Directors of WBSEDCL in its 120th meeting held on 25.04.2024.
 - (iv) In view of the above, WBSEDCL prayed before the Commission to accord approval to the Supplementary Agreement dated 28.03.2024 in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.
- 3.0 WBSEDCL vide letter dated 13.09.2024 inter-alia submitted the following:
 - (i) The Date of Commercial Operation of Unit-1 of Stage – I is 01.03.2020, and that of Unit – 2 of Stage – I is 01.09.2021.
 - (ii) The allocation of power from Stage – I (1600 MW) to West Bengal is 249.50 MW as per the Ministry of Power's letter dated 16.08.2016.



- (iii) The Stage II is being bifurcated due to land availability issue. The Stage – II (1 x 800 MW) is currently under the bidding stage, with investment approval and project award yet to be finalized. The COD for the 800 MW unit of Stage-II has been envisaged to be approximately 56 months from the award of the project. Stage-III would be taken up in future upon acquisition of land.
- (iv) Power allocation for Stage-II is yet to be determined by the Ministry of Power, Government of India.

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.
- 5.0 The Commission had already approved the Principal Power Purchase Agreement dated 13.11.2010 vide order dated 31.12.2010 in Case No. PPA – 12 / 10 – 11 with detailed analysis.
- 6.0 In the instant petition, WBSEDCL has proposed that the Stage II of Darlipali STPS which was envisaged as 2 x 800 MW is being bifurcated into 1 x 800 MW considering the present land availability. The balance 1x800 MW capacity is being planned to be taken up in future under Stage-III upon the acquisition of the required land. Accordingly, WBSEDCL and NTPC has executed a Supplement Agreement on 28.03.2024 only to amend the capacity contracts between Stage I (2 x 800 MW), Stage II (1 x 800 MW) and Stage III (1 x 800 MW).

Order:

- 7.0 The Commission after careful consideration of all the facts approves the Supplementary Agreement dated 28.03.2024 to the Power Purchase Agreement dated 13.11.2010 executed between NTPC Limited and WBSEDCL for Darlipali Super Thermal Power Station in terms of regulation 7 .4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations.2011, as amended.



Approval of Supplementary Agreement dated 28.03.2024 to the Power Purchase Agreement dated 13.11.2010 (Principal Agreement) executed by and between NTPC Limited and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for Darlipali Super Thermal Power Station



- 8.0 WBSEDCL is directed to submit the final allocation letters from the Ministry of Power for Stage-II and Stage-III as and when they are issued.
- 9.0 With this order, the application filed by WBSEDCL stands disposed of.
- 10.0 A copy of the order shall be posted in the website of the Commission.
- 11.0 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/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 21.11.2024

Sd/-
SECRETARY