



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA-125 / 23-24**

IN REGARD TO THE APPLICATION SUBMITTED BY THE CESC LIMITED FOR ADOPTION OF TARIFF AND APPROVAL OF POWER PURCHASE AGREEMENT EXECUTED ON 28.06.2023 BY AND BETWEEN AMP ENERGY GREEN SEVENTEEN PRIVATE LIMITED AND CESC LIMITED FOR PROCUREMENT OF 150 MW WIND-SOLAR HYBRID POWER AT THE DISCOVERED TARIFF THROUGH THE COMPETITIVE BIDDING PROCESS UNDERTAKEN BY CESC LIMITED, UNDER SECTION 63, SECTION 86 (1) (B), SECTION 86 (1) (E) AND OTHER APPLICABLE PROVISIONS OF THE ELECTRICITY ACT, 2003 AND IN TERMS OF APPLICABLE REGULATIONS OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION.

PRESENT

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

DATE: 31.08.2023



Facts in brief:

- 1.0 CESC Limited submitted an application dated 04.07.2023 for approval of Power Purchase Agreement (PPA) executed on 28.06.2023 by and between AMP Energy Green Seventeen Private Limited and CESC Limited (CESC) for procurement of 150 MW Wind- Solar Hybrid power at the discovered tariff through the competitive bidding process undertaken by CESC, under Section 63, Section 86 (1) (b), Section 86 (1) (e) and other applicable provisions of the Electricity Act, 2003 and in terms of applicable Regulations of the West Bengal Electricity Regulatory Commission. The Commission has admitted the application in Case No. PPA – 125/23-24 on 21.07.2023.
- 2.0 The application of CESC read with the Power Purchase Agreement dated 28.06.2023 inter-alia states the following:
 - 2.1 CESC had initiated a Tariff Based Competitive Bidding process for selection of Wind-Solar Hybrid Power Developers (“HPD”) for setting of 150 MW ISTS-connected Wind-Solar Hybrid Power Projects to be installed anywhere in India on Build Own Operate (BOO) basis with primary objective of supplying Wind-Solar Hybrid Power to CESC for a period of 25 years, under the provisions of Request for Selection (“RfS”) dated 08.02.2023 through e-procurement portal.
 - 2.2 The bidding has been conducted in terms of the "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects" (CBG) dated 14.10.2020, along with amendments, issued by the MNRE, Government of India under the National Wind-Solar Hybrid Policy dated 14.05.2018. Bid documents were prepared according to bid documents of the Solar Energy Corporation of India Limited ("SECI") which are in accordance with the CBG.
 - 2.3 AMP Energy Green Private Limited (“AMP”) emerged as the successful L1 bidder quoting a tariff of Rs. 3.07/kWh which is well within the average power purchase cost of CESC and is also comparable with the competitively determined tariff already adopted by the Commission for various distribution licensee of the State. In the interest of its consumers, CESC entered into post-bid consultations with AMP to explore the possibility of further reduction in the



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offered tariff from the L1 bid. Post consultations, AMP agreed to enter into the PPA at a reduced rate of Rs. 2.92/kWh for the entire contract period. Accordingly, letter of award (LoA) was issued to AMP on 29.05.2023.

- 2.4 AMP Energy Green Seventeen Private Limited, a generating company under the Act, is the special purpose vehicle (SPV) incorporated by the successful bidder AMP for developing the wind-solar hybrid project as Hybrid Power Developer ("HPD") in which AMP has a direct shareholding of 99.90%. Clauses 13.1 and 16.1 of the CBG allows a successful bidder to supply the renewable power through an SPV. In terms of Clause 36.6 of the RfS and para 5 of the LOA, AMP, the successful bidder, has decided to develop the Project through the HPD, the above-mentioned SPV, from which it will supply the renewable power to CESC. Pursuant to the above, CESC executed the PPA with the HPD on 28.06.2023 in accordance with the terms and conditions of the LoA issued to AMP.
- 2.5 CESC has agreed to purchase 150 MW Wind-Solar Hybrid Power from AMP Energy Green Seventeen Private Limited from the Wind-Solar Hybrid Power Project (with rated capacity of Solar PV: 137.5 MW and Wind: 49.5 MW) to be installed by the HPD at Village: Uppalapadu. Junutula, Tehsil: Owk, District: Nandyala, Andhra Pradesh. Accordingly, CESC has signed a Power Purchase Agreement (PPA) with the HPD on 28.06.2023 (Effective Date of the PPA) for purchase of 150 MW Wind-Solar Hybrid power for a period of 25 years from the 'Scheduled Commissioning Date' (SCD) of the project. In terms of Clause 9.2 of RfS, 'Scheduled Commissioning Date' is 28.06.2025 (24 months from Effective Date of the PPA i.e 28.06.2023).
- 2.6 The tariff for procurement of the 150 MW Wind-Solar Hybrid Power is fixed tariff of Rs. 2.92 per kWh for the entire term of the PPA (25 years from SCD).
- 2.7 The power shall be delivered by the power developer at its interconnection point with Inter State Transmission System at single point or multiple points at 220 KV level at 765/400/220kV Kurnool-III ISTS substation, Andhra Pradesh. All charges and losses up to the Delivery Point shall be borne by the HPD.



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- 2.8 It is submitted that the PPA will reduce the dependence on power exchanges to meet the Renewable Purchase Obligation (RPO), help to improve renewable energy portfolio and meet the increasing demand in CESC's licensed area in the coming years.
- 2.9 CESC has stated that in terms of Order No. 23/12/2016-R&R dated 23.11.2021 of the Ministry of Power, ISTS Charges will not be applicable for renewable energy projects, including solar, wind etc. commissioned up to 30.06.2025. However, as per Clause 2.1.3 and 2.1.4 of the PPA between the HPD and CESC, in case of tariff adoption and/ or approval of the PPA by the Commission gets delayed beyond 120 days from the effective date of the PPA (which is 28.06.2023), the scheduled financial closure and scheduled Commissioning Date of the Projects will also get extended by equal number of days.
- 2.10 In view of the above, CESC has prayed an early approval of the petition dated 04.07.2023 in consumer interest.

Observations of the Commission:

Requirement of power purchase:

- 3.1 The Commission being guided by the Tariff Policy, noted that the Ministry of Power (MOP) vide Order dated 22.07.2022 has specified the long-term growth trajectory of Renewable Purchase Obligation upto 2029-30 in terms of paragraph 6.4 (1) of the Tariff Policy, 2016. The Commission observes that as per the PPA, CESC will get minimum 448.2 MU quantum of energy annually from Wind-Solar Hybrid Project. It is observed that in FY 2021 – 22, CESC could not achieve Total RPO target set in terms of West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013. Thus, this PPA will help CESC to improve its RE portfolio.

Price of power purchase:

- 3.2 The Commission observes that as per the Power Purchase Agreement, CESC will purchase 150 MW Solar Wind Hybrid Power from AMP Energy Green Seventeen Private Limited at Rs. 2.92 per kWh as per provisions of the PPA/RfS fixed for the entire term of the agreement.



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- 3.3 The Tariff has been determined through transparent process of competitive bidding in accordance with the 'Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects' dated 14.10.2020, along with amendments, issued by the Government of India. It is also observed from the application that the procurement process is under Section 63 of the Electricity Act, 2003 and AMP Energy Green Seventeen Private Limited is selling such power at discovered price to CESC.
- 3.4 The Tariff is well below the average power purchase cost of CESC and thus, economic as compared to the other power purchase sources approved in the Tariff Order of 2020-21, 2021-22 and 2022-23.

Appropriate Commission

- 3.5 The Commission has noted that AMP Energy Green Private Limited, selected in the Competitive Bidding Process, has constituted a Special Purpose Vehicle (SPV) - AMP Energy Green Seventeen Private Limited which is acting as HPD for development, generation and supply of such electricity to CESC from the 150 MW Hybrid Power Project to be established by the HPD in Andhra Pradesh.
- 3.6 Relevant para 5 of the "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects" (CBG) dated 14.10.2020, as amended, is reproduced below:

"5. APPROPRIATE COMMISSION

5.1. Subject to the provisions of the Electricity Act, 2003, Appropriate Commission would be as under:

a. In case the hybrid power projects is supplying power to Distribution licensee(s) of one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the State Electricity Regulatory Commission of the concerned State where the distribution licensee(s) is located.

b. In case the hybrid power projects supplying power to Distribution licensee(s) of more than one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the Central Electricity Regulatory Commission.



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c. For cases involving sale of hybrid power from generating companies owned or controlled by Central Government, the Appropriate Commission shall be the Central Electricity Regulatory Commission."

- 3.7 Since the entire power generated from the ISTS-connected Wind-Solar Hybrid Power Projects will be delivered to CESC in West Bengal, this Commission is the appropriate Commission as per the CBG.
- 3.8 However, in terms of Regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, CESC is to take prior approval of the Commission for effectuating any agreement for power procurement.
- 3.9 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 23.11.2021 read with amendment dated 30.11.2021. Since, the scheduled commissioning date of the proposed Wind-Solar Hybrid project is 28.06.2025 with 24 months from 28.06.2023 - the effective date of PPA, thus no ISTS charges will be applicable. Further, as per clause 4.2.6 of the PPA between CESC and HPD, the ISTS charges will be borne by the Hybrid Power Generator in case of any delay in commissioning of the project beyond 30.06.2025 due to reasons attributable to the project developer.
- 3.10 In view of the above, the Commission concludes the followings:
- (i) The hybrid power will help CESC to meet its RPO target, improve renewable energy portfolio and meet the increasing demand in CESC's licensed area in the coming years.
 - (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.



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(iii) No ISTS charges for the above Wind-Solar Hybrid power is expected to be paid.

Order:

- 4.1 The Commission after considering the above facts and in order to promote procurement of renewable energy by CESC to fulfil its obligation and further keeping in mind clause (e) of sub-section (1) of section 86 of the Act, approves the Power Purchase Agreement dated 28.06.2023 executed by and between AMP Energy Green Seventeen Private Limited and CESC for purchase of 150 MW Wind-Solar Hybrid power by CESC from AMP Energy Green Seventeen Private Limited for a period of 25 (twenty-five) years at a uniform price of Rs. 2.92 per kWh for the entire period of the PPA, in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.
- 4.2 The Commission also directs CESC to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.
- 4.3 The petition is thus disposed of. Let a copy of the order be served upon CESC.
- 4.4 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: 31.08.2023

Sd/-
SECRETARY