



**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
IN CASE NO. PPA – 127 / 23 – 24**

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF A POWER PURCHASE AGREEMENT (PPA) EXECUTED ON 18.12.2023 BETWEEN RAMSARUP INDUSTRIES LIMITED (RIL) AND THE WEST BENGAL ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR PURCHASE OF SURPLUS POWER BY WBSEDCL FROM CO-GENERATION PLANT OF RIL, IN TERMS OF REGULATIONS 7.4.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED FROM TIME TO TIME

**PRESENT:**

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

**DATE: 14.03.2024**





Approval of a Power Purchase Agreement (PPA) executed on 18.12.2023 between Ramsarup Industries Limited (RIL) and the West Bengal Electricity Distribution Company Limited (WBSEDCL) for purchase of surplus power by WBSEDCL from Co-generation plant of RIL, in terms of regulations 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time.



### **Facts in Brief**

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 01.02.2024 for approval of a Power Purchase Agreement (PPA) executed on 18.12.2023 between Ramsarup Industries Limited (RIL) and the West Bengal Electricity Distribution Company Limited (WBSEDCL) for purchase of surplus power by WBSEDCL from RIL for a period of 2 (Two) years, in terms of regulations 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 Regulation'). The Commission admitted the application and registered it in Case No. PPA – 127/ 23 – 24.
- 2.0 WBSEDCL in its application inter-alia submitted the followings:
  - 2.1 RIL is a consumer of WBSEDCL located in Kharagpur and connected at 132 kV level. RIL has a 20 MW Captive Generating Plant with Waste Heat Recovery Boiler (WHRB) utilizing waste heat generated in the process. RIL intends to sell 6 MW of its surplus power to WBSEDCL at a mutually agreed single part tariff of Rs. 2 per kWh for a period of two (02) years effective from the date of approval of the Commission or useful life of the plant, whichever is less. Any applicable taxes, levies, cess, duties, etc., will be borne by RIL.
  - 2.2 The Board of Directors of WBSEDCL, in its 117<sup>th</sup> meeting held on 10.11.2023, has approved the execution of a Power Purchase Agreement (PPA) with RIL. Accordingly, a PPA has been executed by and between RIL and WBSEDCL on 18.12.2023 for the purchase of surplus power of 6 MW by WBSEDCL from RIL with mutually agreed terms and conditions. WBSEDCL has submitted a copy of the said PPA along with the application.
  - 2.3 It is further submitted that, S S Natural Resources Pvt Ltd and Shyam SEL & Power Ltd have acquired RIL's unit in Kharagpur, West Bengal, including its captive generating plant. However, the plant is operating in the name of RIL.
  - 2.4 WBSEDCL submitted that, it will promote co-generation in the State. Further such low cost (@ Rs. 2 per kwh) distributed generation will help WBSEDCL's power system





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- 3.0 In view of above, WBSEDCL has prayed before the Hon'ble Commission for approval of the the Power Purchase Agreement executed on 18.12.2023 between Ramsarup Industries Ltd. (RIL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for purchase of surplus power by WBSEDCL from RIL for a period of 2 (Two) years in accordance with regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time.

### **Observations of the Commissions**

- 4.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 (hereinafter referred as "the Act") 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, clause (e) of sub-section (1) of section 86 of the Act inter-alia specifies that the State Commission shall promote co-generation and generation of electricity from renewable sources of energy.
- 5.0 The Commission observes that the overall purchase price proposed from the Waste Heat based captive power plant of RIL is Rs 2 per kWh which is well within the ceiling rate of Rs. 3.34 per kWh as specified by the Commission for power purchase from cogeneration plants. The proposed tariff is also below the average power purchase of WBSEDCL for 2024 – 25 (Rs. 3.80 per kWh). Thus, the power purchase from RIL is found to be beneficial to WBSEDCL and its consumers. Further utilization of waste heat-based generation helps to reduce pollution.

### **Order**

- 6.0 The Commission after considering the above facts and its responsibility to promote Cogeneration and Renewable source of energy under clause (e) of sub-section (1) of section 86 of the Act approves the Power Purchase Agreement signed by and between the WBSEDCL and RIL for purchase of surplus power from Waste Heat based captive power plant of RIL at Kharagpur, Paschim Medinipur District for a period of 2 (two) years on mutually agreed basis in terms of regulation 7.4.1 of the Tariff Regulations. The tariff for entire period of agreement shall be Rs 2 per kWh. Any applicable taxes, levies, cess, duties, etc., will be borne by RIL as per the terms of PPA.





Approval of a Power Purchase Agreement (PPA) executed on 18.12.2023 between Ramsarup Industries Limited (RIL) and the West Bengal Electricity Distribution Company Limited (WBSEDCL) for purchase of surplus power by WBSEDCL from Co-generation plant of RIL, in terms of regulations 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time.



- 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 from time to time and on submission of necessary fees.

**Sd/-**  
**(PULAK KUMAR TEWARI)**  
**MEMBER**

**Sd/-**  
**(MALLELA VENKATESWARA RAO)**  
**CHAIRPERSON**

**Dated: 14.03.2024**

**Sd/-**  
**SECRETARY**