



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA – 131/ 24 – 25**

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 06.06.2024 BY AND BETWEEN WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) AND PETRO CARBON AND CHEMICAL LIMITED (PCCL) FOR PURCHASE OF THE ENTIRE POWER GENERATED BY THE 10 MW WASTE HEAT RECOVERY BOILER (WHRB) POWER PLANT TO BE INSTALLED BY PCCL AT HALDIA.

**PRESENT:
SRI MALLELA VENKATESWARA RAO, CHAIRPERSON**

DATE: 22.10.2024



Application for approval of the Power Purchase Agreement (PPA) executed on 06.06.2024 by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Petro Carbon and Chemical Limited (PCCL) for purchase of the entire power generated by the 10 MW Waste Heat Recovery Boiler (WHRB) power plant to be installed by PCCL at Haldia.



Facts in Brief

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application dated 21.06.2024 for approval of the Power Purchase Agreement (PPA) executed on 06.06.2024 between WBSEDCL and Petro Carbon and Chemical Limited (PCCL). The PPA is for the purchase of the entire power generated by PCCL's 10 MW Waste Heat Recovery Boiler (WHRB) to be installed by PCCL at Haldia in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations, 2011, as amended. The Commission admitted the application and registered it in Case No. PPA – 131/ 24 – 25.
- 2.0 WBSEDCL in its application inter-alia submitted the followings:
 - 2.1 PCCL is setting up a 10 MW Waste Heat Recovery Boiler (WHRB) power plant located in Haldia. PCCL intends to sell the entire power generated from the plant to WBSEDCL at a mutually agreed single part tariff for a period of two (02) years, effective from the date of approval of the Commission or the date of approval of BoD of WBSEDCL, whichever is later.
 - 2.2 It is further submitted that PCCL desires to initially sell power in Independent Power Producer (IPP) mode initially for two (02) years. After installing power-consuming equipment at its upcoming Ferro Alloy plant, PCCL intends to sell surplus power in Captive Power Plant (CPP) mode through a fresh agreement under mutually agreed terms. In this connection WBSEDCL submitted that, provision of this agreement shall continue to operate till the agreement is formally renewed, extended or replaced, in case WBSEDCL continue to get power from the project in IPP mode even after expiry of this agreement without further renewal or formal extension thereof.
 - 2.3 The Board of Directors of WBSEDCL, in its 120th meeting held on 25.04.2024, has approved the execution of a Power Purchase Agreement (PPA) with PCCL. Accordingly, a PPA was executed between WBSEDCL and PCCL on 06.06.2024 for the purchase of power from the 10 MW WHRB power plant under mutually agreed terms and conditions. WBSEDCL has submitted a copy of the said PPA along with the application.
 - 2.4 The salient features of the PPA are as below:



Application for approval of the Power Purchase Agreement (PPA) executed on 06.06.2024 by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Petro Carbon and Chemical Limited (PCCL) for purchase of the entire power generated by the 10 MW Waste Heat Recovery Boiler (WHRB) power plant to be installed by PCCL at Haldia.



- (i) Tariff: Single part tariff of Rs. 2/kwh. All applicable taxes, levies, cess, duties, etc., will be borne by PCCL.
- (ii) Delivery point of supply: Patikhali 33/11 kV sub-station of WBSEDCL.
- (iii) Date of effect of PPA: From the date of approval of the Commission
- (iv) Tenure of the agreement: Initially for a period of two (02) years.

3.0 In view of the above, WBSEDCL has prayed before the Hon'ble Commission for approval of the Power Purchase Agreement executed on 06.06.2024 between Petro Carbon and Chemical Limited (PCCL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for the purchase of the entire power generated from the 10 MW WHRB plant 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 Recovery Boiler (WHRB) power plant of PCCL 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 cost of WBSEDCL for 2024-25 (Rs. 3.80 per kWh). Thus, the power purchase from PCCL is found to be beneficial to WBSEDCL and its consumers. Furthermore, the utilization of waste heat-based generation helps to reduce pollution and promotes efficient energy use.



Application for approval of the Power Purchase Agreement (PPA) executed on 06.06.2024 by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Petro Carbon and Chemical Limited (PCCL) for purchase of the entire power generated by the 10 MW Waste Heat Recovery Boiler (WHRB) power plant to be installed by PCCL at Haldia.



Order

- 6.0 The Commission, after considering the above facts and its responsibility to promote Cogeneration and Renewable sources of energy under clause (e) of sub-section (1) of section 86 of the Electricity Act, 2003, approves the Power Purchase Agreement signed between WBSEDCL and Petro Carbon and Chemical Limited (PCCL) for the purchase of the entire power from the 10 MW Waste Heat Recovery Boiler (WHRB) power plant of PCCL at Haldia, Purba Medinipur District, for a period of two (2) years on mutually agreed terms, in accordance with regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended. The tariff for the entire period of the agreement shall be Rs. 2 per kWh. Any applicable taxes, levies, cess, duties, etc., will be borne by PCCL as per the terms of the PPA.
- 7.0 This approval is for the period of two (02) years as submitted in the petition. For any extension beyond two years, WBSEDCL shall enter into supplementary agreement and submit for fresh approval.
- 8.0 The petition is thus disposed of.
- 9.0 A copy of the order shall be posted in the website of the Commission.
- 10.0 WBSEDCL and PCCL 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/-

(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 22.10.2024

Sd/-
SECRETARY