



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA-135/24-25

Application for approval of the Power Purchase Agreement (PPA) executed on 05.02.2025 by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Orissa Steel & Power Private Limited (OSPPL) for procurement of surplus power of 5 MW from the power plant of OSPPL

DATE: 22.4.2025



Application for approval of the Power Purchase Agreement (PPA) executed on 05.02.2025 by and between West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Orissa Steel & Power Private Limited (OSPPL) for procurement of surplus power of 5 MW from the power plant of OSPPL

Facts in Brief

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application dated 25.02.2025 for approval of the Power Purchase Agreement (PPA) executed on 05.02.2025 between WBSEDCL and Orissa Steel & Power Private Limited (OSPPL) in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations, 2011, as amended. The PPA is for the purchase of the surplus power of 5 MW from the power plant of OSPPL located at Vill-Bagmuri, PS-Jhargram, PO-Garh Shalboni, Dist-Jhargram, West Bengal PIN – 721514. The Commission admitted the application and registered it in Case No. PPA – 135/ 24 – 25.
- 2.0 WBSEDCL in its application inter-alia submitted the followings:
 - 2.1 OSPPL is an existing Bulk Consumer under WBSEDCL having present contract demand of 0.7 MVA at 33 kV voltage level and WBSEDCL is supplying power to their plant at Vill-Bagmuri, PS-Jhargram, PO-Garh Shalboni, Dist-Jhargram, West Bengal PIN – 721514 in consumer mode.
 - 2.2 OSPPL has installed 90 MW (45 MW X 2) plant attributing to Waste Heat Recovery Boiler (WHRB) in its own premises and desires to sell the surplus power of 5 MW of its OSPPL-WHRB to WBSEDCL at a mutually agreed single part tariff of Rs. 2.00 per kWh for a period of five (05) years, effective from the date of approval of the Commission.
 - 2.3 The Board of Directors of WBSEDCL in its 127th and 128th Meeting held on 06.01.2025 and 31.01.2025 respectively, has accorded approval for execution of Power Purchase Agreement with OSPPL. Accordingly, A Power Purchase Agreement (PPA) was executed between WBSEDCL and OSPPL on 05.02.2025 for the purchase of power from the 5 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 It is further submitted that OSPPL desires to initially sell surplus power in Captive Power Plant (CPP) mode initially for five (05) years 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 OSPPL even after expiry of this agreement without further renewal or formal extension thereof.



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2.5 The salient features of the PPA are as below:

- (i) Tariff: Single part tariff of Rs. 2 per kWh. All applicable taxes, levies, cess, duties, etc., if any, shall be paid by WBSEDCL.
- (ii) Delivery point of supply: Boria 33/11 kV Sub-station end 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 five (05) years.

3.0 In view of the above, WBSEDCL has prayed before the Commission for approval of the Power Purchase Agreement executed on 05.02.2025 between Orissa Steel & Power Private Limited (OSPPL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) for the purchase of the surplus power of 5 MW from the power plant of OSPPL for a period of 5 (five) 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 OSPPL 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 2025 -26 (Rs. 3.66 per kWh). Thus, the power purchase from OSPPL 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.



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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 Orissa Steel & Power Private Limited (OSPPL) for the purchase of the surplus power from the 5 MW Waste Heat Recovery Boiler (WHRB) power plant of OSPPL, for a period of five (5) 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., shall be paid by WBSEDCL as per the terms of the PPA.
- 7.0 This approval is for the period of five (05) years as submitted in the petition. For any extension beyond five 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 OSPPL 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/-

(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 22.4.2025

Sd-

DEPUTY DIRECTOR, WBERC