



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION

IN THE MATTER OF

CASE NO: PPA-144/25-26

**APPROVAL OF POWER PURCHASE AGREEMENT OF WEST
BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
WITH RATLE HYDRO ELECTRIC POWER CORPORATION LIMITED
FOR PROCUREMENT OF HYDRO POWER FROM RATLE HYDRO
ELECTRIC PROJECT.**

DATE: 25.09.2025



Facts in brief

1. West Bengal State Electricity Distribution Company Limited (hereinafter referred to as "WBSEDCL") has filed a Petition on 15.07.2025 for approval of Power Purchase Agreement ("PPA") executed between WBSEDCL and Ratle Hydroelectric Power Corporation Limited (RHPCL) for procurement of hydro MW Power as per allocation by Ministry of Power, Government of India, ((In short "MoP, GOI"), by WBSEDCL from Ratle HE Project 850 MW (4 X 205 MW + 1 X 30 MW) in terms of Regulation 7.4 of West Bengal Electricity Regulatory Commission (Terms and Conditions Of Tariff) Regulations, 2011 and its amendments thereof (hereinafter referred to as the "Tariff Regulations"). This application has been admitted on 18.07.2025 with case No. PPA-144/25-26.
2. WBSEDCL in their petition dated 15.07.2025 inter-alia submitted that:
 - 2.1 RHPCL is a joint venture company of NHPC Limited and Jammu & Kashmir State Power Development Corporation Limited (JKSPDCL).
 - 2.2 RHPCL is going to install Ratle HE project having capacity of 850 MW (4 X 205 MW + 1 X 30 MW) at District Kishtwar, UT of Jammu & Kashmir. The expected commercial operation date of the said project is February 2026.
 - 2.3 WBSEDCL on 11.08.2023 has expressed its interest to purchase maximum up to 100 MW power from Ratle Hydroelectric Project.
 - 2.4 The matter was approved in the 130th Board meeting WBSEDCL held on 18.03.2025.
 - 2.5 MOP, Gol vide its allocation letter No. 11/29/2023(Part)-NHPC dated 15.04.2025 allotted 20 MW power to WBSEDCL from Ratle HE Project of RHPCL.



- 2.6 PPA was executed on 11.06.2025 by & between WBSEDCL and RHPCL for procurement of power from Ratle HE Project as per the allocation to be made by MoP, Gol at a tariff determined by Central Commission (CERC) under Section 62 of the Electricity Act, 2003 for a period of 40 (Forty) years from the date of commercial operation (COD) of the last unit or balance Useful life/Operational Life of RHPCL Power Station, whichever is later.
- 2.7 WBSEDCL also mentioned that, the power purchased from the Ratle HE Project of RHPCL will be exempted from ISTS charges for 18 years from COD, as per CERC regulations on the sharing of ISTS charges, 2020, (first amendment) dated 07.02.2023.
- 2.8 In view of the above, WBSEDCL filed the instant petition for approval of the PPA executed between WBSEDCL and RHPCL from the Commission in accordance with Regulation 7.4 of Tariff Regulations.

Point of determination:

- 3.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that, while discharging its function, the 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, in terms of Regulation 7.4.1 of the Tariff Regulations, prior approval of the Commission is required for every agreement or arrangement for power procurement by a licensee entered into after 09.02.2007, except for short term procurement.



Observations of the Commission:

4.0 Requirement of power procurement:

- 4.1. Ratle HEP will provide clean power on long term basis.
- 4.2. This procurement of power from Ratle HE project will help WBSEDCL to meet their demand during peak period in summer and monsoon. Thus, this power purchase will reduce dependency on costlier market power during the peak period.

5.0 Price of power purchase:

- 5.1. The estimated levelized tariff of the Ratle HE Project of RHPCL is Rs 3.92/ KWh. However, the tariff of Ratle HE project will be determined by CERC under Sec 62 of the Electricity Act, 2003 as per para no. 6.1 of PPA.
- 5.2. The useful life of hydro power projects is extendable for an additional 25 years after initial operational life of 40 years which will provide cheap, clean, reliable power on long term basis.
- 5.3. Further, as the location of Ratle HE Project is in Himalayan Region and the flow of water generally remains high, therefore, it is capable of generating secondary energy over and above design energy and the price of such power as per existing Regulation is Rs 1.20 / Kwh. Due to the impact of this secondary generation, the effective price of Ratle HE Project will drive down the effective price to WBSEDCL.
- 5.4. The power procured from the above project will enjoy exemption of ISTS charge for the period of 18 years from the date of commercial operation (COD) as per CERC Regulation on sharing of ISTS charge, 2020 (first amendment).



6.0 In view of the above observation, the finding of the Commission are as follows:

6.1. The procurement of Hydel power from Ratle HE project will help in meeting demand during peak period and during summer-monsoon season and simultaneously reduce dependency on costlier market power during peak period.

6.2. The tariff of the hydro generation from Ratle HE project will be determined by CERC under Sec 62 of the Electricity Act, 2003.

Order:

7.0 The Commission after considering the facts and further keeping in mind clause (e) of sub-section (1) of section 86 of the Act, approves the Power Purchase Agreement dated 11.06.2025 executed by and between WBSEDCL and RHPCL for procurement of power from Ratle HE Project as per the allocation to be made by MoP, Govt from time to time, subject to maximum of 100 MW, at the tariff determined by CERC for a period of 40(forty) years from the date of commercial operation (COD) of the last unit or balance Useful life/Operational Life of RHPCL Power Station, whichever is later, in terms of Regulation 7.4.1 of the Tariff Regulations.

8.0 The Commission also directs WBSEDCL to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.

9.0 The petition is thus 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



Approval of Power Purchase Agreement of West Bengal State Electricity Distribution Company Limited (WBSEDCL) with Ratle Hydro Electric Power Corporation Limited (RHPCL) for Procurement of hydro Power from Ratle Hydro Electric Project 850 MW

Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-

(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Sd/-

DEPUTY DIRECTOR, WBERC

Dated: 25.09.2025