



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA-94 /18 – 19 (VOL. II)**

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR APPROVAL OF FIRST SUPPLEMENTARY AGREEMENT EXECUTED ON 31.01.2023 TO THE POWER PURCHASE AGREEMENT DATED 08.01.2019 (PRINCIPAL AGREEMENT) EXECUTED BY AND BETWEEN TATA POWER TRADING COMPANY LIMITED (TPTCL) AND WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR PURCHASE OF 126 MW POWER FROM DAGACHHU HYDRO POWER CORPORATION FROM ITS HYDRO PLANT AT KHEBISA GEWOG, DAGANA, BHUTAN FOR THE PERIOD FROM 01.03.2023 TO 29.02.2028 IN TERMS OF REGULATION 7.4.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

PRESENT:

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

DATE: 23.03.2023



Approval of First Supplementary Agreement executed on 31.01.2023 to the Power Purchase Agreement dated 08.01.2019 (Principal Agreement) executed by and between Tata Power Trading Company Limited (TPTCL) and West Bengal State Electricity Distribution Company Limited for purchase of 126 MW power from Dagachhu Hydro Power Corporation from its Hydro Plant at Khebisa Gewog, Dagana, Bhutan for the period from 01.03.2023 to 29.02.2028 in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

- 1.0 West Bengal State Electricity Distribution Company Limited (WBSEDCL) has submitted an application on 09.02.2023 for approval of First Supplementary Agreement executed on 31.01.2023 by and between Tata Power Trading Company Limited (TPTCL) and WBSEDCL for purchase of 126 MW power from Dagachhu Hydro Power Corporation from its Hydro Power Plant at Khebisa Gewog, Dagana, Bhutan for the period from 01.03.2023 to 29.02.2028 in terms of Regulation 2.1.5(ii) and 7.4.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended. The Commission has accepted the Petition and marked it as Case No: PPA-94/18-19(Vol. II).
- 2.0 The application of WBSEDCL read with the First Supplementary Agreement dated 31.01.2023 inter-alia states the following:
 - 2.1 WBSEDCL entered into a Power Purchase Agreement (PPA) dated 8th January 2019 (hereinafter to be referred as "Principal Agreement") with TPTCL for purchase 126 MW power from Dagachhu Hydro Power Corporation from its run of the river Hydro Power Plant (2 x 63 MW) on the river Dagachhu at Khebisa Gewog, Dagana, Bhutan, with a contract period of 5 (five years) i.e., up to 28th February 2023.
 - 2.2 The Commission has approved the Principal Agreement vide order dated 15.02.2019.
 - 2.3 As per provisions under clause 2 of the Principal Agreement both the parties agreed to extend the tenure of the Agreement for 5 years on and from 01.03.2023 to 29.02.2028 on mutual consent of the parties by executing this first Supplementary Agreement on terms & conditions as mentioned in the First Supplementary Agreement.
 - 2.4 The Board of Directors, WBSEDCL in its 110th meeting dated 05.01.2023 has accorded approval for the extension of the PPA. Accordingly, the First Supplementary Agreement to the Principal Agreement has been executed on 31.01.2023 by and between WBSEDCL & TPTCL.
 - 2.5 The tariff for the First Supplementary Agreement is as follows:

Year	Tariff at Delivery Point
(01.03.2023 to 29.02.2024)	₹ 3.94/kWh
(01.03.2024 to 28.02.2025)	₹ 4.01/kWh
(01.03.2025 to 28.02.2026)	₹ 4.10/kWh



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Year	Tariff at Delivery Point
(01.03.2026 to 28.02.2027)	₹ 4.18/kWh
(01.03.2027 to 29.02.2028)	₹ 4.26/kWh

- 2.6 In view of above, WBSEDCL has prayed before the Commission to approve the First Supplementary Agreement dated 31.01.2023.

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 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, 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 The initial Power Purchase Agreement (Principal Agreement) was executed by and between WBSEDCL and TPTCL on 08.01.2019 for procurement of hydro power from Dagachhu Hydro Power Corporation which was approved by the Commission in Case No. WBERC/PPA – 94/18 – 19 dated 15.02.2019. The present tariff is Rs. 3.821 per kWh.
- 5.0 The Commission observes that Dagachhu is a snow fed run of the river hydro power station and the availability of power from Dagachhu matches with the requirement of power of WBSEDCL.
- 6.0 Power available from Dagachhu is expected to help WBSEDCL to meet its peak demand economically during the high demand season since the cost of peak power available from other sources including power exchanges is much higher in the market.

Order:

- 7.0 The Commission after considering the above facts and to ensure reliable and quality power supply in the state approves the First Supplementary Agreement executed on 31.01.2023 by and between Tata Power Trading Company Limited (TPTCL) and West Bengal State Electricity Distribution Company Ltd. (WBSEDCL) for purchase of 126 MW power from



Approval of First Supplementary Agreement executed on 31.01.2023 to the Power Purchase Agreement dated 08.01.2019 (Principal Agreement) executed by and between Tata Power Trading Company Limited (TPTCL) and West Bengal State Electricity Distribution Company Limited for purchase of 126 MW power from Dagachhu Hydro Power Corporation from its Hydro Plant at Khebisa Gewog, Dagana, Bhutan for the period from 01.03.2023 to 29.02.2028 in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Dagachhu Hydro Power Corporation from its Hydro Power Plant at Khebisa Gewog, Dagana, Bhutan for the period from 01.03.2023 to 29.02.2028 at the following rate in terms of Regulation 2.1.5(ii) and 7.4.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended:

Year	Tariff at Delivery Point
(01.03.2023 to 29.02.2024)	₹ 3.94/kWh
(01.03.2024 to 28.02.2025)	₹ 4.01/kWh
(01.03.2025 to 28.02.2026)	₹ 4.10/kWh
(01.03.2026 to 28.02.2027)	₹ 4.18/kWh
(01.03.2027 to 29.02.2028)	₹ 4.26/kWh

8.0 The petition is thus disposed of allowing the prayer as is made in the petition.

9.0 A copy of the order shall be posted in the website of the Commission.

10.0 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 and on submission of necessary fees.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 23.03.2023

Sd/-
Secretary