



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO. SM - 26/20-21

IN REGARD TO SUO-MOTU ORDER OF THE COMMISSION
REGARDING APPROVAL OF INVESTMENTS FOR THE PROJECTS
ENTIRELY FUNDED BY THE GOVERNMENT THROUGH GRANTS

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI DURGADAS GOSWAMI, MEMBER
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 18.01.2021

Certified true Copy





Suo-Motu order of the Commission regarding approval of investments for the projects entirely funded by the Government through grants



Facts in brief

- 1.0 In terms of regulation 2.5.2 read with Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short ‘Tariff Regulations’), a licensee shall submit their Perspective Plan along with their Tariff Petition and the Commission shall approve the perspective plan with appropriate modifications as may be considered necessary in terms of regulation 2.9.3 of the Tariff Regulations. In addition, the licensee shall also seek approval of specific project wise capital investments separately under regulations 2.8.1.4, 2.8.2.3, 2.8.2.4, 2.8.3, 2.8.4 and 2.11.1 of the Tariff Regulations.
- 2.0 The objective is to ensure optimum investment specified under Section 61 (a) of the Electricity Act, 2003 and to minimize the investment risk of the licensees. The relevant regulation of the Tariff Regulations is reproduced below:

“2.8.2.3 The approval of the Commission for investment in new transmission project commissioned after 31.12.2007 is mandatory. Similarly, the approval of the Commission for distribution project whose cost is above rupees one hundred and twenty five crore or 5 % of the gross fixed asset of distribution business of the licensee at the time of taking up the project, whichever is lower and commissioned after the publication of these regulations is mandatory. Such approval in both cases shall be taken before investment is made in order to minimize their investment risk. Any subsequent revision of such investment must also be required to be got approved by the Commission before filing application for determination of tariff. For the investment approval licensee shall submit an application along with a gist.....”
- 3.0 The Commission recently observed that in some occasions, licensees are submitting applications to the Commission seeking approval of projects which are fully funded by the Government through grants.
- 4.0 The Commission is of the view that since there is no direct investment by the licensees in real sense, as such, it has no/ limited investment risk to the licensee and very marginal implications as far as the overall tariff of the licensee is concerned.

Order

- 5.0 In view of the above, the Commission decides that, henceforth, approval of the Commission shall not be required in terms of the provision of the Tariff Regulations where the project is fully funded by the Government through grants.





Suo-Motu order of the Commission regarding approval of investments for the projects entirely funded by the Government through grants



6.0 The Commission accordingly disposes off the following applications of investment approval for the projects submitted by the West Bengal State Electricity Distribution Company Limited:

- (i) Application for investment approval for High Voltage Distribution System (HVDS) in Paschim and Purba Burdwan, Birbhum, 24 Paraganas North, 24 Parganas South, Hooghly and Paschim Midnapur which is 100% funded by the State Government and submitted on 25.06.2019 and marked in Case No. OA-308/19-20.
- (ii) Application for 'in-principle' clearance i.r.o investment approval for Installation and Commissioning of 10 MW (AC) Grid connected Solar PV Power Plant at Canal Bank of Teesta Canal Fall Stage – II Hydro Power Station, Haptiagachh of Uttar Dinajpur district, West Bengal which is 100% funded by the State Government and submitted on 16.01.2020 and marked in Case No. OA-325/19-20.
- (iii) Application for 'in-principle' clearance i.r.o investment approval for Installation and Commissioning of 10 MW (AC) Grid connected Solar PV Power Plant at Mouza – Chuapal & Kasturia, Block – Sankrail of Jhargram district, West Bengal which is 100% funded by the State Government and submitted on 16.10.2020 and marked in Case No. OA-347/20-21.

7.0 Let a copy of the order be served upon all the licensees under this Commission.

Sd/-

Sd/-

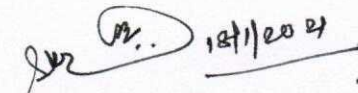
Sd/-

(PULAK KUMAR TEWARI)
MEMBER

(DURGADAS GOSWAMI)
MEMBER

(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 18.01.2021


(Saibal Kanti Das)
Secretary

Certified true Copy

