

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
AT RANCHI**

Case No. 10 of 2018

Jharkhand Bijli Vitran Nigam Limited

..... Petitioner

**CORAM: HON'BLE MR. (DR) ARBIND PRASAD, CHAIRPERSON
HON'BLE MR. R.N. SINGH, MEMBER (ENGINEERING)**

For the Petitioner :

Mr. Navin Kumar, Advocate

ORDER

Date - 25th September, 2018

1. The petitioner, Jharkhand Bijli Vitran Nigam Limited (**JBVNL**), has filed petition for approval of Power Purchase Agreement (**PPA**) signed on 28.03.2018 between JBVNL and Solar Energy Corporation of India (**SECI**) for procurement of 200 MW Wind Power under Section 86 1(b) of the Electricity Act, 2003 and directives issued by JSERC in its tariff Order dated 21st June 2017 and vide letter no JSERC/Case (T) no. 08 & 10 of 2016/466 dated 06th Oct.2017.

2. This Petition is in compliance with the directives issued by Jharkhand State Electricity Regulatory Commission (**JSERC**) to JBVNL in Tariff Order dated 21st June, 2018 as well as letter no. JSERC/Case (T) No. 08 & 10 of 2016/466 dated 6th October, 2017 to submit all the PPAs for approval which have not been approved by the Commission.

3. On examination of the petitions, the Commission found several discrepancies in the petition which are as under:-

(a) The Petitioner had not submitted the document certifying that the PPA was executed with due approval of the Board of Directors of JBVNL.

(b) The Petitioner had not submitted the copy of PPAs executed between SECI and Wind Power Developers (**WPDs**)/generators.

(c) The Petitioner had not provided the justification/approval of competent authority for giving 7 paisa/unit as trading margin to SECI.

(d) The Petitioner had not certified that Guidelines of Ministry of Power (MoP) were followed in the bidding process.

(e) The Petitioner had not certified that the PPA is within the JSERC's approved power procurement plan for JBVNL.

Accordingly, the Commission by Order dated 23.07.2018 directed the petitioner to give clarification in regard to the above discrepancies.

Submission of the Petitioner:

4. The matter was heard by the Commission on 11.09.2018.
5. The Petitioner submitted that the Board of Directors of the JBVNL in its 34th Meeting held on 22.06.2018 had given post facto approval for Power Purchase Agreement signed on 28.03.2018 between JBVNL and SECI for purchase of 200MW Wind Power to meet Non-Solar Renewable energy Purchase Obligation of JBVNL.
6. The Petitioner submitted the PPAs signed between SECI and Wind Power Developers as mentioned in Clause – D of PPA dated 28.03.2018 namely Aliento Wind Energy Pvt. Ltd., Flurry Wind Energy Pvt. Ltd., Tempest Wind Energy Pvt. Ltd. & Vuelta Energy Pvt. Ltd.
7. The Petitioner submitted copy of an Order dated 11.01.2010 passed by Hon'ble CERC regarding clarification for giving 7 paisa/unit as trading margin.
8. The Petitioner submitted a copy of letter no. SECI/C&P/WPD/T1/JBVNL/24309 dated 07.08.2018 received from SECI certifying that tendering for Solar and Wind Power projects were carried out under Government of India's guidelines.
9. The Petitioner in relation to certificate that the PPAs are within the JSERC's approved power procurement plan of JBVNL, submitted the detail of units approved for non-solar RPO by JSERC in MYT Order for period FY 2016-17 to FY 2020-21 to meet RPO and as per MoP, GOI letter vide no. 23/03/2016-R&R dated 14th June,2018 regarding long term growth trajectory of RPOs for solar and non-solar for a period of three years i.e. FY 2019-20 to FY 2021-22.
10. The petitioner submitted that SECI is designated as an implementing Nodal Agency under the MNRE scheme for setting up of 2000MW ISTS-connected Wind Power Projects in India under the guidelines for tariff based competitive bidding process as per gazette resolution dated 8th Dec 2017 issued

by MOP for supply of Wind Power from windy states to non-windy States. The rate discovered under tariff based competitive bidding was Rs. 2.45/unit over which 7 paisa/unit has to be given to SECI as trading margin. Jharkhand State was allocated 200 MW Wind Power out of 2000 MW. The trading margin of 7paisa/unit to SECI as agreed upon is well within the upper limit fixed by the relevant Regulations of CERC. Therefore, the overall landed cost of Wind Power at Jharkhand Periphery will be Rs. 2.52/unit.

Commission's Observations:

11. JSERC in compliance to National Tariff Policy 2016 and subsequent policy decisions by the Govt. of India has set the target of RPO both for solar and non-solar plant to be fulfilled by all its obligated entities. Therefore, it is incumbent upon all the obligated entities of the State, to take sincere efforts to procure renewable energy from different sources to fulfill their RPO target. The RPO trajectory has separate targets for solar and non-solar RE. Jharkhand, being non-windy State, has to procure wind power from the windy states. Therefore, the decision of the JBVNL to procure 200 MW ISTS connected wind power from the WPDs of windy states through SECI by transparent procurement process of e-Tendering and e-Reverse auction in terms of the guidelines issued by the Govt. of India is in line to its power procurement plan to meet RPO.

12. The wind power in question is being procured for 25 years by JBVNL through PPA signed between SECI and JBNVL and Since one of the signatories of the PPA is SECI, whose license has been issued by CERC and as such the disputes between the signatories, if any, would be adjudicated by CERC under section 79(1)(f) of the Electricity Act, 2003, the Commission is of the considered view that it is not empowered to approve PPA and as such this Commission cannot modify the terms and conditions of such documents. This stand is also in line with the APTEL order dated 04/09/2013 passed in Appeal No. 94 of 2012-BSES Rajdhani Power Limited & others Vs. DERC & NTPC.

13. As regards to adopt the rate of the wind power discovered through transparent procurement process of e-tendering and e-reverse auction, we are of the view that as SECI, is purchasing 2000 MW wind power from different Wind Power Developers of various windy States through competitive bidding and in turn, is selling such wind power to the Discoms of various non-windy

States including JBVNL, the CERC is the appropriate Commission to adopt the instant discovered tariff u/s 63 of the Electricity Act. The role of this Commission u/s 86(1)(b) of the Electricity Act is limited viz. whether to allow the JBVNL to purchase or not to purchase such power at such discovered rate from SECI through PPA for 25 years.

14. The Commission finds that the instant proposal for procurement of 200MW wind power from SECI has been duly approved by the Board of Directors of JBVNL. JBVNL require such power to fulfill its Renewable Purchase Obligation (RPO) as per JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016. The rate of such procurement of wind power seems to be reasonable and has been discovered through competitive bidding by SECI. JBVNL had already signed PPA with SECI and the PPAs signed between the SECI and WPDs are stated to be integral part of the PPA.

FINDINGS

15. Considering the facts and circumstances mentioned above, the Commission approves the proposal of procurement of 200 MW wind power through SECI vide PPA dated 28.03.2018 (detailed in para 1) at the proposed discovered tariff and trading margin for 25 years, subject to adoption of the discovered tariff by CERC.

16. With the above observations, the petition is disposed off accordingly.

Sd/-
(R.N. Singh)
Member (Engg)

Sd/-
(Dr. Arbind Prasad)
Chairperson