

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

Case No. 12 of 2018, 13 of 2018, 14 of 2018 & 15 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. A common issue arose in the above petitions and as such the petitions are being disposed of by this common order.

2. The petitioner, Jharkhand Bijli Vitran Nigam Limited (**JBVNL**), has filed petitions for approval of Power Purchase Agreements (**PPA**) signed on 23.06.2017 between JBVNL and PTC India Ltd. (**PTC**) for procurement of (I) 50 MW Wind Power from Mytrah Energy Pvt. Ltd., (II) 50 MW Wind Power from M/s Inox Wind Infrastructure Services Ltd., (III) 50 MW Wind Power from M/s Green Infra Wind Energy Ltd. & (IV) 50 MW Wind Power from M/s Ostro Kutch Wind Pvt. Ltd. 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 016/466 dated 06th Oct.2017.

3. These Petitions are in compliance with the directives issued by 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.

4. On examination of the petitions, the Commission found several discrepancies in the petitions 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 PTC 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 PTC.
- (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:

5. The matter was heard by the Commission on 11.09.2018.
6. The Petitioner submitted that the Board of Directors of the JBVNL in its 28th Meeting held on 19.04.2017 had given approval for cumulative purchase of 200MW Wind Power at the rate of Rs. 3.46/- (pooled price) plus trading margin of Rs. 0.07/kWh from M/s PTC to meet Non-Solar Renewable energy Purchase Obligation of JBVNL for 25 years.
7. The Petitioner submitted the PPAs (on affidavit dated 27.08.2018) signed between PTC and Wind Power Developers as mentioned in clause E of the PPA dated 23.06.2017 namely M/s Mytrah Energy Pvt. Ltd., M/s Inox Wind Infrastructure Services Ltd., M/s Green Infra Wind Energy Ltd. & M/s Ostro Kutch Wind Pvt. Ltd.
8. The Petitioner submitted copy of an email from PTC and an Order dated 11.01.2010 passed by Hon'ble CERC regarding clarification for giving 7 paisa/unit as trading margin. Further, the Petitioner also submitted that the Board of Directors of JBVNL had given approval for 7 paisa/ unit as trading margin to PTC.
9. 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.

10. 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.

11. The petitioner submitted that the Ministry of New and Renewable Energy (MNRE), Government of India has notified the Scheme on 14th June, 2016 for setting up of 1000 MW ISTS- connected Wind Power Projects in India for supply of Wind Power from windy States to non-windy States and Jharkhand has been classified as non-windy State in the Guidelines of the scheme issued on 22nd October, 2016 for the implementation of the scheme. Jharkhand State was also allocated wind power under this Scheme. SECI being the Nodal Agency for the Scheme has successfully conducted the transparent competitive bidding process during which the lowest rate received was Rs. 3.46/unit over which the inter-State transmission charges and losses on transmission of electricity generated have been waived by Ministry of Power (MoP) vide its notification dated 30th September, 2016. Jharkhand State was allocated 200 MW Wind Power out of 1000 MW and PTC has been assigned as the trading company with trading margin of 7 paisa/unit. The trading margin of 7paisa/unit, as agreed upon, is well within the upper limit fixed by the relevant Regulations of CERC. Therefore, the overall landed cost of Wind Power is estimated to be Rs. 3.53/unit at Jharkhand Periphery which is fixed for 25 years.

Commission's Observations:

12. 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. Therefore, the decision of the JBVNL to procure 200 MW ISTS connected wind power from the WPDs of windy States through SECI through 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.

13. The wind power in question is being procured for 25 years by JBVNL through PPA signed between PTC and JBVNL. Since one of the signatories of the PPA is PTC, a trading licensee, 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 as such documents are part of the Bid Documents of nodal agency SECI, a Govt. of India undertaking, and 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.

14. 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 PTC, a trading licensee, the license of which has been granted by CERC, is purchasing 1000 MW wind power from different Wind Power Developers of various windy States through competitive bidding by SECI (a Govt. of India undertaking) on behalf of PTC and the PTC, in turn, is selling such wind power at pooled price 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. to whether to allow the JBVNL to purchase or not to purchase such power at such discovered rate from PTC through PPA for 25 years.

15. The Commission finds that the instant proposal for procurement of 200MW wind power from PTC 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 PTC and the PPAs signed between PTC and WPDs are stated to be integral part of the PPA.

FINDINGS

16. Considering the facts and circumstances mentioned above, the Commission approves the proposal for procurement of 200 MW wind power through PTC vide PPAs dated 23.06.2017 (detailed in para 1) from WPDs namely M/s Mytrah Energy Pvt. Ltd., M/s Inox Wind Infrastructure Services Ltd., M/s Green Infra Wind Energy Ltd. & M/s Ostro Kutch Wind Pvt. Ltd. through PTC at the proposed discovered tariff and trading margin for 25 years, subject to adoption of the discovered tariff by CERC.

17. With the above observations, the petitions are disposed off accordingly.

(R.N. Singh)
Member (Engg)

(Dr. Arbind Prasad)
Chairperson