

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

Case No. 02 of 2022

Damodar Valley Corporation (DVC) Petitioner

Versus

Jyotikiran Energy Mumbai Pvt. Ltd. & Anr Respondents

**CORAM: HON'BLE JUSTICE MR. AMITAV KUMAR GUPTA, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)
HON'BLE MR. ATUL KUMAR, MEMBER (TECH)**

For the Petitioner : Mr. Supriyo Bhowmick, SE (E), Commercial, DVC
For the Respondent: Mr. Mukhesh Kumar, Advocate-JREDA and Mr. Amit Raj-
Jyotikiran Energy Mumbai Pvt. Ltd.

Date – 28th February, 2023

1. The instant petition has been brought by the Petitioner-Damodar Valley Corporation (DVC) under section 86(1)(b), 86(1)(e) and section 94 of the Electricity Act, 2003 read with clause 6.29 of the JSERC (Terms and Conditions of Determination of Distribution Tariff) Regulations, 2020 for approval of Power Purchase Agreement (PPA) dated 18.12.2020 between Damodar Valley Corporation (DVC) and Jyotikiran Energy Mumbai Pvt. Ltd. (JEM) for purchase of entire power by DVC from solar photovoltaic power plant of capacity 278.72 kWp at Maithon of DVC Maithon and subsequent addendum dated 15.09.2021 to the PPA dated 18.12.2020 regarding revision of Solar Photovoltaic Power Plant capacity to 102.175 kWp to be commissioned at Maithon of DVC Maithon with amendment in certain terms and conditions of the PPA.
2. The Prayers of the petitioner-DVC are as under: -
 - (a) Approve the PPA dated 18.12.2020 along with the addendum dated 15.09.2021(to the PPA dated 18.12.2020) in terms of Regulation. 6.29 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations,2020, and the amendments thereof.
 - (b) Pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

The factual matrix of the case as submitted by the parties may be appreciated in the following manner:

Submission of the Parties

3. The Petitioner submitted that the petitioner Damodar Valley Corporation (DVC) and Jyotikiran Energy Mumbai Pvt. Ltd. (JEM) had executed a Power Purchase Agreement (PPA) on 18.12.2020 for the purchase of the entire power from Solar Photovoltaic Power Plant of Capacity 278.72 kWp to be commissioned at Maithon of DVC Maithon, P.O.- Maithon Dam at Dhanbad district in the State of Jharkhand at a levelized tariff of Rs 3.33/kWh for a period of 25 Years.
4. It was submitted that Damodar Valley Corporation (DVC) and Jyotikiran Energy Mumbai Pvt. Ltd. (JEM) subsequently, executed an addendum on 15.09.2021 to the PPA dated 18.12.2020 as Addendum-1 (hereinafter referred to as the "Addendum") and amended certain terms and conditions of the PPA dated 18.12.2020.
5. It was submitted that as per the terms and conditions of the Addendum the plant capacity had been amended as follows:
The amended project capacity is 267.665 kWp: -
 - **Project 1:** 102.175 kWp to be commissioned at Maithon of DVC at Dhanbad district in the State of Jharkhand and;
 - **Project 2:** 165.49 kWp at Raghunathpur Thermal Power Station (RTPS) of DVC at Purulia district in the State of West Bengal.
6. It was pointed out that it is a regulatory obligation on the part of DVC to consume a certain quantum of electricity from renewable energy sources as a percentage of total consumption and DVC is trying to fulfill such regulatory obligation by purchasing renewable power in terms of JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016 and the amendments thereof.
7. It was submitted that at the time of entering into the Agreement there was a gap between the Renewable Purchase Obligation (RPO) target vis-a-vis RPO fulfillment by DVC, hence in order to bridge the gap, DVC executed the Agreement with the power producer on 18.12.2020 (Subsequently amended on 15.09.2021), which will remain operative upto twenty-five (25) years from the Date of Commercial Operations (COD).
8. It was submitted that the Respondent agreed to install and operate a solar photovoltaic power plant of total capacity of 267.665 kWp (Project 1: 102.175 kWp to be commissioned at Maithon of DVC at Dhanbad District

in the State of Jharkhand and Project 2: 165.49 KWp at Raghunathpur Thermal Power Station (RTPS) of DVC at Purulia District in the State of West Bengal) capacity and to supply the entire Solar Power of the Project to the Petitioner-DVC on the terms and conditions as contained in the Agreement.

9. It was submitted that the Petitioner has filed the present petition for approval of the Agreement dated 18.12.2020 and its addendum dated 15.09.2021 between Damodar Valley Corporation and Jyotikiran Energy Mumbai Private Limited.
10. It was submitted by the Respondent-JREDA that the petitioner has not mentioned anywhere in the petition as to what proportion of the Solar power shall be made available to the State of Jharkhand for meeting its RPO targets.
11. The petitioner in its reply submitted that the quantum of power available under this PPA for the State of Jharkhand will be based on ratio of sales in Jharkhand to total firm sale in entire DVC for the respective period. It was added that ratio of sales in Jharkhand to total firm sale in entire DVC varies year to year based on the actuals.
12. It was also submitted that the power to be procured under this PPA will help DVC to achieve its RPO target compliance set by this Commission and the power available through this PPA will also help DVC to supply reliable power to its consumer in continuous basis.

Commission's observation and findings

13. The Commission has considered the submissions made by the parties and perused the materials available on records.
14. Under Section 86(1)(b) and 86 (1)(e) of the Electricity Act, 2003, the State Commission has the responsibility to regulate the electricity purchase and procurement process of distribution licensees, and promote co-generation and generation of electricity from renewable sources of energy. The relevant Sections of the Electricity Act, 2003 reads as under: -

“Section 86 Function of State Commission: - (1) *The state Commission shall discharge the following functions, namely: -*

(a).....

(b) 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;

.....

(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

15. Hence, under section 86(1)(b) of the Act, the distribution licensee is obligated to get the Power Purchase Agreement, approved by the Commission, and under section 86(1)(e) of the Act, the Commission discharges the function of promoting the generation of electricity from renewable sources and also specifies a percentage of renewable purchase by a distribution licensee.
16. It is observed that the aforesaid PPA is meant to meet the obligation of renewable purchase by the Petitioner as specified by the Commission vide the JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016.
17. In the result, it is ordered as;

ORDER

18. Considering the facts and circumstances of the case, the prayers of the Petitioner are allowed. The Commission in order to promote procurement of renewable energy by DVC to fulfill their Renewable Energy Purchase obligation and further keeping in mind Section 86 (1) (e) of the Electricity Act, 2003, approves the PPA dated 18.12.2020 along with the addendum dated 15.09.2021 to the PPA between the Petitioner Damodar Valey Corporation and Jyotikiran Energy Mumbai Pvt. Ltd. (JEM).
19. The petition is disposed off, accordingly.

Sd/-
Member (T)

Sd/-
Member (L)

Sd/-
Chairperson