

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

Case No. 26 of 2023

Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) and
Tenughat Vidyut Nigam Limited (TVNL)Petitioners

**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 Petitioners: Ms. Anita Prasad, DGM (Tariff), JBVNL, and;
Mr. Sri Ram Singh, EEE, TVNL

Date – 10th November, 2023

1. Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) and Tenughat Vidyut Nigam Limited, has jointly submitted an affidavit petition purported to be filed under clause 6.29 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 for approval of Power Purchase Agreement (PPA) between Jharkhand Bijli Vitran Nigam Limited and Tenughat Vidyut Nigam Limited for purchase of 420 MW at the rate determined by Jharkhand State Electricity Regulatory Commission for a period of 10(Ten) years.
2. The Prayers of the petitioner are as under: -
 - (a) To admit the Petition for approval of PPA between JBVNL, and TVNL, for 420 MW coal based thermal power station at Lalpania (Dist.- Bokaro) in the name of Tenughat Thermal Power Station to be owned and operated by TVNL.
 - (b) To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
 - (c) To condone any error/omission and to give opportunity to rectify the same.

Submissions of the Petitioners

3. The representative of the petitioner - TVNL submitted that TVNL is a generating company of Jharkhand having 2 x 210 MW coal based thermal power station at Lalpania (Dist.-Bokaro) in the name of Tenughat Thermal Power Station owned and operated by TVNL.
4. It was submitted that JBVNL is purchasing all the power generated by TVNL for which an agreement was executed between Jharkhand Bijli Vitran Nigam Limited and Tenughat Vitran Nigam Limited on 31.10.2012 for five years and the said agreement expired on 1stOctober, 2017 and it needs to be renewed from 1st November, 2017.
5. The representative of the petitioner – JBVNL submitted that this Commission vide order dated 13.05.2019 passed in Case No. 16/2018 has directed that “No PPA should be acted upon without approval of the Commission” and in view of the said direction this petition for approval of Power Purchase Agreement has been filed.
6. It was submitted that this Agreement would supersede the Power Purchase Agreement entered into on 31.10.2012 between TVNL and JBVNL and any

other agreement signed earlier for procurement of power from TVNL.

7. It was submitted that the installed capacity of TVNL is 420 MW and JBVNL will purchase entire power of TVNL and there will no refusal from JBVNL if offered by TVNL. Further, on failure of JBVNL to pay for the electricity charges through Letter of Credit/LC as after 90 days, the petitioner - TVNL reserves its right to sale power to the extent it considers necessary to meet TVNL's financial requirement to other licensees/ consumers.
8. It was submitted that the allocation made from the TVNL in favor of the JBVNL shall be subject to signing of this Agreement, opening of LC and providing appropriate payment security mechanism as provided in the Agreement and JBVNL shall draw electricity against the contracted capacity limited to the amount of LC opened and maintained by it.
9. It was pointed out that in case of tripping/outage of units due to technical constraints in TVNL, JBVNL shall have the liberty to arrange power from other sources through open access mechanism and necessary charges and fees and losses will be borne by JBVNL.
10. It was reiterated that this agreement shall come into force with effect from 01.11.2017 and remain valid and operative till 31.10.2027 provided that this agreement may be mutually extended, reviewed or replaced by another agreement on such terms and for such further period as parties may mutually agree.
11. It was canvassed that the sale of electricity shall be at the bus bars of the TVNL and TVNL shall be responsible for making arrangements up to the terminal gantries of power evacuating line bays and thereafter it shall be the obligation and responsibility of the JBVNL to make the required arrangement for evacuation of electricity from such delivery points of the TVNL.
12. It was agreed between the petitioners that the charges for utilization of transmission system(s) owned by JUSNL/Power Grid/other Transmission Licensee for wheeling of the electricity beyond bus bar of the TVNL shall be paid directly by the Procurer to the Power Grid or the Transmission Licensee and TVNL shall not be responsible for payment of such charges. Further it was agreed that all charges/fees related to scheduling and dispatch of electricity shall be borne by JBVNL.
13. It was submitted that the petitioner - JBVNL shall establish an irrevocable revolving Letter of Credit (LC) in favor of the TVNL with a public sector / scheduled commercial bank within one month of signing of this power purchase agreement. The LC shall cover 105% of one month's estimated billing in respect of electricity supplied from station to JBVNL.
14. It was submitted that the Tariff for the electricity supplied from the TVNL would be as determined by JSERC or any other Competent Authority on the basis of applicable relevant Regulations.
15. The petitioners JBVNL and TVNL in view of the aforementioned terms and conditions have jointly prayed for approval of the power purchase agreement between JBVNL and TVNL for purchase of 420 MW power.

Commission's observation and findings

16. The Commission has considered the submissions of the petitioners and perused the materials available on records.

17. Under Section 86 (1)(f) of the Electricity Act, 2003, the State Commission has the responsibility to regulate the electricity purchase and discharge such other functions as may be assigned to it under the Act and the relevant part of Section 86 reads as under: -

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

.....

(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;

.....

(k) discharge such other functions as may be assigned to it under this Act.

18. Hence, under section 86(1)(b) of the Act, the distribution licensee is obligated to get the Power Purchase Agreement, approved by the Commission

19. It is also observed that TVNL vide its letter no./Ref 643/23-24 dated 29th September, 2023 has submitted the Life Assessment report as well as RLA Study certificate conducted by M/s Becquerel Industries Pvt. Ltd. On perusal of the report it would be evident that it has been certified that the turbine and generator are fit for use for a period of 5 years, subject to annual periodic inspections conducted through Non-destructive Testing (NDT) method. The certificate is a testament to the equipment’s compliance with safety standards and its suitability for continuing operation.

20. In view of the life assessment report (RLA) and the facts and circumstances it is hereby ordered as under:

ORDER

21. The draft Power Purchase Agreement to be executed between the petitioners JBVNL and TVNL is approved for a period of ten (10) years i.e. up to 31.10.2027 as per the life assessment report submitted by M/s TVNL.

22. The petition stands disposed off, accordingly.

Sd/-
Member (T)

Sd/-
Member (L)

Sd/-
Chairperson