

Ref: RA/II/002/19-20/1941

19th September 2019

To,
The Secretary,
West Bengal Electricity Regulatory Commission,
Plot No. -AH/5, Premises No. MAR 16-1111,
Action Area - 1A, New Town,
Rajarhat, Kolkata- 700163

Sub: [ADDITIONAL SUBMISSION] Application for approval of Power Purchase Agreement executed on 26.07.2019 by and between India Power Corporation Limited (IPCL) & Damodar Valley Corporation (DVC) for purchase of 16 MW (3.2% of Installed capacity) from 1x500 MW Bokaro Thermal Power Station (BTPS-A) by IPCL, for a period of 12 years from the date of commencement of supply at the regulated price determined by Central Electricity Regulatory Commission (CERC) in terms of regulation 7.4.1, 7.8.1, 7.8.2 & 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended. [Reference Case No. PPA-98/19-20]

Ref: 1) Our Petition submitted vide letter no. RA/II/002/19-20/1916 dated 01.08.2019
2) Your letter no. WBERC/PPA-98/19-20/4605 dated 04.09.2019

Respected Sir,

In reference to the clarification sought through your letter dated 04.09.2019, the petitioner humbly submits the response under affidavit as attached herewith.

The Petitioner humbly prays before the Hon'ble Commission to consider the above submissions as part of the aforesaid petition and pass suitable orders.

Thanking You.

Yours Sincerely,

For India Power Corporation Limited

Karn Pallav

Karn Pallav

General Manager (Regulatory Affairs)

Encl.: As above (1 original + 3 copies)



India Power Corporation Limited

CIN - L40105WB1919PLC003263

Registered Office : Plot No. X1 - 2 & 3, Block - EP, Sector - V, Salt Lake City, Kolkata - 700091

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FORM-1

BEFORE THE HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION,
KOLKATA

FILING No.....

CASE No.....

(To be filled in by the Commission Office)

IN THE MATTER OF:

[ADDITIONAL SUBMISSION] Application for approval of Power Purchase Agreement executed on 26.07.2019 by and between India Power Corporation Limited (IPCL) & Damodar Valley Corporation (DVC) for purchase of 16 MW (3.2% of Installed capacity) from 1x500 MW Bokaro Thermal Power Station (BTPS-A) by IPCL, for a period of 12 years from the date of commencement of supply at the regulated price determined by Central Electricity Regulatory Commission (CERC) in terms of regulation 7.4.1, 7.8.1, 7.8.2 & 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.

AND

IN THE MATTER OF:

M/S India Power Corporation Limited [IPCL],

Plot No. X1-2&3, Third Floor, Block – EP,

Sector V, Kolkata- 700091 (West Bengal)

AND

IN THE MATTER OF:

M/S Damodar Valley Corporation (DVC),

DVC Tower, VIP Road

Kolkata – 700 054, West Bengal



B. N. SAHA
NOTARY
Bikash Bhavan
North Block, Gr. Floor
Bidhannagar, Kolkata
West Bengal

19 SEP 2019



FORM-2

BEFORE THE HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION,
KOLKATA

FILING No.....

CASE No.....

(To be filled in by the Commission Office)

IN THE MATTER OF:

[ADDITIONAL SUBMISSION] Application for approval of Power Purchase Agreement executed on 26.07.2019 by and between India Power Corporation Limited (IPCL) & Damodar Valley Corporation (DVC) for purchase of 16 MW (3.2% of Installed capacity) from 1x500 MW Bokaro Thermal Power Station (BTPS-A) by IPCL, for a period of 12 years from the date of commencement of supply at the regulated price determined by Central Electricity Regulatory Commission (CERC) in terms of regulation 7.4.1, 7.8.1, 7.8.2 & 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.

AND

IN THE MATTER OF:

M/S India Power Corporation Limited [IPCL],
Plot No. X1-2&3, Third Floor, Block – EP,
Sector V, Kolkata- 700091 (West Bengal)

AND

IN THE MATTER OF:

M/S Damodar Valley Corporation (DVC),
DVC Tower, VIP Road
Kolkata – 700 054, West Bengal



19 SEP 2019

B. N. SAHA
NOTARY
Bikash Bhavan
North Block, Gr. Floor
Bihannagar, Kolkata
West Bengal



BEFORE THE NOTARY PUBLIC

BEFORE THE NOTARY PUBLIC

I, Karn Pallav, son of Shri Nirmal Chandra Sinha, aged 41 years having office at Plot No. X1-2&3, Third Floor, Block EP, Sector-V, Salt Lake City, Kolkata-700091 do solemnly affirm and say as follows:

1. That I am the General Manager (Regulatory Affairs) of India Power Corporation Limited, the petitioner in the above matter and am duly authorized by the said Petitioner to make this affidavit for and on behalf of the Petitioner.
2. That the statements made in the additional submission alongwith with Annexure herein now shown to me are true to my knowledge and belief and nothing material has been concealed from the statements so made or documents or supporting data etc. attached.

Solemnly affirmed at Kolkata on this 19th day of September 2019 that the contents of this affidavit are true to my knowledge, no part of it is false or nothing material has been concealed there from and misleading material included therein.

Karn Pallav

Deponent

Place: Kolkata

Date: 19th September 2019

solemnly Affirmed
&
Declared Before me
a Identification of Advocate

B. N. SAHA
NOTARY

B. N. SAHA
NOTARY
Bikash Bhavan
North Block, Gr. Floor
Bidhannagar, Kolkata
West Bengal

Identified by me
[Signature]
Advocate



19 SEP 2019

PETITIONER'S SUBMISSION BEFORE THE HON'BLE COMMISSION

In reference to the clarification sought through the Hon'ble Commission's letter dated 04.09.2019 in connection to the application for approval of the Power Purchase Agreement (PPA) , the Petitioner humbly submits the following details inseriatim as follows:

- i. Requirement of Power procurement with load generation balance considering present load, projected demand for ensuing years, present and projected contracted generation capacity, etc. in terms of Regulation 7.4.2 of Tariff Regulations.

IPCL Reply:

The Load Generation Balance Report covering the requisite details is attached as **Annexure-1**.

- ii. The Commission observed that though IPCL proposed to purchase power as per tariff determined by CERC for the generating station, however, in paragraph 2.2.4 of the PPA, there is provision of stand-by power with charges 1.50 times of the normative rate. Therefore, IPCL is required to justify the admissibility of such procurement of standby power by a licensee as per provisions of Tariff Regulations.

IPCL Reply:

It is humbly submitted before the Hon'ble Commission that the provision of stand-by power at such a rate has been adopted in PPA only to safe guard consumer interest during force majeure situation wherein DISCOM is unable to re-source power on real time from any other source due to back down of DVC, as they are not ready to replace the source with their available alternate generating units at agreed tariff under this PPA. Therefore, in order to fulfil its universal non-discriminatory supply obligation, IPCL had agreed to bear the calculated excess cost of energy for short periods till they restore normalised operation. However, IPCL is committed to mitigate such high rate purchases with procurement of cheaper spot power for similar duration to keep the basket price to near to constant limit.

- iii. The Commission observed that the PPA does not contain all the provisions mentioned in Regulation 7.3.1 of Tariff Regulations such as power purchase variation pattern, month-wise daily drawal of peak and lean ration, monthly load factor, normal overhauling schedule, etc. Thus, such items are required to be duly incorporated in the PPA. IPCL is also required to submit the voltage level of the delivery point for such procurement of power.

IPCL Reply:

It is humbly submitted before the Hon'ble Commission that the regulation 7.3.1 of Tariff Regulations states as follows:

*"7.3.1 **PPA may also cover** month wise power purchase variation pattern, month wise daily drawal of peak and lean ratio, monthly load factor and normal overhauling schedule, power shortage sharing principle, point of sale transaction, etc." (Emphasis Added)*



From the above extract, it is evident that the information sought in the WBERC query no. (iii) is not mandatory to be included in the PPA. The Petitioner understands that the inclusion of such information depends on the mutual understanding of the executing parties.

Power from BTPS-A will be injected at bus bar of BTPS-A and through 400 KV/220 KV ICT installed at BTPS, the same will be drawn by IPCL for their 4-offtake points connected with DVC system at 33 KV voltage level at Dishergarh, Luchipur, J K Nagar and Seebpur.

- iv. The Commission also observed that the tariff rate in the PPA has not been mentioned. Therefore, the status of generation tariff i.r.o. Bokaro Thermal Power Station as approved by CERC is to be furnished along with a cost benefit analysis.

IPCL Reply:

It is humbly submitted before the Hon'ble Commission that the tariff rate for this power purchase by the Petitioner from Bokaro Thermal Power Station (BTPS-A) is governed by the tariff orders issued by the CERC from time to time in respect of (a) generation tariff for BTPS-A and (b) Transmission & Distribution (wires) tariff for DVC T&D system.

As on date, the applicable orders issued by CERC in this respect are as follows :

- (a) Generation tariff for BTPS-A [CERC Order dated 30.05.2018 in case no. 196/GT/2016]
- (b) Transmission & Distribution (wires) tariff for DVC T&D system [CERC Order dated 19.11.2018 in case no. 153/MP/2017]

Financial Implication:

Capacity		As per CERC Tariff Order		
In MW	In MU	Capacity Charge (18-19) (Rs Lakhs)	Energy Charge Rate**(18-19) (Rs/kWh)	Amount (Rs Lakhs) Yearly
500 (100%)	3527.24	77188.94*	1.737	138452.30
16 (3.2%)	112.88	2470.05	1.737	4430.45

* As per latest tariff order, tariff is available upto 31.03.2019

** Energy Charge rate may vary based on availability of coal. Such rate will be computed following the applicable CERC Regulation.

Therefore, as per latest applicable CERC Order, average generation tariff for BTPS-A is Rs 3.925/unit which is lower than the current average power purchase rate approved in IPCL latest Tariff order.



Annexure-1: LOAD GENERATION BALANCING REPORT OF IPCL

Category	Unit	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Growth Rate in %
IPCL Demand*	MW	165	173	182	191	201	211	221	232	244	256	269	282	5.00%
IPCL Own Generation (net of Auxiliary)	MW	11	11	11	11	11	11	11	11	11	11	11	11	
Net Maximum Demand after considering IPCL Own generation	MW	154	162	171	180	190	200	210	221	233	245	258	271	5.27%
Total Availability of IPCL excluding own generation	MW	98	32	32	32	32	32	32	32	32	32	32	32	
Net Shortfall (-)/Surplus(+)	MW	-57	-131	-139	-148	-158	-168	-178	-190	-201	-213	-226	-240	

Source-wise Availability	Unit	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
IPCL Own Generation (net of Auxiliary)	MW	11	11	11	11	11	11	11	11	11	11	11	11
DVC Radial Mode**	MW	66	0	0	0	0	0	0	0	0	0	0	0
WBSEDCL Radial Mode	MW	30	30	30	30	30	30	30	30	30	30	30	30
Renewable Energy	MW	2	2	2	2	2	2	2	2	2	2	2	2
Total Availability	MW	109	43	43	43	43	43	43	43	43	43	43	43
Total Availability of IPCL excluding own generation	MW	98	32	32	32	32	32	32	32	32	32	32	32

NOTE: 1) Currently the power from DVC and WBSEDCL, both are in radial mode and is considered under Licensee to Licensee sale of power.
 2) IPCL Own generation is from 12 MW DPS (New) embedded generation, not connected to State Grid.

* Demand Projection has been done on the basis of "as-is" business

* Future demand may vary with a view of aggressive LT development plan being submitted separately subject to approval of the Hon'ble Commission.

* Future demand may change in view of our network development plan submitted in Case no. OA-230/16-17 & OA-241/16-17 subject to approval of the Hon'ble Commission.

** DVC Radial mode would be discontinued on commencement of new PPA

