

Ref: RA/II/002/19-20/1916

01st August 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- 700156

Sub: 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.

Respected Sir,

India Power Corporation Limited (IPCL) has entered into a Power Purchase Agreement (PPA) on 26.07.2019 with Damodar Valley Corporation (DVC) for procurement of 16 MW in schedule mode for a period of 12 years from the date of commencement of supply at the regulated price determined by Central Electricity Regulatory Commission (CERC).

As per the provisions of the 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, IPCL hereby submits the PPA before the Hon'ble Commission seeking its approval.

The requisite fee for filing this petition as per Sr. No. 5(a) of Schedule-1 of WBERC(Fees and Charges) Regulations, 2013 is Rs 1 Lakh. The payment of Rs 1 Lakh has been made through RTGS having UTR No. SIBLN19213067466 dated 01.08.2019 from South Indian Bank

We humbly pray before the Hon'ble Commission to acknowledge the receipt of the petition and admit the same.

Thanking You.

Yours Sincerely,
For India Power Corporation Limited

Karn Pallav

Karn Pallav
General Manager (Regulatory Affairs)



Encl.: (1 original + 3 copies +1 CD) of petition along with annexures

India Power Corporation Limited

CIN - L40105WB1919PLC003263

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

Ph : +91 33 6609 4300 / 08 / 09 / 10 , Fax : +91 33 2357 2452

Central Office : Sanctoria, P.O. - Dishergarh, District - Burdwan, Pin - 713333 (W.B.)

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E-mail : pr@indiapower.com, Web : www.indiapower.com



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:

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, Salt Lake City

Kolkata- 700091 (West Bengal)

AND



IN THE MATTER OF:

M/s Damodar Valley Corporation (DVC),

DVC Tower, VIP Road

Kolkata – 700 054, West Bengal

31 JUL 2019



BEFORE THE NOTARY PUBLIC

BEFORE THE NOTARY PUBLIC



I, Karn Pallav, son of Shri Nirmal Chandra Sinha, aged 40 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 para 1 to 8 of the petition/application herein now shown to me and marked with the letters 'A to E' with Annexure 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 31st day of July 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: 31st July 2019



B. N. SAHA
NOTARY
Bikash Bhawan
North Block, Gr. Floor
Behannagar, Kolkata
West Bengal

Identified by me

[Signature]
Advocate

solemnly Affirmed
&
Declared Before me
a **Identification of Advocate**

[Signature]
B. N. SAHA
NOTARY

31 JUL 2019

PETITIONER'S SUBMISSION BEFORE THE HON'BLE COMMISSION

THE PETITIONER, INDIA POWER CORPORATION LIMITED RESPECTFULLY SUBMITS THAT:-

The Present Petition is filed under the provisions of Section 86(1)(b) of Electricity Act, 2003 read with Regulations 7.4.1 & 7.8.1 to 7.8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended from time to time.

A. HISTORICAL BACKGROUND:

- 1) India Power Corporation Limited ("**IPCL**" or "**the Petitioner**") is a 100 years old deemed distribution licensee under the Electricity Act, 2003, distributing electricity over an area of 618 sq. km. in the Raniganj – Asansol belt of West Bengal, catering to domestic, commercial, industrial consumers including hospitals and public institutions.
- 2) Damodar Valley Corporation ("**DVC**" or "**the Respondent**") is a statutory body incorporated under the Damodar Valley Corporation Act, 1948 ("**DVC Act**") and undertakes multifarious functions of generation, transmission, distribution, supply and wheeling, of electricity in the states of West Bengal and Jharkhand besides other activities of flood control and irrigation. As part of its functions under DVC Act, DVC undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the 2003 Act. DVC undertakes bulk sale of electricity as a generating company to the Petitioner as a distribution licensee.
- 3) DVC being a Central Utility, the power plants owned by DVC is considered as inter-state power generation source and electricity generation tariff for DVC is determined by the Central Electricity Regulatory Commission ("**CERC**").

B. CURRENT DEVELOPMENT

- 4) DVC is willing to sell power from its 1x500 MW Bokaro Thermal Power Station-A ("**BTPS-A**") coal based power plant at the regulated price determined by Central Electricity Regulatory Commission (CERC) in schedule mode under a long term contract.
- 5) IPCL approached DVC for allocation of 16 MW (3.2% of 500MW installed capacity) power from BTPS-A on long term basis for a period of 12 years under schedule mode with a provision to increase the Contracted Capacity and/or extend the contractual period through exchange of letter and mutual consent subject to availability. DVC may agree to supply the increased quantum and / or extend the contractual period under the same terms and condition as per this Power Purchase Agreement ("**PPA**") and applicable CERC tariff. A copy of the PPA executed on



26.07.2019 is placed before the Hon'ble West Bengal Electricity Regulatory Commission ("WBERC" or, Commission") as Annexure-1.

C. BRIEF DETAILS OF PPA:

- a. Contract Quantum: 16 MW (3.2% of 500 MW installed capacity)
- b. A provision to increase the Contracted Capacity and/or extend the contractual period through exchange of letter and mutual consent subject to availability. DVC may agree to supply the increased quantum and / or extend the contractual period under the same terms and condition.
- c. The Tariff for supply of electricity shall be determined by CERC from time to time.
- d. Tariff for sale of electricity from the Station shall comprise of Capacity Charge, Energy Charge, wheeling charge, SLDC Charge, Deviation Settlement Charge and all other applicable charges/taxes as per CERC Tariff Regulation or any other guidelines as applicable from time to time for the concerned block of Period.
- e. Sale of electricity from BTPS-A shall be at bus bars of the BTPS-A for transmitting the allocated quantum of power at the four off take points namely - Disergarh, Luchipur, Seebpur, J K Nagar of IPCL and all those Drawal/ off-take points shall be considered as a single entity.
- f. It shall be the obligation and responsibility of IPCL to make the required arrangement for evacuation of electricity from such delivery point of the DVC Station.
- g. IPCL shall bear the applicable composite T&D loss of DVC system. Any other charges related to transmission/wheeling of electricity, if applicable shall be on account of IPCL.

D. ADVANTAGE OF SCHEDULE MODE POWER PROCUREMENT

- i. Power generation cost from DVC power plants are among the lower quartile from power generators in eastern region including the sources from where IPCL currently procures power, which will help IPCL in optimization in landed cost of power procurement in long run. This power purchase will help the Petitioner in serving its consumers in a better way.
- ii. DVC and IPCL shall comply with the provisions of the existing Applicable Laws regarding Electricity Act 2003, scheduling & dispatching under ABT, Grid code regulations etc.



- iii. Transparency in payment mechanism shall be achieved for both IPCL and DVC.

E. GROUNDS FOR SUBMISSION OF PPA FOR APPROVAL

- 6) The PPA is being submitted as compliance of Article 12.1 of the said PPA which states that this agreement shall become operative and binding upon the parties subject to the approval of Hon'ble West Bengal Electricity Regulatory Commission (WBERC).
- 7) Regulation 7.4.1 & 7.8.1 to 7.8.3 of the WBERC(Terms and Conditions of Tariff) Regulations, 2011 states,

"7.4.1 Every agreement or arrangement for power procurement by a licensee from any other source of supply entered into after 09.02.2007 shall come into effect only with the prior approval of the Commission...."

" 7.8 New PPA

7.8.1 The PPA between /among the entities, as provided in regulation 7.3.1 of these regulations, in relation to supply of electricity, shall be submitted to the Commission within a month of completion of such document except for the specific dispensation as made for the cases under these regulations.

7.8.2 New generating station of any generating company and commissioned after 22.05.2009 shall not be allowed to supply electricity to any licensee under the purview of the Commission in line with regulation 7.3.1 of these regulations unless the Commission gives express clearance for supply of electricity on submission of PPA to the Commission.

7.8.3 The PPA for long-term or mid term procurement between any generating company or any electricity trader or any licensee in one hand and any distribution licensee under the purview of the Commission on the other hand and covered by these regulations shall not be operative unless the PPA is approved by the Commission."

As per the aforesaid regulations, it is mandatory to get approval of Hon'ble Commission with respect to the PPA for procurement of power by a distribution licensee.

- 8) Section 86(1)(b) of the Electricity Act 2003 states,

"86. (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; ”

As per the aforesaid section, it is an important function of the Hon'ble State Commission to regulate the electricity purchase and procurement process of distribution licensees under its jurisdiction. The Petitioner being a distribution licensee under the jurisdiction of Hon'ble WBERC , therefore prays before the Hon'ble Commission to approve this PPA executed between IPCL and DVC on 26.07.2019 for procurement of 16 MW power from BTPS-A coal based thermal power project of DVC.

F. PRAYERS TO THE HON'BLE COMMISSION:

- 9) In view of the aforesaid submission, the Hon'ble Commission may be pleased to:
- a. Admit the Petition as submitted herewith.
 - b. Accord approval to the PPA 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).
 - c. Allow the Petitioner to submit further documents, clarification and explanation as may be required by the Hon'ble Commission;
 - d. Condone any inadvertent errors / inconsistencies / omissions, etc. as may be there in the Petition.



TABLE OF ENCLOSURES

ANNEXURE	PARTICULARS
Annexure-1	A Copy of PPA executed between DVC and IPCL for 16 MW on 26.07.2019
Annexure-2	Draft Gist of Application for approval of PPA



POWER PURCHASE AGREEMENT

BETWEEN

DAMODAR VALLEY CORPORATION

AND

INDIA POWER CORPORATION LIMITED

FOR PURCHASE OF POWER

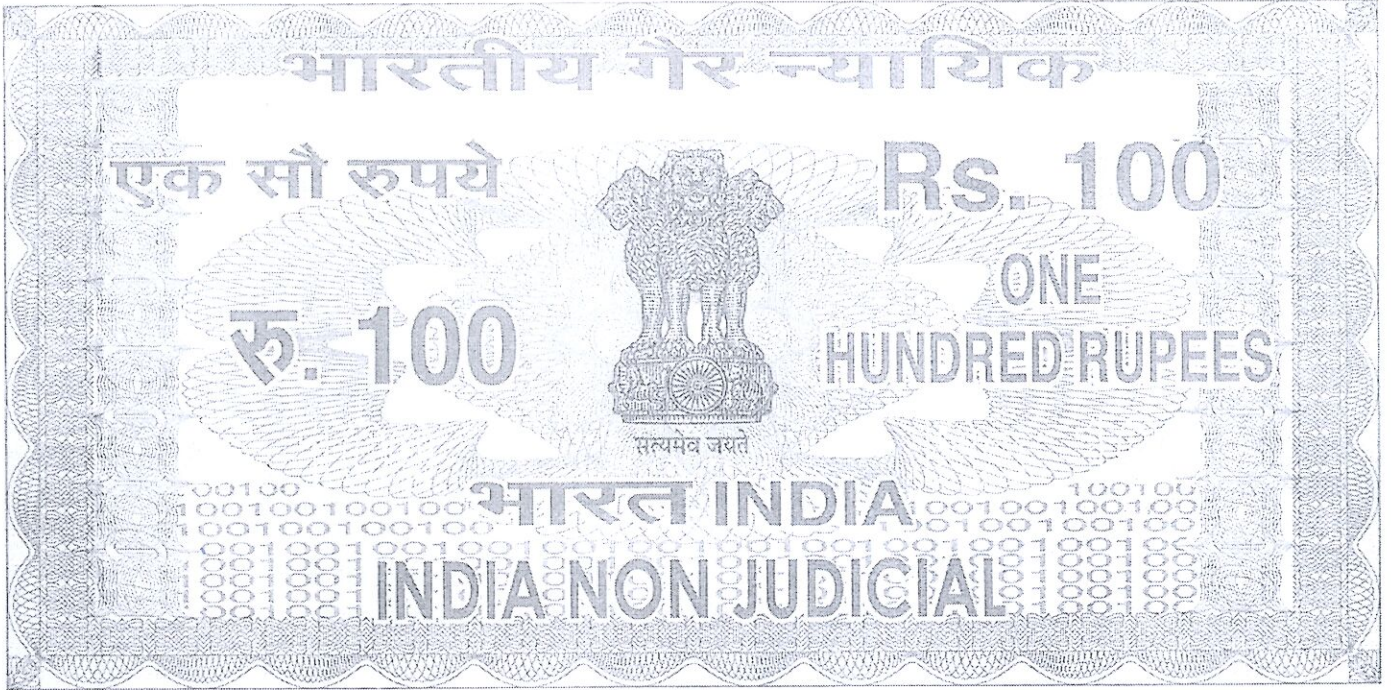
FROM

BOKARO THERMAL POWER STATION -A (1X500 MW)

OF

DAMODAR VALLEY CORPORATION





পশ্চিমবঙ্গ পশ্চিম বঙ্গাল WEST BENGAL

AB 833915

POWER PURCHASE AGREEMENT

BETWEEN

INDIA POWER CORPORATION LIMITED (IPCL)

AND

DAMODAR VALLEY CORPORATION (DVC)

FROM

BOKARO THERMAL POWER STATION -A (1X500 MW)


THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at Kolkata on the day of 26th July, 2019

BETWEEN

DAMODAR VALLEY CORPORATION, a corporation constituted under the Damodar Valley Corporation Act (Act No. XIV of 1948), having its Head Quarter at DVC Towers, VIP Road, Kolkata-700054 (hereinafter called 'DVC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as Party of the first part;

AND

INDIA POWER CORPORATION LIMITED (IPCL), a company incorporated under Companies Act, 1956, having its Registered Office at Plot No. X 1-2&3, Block-EP, Sector-V, Salt Lake City, Kolkata - 700 091 (hereinafter called "IPCL") which expression shall unless repugnant to the context or meaning thereof include its successors in business and permitted assigns under section 2(77) of the Electricity Act, 2003 as Party of the Second Part.


मुख्य अभियंता (बाणिज्यिक)
Chief Engineer (Comm.)







Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

AND

WHEREAS DVC has set up a coal based power station named as Bokaro Thermal Power Station, Dist.: Bokaro, the state of Jharkhand, hereinafter specifically referred to as "BTPS- A", generally be referred to as "station" to be owned and operated by DVC.

AND

WHEREAS IPCL intends to purchase power on Round The Clock (RTC) basis from BTPS- A of DVC and may draw power from for a quantum 16 MW (3.2% of 500 MW) from BTPS- A on long term basis. However, if agreed by the parties, date of commencement of supply may be preponed, through exchange of letter.

AND


WHEREAS DVC is willing to sell above quantum of power from BTPS- A on long term basis for a period of 12- years to IPCL in the Eastern Region from the date of commencement of power supply.

Now, therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows: -

1.0 DEFINITIONS


- (a) The words of expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.
- (b) The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

Act, 2003	The Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.
Availability	'Availability' as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2019 as amended or replaced from time to time.
Billing Centre	The Office/HQ as intimated by DVC to IPCL from where the bills will be raised on them.
Bus bars/Ex Bus	Bus bars of the Station to which outgoing feeders are connected.
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission.
SLDC	State Load Despatch Centre of DVC as defined in IEGC, Ref. Clause1.3(ii) and shall perform functions of SLDC envisaged in the IEGC code for the area of DVC.
CTU	Central Transmission Utility.
Capacity Charges	Capacity Charges are Fixed Charges as determined by CERC and shall be paid as per Regulations, 2019 as amended or replaced from time to time in proportion to the Contracted Capacity.


मुख्य अभियंता (संचालन)
Chief Engineer (Comm.)



Charges for supply of Electricity	Mean and include all charges including the Tariff to be paid by IPCL in respect of supply of electricity to them from the Station in accordance with the provisions of this Agreement.
Commercial Operation Date	'Date of Commercial Operation' or COD in relation to a unit means the date declared by DVC after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run after notice to Beneficiaries/Licensee and in relation to the Generating station, the date of commercial operation means the date of commercial operation of the last unit of the Station
Contracted Capacity	Contracted by IPCL, under this Agreement as defined under Article 2.2.
Deviation Settlement Mechanism	As defined in CERC (Deviation Settlement Mechanism and settlement Related matters) Regulations, 2019 and as amended or replaced from time to time.
Delivery Point	Injection Point will be at Bus bar of BTPS A Station for fulfilling the obligation of delivering the Output. While drawal point will be 4-nos. of off-take points of IPCL as mentioned in <u>Annexure</u> below.
Effective Date	As stated in clause- 12.1 of this agreement.
Energy Charges	As defined in the CERC (Terms and Conditions of Tariff) Regulations, 2019 as amended or replaced from time to time.
Energy Account	Periodic Energy Account issued by SLDC of DVC, at Howrah.
ERLDC	Eastern Regional Load Despatch Centre.
ERPC	Eastern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
Financial Year	means the period from 1 st April of the year to 31 st March of the next year.
GOI	Government of India.
IEGC	Indian Electricity Grid Code, as notified by CERC or any other competent authority and as amended from time to time.
LC Main and Check Meter	Irrevocable, Revolving, Non-recourse Letter(s) of Credit. Meter for measurement and checking of import/export of energy on the outgoing feeders of the Station Bus bars for Deviation settlement/Energy Accounting.
Monthly Bill	Monthly Bill as raised by DVC as per Energy Account issued by SLDC of DVC at Howrah/ REA issued by ERPC as the case may be, in line with the CERC Regulation as amended from time to time. Provided that periodicity of billing may change as per CERC regulation from time to time.


 मुख्य अभियंता (सहायक)
 Chief Engineer (Comm.)



Party/Parties	Shall have the meaning ascribed thereto in the recital to this Agreement.
Permitted Assigns	Have the meaning as per Article 12 of this agreement
Power Grid	Power Grid Corporation of India.
Regional Energy Account (REA)	Periodic Energy Account issued by ERPC, including amendments thereof.
Scheduled Generation	Scheduled Generation as defined in the CERC (Terms and Generation Conditions of Tariff) Regulations, 2019 as amended or replaced from time to time.
SLDC	State Load Dispatch Centre, DVC, Howrah.
STU	State Transmission Utility.
Station:	Bokaro Thermal Power Station -A.
Supplementary Bill	Have the meaning under the Article 6.1.3.
Target Availability	Availability of the Station for recovery of full Capacity (Fixed) Charges on annual basis, as defined in CERC Tariff Regulation.
Transmission Licensee	Have the meaning as per Electricity Act 2003.
Tariff	Tariff shall constitute Capacity Charges, Energy Charges, Incentive and other charges viz. taxes, cess etc., for supply of electricity from the station as determined by CERC or any other Competent Authority.
Third Party(ies)	Any person other than the Parties defined under this Agreement.

2.0 GENERAL

2.1.1 INSTALLED CAPACITY:

The capacity of BTPS A, is 500 MW (1 X 500 MW).

2.2 ALLOCATION OF CAPACITY

2.2.1 Allocation of Capacity to IPCL shall be 16 MW power (3.2 % of Installed capacity of 500 MW) from BTPS A on long term mode for a period of 12-years.

2.2.2 IPCL may, through exchange of letter, increase the Contracted Capacity and/or extend the contractual period and DVC subject to availability, may agree to supply the increased quantum and / or extend the contractual period under the same terms and condition as per this PPA and applicable CERC tariff.

2.2.3 IPCL shall draw electricity against Contracted Capacity subject to requisite amount of LC opened and maintained by them. IPCL will draw electricity against the above contracted capacity limited to the amount of LC opened and maintained by them.

2.2.4 In case of any outage of BTPS-A generating station, DVC will continue scheduling of power (as per the last schedule of the unit) from the other

[Signature]
मुख्य अभियंता (सहायक)
Chief Engineer (Comm.)



generating stations of DVC, subject to availability. This power will be termed as 'standby' power.

IPCL has agreed to pay the tariff for the above standby power @1.50 times of Normative rate of BTPS-A (Normative fixed charge rate and actual energy charge based on normative parameter). The scheduling of standby power will continue maximum upto 4- time block from the outage of the Unit and by this time IPCL will furnish revised requisition for standby power to SLDC, DVC, Howrah. In absence of any requisition for standby power by IPCL, scheduling of standby power will be reduced to '0' after the above 4- time blocks from the time of outage of the Unit (BTPS-A).

3.0 Transmission/ Wheeling of Electricity.

- 3.1 Sale of electricity shall be at bus bars of the 'Station' for transmitting the allocated quantum of power at the four off take points namely - Disergarh, Luchipur, Seebpur, J K Nagar of IPCL as shown in Annexure below and all those Drawl/ off-take points shall be considered as a single entity. It shall be the obligation and responsibility of IPCL to make the required arrangement for evacuation of electricity from such delivery point of the DVC Station. It will be obligation on the part of IPCL to restrict their drawl at the individual off-take points within 110% of the declared contractual load of that drawl point as mentioned in the Annexure, failing which DVC may regulate power supply for safety and security of the system equipment. Overall minimum schedule should not be below the proportional Technical Minimum Limit (TML) of generator/station as determined by CERC. In case of equipment/feeder outage (planned/forced) due to breakdown/maintenance in any off-take/drawl point, IPCL may re-schedule their drawl at other off-take points and has the liberty to enhance the drawl quantum at those off-take points for maintaining the overall schedule (based on 'Declared Capacity' as defined by CERC), if there are no technical constraints at those off-take points.
- 3.2 Incidental injection of Power flow, if any, from IPCL system into DVC system will be without any commercial implication.
- 3.3 IPCL has to bear the applicable composite T&D loss of DVC system. Any other charges related to transmission/wheeling of electricity, if applicable shall be on account of IPCL.

4.0 SCHEDULING, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

It is understood and agreed by and between the parties that DVC shall operate the Station as a base load station as per the manufacturers' guidelines, applicable grid operating standards, directions of the CERC and relevant statutory provisions, as applicable from time to time. Methodology of generation scheduling shall be as per IEGC and the decisions taken at ERPC forums if required.

All charges/fees as applicable in relation to scheduling and dispatch of electricity beyond the Bus Bar of BTPS A under this agreement shall be borne by IPCL.

DVC shall make declaration of the capacity at the bus bars of the Station after taking into account the capability of the Station to deliver Ex-bus which shall be considered while calculating the Declared Capacity (DC).

DECLARED CAPACITY

Declared Capacity or 'DC' as per CERC (Terms and Conditions of Tariff Regulations' 2019 and its Amendment thereof means the capability of the Station to deliver Ex-Bus electricity in MW declared by the Station in relation to any time block of the day or time of the day or whole day, duly taking into account the availability of fuels. This is subject to further changes.

JK
मुख्य अभियंता (सहायक)
Chief Engineer (Committee)



relevant clause of CERC Regulations and /as per the procedure laid down in IEGC applicable from time to time.

For the reason which is not attributable to DVC restricting scheduling and dispatch of electricity at the Ex-Bus of the Power Station, 'Station' shall be deemed as available to the extent of DC declared by the 'Station' for any time period.

4.3 METERING

- 4.3.1 A set of Main, standby/ Check Meters of 0.25 accuracy class ABT meter or ABT compliant meter, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by IPCL on all incoming feeders of the supply point. DVC shall check all necessary arrangements for installation of meters of required accuracy and specifications, at all its drawl points.
- 4.3.2 The Main and Check Meters shall be checked jointly at the time of installation as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time and for any testing and/or replacement advance notice of seven (7) days will be given, so that representatives of IPCL/DVC can be present for the same.
- 4.3.3 Data shall be downloaded from the meters at regular intervals, as decided by DVC for preparation of the Deviation Settlement Mechanism Account.
- 4.3.4 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.
- 4.3.5 In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy/Deviation settlement accounting. If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out or any other reason, energy shall be computed based on reading of block wise average metering of previous three months, for Deviation settlement accounting for the period.
- 4.3.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of DVC and IPCL as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006 and its amendments. For any testing and/or replacement, notice of seven days will be given.

4.4. ENERGY ACCOUNTING

Monthly Energy Account issued by SLDC of DVC Howrah shall be final and binding on both the parties i.e., DVC & IPCL for billing and payment purposes.

5 TARIFF FOR SUPPLY OF ELECTRICITY

- 5.1 The Tariff for supply of electricity shall be determined by CERC from time to time.
- 5.2 Tariff for sale of electricity from the Station shall comprise of Capacity Charge, Energy Charge, wheeling charge, SLDC Charge, Deviation Settlement Charge and all other applicable charges/taxes as per CERC Tariff Regulation or any other guidelines as applicable from time to time for the concerned block of Period.
- 5.3 In the event of request by IPCL for non-scheduling of any portion of Declared Capacity, fixed charge shall be borne by IPCL, corresponding to equivalent quantum of Contracted Power from BTPS A in accordance with the CERC regulation.
- 5.4 Deviation from schedule will be charged as per CERC Deviation Settlement Mechanism Regulation in vogue.


Chief Engineer (Comm.)



5.5 TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC. :

5.5.1 TAX ON INCOME

Income Tax applicable for the sale of power under this agreement shall be governed by the applicable CERC Regulations and the Parties agree to abide by and comply such Regulations from time to time.

5.5.2 Statutory taxes, levies, duties, royalty, cess or any other kind of levies imposed/charged by any Government (Central/State) and/or any other local bodies/authorities, if applicable, on generation of electricity including auxiliary consumption or any other type of consumption including water, environment protection, sale of electricity and/or in respect of any of its installations associated with the station payable by DVC to the authorities concerned shall be borne and additionally paid by IPCL to DVC, if applicable. Such claim shall be made through a supplementary bill.

6 BILLING AND PAYMENT

6.1 BILLING:

The charges for supply of electricity under this Agreement shall be billed by DVC as per tariff as determined from time to time by the Central Electricity Regulatory Commission and the same shall be paid by IPCL in accordance with the following provisions.

6.1.1 DVC shall present the bill for electricity supplied to IPCL from the station for the previous month based on Energy Account issued by SLDC of DVC Howrah.

6.1.2 Authorised representative of DVC shall carry out billing and associated functions. DVC would submit the bills either by hand or through Fax/e mail to the CORPORATE.DISTRIBUTION@INDIAPOWER.COM/ PR@SPTPL.IN Or any other officer of IPCL, as may be nominated by IPCL from time to time with post confirmation copy, in triplicate to the VP(Power Management), IPCL, Plot No. XI-2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata.


6.1.3 The monthly bill for the station shall include the charges for supply of electricity under this agreement, taxes, duties, cess etc. including additional bill (s) for the past periods on account of orders of CERC / Appellate Tribunal for Electricity (ATE) or other courts / other competent authority (ies). If for certain reasons some of the charges which otherwise are in accordance with agreement, cannot be included in the main monthly bills such charges shall be billed as soon as possible through supplementary bill(s).

6.1.4 IPCL shall arrange payment of such monthly bills (s) / supplementary bill(s) promptly through RTGS/ NEFT or any other electronic mode. The date of transfer of payment to DVC account shall be considered as the date of payment for computation of rebate or late payment surcharge in respect of such payment.

6.1.5 Due Date of payment shall be 45-days from the date of presentation of the bill as per Terms and Conditions of Tariff Regulations, 2019 and its amendment by CERC as applicable from time to time. In case Due Date of payment is a bank holiday, the next bank working day shall be treated as Due Date.

6.1.6 All payments made by IPCL shall be appropriated by DVC for amounts due from IPCL in the following order of priority.

- i) Towards late payment surcharge, payable if any
- ii) Towards earlier unpaid bill(s) if any remain undisputed
- iii) Towards the statutory dues like Income Tax, other tax royalty etc. in the current bill(s)
- iv) Towards the current monthly bill(s).


Chief Engineer (Commercial)
Howrah



6.1.7 In case IPCL disputes any amount even then it shall pay 95% of the disputed amount forthwith and file a written objection with DVC within 60 days of presentation of the bill giving following particulars:

- i) Item disputed with full details / data and reasons of dispute
- ii) Amount disputed against each item.

The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8.0 shall be paid/adjusted with the applicable interest as per CERC Tariff Regulations from time to time from the date on which the amount in dispute was payable/refundable.

Provided that non acceptance of tariff determined / approved by CERC or any other competent authority shall not be a valid ground for dispute.

6.1.8 Quarterly and Annual reconciliation

The parties acknowledge the all payment made against monthly bills and supplementary bills shall be subject to quarterly reconciliation at the beginning of the following quarter and annual reconciliation at the end of each financial year to take into account that energy account issued by SLDC/REA, tariff adjustment, payments, Late payment surcharge or any other reasonable circumstances provided under this agreement. The parties therefore agree that as soon as all such data in respect of any quarter or a full financial year as the case may be has been finally verified and adjusted, DVC & IPCL shall jointly sign such reconciliation statement. On the basis of the statement suitable adjustment (if any) in payments shall be done.

6.1.9 Rebate and late payment surcharge

Rebate and late payment surcharge shall be as per terms and conditions of tariff Regulations issued by the CERC or any other competent authority as applicable from time to time.

6.2 Establishment of letter of credit (LC) as payment security mechanism:

6.2.1 IPCL shall establish one or more confirmed, non-recourse, revolving and irrevocable LC in favour of DVC with any public sector / scheduled commercial bank at least 15 days prior to the commencement of electricity supply from the station.

6.2.2 The LC shall cover 45 days' estimated billing amount in respect of electricity supplied from the station to IPCL.

6.2.3 The amount of LC shall be reviewed each half year commencing April and October in financial year on the basis of the average of billing of previous 12 months. The LC amount shall be enhanced / reduced accordingly not later than 1st July & 1st January respectively of the same financial year.

6.2.4 The LC shall be established for a minimum period of one year. IPCL shall ensure that a valid LC is made available at all times during the entire validity period of this agreement. New LCs shall be furnished / existing LCs reinstated not later than 30- days prior to expiry of the existing LCs.

JKA
Chief Engineer (Contract)

6.2.5 All costs including bank charges relating to opening and maintenance and operation of LC shall be borne by IPCL.

In case of non-receipt of any part of Monthly and Supplementary bill (s) by 24-00 hrs. on due date through NEFT/RTGS, LC shall be operated on next day for the unpaid portion of Monthly/Supplementary bill(s).

DVC shall not draw upon such LC (a) prior to the due date(s) against relevant Monthly/supplementary Bill and (b) if the payment against the Monthly Bill has already been made.

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However, where there has been a wrongful drawal on the LC by DVC, any charges and losses incurred by IPCL shall be borne and paid by DVC.

- 6.2.6
- i) SLDC shall dispatch power only after it is intimated by IPCL and confirmed by DVC that a LC for the desired quantum of power has been opened and copies made available to DVC.
 - ii) SLDC shall dispatch electricity only up to the quantum equivalent to value of LC.
 - iii) The dispatch shall stop once the quantum of electricity under LC is supplied.
 - iv) In the event of power is not dispatched for any reason given above, IPCL shall continue to pay Fixed Charge to DVC.

6.2.7 DVC shall be entitled to regulate/divert the contracted capacity of IPCL to any other Bulk Power Customer(s)/Third Party(ies) as per the provisions of generic procedure for regulation of power supply issued by CERC or any other competent authority from time to time.

In case of default in payment of bills beyond a period of 90 days of billing, DVC shall have the right to re-allocate power to other Bulk Power Customer(s).

It is clarified that the above arrangement shall not be construed as relieving IPCL of any of its obligations to DVC including obligation of payment of Capacity Charges.

For the removal of any doubt, it is clarified that in case of default, IPCL shall continue to be liable to pay the Capacity Charges in proportion to its Contracted Capacity during the period of regulation/diversion of Capacity or till the capacity is re-allocated to Third Party(ies).

7.0 DEVIATION SETTLEMENT

Deviation Settlement will be done by DVC as per IEGC/Regulations of CERC as amended from time to time. Deviation settlement will be made taking all the drawal/off-take points (as listed in Annexure) as a single entity located in DVC Command area. IPCL shall settle the DSM account on monthly basis as per the settlement of charges for deviation including additional charges of deviation published by SLDC, DVC, Howrah on monthly/weekly basis. The methodology for computing Deviation Settlement as adopted by SLDC, DVC, Howrah shall be binding on both the Parties.

8.0 SETTLEMENT OF DISPUTES

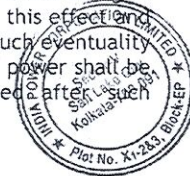
8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 In the event that the Parties are unable to resolve any dispute, controversy, or claim relating to or arising under this Agreement, as stated above, the same shall be dealt / resolved in accordance with the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God or any other such reason which are beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect and the said party will inform the other party immediately after such eventuality has come to an end or ceased to exist. Generation/drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.


Chief Engineer (Comm.)



10.0 IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to their Agreement or by the authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorized representative(s), shall be informed likewise in writing to/by IPCL within one month of signing of the agreement.

11.0 NOTICE

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorized signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of 'IMPLEMENTATION OF THE AGREEMENT' at Article 10.0 above.

12.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

12.1 This Agreement shall come into effect for all purposes and intent from the date of signing of the Agreement subject to approval of this agreement by WBERC and establishment & continuance of payment security as envisaged under Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT (LC) as PAYMENT SECURITY MECHANISM. Agreement shall remain operative up to a period of 12- years from the date of commencement of power supply from the Station under schedule mode, unless it is specifically extended on mutually agreed terms.

12.2 However, either party will have the liberty to review the agreement initially within 1-year from the date of commencement of power supply and has the liberty to foreclose the agreement unilaterally within this period by giving 2-months notice without any liabilities on either side. However, both the parties have to perform their respective obligation/liabilities prior to said foreclosure.

13.0 SUCCESSORS AND PERMITTED ASSIGNS

13.1 In case the functions of DVC is unbundled /reorganized and /or the functions of DVC are assigned to other organization(s)/agency(ies), partly or wholly, DVC shall ensure that this Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor entities.

13.2 In the event the functions of IPCL are reorganized and / or privatized or this Agreement is assigned to Private organization(s)/agency (ies), partly or wholly, IPCL shall ensure that the successor Private organization(s)/agency (ies) shall also open and maintain the LETTER OF CREDIT (LC) as PAYMENT SECURITY MECHANISM.

13.3 Only such of the successor entities who fulfill the above requirements and execute the requisite documents as above shall be termed as the permitted assigns.

JAC
13.3
Chief Engineer (Contract)

In the event of failure to comply with the above clauses, DVC shall have the right to terminate this Agreement after observing the formalities as per applicable Law. In the event of termination of this agreement, IPCL shall be liable and continue to pay the capacity charges each month till firm arrangement for sale of IPCL's share with alternate Beneficiaries, customers, substituting IPCL, is tied up.



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13.5 This agreement only be amended or supplemented by a written agreement between the parties and after duly obtaining the approval of the appropriate commission wherever necessary.

IN WITNESS WHEREOF the parties have executed these presents through their Authorized Representatives on the date mentioned above.


Sealed, Signed and Delivered by

Shri. C.S. Bhavani Prasad Rao
representing IPCL,
in presence of:
Witnesses:

(1) Amr Bakell

(2) Sumanjayal

[Signature]
(Authorised Signatory of IPCL
with Designation & Seal)
Vice President



Sealed, Signed and Delivered by
Shri. T.K. Das
representing DVC in presence of:
Witnesses:

(1) [Signature]

(2) [Signature]

[Signature]
(Authorised Signatory of DVC
with Designation & Seal)
Chief Engineer (Comml.)

ANNEXURE

Sl. No.	IPCL OFF-TAKE POINTS	WITHDRAWAL POINT	CONTRACTED CAPACITY (MW)
1	Desergarh	Kumardhubi S/s of DVC	4
2	Seebpore	Kalipahari S/s of DVC	2
3	Luchipur	Kalipahari S/s of DVC	10
4	J K Nagar	Kalipahari S/s of DVC	0

NOTE: Regarding Scheduling, SLDC, DVC, Howrah will communicate with IPCL in the following mail ID and Telephone number:

1. PR@SPTPL.IN
2. DEEP.MUKHERJEE@SPTPL.IN
3. Ph. No. (033) 6609 4337
4. (M): 9073903635



India Power Corporation Limited



Plot No.X1- 2 &3, Block-EP, Sector-V, Salt Lake City, Kolkata-700091
Website: www.indiapower.com

Gist of the application for approval of Power Purchase Agreement executed on 26.07.2019 by and between India Power Corporation Limited (IPCL) & Damodar Valley Corporation (DVC) 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.

1. India Power Corporation Limited (IPCL) has made an application on _____ before the Hon'ble West Bengal Electricity Regulatory Commission (Commission) for approval of Power Purchase Agreement dated 26.07.2019 executed by and between India Power Corporation Limited [IPCL] and 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.
2. Salient Points of the Power Purchase Agreement:
 - a. **Nature of Power Plant** : Thermal Power Plant
 - b. **Specific Source**: 1x500 MW Bokaro Thermal Power Station (BTPS-A).
 - c. **Contract period** : 12 years from the date of commencement of supply with provision for further extension through mutual consent.
 - d. **Contracted capacity** : 16 MW (3.2% of installed capacity of 500 MW)
 - e. **Tariff** : At regulated price determined by CERC.
 - f. All charges and losses beyond the delivery point to be borne by IPCL.
3. The Hon'ble Commission has admitted the application on dd.mm.2019.
4. The above application may be inspected at the office of the Commission at Plot No-AH/5, Premises No.MAR 16-1111, Action Area -1A, New Town, Rajarhat, Kolkata-700156 [Telephone: [033] _____; FAX [033] _____; email: wberc99@gmail.com] and certified copies of the applications or part thereof may be obtained from the office of the Commission during office hours on all working days upto dd.mm.2019.
5. The above application along-with annexure submitted by IPCL on _____ has been posted on website of IPCL at www.indiapower.com.
6. The objections and suggestions, if any, on the proposals contained in the application may be submitted at the office of the Commission mentioned above by dd.mm.2019.
7. The gist has been published with the approval of the Hon'ble Commission.

Place: Kolkata
Date: dd.mm.2019

Name and Designation of Authorised Signatory

