

JOINT ELECTRICITY REGULATORY COMMISSION FOR
THE STATE OF GOA AND UNION TERRITORIES
GURGAON

Coram
Dr. V.K. Garg Chairperson
Shri R.K. Sharma FIE Member
Petition No.....53/2011

In the matter of

Petition for seeking approval for the Power Purchase Agreement entered into with M/S NTPC

And in the matter of

Electricity Department Chandigarh

... Petitioner

Present

1. Sh. MP Singh, Superintending Engineer
2. Sh. Pawan Sharma
3. UK Patel

ORDER

24.10.2011

The matter relates to a petition submitted by Electricity Department Chandigarh (EDC) seeking the approval/ratification of the Commission under regulation 60 (a) of the JERC (Conduct of Business) regulations 2009, for the Power Purchase Agreement (PPA) entered into by the Electricity Department Chandigarh with M/S NTPC for their 500 MW Singrauli Super Thermal Power Station Stage-III at Shakti Nagar Distt- Sonabhadra (U.P)

EDC has signed a PPA with NTPC for purchase of power from their proposed 500 MW Singrauli Super Thermal Power Station Stage-III at Shakti Nagar Distt- Sonabhadra (U.P) in UP for a requirement of 5 MW or as per allocation made by Ministry of Power Government of India. The Project is likely to be commissioned during 2014-15.

The agreement has been signed dated 8.12.2010.

- EDC has stated that in view of the urgency created by NTPC, they executed the PPA on 8.12.2010. Now they have requested the Commission to approve the said PPA under clause 60 (a) of the JERC (Conduct of Business) Regulations 2009.

The Commission observes as under.

- a. There is no provision of approving a PPA under regulation 60 (a).

- b. EDC did not obtain approval of the Commission before signing the PPA.
- c. EDC has not filed any specific reason for not obtaining prior approval in spite of Commissions order requiring them to do so vide their order dated 9.05.2011 on petition No. 28/2011.

The Commission records their displeasure on the lackadaisical approach on the part of Electricity Department Chandigarh. The Commission has taken a lenient view. The petition has been examined and Commission observes as under.

The generation tariff shall be determined by CERC, through a transparent process. It is a long term agreement spread over a period of 25 years. Therefore considered economical. No formal data is available regarding power requirement for the period during which the power is expected to flow to ascertain their requirement. However it is observed that availability of firm power through long term PPA will cover the uncertainties caused by unallocated shares and may reduce expensive power through UI/trading/exchange.

In terms of

- Section 86 (1) (b) of the Act, and
- Regulation 60 of JERC (Conduct of Business) Regulations 2009.

The Commission finds the PPA generally in order and is satisfied.

sd/-
(R.K.SHARMA)
MEMBER

sd/-
(DR. V.K.GARG)
CHAIRPERSON