

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

Quorum
Shri S.K.Chaturvedi, Chairperson
Smt. Neerja Mathur, Member
Petition No. 187/2015
Date of Order: 27.11.2015

In the matter of

Seeking approval/concurrence under Regulation 60 (C) of Joint Electricity Regulatory Commission for the State of Goa & Union Territories (Conduct of Business) Regulations, 2009 for the Power Purchase Agreement to be entered into by the Electricity Department, Government of Puducherry (EDP) with NLC Thermal Power Station – II (2nd Expansion) (2X500) MW

And in the matter of

Electricity Department, Puducherry

.....Petitioner

For Petitioner

Shri T. Chanemougam, Executive Engineer, Electricity Department Puducherry
Shri R. Ganesan, Asstt. Engineer, Electricity Department, Puducherry

ORDER

The Petitioner-Electricity Department, Puducherry has filed the present Petition for seeking approval / concurrence under Regulation 60 (C) of Joint Electricity Regulatory Commission for the State of Goa & Union Territories (Conduct of Business) Regulations, 2009 for the Power Purchase Agreement (PPA) to be entered into by the Electricity Department, Government of Puducherry (EDP) with Neyveli Lignite Corporation (NLC) Thermal Power Station – II (2nd Expansion) (2X500) MW.

The Petition was received in the Commission on 28.10.2015 with a fee of Rs 2,00,000/- . The Commission found the Petition generally in line with the Electricity Act and JERC (Conduct of Business) Regulations, 2009. The Commission admitted the Petition on 10.11.2015 and numbered it as Petition No. 187/2015. The Commission sent 'Notice for Hearing' to the Petitioner on 19.11.2015 fixing the hearing on 04.12.2015 at 1100 hours at Commission's Court Room.

Subsequently, the Commission received a letter from Superintending Engineer – I, Electricity Department, Puducherry on 24.11.2015 by Fax requesting to prepone the hearing since NLC was urging the EDP to sign the PPA at the earliest as all other stakeholders had already signed the agreement. The Petitioner, thus, requested to prepone the hearing in Petition No. 187/2015 and to reschedule the hearing in the said Petition along with the hearing in the matter of Renewable Purchase Obligations, in which the Petitioner had to appear on 27.11.2015. The Commission agreed to the same and issued a Notice for Hearing in Petition No. 187/2015, rescheduling the matter on 27.11.2015 at 1100 hours at the Commission's Headquarters.

The Commission heard the Petitioner on 27.11.2015. The Petitioner explained the salient features of the proposed PPA. There is no major power generation plant in the UT of Puducherry. The requirement of power is met from the allocation of power from the Central Generating Stations, from the Puducherry Power Corporation Limited and by purchasing power from the neighbouring State Electricity Boards. Around 440 MW of power is allocated from the various Central Generating Stations to meet the demand of Puducherry and Yanam regions. Around 50 MW of Power from Tamilnadu and 32.5 MW from Puducherry Power Corporation Limited are availed for Karaikal region. Around 6 MW is availed from Kerala State Electricity Board to meet the power demand of Mahe region. Out of the total 440 MW of power allocated by the Government of India (GOI), power to the tune of 297 MW is on firm basis and the balance 143 MW is allocated by the GOI from the unallocated pool of power from various Central Generating Stations, based on the request by the Government of the UT of Puducherry. The maximum power demand reached during the year 2014-15 has been around 465 MW for the whole of UT of Puducherry.

The Petitioner further explained that NLC has proposed to add 1000 MW to its capacity as 2nd expansion Project to the presently operating Thermal Station II at Neyveli. As per MOP Notification dated 09.12.2010, the expansions of already commissioned projects of CPSU are exempted from Tariff based competitive bidding route. The Petitioner informed the Commission that the proposed 2nd expansion of TPS II of NLC comes under this category and as such there is no restriction in signing the PPA. The Petitioner further informed that though it has already requested for 25 MW from NLC 2nd expansion, the actual power allocation by the Government of India will be as per the Gadgil formula which will be very much less than the power requisitioned. The Project is expected to be commissioned during FY 2019-20.

While justifying the necessity for additional power through the proposed PPA the Petitioner submitted that the peak demand reached during FY 2014-15 was around 465 MW for the whole of UT of Puducherry and the power allocation by GOI is 297 MW on firm basis and 143 MW from unallocated pool of power totaling to 440 MW. The Petitioner further informed that according to 18th Electrical Power Survey, the peak demand projected for UT of Puducherry is 656 MW for the year 2018-19, which justifies the tying up in advance for the future power requirements. The Petitioner submitted that the additional quantum of allocation as finalized by GOI at the time of commercial operation of the Vallur, Simhadri and NLC Tuticorin Joint Venture (NTPL) Plants was adjusted as reduction from the unallocated quantum of power.

The Petitioner submitted that at present the power requirement of Karaikal Region is met by procuring power from TANGEDCO and Puducherry Power Corporation Limited. As TANGEDCO is not in a position to meet any additional requirement, the Petitioner has got approval from Central Electricity Authority (CEA) to bring the drawal of power in Karaikal Region under the Regional Energy Accounting of Southern Region. Likewise, the Petitioner submitted that a proposal to bring the drawal of power in Mahe Region under Regional Energy Accounting is at advanced stage of consideration by the CEA. This was necessitated due to the fact that power procurement for Mahe Region is dependent on power availability at the end of Kerala State Electricity Board.

Further, the Petitioner explained that in FY 2016-17, the estimated power supply from Unit II of Kudankulam Nuclear Power Plant is only 36 MW and from Bavani PFBR is only 3 MW.

The Commission noted the submissions made by the Petitioner for justification of execution of the proposed PPA. The availability of power as projected upto FY 2016-17 consists of 440 MW of existing allocated power by GOI and additional estimated power supply of 39 MW from Kudankulam (Unit II) and Bavani PFBR Plants. The Commission also noted that 143 MW of the above allocation of 440 MW to the Petitioner by GOI is out of the unallocated pool of power which was reduced by additional power allocation at the time of commercial operation of Vallur, Simhadri and NLC Tuticorin Joint Venture Plants. The Commission has also observed that the peak demand of power was around 465 MW in FY 2014-15 and the Projected demand in FY 2018-19 is projected at 656 MW as per 18th Electrical Power Survey considering the growth rate in domestic and non – domestic demand. The Commission also noted that under Clause 5.1.1 of the draft PPA the tariff shall be as determined by the CERC or any other Competent Authority from time to time in line with CERC Tariff Regulations.

The Commission, thus, considering the justification for the requirement of additional quantum of power coupled with Tariff as per CERC Tariff Regulations, approves the proposed Power Purchase Agreement to be entered into by the Electricity Department, Government of Puducherry with NLC Thermal Power Station II (2nd expansion) (2x500 MW).

The Petition stands disposed off.

Sd/-
(NEERJA MATHUR)
MEMBER

Sd/-
(S.K.CHATURVEDI)
CHAIRPERSON

Certified Copy


(Keerti Tewari)
Secretary