

Present: Shri S. P. Nanda, Chairperson
Shri B. K. Misra, Member
Shri S. P. Swain, Member

Vrs.
GRIDCO & Others Respondents

2. M/s. Jagannath Foods & Aquaculture (P) Ltd. submitted that it has already acquired some land in Balasore and Gopalpur and also in the process of acquiring some land in Paradeep. Similarly, M/s. Intech Keshari Solar Energy Pvt. Ltd. is in the process of acquiring some land in Paradeep with its own finance. M/s. Jagannath Foods & Aquaculture (P) Ltd. had requested GRIDCO for signing of PPA for their proposed Wind Power project. But GRIDCO did not enter into a PPA with the Petitioner with a plea that since the projects have not been cleared by State Technical Committee (STC) it is not possible on their part to do so. M/s. Jagannath Foods & Aquaculture (P) Ltd. further submitted that since they have already owned the land and in contact with EPC Contractor, unless PPA is signed, financiers are not willing to discuss for financial closure. Both the Petitioners also brought to our notice that technical viability of their projects is based on C-WET Study Report on wind energy potential of Odisha. On the other hand Respondent GRIDCO re-affirmed its stand and stated that it is ready to sign the PPAs after receipt of clearance from STC and necessary instructions from State Nodal Agency.
3. Heard the parties at length. The Commission has recently issued an order on generic tariff of Renewable Energy Sources including co-generation in Case No. 80/2013 on 22.01.2014. This generic tariff order is inter-alia applicable to wind power projects set up at the site approved by C-WET which have not opted to be covered under REC mechanism. Therefore, the generators which would come through PPA with GRIDCO which is State Designated Agency shall be paid as per generic tariff approved by the Commission.
4. Since, GRIDCO will pay for the power purchased from Wind Energy Generator according to the generic tariff order of the Commission there is no need for approval of its project cost by the State Technical Committee. As per the Electricity Act Generation is a de-licensed activity and the power projects need not take any permission / licence from any other authority under this Act for establishing their power plant.
5. As per CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 eligibility for registration with Central agency for renewable energy certificate preclude the generators who have signed power purchase agreement to sell their power at a preferential rate determined by the Commission. Accreditation with State Nodal Agency is a pre-condition for registration of the renewable generator with central agency.
6. Since the present petitioners do not intend to sell their power through REC mechanism, therefore, accreditation by State Nodal Agency is not essential. Hence, there is no point for GRIDCO asking STC approval and consent of OREDA before signing PPA with the

Petitioner. Nodal Agency can be informed in the matter of RPO compliance later on. OREDA being a promotional agency should not insist on unnecessary paraphernalia which are not related to accreditation. Though the State has a huge potential for generation from wind sources and there has been no wind generator in the State, hence, GRIDCO should encourage the wind generators to establish their plant in the State in a bigger way.

7. For last several years GRIDCO has not been able to meet its Renewable Purchase Obligation (RPO) and has asked permission from this Commission for carrying forward the said obligation to the succeeding year. In view of this unmet obligation it is highly essential for GRIDCO to facilitate renewable generation particularly the power generation from wind sources which is yet to take off in the State.

8. It is worthwhile to mention here that the Commission in its Generic Tariff Order dtd. 15.01.2014 in Para 22 has specifically advised GRIDCO / GEDCOL/ DISCOMs to take all necessary proactive steps to promote renewable projects in Odisha. The relevant extract of that Order is placed below:

“In order to promote the first batch of Renewable projects like Wind projects, Municipal Solid waste projects, Small Hydro projects for Commissioning during subject control period, purchaser (M/s GRIDCO/GEDCOL/DISCOMs) and project developer may sign power purchase agreement at the levelised generic tariff as determined by the Commission and combinedly take all necessary pro-active actions for development of the renewable projects.”

9. Insistence on clearance from STC and State Nodal Agency before signing PPA now is nothing but putting stumbling block in the development of wind energy generation in the State. We in the Commission can't close our eyes to prevalent bureaucratic red tapism. PPA's are very often pre-requisites for financial closure of a project. If PPA's are not signed the developer will definitely face problems for arranging finances from external sources.

10. Therefore, we direct GRIDCO to sign PPAs not only with the Petitioners but also developers of other such renewable projects by 31st May, 2014 whose PPAs are pending before them on this account, if the Petitioners or developers fulfil other requirements. GRIDCO should desist from the practice of demanding STC and Nodal Agency clearance before signing PPA with renewable energy generators who are agreeable for generic tariff.

11. Accordingly, these cases are disposed of.

Sd/-
(S.P. Swain)
Member

Sd/-
(B.K. Misra)
Member

Sd/-
(S.P. Nanda)
Chairperson