

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021**

**Present : Shri S. P. Nanda, Chairperson
 Shri S. P. Swain, Member
 Shri A. K. Das, Member**

Case No. 25/2016

M/s. GRIDCO Ltd.	Petitioner
-Vrs. -		
M/s. Kakatiya Chemicals Private Limited & Others	Respondents

In the matter of: **An application by GRIDCO under Section 86(1)(b) of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions for seeking approval of the Hon'ble Commission on the Power Purchase Agreement (PPA) executed between GRIDCO and M/s Kakatiya Chemicals Private Ltd. for procurement of power from their 9 MW Bargarh Head Regulator SHEP on Bargarh Main Canal near village Benga in Bargarh district.**

For Petitioner: Shri Sukanta Panda, DGM (Elect.), GRIDCO Ltd.

For Respondents: (1) Shri P.S. Chandra Sekhara Verma, Vice President, M/s Kakatiya Chemicals Private Limited
(2) Shri Satyajit Nayak, S.E. (PPM)-cum-Electrical Inspector, O/o EIC (Elect.)-cum-PCEI, Odisha, Bhubaneswar

Nobody present on behalf of CESU, SOUTHCO, NESCO, WESCO and Govt. of Odisha, Deptt. of Energy.

ORDER

Hearing Date: 17.06.2016

Date of Order: 25.07.2016

The present Petition has been filed by M/s. GRIDCO Limited for approval of the Power Purchase Agreement (PPA) executed with M/s Kakatiya Chemicals Private Limited on 02.12.2015 to purchase electricity from the 9 MW (2x4.5 MW), Bargarh Head Regulator (SHEP) located on Bargarh Main Canal near village Benga in district Bargarh. As an initiative to fulfil Non-Solar Renewable purchase obligation (RPO) as specified by the Commission, GRIDCO has executed this PPA with the SHEP developer.

2. M/s Kakatiya Chemicals Private Limited has also entered into a Memorandum of Understanding (MoU) with the Govt. of Odisha on 20.03.2001 and the revised MoU

on 27.10.2005. The revised Techno-Economic Clearance (TEC) was accorded by State Technical Committee (STC) on 13.04.2015.

3. M/s Kakatiya Chemicals Private Limited has also executed the Implementation Agreement with Govt. of Odisha represented through E.I.C. (Elect.)-cum-PCEI, Odisha on 05.12.2015 for implementation, operation and maintenance of the 2x4.5 MW (9 MW) SHEP at Bargarh Main Canal at Hirakud Dam.
4. M/s GRIDCO has submitted that the terms and conditions of the PPA are in line with the latest OERC RE Regulation i.e. Regulation for determining Generic Tariff of Renewable Energy Sources for the 2nd Control Period (2013-14 to 2017-18) notified vide order dt.15.01.2014 on suo motu petition No.80 of 2013.
5. As per clause 6.1.1 of the signed PPA, the tariff for sale of power by M/s Kakatiya Chemicals Private Limited to GRIDCO shall be determined by the Odisha Electricity Regulatory Commission as per the tariff norms notified by OERC vide its order dt.15.01.2014 in suo motu petition in case No.80 of 2013 and any amendment thereto from time to time.
6. The Commission heard the matter at length and passed interim order on 18.06.2016 wherein M/s Kakatiya Chemicals Private Ltd. and GRIDCO were directed to file their written note of submission as to why the project is pending since 2006 till today and under what circumstances a new PPA was signed. In its response, the reasons for delay in signing the revised PPA as submitted by M/s Kakatiya Chemicals Private Ltd. are summarized as follows:
 - (a) The Water Resources Department did not approve the construction drawing of the project for a very long time.
 - (b) The Water Resources Department further advised to shift the power house beyond 200M from the dyke of the reservoir and prepare a new layout for the project keeping in view the safety aspects of the dyke of the reservoir.
 - (c) After the approval of the STC for a revised project cost which has increased from Rs.36 crore to Rs.58 crore because of the shifting of the power house, the revised PPA was signed with GRIDCO on 2nd December, 2015.

7. The PPA is scrutinized and both GRIDCO and M/s Kakatiya Chemicals Private Ltd. have agreed with the terms and conditions of the revised PPA as executed between them.
8. Accordingly, the Commission approve the said PPA which was signed between GRIDCO Ltd. and M/s Kakatiya Chemicals Private Ltd. on 02.12.2015 for procurement of power from the 9 MW (2x4.5 MW), Bargarh Head Regulator (SHEP) located on Bargarh Main Canal near village Benga in district Bargarh. Registry is directed to send a copy of the approved PPA to the parties.
9. With the above observation, the case is disposed of.

Sd/-
(A. K. Das)
Member

Sd/-
(S. P. Swain)
Member

Sd/-
(S. P. Nanda)
Chairperson