

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BUDYUT NIYAMAK BHAWAN  
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR  
BHUBANESWAR - 751021  
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**Present:      Shri S. C. Mahapatra, Chairperson  
                 Shri G. Mohapatra, Member  
                 Shri S K Ray Mohapatra, Member**

**Case No. 96/2023**

GRIDCO Ltd.	.....	Petitioner
Vrs.		
PTC India Ltd. & Others	.....	Respondents

**In the matter of:**      **Application under section 86(1)(b) of the Electricity Act, 2003 read with Sections 11(1)(e) & 21 of the OER Act, 1995 and other enabling provisions seeking approval of Power Purchase Agreement (PPA) to be executed between PTC India Ltd. and GRIDCO Ltd. for purchase of power from Kurichu Hydro Electric Project, Bhutan (60 MW) as per distribution of un-allocated quota of Central Generating Stations which were uniformly re-allocated to eastern region beneficiaries by Eastern Region Power Committee (ERPC), GoI.**

**For Petitioner:**      Shri B. K. Das, Sr. GM and Ms. Sasmita Tudu, AM of GRIDCO Ltd.

**For Respondents:**      Shri Ravi Kishore, Learned Advocate on behalf of M/s. PTC India Ltd. and Shri Shubhashis Samantaray, DGM (El), RT&C, OPTCL do appear. None appears on behalf of DoE, GoO.

**ORDER**

**Date of Hearing: 07.11.2023**

**Date of Order: 17.11.2023**

The Petitioner- M/s. GRIDCO Ltd. has filed the present petition under section 86(1)(b) of the Electricity Act, 2003 read with Sections 11(1)(e) & 21 of the OER Act, 1995 and other enabling provisions seeking approval of Power Purchase Agreement (PPA) to be executed between PTC India Ltd. and GRIDCO Ltd. for purchase of power from Kurichu Hydro Electric Project, Bhutan (60 MW) as per distribution of un-allocated quota of Central Generating Stations which were uniformly re-allocated to eastern region beneficiaries by Eastern Region Power Committee (ERPC), GoI. The Petitioner has prayed before this Commission for approval of the proposed PPA to be executed between PTC India Ltd. and the Petitioner for purchase of power from above Hydro Electric Project of Bhutan.

2.      The petitioner- M/s GRIDCO Ltd. has submitted the following:

- (a) CEA vide its letter dtd 26.10.2022 have directed Regional Power Committees (RPCs) to implement the uniform allocation of power from unallocated regional pool to all beneficiaries. ERPC vide letter dated 15.02.2023 have re-allocated the power of Central Generating Stations of Eastern Region and Bhutan Hydro Power Station upon Uniform allocation of unallocated power among ER beneficiaries from Eastern Region pool. The same has been done as per the directives of CEA and Ministry of Power. The revised allocation has been implemented with effect from 00:00 Hrs of 17.02.2023. Since then, there has been multiple revisions & reallocations by ERPC.
- (b) Based on the latest reallocation of ERPC dated 27.07.2023, GRIDCO is having a total unallocated quota of 186.39 MW out of which 160.306 MW is from Thermal Generating Stations and 26.084 MW is from Hydro generating stations. The unallocated share has been redistributed among the Eastern Region beneficiaries uniformly. GRIDCO have been allocated power from Rangit HEP & Kurichu HEP in absence of any firm allocation. ERPC has scheduled the energy from the unallocated pool to GRIDCO w.e.f. 17.02.2023 and has intimated that beneficiaries are required to sign PPA and enter into commercial arrangements/ maintain LC with the allocated power. Accordingly, PTC vide its letter dated 22.02.2023 have furnished the draft PPA for supply of power from Kurichu HEP in Bhutan as per allocation order issued by ERPC. The draft PPA includes all the terms and conditions of the original PPA as well as the three subsequent amendments.
- (c) Ministry of Power, Govt. of India vide Order dated 11.02.2002 has decided that Power Trading Corporation India Ltd. (now PTC India Ltd.) will take over the sale of power of Kurichu HEP from Power grid Corporation of India Limited ("POWERGRID"). PTC and West Bengal State Electricity Board (now "WBSEDCL") and Damodar Valley Corporation (now "DVC") has entered into PPA dated 02.08.2002 for sale /purchase of surplus power from Kurichu HEP as per the allocation made by Govt. of India from time to time. Department of Energy, Royal Government of Bhutan and PTC have entered into an Agreement dated 31.08.2002 for sale/ purchase of surplus power from Kurichu HEP in Bhutan. In view of the implementation of CERC (Fixation of Trading Margin) Regulations, 2006 & as per the directives of CERC, the PPA dated 02.08.2002 has been amended & has been executed between PTC and DVC & WBSEDCL on 14.08.2009.
- (d) The salient points of the first Amendment of PPA dated 14.08.2009 are as follows:

- i. Definition of Due Date: Seven Working Days from date of presentation of the bill.
  - ii. The energy tariff for the Kurichu Power supplied by PTC shall be determined by GoI from time to time. The present Tariff for Kurichu at the point of receipt, i.e., Gelephu will be Rs.1.80/kWh, which is subject to revision as per the Directives of GoI from time to time.
  - iii. The trading Margin Claim of PTC is limited to 4 paise/kWh with effect from 01.04.2009 as per the CERC (Fixation of Trading Margin) Regulations, 2006, or as amended from time to time.
- (e) A Second Amendment dated 21.12.2011 has been executed between PTC and WBSEDCL & DVC to incorporate the decision of Govt. of India and Royal Govt. of Bhutan to merge the tariffs of Kurichu HEP with the prevalent tariffs of Tala HEP w.e.f. 01.01.2008 and thereafter, every time the Tala Tariff is revised, the Kurichu tariff will also stand automatically revised.
- (f) Further, to improve the reliability of evacuation of power from Kurichu Hydroelectric Project to India, at the request of Royal Govt. of Bhutan, 132 kV Deothang (Bhutan)-Rangia (Assam) transmission line (about 47 Km) was constructed. Government of India decided that the Indian portion of above transmission line shall be handed over to POWERGRID for O&M. Further, O&M charges would be intimated by POWERGRID in advance to PTC and PTC would collect the same from the ultimate buyers, i.e., Bulk Power Customers. Pursuant to this, a Third Amendment has been executed on 22.12.2012 to the PPA dated 02.08.2002 between PTC and WBSEDCL & DVC.
- (g) The uniform allocation of power by ERPC has been intimated to OERC during filing of additional submission in respect of ARR application of GRIDCO for the FY 2023-24. Based on the submission of GRIDCO, OERC allowed to draw power from all available sources of central generating stations as per the ERPC letter dated. 28.02.2023. OERC approved the power purchase cost (fixed cost) of all the Central Generating Stations for the FY 2023-24 based on the unallocated % share of power allocated by ERPC as per letter dated. 28.02.2023. These includes power purchase cost (fixed cost) of those stations having no existing PPAs with GRIDCO (Nabinagar STPP- I, Rangeet & Kurichu) and PPAs with GRIDCO but disapproved by OERC (Barh-I, Barh-II and KBUNL).
- (h) As per clause (7) of the Electricity (Late Payment Surcharge) Rules, 2021 of MoP, GoI dated 03.06.2022, in case of non-payment of dues by the distribution licensee

after two and half months from presentation of bill by the generating company, short-term access for sale and purchase of electricity including purchase through the power exchange shall be regulated entirely. If the dues remain unpaid for three and half months, apart from the regulation of the short-term access in its entirety, the long-term and medium-term access shall be regulated by Ten percent and the quantum of reduction in drawl schedule increases progressively by Ten per cent for each month of default. The payment of dues by the Distribution licensee is stringently monitored on continuous basis by MoP, GoI through PRAAPTI Portal. In case of default in payment beyond trigger date, immediate action shall be taken to curtail the schedule of the beneficiaries. In the above backdrop, GRIDCO is obligated to comply with the above directives of MoP/CEA and accordingly would sign/extent PPA and enter into commercial arrangements/ maintain LC with the allocated power from the unallocated pool of the Region.

- (i) GRIDCO, vide its letter dated 13.06.2023, have requested PTC to furnish certain documents and PTC have furnished the required documents and requested GRIDCO for execution of the Kurichu PPA strictly in line with the PPA signed with original beneficiaries.
  - (j) GRIDCO, vide mail dt.21.11.2023 has communicated that:
    - i. The present tariff of Kuricchu is Rs.2.28/kwh i.e. Rs.2.27/kwh (same as tariff of Tala) and additional 1 paise/kwh for transmission charges for the transmission system beyond Gelephug to Salakati as mentioned at clause No. 5.3 in the original PPA executed between PTC and WBSEB and DVC on dtd.02.08.2002.
    - ii. The India portion of Deothang-Rangia Transmission Line (approximately 47 km) is being maintained by PGCIL.As per the Agreement executed between PGCIL & PTC India Ltd., the O&M Charges as well as Insurance charges for line (India portion) is being paid by PTC to PGCIL. PTC reimburse the amount from beneficiaries in proportion to their share allocation.
3. Heard the Petitioner and Respondents through hybrid mode (video conferencing and physical) and considered their arguments and written submissions. The Commission observes that:
- a) GRIDCO has filed the petition seeking approval of PPA to be executed between PTC India Ltd. and GRIDCO Ltd. for purchase of power from Kurichu Hydro Electric Project, Bhutan (60 MW) as per distribution of un-allocated quota of

Central Generating Stations which were uniformly re-allocated to eastern region beneficiaries by ERPC. The surplus power from the Kurichu HEP (60 MW) is being evacuated through 132 kV Salakati-Gelephu transmission line, to improve reliability of evacuation of power to India construction of 132 KV Deothang-Rangia transmission line (47 km) was undertaken by Government of India and handed over to PGCIL for O&M of Indian portion of line.

- b) Based on the latest reallocation of ERPC dated 27.07.2023, GRIDCO is having a total unallocated quota of 186.39 MW out of which 160.306 MW is from Thermal Generating Stations and 26.084 MW is from Hydro generating stations. Accordingly, the allocation to GRIDCO from unallocated share of Kurichu Hydro Electric Project is 0.61 MW (1.018212%), although there was no firm allocation from the said HEP.
- c) The draft PPA includes all the terms and conditions of the original PPA (signed by other beneficiary States with PTC) as well as the three subsequent amendments. The salient points in three amendments are as follows:
- (i) As per 1<sup>st</sup> amendment (14.08.2009):
- The due date shall be Seven Working Days from date of presentation of the bill and energy tariff shall be determined by GoI from time to time.
  - The trading Margin claim of PTC is limited to 4 paise/kWh with effect from 01.04.2009 as per the CERC (Fixation of Trading Margin) Regulations, 2006.
  - Para 8.6 & 9.0 of PPA relating to LC and interest due to late payments were amended & replaced.
- (ii) As per the 2<sup>nd</sup> Amendment (21.12.2011):
- The tariff of Kurichu HEP was merged with the prevalent tariffs of Tala HEP w.e.f. 01.01.2008 and thereafter, every time the Tala Tariff is revised, the Kurichu tariff will also stand automatically revised.
- (iii) As per 3<sup>rd</sup> amendment (19.12.2012) :
- The O&M charges of Indian portion of 132 kV plus Deothang-Rangia transmission line (handed over to PGCIL) would be collected by PTC from bulk power consumers.
- d) As intimated by PTC, the present tariff of Kurichu is Rs.2.28/kWh, i.e., Rs.2.27/kWh (same as tariff of Tala) and additional 1 paise/kWh for

transmission charges for the transmission system beyond Gelephu to Salakati (as mentioned in clause No.5.3 of the original PPA executed between PTC & WBSEB & DVC on 02.08.2002. The Indian portion of Deothang-Rangia transmission line (approx. 47 km) is being maintained by PGCIL and O&M charges as well as insurance charges for the line (Indian portion) is being paid by PTC and reimbursed from beneficiaries in proportion to their share allocation.

4. We are of the opinion that the tariff proposed in the said PPA seems to be quite competitive. As per the Tariff Order of GRIDCO for FY 2023-24, OERC has already accepted the proposal of GRIDCO for purchasing power from all available sources including unallocated quota from Central Generating Stations (Thermal and Hydro). Based on direction of CEA, the statutory body for allocation/deallocation of share from the Central Generating Stations, ERPC has revised the share allocation of Odisha from central sector generating stations and allocated share to the State from the unallocated share of Central Generating Stations irrespective of the PPA. The beneficiaries have been directed to sign/extend PPA and enter into commercial arrangements/maintain LC in accordance with the newly allocated share to the respective States. Accordingly, GRIDCO has prayed for approval of the subject PPA to be executed with PTC.
5. In view of the above, considering the need of hydro power to meet peak power demand of the state and to accommodate variable nature of power from various Renewable Sources likely to be added to generation portfolio of the state in a big way, the Commission approves the aforesaid PPA to be executed between PTC India Ltd. and GRIDCO Ltd. for purchase of power from Kurichu Hydro Electric Project, Bhutan (60 MW) by GRIDCO Ltd. as per sharing of un-allocated quota of Central Generating Stations by the Eastern Region Power Committee (ERPC), Government of India.
6. The case is accordingly disposed of.

**Sd/-**  
**(S. K. Ray Mohapatra)**  
**Member**

**Sd/-**  
**(G. Mohapatra)**  
**Member**

**Sd/-**  
**(S. C. Mahapatra)**  
**Chairperson**