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ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
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Present: Shri Pradeep Kumar Jena, Chairperson
Shri S. K. Ray Mohapatra, Member
Shri B. Mohanty, Member

Case No. 03/2025

Odisha Power Transmission Corporation Limited (OPTCL)
Janpath, Bhubaneswar-751022 Petitioner
Vrs.
TPNorthern Odisha Distribution Limited (TPNODL)
Januganj, Balasore, Orissa-756019 Respondent

In the matter of: **Application under Sections 63 & 86(1)(a) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of the OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, seeking approval of Differential Cost due to the inclusion of Transmission Service Providers (TSP) under TBCB as pass through along with ARR and Transmission Tariff of OPTCL.**

For Petitioner: Sri P.K. Dash, Director (Project).

For Respondent: Ms. Malancha Ghose, Addl. Chief Engineer (RA).

ORDER

Date of Hearing: 08.07.2025

Date of Order: 09.07.2025

The Petitioner-OPTCL has filed the present application under Sections 63 & 86 (1) (a) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of the OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, seeking approval of Differential Cost due to the inclusion of Transmission Service Providers (TSP) under TBCB as pass through along with ARR and Transmission Tariff of OPTCL.

2. It is averred in the petition that the Empowered Committee, constituted by the State Government, had decided to construct the 2x500 MVA, 400/220/33 kV AIS at Remuli (Joda), 2x200 MVA, 220/132 kV GIS at Barbil and associated lines under Intra-State Tariff Based Competitive Bidding (TBCB) mode. The said projects are also approved in the 33rd meeting of Consultation meeting for Evolving Transmission Schemes-Eastern Region (CEMTS-ER) held on 29.07.2024 . Accordingly, OPTCL had appointed PFC Consulting Ltd.

(PFCCCL) as Bid Process Coordinator (BPC) for selection of Transmission Service Provider (TSP) for construction of the said projects and in the bidding process, M/s. Adani Energy Solution Ltd. was the lowest bidder among the three (3) technically qualified bidders (M/s. Power Grid Corporation of India Ltd., M/s. Adani Energy Solution Ltd. & M/s. Techno Electric & Energy Company Ltd.) with Rs.168.45 crore as Annual Fixed Charges (AFC). As per the TSA with TSP, OPTCL, being the Nodal Agency, had to pay the AFC amounting to Rs.168.45 crore to the TSP irrespective of the power flow in the proposed transmission projects. The total energy transaction through the said transmission project would be consumed by the consumers in the operating area of TPNODL. As estimated by OPTCL, the peak load of about 481 MW would be availed by the upcoming industries in Joda/Barbil area from the aforesaid transmission projects which may come in a phased manner and the transmission tariff per unit would vary from 192.29 p/u (with minimum load of 100 MW) to 39.98 p/u (with peak load of 481 MW), which is much higher in comparison to the present transmission tariff approved by the Commission. Considering the average load varying from 100 MW to 481 MW per year, OPTCL, will have a deficit in revenue recovery between Rs.147.43 crore to Rs.67.32 crore. Thus, the OPTCL had prayed before the Commission to accord approval for the passing through of the differential cost i.e. amount to be paid to the TSP under TBCB minus the amount recovered from the DISCOMs with regard to the said TBCB Projects, in the ARR of the OPTCL annually.

3. The Petitioner-OPTCL in its additional submission has stated that the Empowered Committee in their meeting held on 04.01.2025 opined that the final quoted annual transmission charges of Rs.168.45 crore was high and the OPTCL may go for fresh tender. In today's petition seeking withdrawal of the case, it is stated that the Department of Energy, Government of Odisha, in their letter dated 29.05.2025, has intimated the OPTCL that *"Government after careful consideration have been pleased to accord permission for construction of 400/220 kV AIS S/S at Remuli and establishment of 2x160 MVA, 220 kV GIS S/S at existing Barbil GSS along with associated 400 kV & 220 kV lines on cost plus method instead of TBCB mode. Further, it is requested to finalize the funding mechanism for the above projects accordingly and furnish revise proposal to Energy Department for necessary consideration"*.

It is submitted by the Petitioner-OPTCL that post finalization of source of funding, they will file a Detailed Project Report (DPR) containing details of connectivity arrangement, load requirement of DISCOM, cost-benefit analysis, NPV and IRR, before the Commission for approval of investment proposal for the aforesaid projects.

4. Heard the parties through hybrid arrangement. The Commission observes that based on the decision of the State Government to construct the subject transmission projects under TBCB mode, the Petitioner-OPTCL, being the Nodal Agency, initiated action for selecting the Transmission Service Provider and in the bidding process M/s. Adani Energy Solution Ltd. was the lowest bidder with Rs.168.45 crore as AFC, which is payable by OPTCL annually. The OPTCL in the original petition prayed before the Commission for passing through of the differential cost in the ARR and transmission tariff of OPTCL annually, stating that as per the estimated energy transaction through the proposed sub-station and line, the OPTCL will have a deficit of revenue recovery.
5. The Commission, in its interim order dated 22.04.2025 had directed both OPTCL and the Respondent-TPNODL to carry out proper assessment of the future power demand associated with the said transmission projects with cost benefit analysis for viability. In case the said project is not viable, the Petitioner-OPTCL was given the option of approaching the Department of Energy, Government of Odisha to chalk out further course of action so as to ensure that the consumers of the State do not suffer from additionally tariff-burden.
6. It is further observed by the Commission that the Government of Odisha, vide Letter dated 29.05.2025, has now accorded permission for construction of 400/220 kV AIS S/S at Remuli and establishment of 2x160 MVA, 220 kV GIS S/S at existing Barbil GSS along with associated 400 kV & 220 kV lines on **cost plus method** instead of **TBCB mode** and asked the OPTCL to finalize the funding mechanism for the above projects accordingly and furnish the revised proposal to Energy Department for necessary consideration. Accordingly, the OPTCL has submitted that post finalization of source of funding, they will file a Detailed Project Report (DPR) containing the details of connectivity arrangement, load requirement of DISCOM, cost-benefit analysis, NPV and IRR, before the Commission for approval of investment proposal for the aforesaid projects on cost plus method.
7. In view of the above development, the original application of the Petitioner-OPTCL has become infructuous. Thus, the Petitioner has come up with the present petition for withdrawal of the case. To the query of the Commission, the Representative of the Petitioner also sticks to the prayer for withdrawal. The Commission finds no impediment to act on this prayer. Accordingly, the case stands disposed of as withdrawn.

Sd/-
(B. Mohanty)
Member

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

Sd/-
(P.K.Jena)
Chairperson