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**ଓଡ଼ିଶା ବିଦ୍ୟୁତ୍ ନିୟାମକ ଆୟୋଗ**  
**ODISHA ELECTRICITY REGULATORY COMMISSION**  
**BIDYUT NIYAMAK BHAWAN**  
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**Present: Shri P.K. Jena, Chairperson**  
**Shri S. K. Ray Mohapatra, Member**  
**Shri Biswajit Mohanty, Member**

**Case No. 09/2026**

1. GRIDCO Limited  
Janpath, Bhubaneswar - 751 022 ..... Petitioner
- Vrs. -
2. The Commissioner, Rourkela Municipal Corporation, Udit Nagar, Rourkela
3. Principal Secretary, Department of Energy, Govt. of Odisha, Bhubaneswar
4. CLD, SLDC, Mancheswar, Railway Colony, Bhubaneswar
5. CEO, TPWODL, Burla, Sambalpur- 768 017
6. CEO, TPNODL, Januganj, Balasore- 756 019
7. CEO, TPCODL, 2nd Floor, IDCO Tower, Janpath, Bhubaneswar- 751 022
8. CEO, TPSODL, Courtpet, Berhampur- 760 004 ..... Respondents

**In the matter of:** **An application under Section 86(1) (b) & (e) of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions seeking for prior approval of the Commission with regard to the draft Power Purchase Agreement (PPA) to be signed between GRIDCO & Rourkela Municipal Corporation towards procurement of power from the 40kW Bio-Methanation Power Plant at Rourkela.**

**For Petitioner:** Shri K.C. Nanda, Dir (F& CA), Shri R. Mansingh, DGM (El.), and Ms. Shaswati Mohapatra, AGM (RE), GRIDCO Ltd.

**For Respondents:** Shri Satyabhusan Rath, Advocate and Shri Akshaya Ku. Pillai on behalf of the Respondent- M/s. Rourkela Municipal Corporation; Shri Bharat Bhadawat, Chief-Regulatory, on behalf of Respondents- M/s. TPCODL, M/s. TPSODL and M/s. TPWODL; Ms. Malancha Ghose, Addl. CE (RA) on behalf of Respondent – M/s. TPNODL do appear. None appears on behalf of the Respondents- Department of Energy, Govt. of Odisha and SLDC.

**ORDER**

**Date of Hearing: 21.04.2026**

**Date of Order: 20.05.2026**

1. This Petition has been filed by M/s. GRIDCO under Section 86 of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions seeking approval of the Commission with regard to the draft PPA to be executed

between GRIDCO and Rourkela Municipal Corporation for procurement of power from 40 kW bio-methanation power plant at Rourkela.

2. The Petitioner- M/s. GRIDCO Ltd. has submitted as stated hereinafter:

- a) The Rourkela Municipal Corporation (RMC), in alignment with the Government of Odisha's clean energy and waste management goals, has initiated the development of a 40 kW Bio-Methanation Power Plant at Rourkela. The plant is based on organic waste-to-energy technology, converting segregated biodegradable waste into biogas to be used for generation of electricity.
- b) National Tariff Policy 2016, under Clause 6.4 (1) (ii), has provided that it is mandatory for the Distribution Licensee(s) to procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own, at the tariff determined by the Appropriate Commission under Section 62 of the Act.
- c) Further, as per the provisions in Odisha RE Policy, 2022 at Clause 19.3, whenever a Waste-to-Energy (WTE) plant is developed in the State, GRIDCO is obligated to purchase 100% power generated from such projects. GRIDCO will sign the Power Purchase Agreement with the Generator/Developer towards off-take of entire power from the said project at the tariff determined by OERC.
- d) The proposal of M/s RMC for setting up the 40 kW Bio-Methanation Power plant at Rourkela and off-take of power by GRIDCO was approved by the 3rd Single Window Committee held on 07.07.2023. The in-principle approval with applicable terms and conditions was intimated to RMC by Renewable Energy Nodal Agency (RENA), GRIDCO vide letter dated 31.07.2023 with stipulation of time period of two years for commissioning of the said project.
- e) The power plant will process segregated organic waste and generate approximately 40 kW of electricity through biogas-based generation.
- f) Although the Power Plant was already set up along with the required machineries during FY 2022-23, the Plant could not be made operational due to issues including lack of connectivity and evacuation system.
- g) Being the first pilot project of the State under Waste to Energy category, necessary assistance was provided from the State Government through GRIDCO for revival of the 40 kW Bio-methanation Power plant, leading to resolving the connectivity issue.

- h) For sale of power evacuated from the 40 kW WTE Bio-methanation Power Plant, RMC, vide letter dated 20.08.2025, proposed a tariff of Rs.8.64/kWh with 3% escalation Y-o-Y and an alternative levelized tariff of Rs.8.75/kWh as per CERC RE Tariff Order for FY 2022-23 towards purchase of power from the 40 kW Bio-methanation Power Plant for a period of 25 years.
  - i) GRIDCO vide letter dated 18.09.2025 requested RMC for further discussion on finalization of the terms and conditions of the PPA along with the tentative tariff for the said plant. The draft PPA was shared with M/s RMC for views /comments on the same.
  - j) RMC, vide letter dated 10.11.2025, consented for execution of the PPA at the provisional tariff of Rs.6.57/kWh, in line with Generic Tariff Order dated 22.02.2024 of Gujarat Electricity Regulatory Commission for the control period from 06.06.2022 to 31.03.2027 till final determination of project specific tariff by OERC in line with Section 62 of the Electricity Act, 2003.
  - k) The Commission may note that the in-principle draft PPA towards purchase of power from 40 kW bio-methanation plant of RMC was signed on 10th December, 2025. The said power plant was synchronized with the DISCOM and successfully commissioned on 18.12.2025.
  - l) It is to be submitted that the project specific tariff will be determined by OERC under Section 62 of Electricity Act, 2003 through a separate formal filing by RMC.
  - m) The terms and conditions of the draft PPA includes provisions with respect to the term of agreement, energy accounting, billing, rebate, payment & late payment surcharge, applicable tariff, payment security mechanism, metering, dispute resolution, etc.
  - n) It is to be submitted that procurement of power from this 40 kW Bio-methanation Power Plant will help GRIDCO towards compliance of its Renewable Consumption Obligation, while promoting decentralized and sustainable waste-to-energy solutions at the urban local body level.
  - o) In view of the above, the Petitioner, GRIDCO has prayed before the Commission to approve the proposal towards procurement of power from 40 kW Waste to Energy Bio-methanation Power Plant at Rourkela developed by Rourkela Municipal Corporation along with the draft PPA.
3. The Respondents- M/s. TPCODL, M/s. TPNODL, and M/s. TPWODL has submitted the followings:

- a) RMC's Bio Methanation Plant at Sector-14 is a consumer of TPWODL bearing Consumer No. 814001112055 under the General Purpose (GP) category and governed by the applicable tariff order of the Commission. Accordingly, for drawal of start-up power or any import of energy from the grid, RMC shall be liable to pay the applicable retail supply tariff and other charges as determined by the Commission from time to time.
- b) The Commission has issued the Generic Tariff and Norms in respect of Renewable Power Projects in the State of Odisha for the Fourth Control Period (FY 2023-24 to FY 2025-26) in Case No. 94 of 2023, vide Order dated 04.12.2023, wherein the tariff for Municipal Solid Waste-based power projects is to be determined in accordance with financial and operational norms specified in the said Generic Tariff Order.
- c) The National Bioenergy Program, being implemented by the Ministry of New and Renewable Energy (MNRE) for the period FY 2021-22 to FY 2025-26, aims to promote bioenergy projects, reduce municipal waste-related environmental issues, and support national climate change mitigation objectives. Further, in the event that the Municipal Solid Waste (MSW) project developer has availed or proposes to avail, at any stage, any financial incentives, subsidies, or other benefits under any scheme or program of the Central Government and/or the State Government, the same shall be fully disclosed to the Commission, and the Commission may consider appropriate in future tariff determination process.
- d) The Rourkela Municipal Corporation in its letter dated 10.11.2025 has mentioned that the provisional tariff of Rs.6.57/kWh shall remain applicable till final determination of the project specific tariff by the Commission in accordance with Section 62 of the Electricity Act 2003, upon issuance of project specific tariff by the Commission the same shall be applicable retrospectively from the date of signing of PPA and adjustment of differential billing arising on account of revised tariff shall be duly adjusted against the ongoing billing or a separate differential billing statement. However, the same is not stipulated in the draft PPA at para 10.
- e) Paragraph 10.2 and 10.3 of the draft PPA stipulates filing of application by RMC within three months of COD for determination of project specific tariff by the Commission. The COD is 18.12.2025. Though 3 months has passed since the COD, no application for determination of project specific tariff has been filed.

- f) It is further submitted that RMC may be directed to file an appropriate application before the Commission for determination of the project-specific tariff, as provided under the PPA and the applicable regulations.
4. The Respondent- M/s. TPSODL, in addition to the above, has submitted the followings:
- a) The procurement of such power through GRIDCO helps in meeting Renewable Purchase Obligation (RPO)/ Renewable Consumption Obligation (RCO) target of Odisha DISCOMs. Also, the project promotes Municipal Waste Management, though the quantum of power involved (40 kW) is small.
  - b) Direct the Developer/RMC to disclose fully before the Commission, any financial incentives, subsidies, or other benefits under any scheme or program of the Central Government and/or the State Government, which it has availed or scheduled to avail, drawing the project specific tariff petition.
5. Heard the Petitioner and Respondents through Hybrid mode and considered their written notes of submissions. The Commission have the following observations:
- a) The Petitioner- RMC has set up a 40 kW bio-methanation based power plant using organic waste-to-energy (WTE) technology, which converts segregated biodegradable municipal waste into biogas and is the first such project commissioned in the State for generation of electricity.
  - b) The National Tariff Policy, 2016 and the Odisha RE Policy, 2022 mandates DISCOMs/ GRIDCO to procure 100% of power generated from WTE plants in the State by signing a PPA with the generator/ developer at a tariff as determined by the Commission.
  - c) The draft PPA was signed on 10.12.2025 and RMC's Bio-methanation power plant was commissioned on 18.12.2025 after synchronization with the DISCOM.
  - d) For evacuation of power, both RMC and GRIDCO has agreed on provisional tariff of Rs 6.57/kWh in line with the Generic Tariff Order of GERC for the control period from 06.06.2022 to 31.03.2027 till the determination of project specific tariff by OERC.
  - e) The terms and conditions of the draft PPA is detailed as under:
    - (i) In line with clause 18 of the OERC Generic Tariff Regulations for fourth Control Period i.e. from FY 2023-24 to FY 2025-26, the PPA is valid for a period of 25 years from the CoD;
    - (ii) The power generated shall be evacuated by the 11/0.44 kV line to be constructed by the company at their own cost, which shall be connected to the 11 kV Luhakera

feeder of TPWODL emanating from 33/11 kV Chhend PSS;

- (iii) GRIDCO shall be allowed 1.5 % rebate on payment of bills within 05 (Five) working days, excluding the date of receipt of the bill by GRIDCO. Beyond 05 working days but within a period of one month (30 days) from the bill receiving date, a rebate of One percent (1%) shall be applicable;
- (iv) In case the payment of any bill for charges payable under these Guidelines is delayed beyond a period of 45 days from the zero date as mentioned above, a late payment surcharge (LPS) at the rate of 1.50% per month shall be levied by the Developer.
- (v) GRIDCO shall provide to the RMC, in respect of payment of its Monthly Bills a Monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by the RMC in accordance with this Clause.
- (vi) The Developer will be paid at the tariff which shall be determined by OERC under Section 62 of Electricity Act 2003 and in accordance with the applicable OERC Regulations;
- (vii) The required Municipal Solid Waste for power generation shall be provided by RMC at its own cost. The cost of such Municipal Solid Waste along with its cost of transportation up to the Plant Site shall not be claimed by RMC for the purpose of determination of Tariff;
- (viii) In the absence of Generic Tariff, till finalization of Levelized Tariff by the OERC, the Developer shall be paid for the firm power as well as for the infirm power at the provisional Tariff @ Rs. 6.57/- per unit in line with Generic Tariff Order dated 22.02.2024 of Gujarat Electricity Regulatory Commission for the control period from 06.06.2022 to 31.03.2027;
- (ix) Energy Accounting, i.e. energy export and import shall be certified by DISCOM on a monthly basis. The same shall be considered for billing by the RMC and DISCOM;
- (x) The actual levelized tariff will be determined by the OERC through formal filling of tariff petition by RMC.
- (xi) Metering of electrical energy at the Delivery Point shall be carried out by RMC in accordance with the Connection Agreement executed with the concerned

DISCOM and the applicable provisions of the Electricity Act, 2003, CEA Metering Regulations, and the Odisha Grid Code, as amended from time to time.

- (xii) On request of RMC, DISCOM shall install, operate and maintain approved energy meters capable of recording import and export of energy separately. The readings from meter, duly tested and sealed by the DISCOM or its authorised agency, shall form the sole basis for energy accounting, billing and settlement under this Agreement. In case of meter defect or discrepancy, energy accounting shall be carried out as per the applicable Regulations and the Connection Agreement.
  - (xiii) Other terms and conditions such as Payment Security Mechanism, Reconciliation, Synchronisation, Commissioning, and Operation, Dispatch & Scheduling, Force Majeure, Change in Law etc. are also part of the PPA.
- f) The Petitioner has prayed before the Commission to approve the proposal for procurement of power from 40 kW Waste to Energy Bio-methanation Power Plant at Rourkela developed by RMC along with the draft PPA.
6. All the 4 DISCOMs have agreed to the proposal. However, the Licensees have suggested for inclusion of provisions in the draft PPA for retrospective applicability of the project specific tariff to be determined by the Commission from the date of signing of PPA and methodology for adjustment of such differential amount (in the ongoing bill or through a separate differential billing statement). The DISCOMs have further requested to direct RMC to file an application before the Commission for determination of the project-specific tariff of the aforesaid project clearly disclosing the financial incentives, subsidies or other benefits, if any, from Central Govt. and/ or the State Govt.
7. The Commission observes that the installation of 40 kW bio-methanation based power plant using organic WTE technology by RMC and procurement of such power by GRIDCO is in line with National Tariff Policy, 2016 and Odisha RE Policy, 2022. Installation of such plants offer significant environmental benefits and energy security with guaranteed offtake arrangements. Unlike weather-dependent renewable energy systems, organic WTE plants act as stable, continuous baseload power sources for the grid. Moreover, it utilizes a public service liability (organic waste in this case) into a highly productive economic asset by localizing the waste processing and would help GRIDCO in meeting RCO as well as promoting urban local body to take up more such WTE projects.

8. In view of the above consideration, the Commission approves in-principle the draft PPA between RMC and GRIDCO for procurement of power from 40 kW Bio-methanation based power plant at Rourkela of M/s RMC, being the first biodegradable Waste-to-Energy pilot project in the state supported by the Govt. of Odisha through GRIDCO, at the provisional tariff of Rs 6.57/kWh (both for firm and infirm power) for a period of 25 years with the following directions:
- a) RMC shall file an application at the earliest (as the deadline for filing the application is already over) before the Commission for determination of the project-specific tariff of the 40 kW organic WTE plant at Rourkela clearly disclosing the financial incentives, subsidies or other benefits, if any, from Central Govt. and/ or the State Govt.
  - b) The draft PPA shall include the date of applicability of the project specific tariff to be determined by the Commission and method of adjustment of differential amount, if any, arising on account of revised tariff.
  - c) Submit the final PPA before the Commission for perusal of the Commission.
  - d) The provisions of the PPA shall come into effect from the date of signing of the final PPA.
9. With above observations, the Case is disposed of.

**Sd/-**

**(B. Mohanty)**  
**Member**

**Sd/-**

**(S. K. Ray Mohapatra)**  
**Member**

**Sd/-**

**(P. K. Jena)**  
**Chairperson**