



Petition No. 1130 of 2016

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

PRESENT:

1. Hon'ble Sri Desh Deepak Verma, Chairman
2. Hon'ble Sri Suresh Kumar Agarwal, Member

IN THE MATTER OF: Approval of initialed draft Power Purchase Agreement entered into between Noida Power Company Ltd. (NPCL) and Dhariwal infrastructure Ltd. (DIL) under section 62 read with 86(1)(b) of the Electricity Act, 2003

AND

IN THE MATTER OF

Noida Power Company Limited (NPCL)
Commercial Complex,
H-Block, Alpha -II Sector
Greater Noida - 201308

----- **Petitioner**

The following were present:

1. Shri R. C. Agarwal, MD & CEO, NPCL
2. Shri R. Chowdhary, MD, DIL
3. Shri Rajiv Goyal, GM Project, NPCL
4. Shri Subir Saha, VP Finance, DIL
5. Shri Rajiv Yadav, Advocate, NPCL
6. Ms. Divya Chaturvedi, Advocate, NPCL

ORDER

(Date of Hearing 6th October, 2016)

1. Noida Power Company Limited (NPCL) has filed Petition No. 1130 of 2016, on September 2, 2016, for approval of the initialed draft Power Purchase Agreement entered into



between Noida Power Company Ltd. (NPCL) and Dhariwal Infrastructure Ltd. (DIL) under section 62 read with 86(1) of the Electricity Act, 2003

2. The Petitioner intends to enter into a Power Purchase Agreement (PPA) with DIL for long term procurement of 200 MW (Unit -1) (Net capacity of 182 MW at interconnection point after auxiliary consumption) of power under section 62 of the Electricity Act, 2003. The intended delivery of power date for such supply of Power is April 1, 2018.
3. The Commission is in receipt of a letter from R. S. Awasthi, in which it has been submitted that they should also be given opportunity for hearing through Public Hearing as the tariff under section 62 is going to effect the consumer
4. The Petitioner quoting various approvals of PPA by the Commissions, judgments of Hon'ble APTEL and Hon'ble Supreme Court has submitted that it is the settled position of law that the Appropriate Electricity Commission has powers to approve the PPA under section 62 of the Electricity Act. Further, the Petitioner has submitted that from the experience with power procurement from EPJL as well as certain other examples has demonstrated that the competitive bidding ought not be the only route for power procurement.
5. The generating company is willing to supply the above capacity at an indicative fixed charges / capacity charge working out to Rs. 2.12 per kWh for the first year exclusive of reimbursement of income tax, CTU, SLDC charges for transmission of power from the generating station which will be on actual basis and the project cost and tariff elements leading to above capacity charges shall be subject to Prudence check by the Commission.
6. During the hearing Noida Power Company Limited (NPCL) advocate reiterated the submission made by NPCL in its Petition.
7. The Commission inquired from the petitioner that why they have not tried to procure power under new Case-1 bidding guidelines of MoP and GoI. In reply to it NPCL submitted that looking onto their earlier experience with competitive bidding, they have opted for the MoU route considering the reasonability of the cost of power through PPA. NPCL also submitted that they will opt for competitive bidding for subsequent power requirement, by the licensee.



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8. Further the Commission inquired from NPCL that how the tariff discovered under this PPA is reasonable against the bids obtained by UPPCL in its latest Case-1 competitive bidding arrangement?
 9. The Commission directed to provide the copy of Sri R. S. Awasthi's submission to NPCL, which was provided to them during the hearing. The Commission directed NPCL to file the reply to the submission of R. S. Awasthi within 15 days and stated that the next date of hearing will be communicated to the parties subsequently.

(Suresh Kumar Agarwal)
Member

(Desh Deepak Verma)
Chairman

Place: Lucknow
Dated: 19.10.2016