

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : Filing of petition for revision of the tariff for the biomass based electricity generation.

Petition No. 52/2011

ORDER

(Date of hearing 9th August, 2011)

(Date of order 11th August, 2011)

M/s Harvest Energy Private Ltd.,
E-7/88, Lala Lajpat Rai Society,
Arera Colony, Bhopal – 462016. - Petitioner

V/s

M.P.Power Trading Co. Ltd., Jabalpur
M.P.Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur
M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore
M.P.Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal
M.P.Power Transmission Co. Ltd., Jabalpur
MP State Electricity Board, Jabalpur
State Load Dispatch Centre, Jabalpur
MP Urja Vikas Nigam Ltd., Bhopal - Respondents

Shri Amul Urdhwareshe, Director and Shri Aseem Singhal, Director appeared on behalf of the Petitioner.

2. The Petitioner has filed the present petition seeking revision of the tariff fixed for procurement of power from biomass based power generation projects for control period beyond 31st March, 2012. The present petition has been filed under Section 61(1), 86(1)(e) and 61(h) of the Electricity Act, 2003.

3. The Petitioner is installing four biomass projects with an aggregate capacity of 40 MW in the State. The Petitioner has submitted that the said projects will not commence before 2013-2014. In the petition it is stated that despite completing the entire development work, the Petitioner is unable to begin construction as the prevailing tariff is unviable and not adequate to attract financing support for his projects from

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investors/lenders. The Petitioner has pleaded that the current tariff is un-remunerative and has affected the viability of the aforesaid projects. The Petitioner has therefore requested the Commission to fix the tariff for procurement of power from biomass based power projects for a period beyond 31st March 2012.

4. The Petitioner has made the following prayers in the petition :

- (a) The Commission may kindly take up the fixation of the tariff for procurement of power from biomass based power projects in the State of Madhya Pradesh for a period beyond 31st March 2012 considering promotion of such projects as one of the main criteria.
- (b) The tariff may kindly be determined after considering various relevant factors as detailed in the foregoing petition.
- (c) Separate tariff be determined for biomass power projects using water cooled condensers and those using air cooled condensers.
- (d) The tariff may be determined as a levelized tariff for a period of 20 years with such review mechanism as the Commission may deem fit especially for factoring in increase in fuel prices as and when the same may occur.

5. The case was listed for motion hearing on 09.08.2011.

6. During the hearing on 09.08.2011, the representative of the Petitioner reiterated the contents of the petition and requested time to submit some more documents relating to the fixation of tariff for procurement of power from biomass based power projects for period beyond 31.03.2012. The Petitioner also stated that process of tariff determination be commenced early so that the new tariff is in place well before the expiry of current tariff period.

7. On hearing the Petitioner, the Commission informed that the process of deciding terms and conditions for determination of tariff for the control period beyond 31.03.2012 for biomass projects shall be started in due course as the existing tariff order dated

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07.08.2007 shall be applicable till its control period i.e. up to 31.03.2012. The Commission is, therefore, of the opinion that the petition is premature and cannot be admitted. However, his request for early finalization of tariff for next control period is noted. The Commission further directs the Petitioner to submit comments/suggestions as and when process of determination of tariff for the control period beyond 31.03.2012 is initiated.

8. In view of the above, the Petition No. 52 of 2011 is not admitted and stands disposed of.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(K.K.Garg)
Member (Engg.)

(Rakesh Sahni)
Chairman