

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of permission for establishment of WEG for sale of power to the Respondents generated from Wind Electric Generators under Section 86(1)(e) of the Electricity Act, 2003 on the rates as decided by the Commission from time to time in its tariff order dated 14.05.2010.

Petition No. 94/2010

ORDER

(Date of hearing 12th January, 2011)

(Date of order 14th January, 2011)

M/s ADCC Infocad Pvt. Ltd.,
10/5, IT Park,
Opp. VNIT Nagpur
(M.S.) – 440022. - Petitioner

V/s

M.P.Power Trading Co. Ltd.,
Jabalpur - Respondent No. 1

M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd.,
Indore. - Respondent No. 2

Shri Anil Tiwari, Manager, M/s Suzlon Infrastructure Services Ltd. appeared on behalf of the Petitioner.

Ms Parul Dangi, Legal Executive appeared on behalf of the Respondent No. 1.

Shri Anant Chaure, Law Officer appeared on behalf of Respondent No. 2.

2. The petition is in the matter of permission for establishment of WEG for sale of power generated from WEG to the Respondents under Section 86(1)(e) of the Electricity Act, 2003 on the rates as decided by the Commission from time to time in its tariff order dated 14.05.2010.

3. The Petitioner has filed the present petition under Section 86 (1) (e) of the Electricity Act, 2003. Section 86(1) (e) of the Electricity Act, 2003 reads as under:-

“(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;”

4. The Petitioner has submitted that they are desirous of installing 1x1.5 MW Wind Electric Generator at Village Bavdikheda, Teh. Nalkheda, Dist. Shajapur for generation of electric power in the State of Madhya Pradesh. In the petition it is stated that they would sell

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the power so generated, to the Respondent No. 1 at the tariff rate determined by the Commission in Clause 11.2 of the order dated 14.05.2010 or at any other rate, which the Commission may decide.

5. The Petitioner has submitted that they have developed facility for evacuation of electricity from point of Generation to the nearest 132/33 KV Susner, Substation of MPPTCL as per the specification of the Respondent No 2 at their own cost and they have developed the said facility for the Capacity of 30 MW/bay. The Applicant Company and the same developer is establishing wind farm at Dewas and Jaora, Palsodi, Dist. Ratlam. The Applicant Company is able to transmit the electricity so generated from the point of generation to the point of nearest 132/33 KV S/s at Susner of the MPPTCL in terms of Clause 13 of the Government of M.P. Policy dated 17th October, 2006. The Petitioner has further submitted that the 1x1.5 MW WEG at Shajapur is planned to be commissioned before 31st March, 2011. However, few machines of this project (37.5 MW) will be commissioned before 30th January, 2011.

6. The Petitioner has prayed as under:

- (a) Permission may be granted for evacuation of power generated by 1x1.5 MW WEG at Shajapur, by extending the existing 33 KV network. Thus partial utilization at Shajapur of PE network will be done.
- (b) That the Respondents may kindly be directed to allow commissioning of this machine by 30th January 2011.
- (c) That the Respondent No. 1 may kindly be directed to initiate process of execution of Power Purchase Agreement simultaneously with the commissioning process of WEG to avoid delay. The Respondent No. 1 may also be directed to make the agreement effective from the date of commissioning of the WEG.
- (d) That the Respondent No. 1 may also be directed to Purchase the Power so generated by one WEG of the applicant at the rate as decided by the Commission from time to time in their tariff order.

7. The case was listed for hearing on 12.01.2011.

8. During the hearing, the Petitioner made a request to grant permission to sell the power generated from 1x1.5 MW WEG to the Respondent No. 1 at the tariff rate determined by the Commission vide Order dated 14.05.2010.

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9. During the hearing, the representative of the Respondent No. 2 made written submission that they have no objection to granting of permission by the Commission to the Petitioner.

10. The representative of Respondent No.1 made submission that the Commission has already notified Regulations for procurement of power from renewable sources of energy vide notification dated 19.11.2010. The Commission has also issued tariff Order on 14.05.2010 wherein the rates, terms and conditions for procurement of power has been specified. There is no specific provision in the said Regulation that the Commission may direct the Respondent to enter into Power Purchase Agreement (PPA) with any particular power generator / developer. As such the WEG owner i.e. the Petitioner should have approached the Respondent No.1 with proposal for sale of power from their WEG. The WEG Company should also indicate its financial tie-up, technology used and all other details as required for sale of power. In the instant case, the Petitioner has not approached the Respondent No.1 for sale of power. The representative also stated that time of 21 days being allowed by the Commission for execution of PPA is too short as they need approval of their Board of Directors for execution of each PPA.

11. The representative of the Petitioner made a submission that the petition was filed as per the procedure being followed by the Commission so far.

12. The Commission noted that the tariff order provides rates and other terms & conditions. The order does not have any specific provision to direct the Respondent No.1 as provided in the Regulations. However, as per Clause 6.2 of the Regulations, the Developers are required to get all the required statutory consents including permission from the Commission before entering PPA. The procedure of getting permission from the Commission was being followed to avoid the delay in execution of PPA, commissioning of WEG, etc. Regarding plea of Respondent No.1 of inadequacy of time being allowed for execution of PPA, the Commission observed that the Respondents are under obligation to procure electricity from renewable sources for which tariff and other requirements for execution of PPA are in place. They need to streamline their procedures to comply with the time-line prescribed by the Commission. The plea for extension in time is not acceptable.

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13. On hearing the Petitioner and the Respondents, the Commission directs to follow the existing procedure till the Commission decides a new procedure. The Commission also directs that WEG Companies/Developers are not required to indicate financial tie-up, technology used, etc. to Respondent No.1 before execution of PPA. Accordingly, the Commission grants permission to the Petitioner for establishment of one WEG of 1.5 MW at Village Bavdikheda, Tehsil – Nalkheda, Dist. Shajapur for sale of power to the Respondent No.1 on the rates, terms and conditions as per Tariff order dated 14.05.2010. The Commission further directs the Respondent No.1 to execute PPA with the Petitioner within 21 days of issue of this order complying with the specified requirements. The Commission also directs the Commission Secretary to issue detailed procedure separately to be followed henceforth for dealing with execution of PPA and sale of power to the Respondent No. 1 specifying the time limits for each activity to be performed by MP Power Trading Co. Ltd., Distribution Licensees and MP Power Transmission Co. Ltd. to avoid any delay.

14. With the above directions, the Petition No. 94/2010 stands disposed of.

Ordered accordingly,

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

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

(Rakesh Sahni)
Chairman

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A hearing was held on 12.01.2011. Accordingly, a draft order is placed on the file for favour of kind perusal and approval please.

Director (L&R)

Member (Eco.)

Member (Engg.)

Chairman