

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of establishment of WEGs and for permission under Section 86(1)(e) of the Electricity Act, 2003 for sale of power to Respondents generated from 4x1.5 MW (Mahuria) Dist. Shajapur through existing MP Power Trading Co. Ltd. network grid.

Petition No. 77/2010

ORDER

(Date of hearing 4th January, 2011)

(Date of order 10th January, 2011)

M/s Sterling Agro Industries Ltd.,
11th Floor, Agarwal Cyber Plaze-II,
Netaji Subhash Place,
Pitam Pura, Delhi – 110034. - 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 appeared on behalf of the Petitioner.

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

Shri Gajra Mehta, ACE and Shri P.K.Jain, EE appeared on behalf of Respondent No. 2.

2. The petition is in the matter of establishment of WEGs and for permission under Section 86(1)(e) of the Electricity Act, 2003 for sale of power to Respondents generated from 4 x 1.5 MW WEGs (total 6 MW capacity) through existing MP Power Trading Co. Ltd. network grid.

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 4x1.5 MW Wind Electric Generators at Mahuria Dist. Shajapur for generation of electric power in the State of Madhya Pradesh. In the petition it is stated that they would sell 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.

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5. The Petitioner has submitted that they have developed facility for evacuation of electricity from point of Generation to the nearest 132 KV/33 KV Susner/Agar, Dist. Shajapur substation of MPPTCL as per the specification of the Respondent No 2 at their own cost and they are developing the said facility for the Capacity of 15 MW/bay. The Applicant Company and the Suzlon as developer are establishing wind farm at Village Mahuria, Dist, Shajapur. Total 37.5 MW project at Mahuria 2x33 KV bays at Susner and 2x33 KV bays at Agar, Dist. Shajapur (15 MW/bay) feeder bays are already constructed. In this way, the Applicant Company would be able to transmit the electricity generated from the point of generation to the point of nearest 132/33 KV S/s of the MPPTCL in terms of Clause 13 of the Policy 2006. The Petitioner has further submitted that the 4x1.5 MW WEGs at Mahuria are planned to be commissioned before 31th March 2011.

6. The Petitioner, therefore, has made the following prayer :

- (a) To grant permission for sale of power generated by above WEGs to MP Tradeco at the rate as decided by the Commission from time to time in its tariff orders.
- (b) The Respondents may be directed to allow commissioning of this machine by 30.01.2011.
- (c) MP Tradeco may kindly be directed to initiate process of execution of PPA simultaneously with the commissioning process of WEG to avoid delay. MP Tradeco may also be directed to make the agreement effective from the date of commissioning of the WEGs.
- (d) MP Tradeco may also be directed to purchase the power so generated by the above WEGs at the rate as decided by the Commission from time to time in its tariff order.

7. The case was listed for hearing on 21.12.2010 which was subsequently adjourned to 04.01.2011.

8. During the hearing, the Petitioner made a request to grant permission to sell the power generated from 4x1.5 MW WEGs to the Respondent No. 1 at the tariff 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 in granting 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 WEGs. The WEGs 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.

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.

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 4 WEGs of total 6 MW capacity 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

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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. 77/2010 stands disposed of.

Ordered accordingly,

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

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

(Rakesh Sahni)
Chairman