

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of request for entering into Power Purchase Agreement with MP Power Trading Co. Ltd. for power to be generated from the proposed biomass gasifier based power plant (1.2 MW) in Village Ban, District Vidisha.

Petition No. 89/2010

ORDER

(Date of hearing 12th January, 2011)

(Date of order 10th February, 2011)

M/s Mahaveer Green Energy Fuels Pvt. Ltd., - Petitioner
M-6/1 Ankur Complex 6 No. Stop,
Shivaji Nagar, Bhopal – 462006 (MP)

V/s

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

M.P.Madhya Kshetra Vidyut Vitaran Co. Ltd., - Respondent No. 2
Bhopal.

Shri Rahul Gohil, Director appeared on behalf of the Petitioner.

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

Shri A.R.Verma, SE appeared on behalf of Respondent No. 2.

2. The petition is in the matter of request for entering into Power Purchase Agreement (PPA) with MP Power Trading Co. Ltd. for power to be generated from the proposed biomass gasifier based power plant (1.2 MW) in Village Ban, District Vidisha.

3. The Petitioner has submitted that the Company intends to establish 1.2 MW gasification based power project in Village Ban, District Vidisha under the program of Ministry of New and Renewable Energy Sources, Government of India for grid interactive MW level power project with 100% producer gas engine. The Petitioner had forwarded the said project report to the Ministry of New and Renewable Energy Sources, Government of India, New Delhi.

4. The Petitioner Company intends to sell the electricity so generated from its proposed project to the MP Power Trading Co. Ltd. at the rate approved by the Commission. For this purpose the Petitioner is also willing to sign PPA with Respondent No.1 for net 1 MW power. The plant is expected to be commission by September, 2011.

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5. The Petitioner has prayed to the Commission as under -
 - (i) For sale of energy from the above 1.2 MW gasification based power project in Village Ban, District Vidisha.
 - (ii) For execution of PPA, the rates approved by the Commission.
6. The case was listed for hearing on 12.01.2011.
7. During the hearing, the Petitioner made a request to grant permission to sell the power generated from 1.2 MW gasification based power project to the Respondent No.1 at the rates approved by the Commission.
8. During the hearing, the representative of Respondent No.2 requested to allow to submit written submission within 2-3 days. The Commission granted time to submit the same. The Respondent No.1 made the submission vide letter No. 1806 dated 14.01.2011. The Respondent No.1 submitted that signing of PPA may be deferred till the disposal of petition for review of RPO by MP Power Trading Co. Ltd. and to provide clear procedure for grid connectivity with the distribution network.
9. During the hearing, the representative of the Respondent No.1 stated that copy of petition was not received and therefore reply could not be filed. The Commission directed to provide a copy of petition to the Respondent No.1. Subsequently, the Respondent No.1 vide letter No. 200 dated 01.02.2011 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 07.08.2007 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 Petitioner should have approached the Respondent No.1 with proposal for sale of power from their biomass based power project. In the instant case, the Petitioner has not approached the Respondent No.1 for sale of power.
10. The Commission noted that the petition for review of RPO is under consideration of

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the Commission and the matter shall be decided in due course. The Commission is of the view that signing of PPA cannot be withheld on the pretext of pending petition in the matter of review of RPO. The Commission further 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 power plant, etc. The Commission further 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.

11. On hearing the Petitioner and the Respondents, the Commission directs to follow the existing procedure till the Commission decides a new procedure. Accordingly, the Commission grants permission to the Petitioner for sale of power from 1.2 MW biomass gasifier based power project in Village Ban, District Vidisha to the Respondent No.1 on the rates, terms and conditions as per Tariff order dated 07.08.2007. The Commission directs the Respondent No.2 to take similar action for allowing connectivity as being done in evacuating power from other non-conventional sources of energy in Madhya Pradesh. The Commission further directs the Respondent No.1 to execute PPA with the Petitioner 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.

12. With the above directions, the Petition No. 89/2010 stands disposed of.

Ordered accordingly,

Sd/-

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

Sd/-

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

Sd/-

(Rakesh Sahni)
Chairman