

Sub : In the matter of permission under clause 6.2 of MPERC(Cogeneration & Generation of electricity from Renewable sources of energy) (Revision-I) Regulations, 2010 as amended on dated 9th November,2010 and 30th June,2011 for extension of the period of PPA (Location nos. 2 & 16 of MPWL, Jamgodrani Hills, District Dewas)

ORDER

(Date of hearing: 15th December, 2015)

(Date of order: 5th January, 2016)

M/s M.P. Windfarms Limited, - Petitioner
ENERGY TOWER,
No. 64, B-Sector, Kasturba Nagar,
Bhopal- 462 023

M.P. Power Management Co. Ltd., - Respondent
Shakti Bhawan, Rampur, Jabalpur- 482 008

Shri R.Ramanujam, Advisor and Shri H.D.Motiramani, Sr. Consultant appeared on behalf of the petitioner.

Shri Manoj Dubey, Advisor (Law), Shri N.K. Sharma, AGM and Shri Sanjeev Khare, DGM appeared on behalf of the respondent.

2. The petitioner, M/s M.P. Windfarms Ltd., Bhopal has filed this petition seeking permission under clause 6.2 of MPERC (Cogeneration & Generation of electricity from Renewable sources of energy) (Revision-I) Regulations, 2010 as amended on dated 9th November,2010 and 30th June,2011 for extension of the period of PPA (Location nos. 2 & 16 of MPWL, Jamgodrani Hills, District Dewas). The case was listed for motion hearing on 30.10.2015. The Commission admitted the petition and the next date of hearing was fixed for 24.11.2015, which was adjourned to 15.12.2015 on the request of the respondent for filing the reply. The respondent filed a written submission on 11.12.2015.

3. During the hearing on 15.12.2015, the petitioner stated that the copy of reply from the respondent is received on the date of hearing wherein the respondent agreed to pay Rs. 0.36 per unit for the aforesaid WEGs, which is very low. He further stated that with the aforesaid WEGs, the Capacity Utilization Factor could not be achieved for more than 12%. If only maintenance cost will be allowed then it would not be possible to continue with the generation from these WEGs. These WEGs were commissioned by small investors. The O&M cost also increased since last 20 years. Maximum WEGs out of total 58 WEGs will be disconnected by September, 2017. Also, the State will be beneficial if these WEGs generate electricity. Had all the WEGs were commissioned simultaneously, it would have been proper to allow only maintenance cost. The petitioner further requested to allow payment @ Rs. 2.87 per unit for supply of energy generated from the aforesaid WEGs.

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4. During the hearing on 15.12.2015, the respondent stated that the Commission had determined the tariff for a plant life of 20 years vide tariff order dated 21.11.2007. The 20 years life of the aforesaid WEGs has already been completed on 25.09.2015. Apart from the aforesaid two WEGs, many other WEGs are still connected. The petitioner has mentioned in para 3 of the petition that it has to provide O &M services to the WEGs in operation and it has to keep the establishment for this purpose and has to meet the recurrent expenditure on this account. Since lifetime of the project of 20 years is already completed, no component of capital cost is left to be recovered. and, therefore, only O&M cost is liable to be paid by the respondent, which works out to Rs. 0.36 per unit.

5. Having heard the petitioner and the respondent and on considering their written submissions, the Commission has noted that the 20 years life of the aforesaid WEGs of the petitioner at Jamgodrani Hills, District Dewas at location no. 2 is already over and at location no.16 shall be over in March, 2016. The tariff @ Rs. 2.87 per unit is applicable for the inadvertent flow of the generated units within the project life of 20 years only. As such, the petitioner is not entitled to get tariff @ Rs. 2.87 per unit for the aforesaid WEGs for the extended period. The Commission is of the view that all the costs have already been recovered by the petitioner within a period of 20 years of the life of these WEGs. Therefore, the respondent may be allowed to pay the O&M cost which may be incurred by the petitioner during the operation of the aforesaid WEGs in extended period. The Commission also noted that the respondent while working out the O&M cost per unit, the O&M cost is escalated for 5 years only which should be escalated for 20 years. The capital cost is also estimated at Rs. 4.00 Crs./MW instead of Rs. 4.60 Crs./MW. Accordingly, the O&M cost payable by the respondent works out to Rs. 0.59 per unit. The Commission, therefore, allows extension of period of PPA for the WEG at location no. 2 for a further period of 2 years w.e.f. 25.09.2015 and at location no. 16 for a further period of 18 months w.e.f. 29.03.2016 and directs the respondent to make the payment at the rate of 59 paise per unit for the energy sent into the licensee's system by the aforesaid WEGs after the completion of life of 20 years.

6. With the above directions, the petition no. 55 of 2015 stands disposed of.

Ordered accordingly.

(Alok Gupta)
Member

(A.B.Bajpai)
Member

(Dr. Dev Raj Birdi)
Chairman