Petition No. 55/2007

M.P. ELECTRICITY REGULATORY COMMISSION,

Metro Plaza, Bittan Market, Bhopal

SUB: IN THE MATTER OF RENEWAL OF PPA FOR SALE TO MPPTC/MPSEB U/S. 86(1)(B) & (E) OF THE ELECTRICITY ACT, 2003

M.P. Windfarms Ltd., No. 162, Maharana Pratap Nagar, Zone – II, Bhopal – 462 011	-	Petitioner
V/s.		
M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore	-	Respondent No. 1
&		
Chief Engineer (Comml.) M.P. Power Trading Co. Ltd., Jabalpur.	-	Respondent No. 2

ORDER

(Passed on this day of 24, October, 2007)

Shri H.D. Motiramani, Consultant and Shri R. Ramanujam, Consultant appear on behalf of the petitioner.

Shri D.K. Ojha, SE appears on behalf of the Respondent No.1 and Shri D. K. Chawla, DGM, O/o ED (Com), appear on behalf of the Respondent No. 2.

The petition is in the matter of renewal of PPA for sale to MPPTC/MPSEB u/s 86(1)(B) & (E) of the Electricity Act, 2003.

2. The case was listed for urgent hearing on 26.09.2007. During the last hearing the Commission observed that since the agreement period of second PPA is not over, it is not clear as to why the respondent is asking for construction of evacuation of system. Considering the facts and circumstances of the case, the Commission had directed the respondent not to disconnect the wheeling of power till the final order is passed by the Commission and rest of the issues will be decided later on. Status quo is to be maintained till the final order. The Commission directed the respondent to submit the reply of the petition 3 working days before the next date of hearing.

3. The respondent No.1 has submitted in its written reply that the MPERC has directed that the rate of sale of wind energy shall be charged from the respondent by the petitioner @ Rs, 2.25 per unit for the balance period of initial power purchase agreement, which will expire on 25.09.2007 and thereafter on execution of new agreement the rate for sale of wind energy shall be charged as per the order of the Commission dated 01.03.2006 @ Rs. 2.87 per

unit subject to the terms and conditions decided by the Commission. The respondent has further stated that the technical matter between the parties has not been settled. The petitioner is required to make arrangement for evacuation of power as per the GoMP policy. The petitioner has not complied this condition even after six months notice Therefore, the petitioner and other investors may be directed to fulfill the above condition.

4. The respondent no. 2 submits in its written reply that the as per Govt. Policy, the cost of infrastructure of evacuation of power is to be borne by the developer. Moreover, as indicated by S.E. (O&M), Dewas in his letter dated 13.11.06 that existing arrangement for evacuation of power on 33 KV is getting overloaded. Hence it will not be possible to accommodate the additional power for the existing arrangements. The respondent has also submitted that the developer has stated in the prayer of the petition that renewal of the existing PPA for next 8 years i.e. balance period of plant life of 20 years, on the same terms and conditions as that of original PPA. The request of the developer could be considered in case he is ready to inject the power at the existing rate of Rs. 2.25/KWH.

5. The case is listed today for hearing. During the course of hearing, the Commission enquired from the respondent as to what is technical need of requiring for laying a separate 33 KV line and new arrangement of power evacuation, when wheeling of power is being done since last 12 years through existing arrangement for power evacuation. The respondent could not reply satisfactorily. The Commission has also noted seriously the statement given by Respondent No. 2 i.e. "t***he request of the developer could be considered in case he is ready to inject the power at the existing rate of Rs. 2.25/KWH".*** The Commission observed that the respondent has given the above statement in its written reply which is also against the tariff order issued by the Commission. The Commission asked the respondent that how, if the rate is agreed at Rs. 2.25 per unit, the system is not overloaded and if the rate is Rs. 2.87 per unit, the system becomes overloaded. The respondent could not give a satisfactory reply.

6. Having heard both parties and considering the facts and circumstances of the case, the Commission confirms the provisional order passed on 26.09.2007 and direct the respondent to maintain the status quo till the revision of the tariff order for wind energy is passed by the Commission. Thereafter, both the parties have to follow the directions contained therein. With the directions aforesaid, the Commission decides to close the case.

Ordered accordingly.

(R. Natarajan) **Member (Eco.)**	**(D. Roybardhan)** **Member (Engg.)**