

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of permission under section 86(e) of the Electricity Act, 2003 for sale of energy provided by his 2 Nos. of WEGs at location No. 47, 48, 46 & 49 to the MP Power Trading Co. Ltd.

Petition No. 54/2010

ORDER

(Date of hearing : 31st August, 2010)

(Date of order : 3rd September, 2010)

M/s Cepeco Industries Pvt. Ltd. - Petitioner
8, Balaji Estate, Guru Ravidas Marg,
Kalkaji, New Delhi – 110019.

V/s

MP Power Trading Co. Ltd., - Respondent No. 1
Shakti Bhawan, Vidyut Nagar,
Jabalpur.

MP Paschim Kshetra Vidyut Vitaran Co. Ltd., - Respondent No. 2
GPH Compound, Pologround
Indore.

Shri Ulhas Sahasrabuddhe appeared on behalf of Petitioner.

Shri D.K.Chawda, DGM (Comm.) appeared on behalf of Respondent No. 1.

Shri Gajra Mehta, ACE (Comm.) appeared on behalf of Respondent No. 2.

2. The Petitioner has filed this petition in the matter of permission under section 86(e) of the Electricity Act, 2003 for sale of energy generated and provided by WEGs at location No. 47, 48, 46 and 49 (Hill-C) to the MP Power Trading Co. Ltd.

3. The petitioner is the owner of four nos. of WEGs of 225 kW rating each installed at location No. 47, 48 and 46, 49 in the Windfarm at Jamgodrani, District Dewas. The WEGs are in operation from w.e.f 25.07.1997. In respect of WEG at location No. 47 and 48 (Hill-C), the petitioner had signed PPA on 17.05.2000 with third party M/s Prestige Vanaspati Ltd., Indore for wheeling of power to their plant for a period 12 year w.e.f. 25.07.1998. Due to payment problems, the wheeling of power to M/s Prestige Vanaspati Ltd. was terminated, the power is being sold to MPSEB from 09.05.2005 onwards till 25.07.2010.

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4. In respect to the WEG at location No. 46 and 49 (Hill-C), the Petitioner had signed PPA with M/s Malwa Vanaspati and Chemicals Ltd., Indore and MPSEB on 02.06.2000 (for 46) and 17.05.2000 (for 49) for wheeling of power to their plant for a period of 12 years w.e.f. 25.07.1998. Since the PPA with third party could not continue because of the payment problems, the wheeling of power to M/s Malwa Vanaspati and Chemicals Ltd. was terminated on their request by MPSEB w.e.f. 20.10.2004. A supplementary PPA was executed by the Petitioner on 19.11.2005 to sale power to another third party M/s Narmada Extrusion Ltd. This PPA could also be not continued. Hence, the Petitioner terminated the wheeling of power to M/s Narmada Extrusion Ltd. and sold the power to MPSEB w.e.f. February 2007.

5. The 12 years initial period of PPA expired on 25.07.2010. The Petitioner proposes to sell the power provided by these 4 Nos. of WEGs to MP Power Trading Co. Ltd. for the balance period of 8 years w.e.f. 26.07.2010 at the rate of Rs. 2.87 per unit as per the tariff order dated 21.11.2007. As the PPA in force expired on 25.07.2010, it is necessary that procurement of energy provided by the four WEGs of the petitioner and payment of cost for energy sold is not discontinued on the grounds of expiry of initial period of agreement on 25.07.2010.

6. The Petitioner has also submitted that in respect of WEGs at location No. 46 and 49 alongwith the other WEGs at location Nos. 60 and 61 in hearing of the petition No. 44/2009, the Commission passed order dated 27.10.2009 as under :

“On hearing both the Petitioner and the Respondent, the Commission has considered the request of the Petitioner and directs the Respondent No. 1 to allow sale of energy provided by 4 Nos. of WEGs to the utilities through MP Tradeco in terms of the provisions made in Tariff Order dated 21.11.2007 for procurement of power from the above existing WEGs w.e.f. the date just after the date of expiry of earlier PPAs.”

7. The Petitioner has submitted that separate PPA for WEGs at Location No. 46 and 49 has not been signed as yet, therefore has requested to include these locations also in the present order so that a common PPA can be executed for all the four locations with MP Power Trading Co. Ltd.

8. Therefore, the petitioner has prayed to the Commission –

- (a) Sale of energy generated and provided by above WEGs to MP Power Trading Co. Ltd. for a period of 8 years w.e.f. 26.07.2010 @ Rs. 2.87/unit as provided in tariff order dated 21.11.2007.

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- (b) Execution of agreement with MP Power Trading Co. for this purpose.
- (c) Continuation of procurement of energy provided by the Petitioner's WEG from 26.07.2010 onwards and for making payment to the Petitioner for the energy sold till the PPA is finally signed on behalf of MP Tradeco.

9. The case was listed for hearing on 31.08.2010.

10. During the hearing on 31.08.2010, the representative of the Petitioner made a request to accord permission for execution of agreement with the Respondent No. 1 for sale of energy generated from WEGs at location No. 47 and 48 w.e.f. 26.07.2010 for period of 8 years. He has further requested to allow him to execute the agreement for sale of energy generated from WEGs at location No. 46 and 49 w.e.f. 26.07.2010 as he could not sign the agreement despite Commission's approval vide Order dated 27.10.2009 in Petition No. 44/2009. During the hearing, the representative of Respondent No. 1 submitted that the fresh PPA in respect of location No. 46 and 49 could not be signed by MP Tradeco as the Petitioner did not submit the same for signature. The Respondent No.1 agreed to execute agreement for further period of 8 years w.e.f. 26.07.2010 in terms of provisions of Tariff Order dated 21.11.2007.

11. On hearing both the Petitioner and the Respondent, the Commission has considered the request of the Petitioner and allows the Petitioner to supply energy to the Respondent No. 1 provided by 2 Nos. of WEGs at location No. 47 and 48 (Hill-C) each of 225 kW rating for the utilities in terms of the provisions made in Tariff Order dated 21.11.2007 w.e.f. 26.07.2010 subject to completion of all formalities. Further, as the Commission has already accorded permission to execute agreement for sale of energy generated from WEGs at location No. 46 and 49 fresh permission for WEGs at location No. 46 and 49 is not required.

12. With the above directions, the Petition No. 54/2010 stands disposed off.

Ordered accordingly,

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

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