

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**Petition No. 18 of 2016**

**In the matter of:**

Application seeking approval of the Commission on the Draft Power Purchase Agreement between Uttarakhand Power Corporation Ltd. and UJVN Ltd. (4.5 MW Canal Bank Grid connected Solar PV Plant).

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Application seeking approval of the Commission on the Draft Power Purchase Agreement between Uttarakhand Power Corporation Ltd. and UJVN Ltd. (1 MW Canal Top Grid connected Solar PV Plant).

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Application seeking approval of the Commission on the Draft Power Purchase Agreement between Uttarakhand Power Corporation Ltd. and UJVN Ltd. (7.5 MW Canal Bank Grid connected Solar PV Plant).

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Application seeking approval of the Commission on the Draft Power Purchase Agreement between Uttarakhand Power Corporation Ltd. and UJVN Ltd. (7 MW Canal Bank Grid connected Solar PV Plant).

**In the matter of:**

Uttarakhand Power Corporation Ltd. ... Petitioner

**AND**

**In the matter of:**

UJVN Ltd. ... Respondent

**CORAM**

**Shri Subhash Kumar      Chairman**

**Shri K.P. Singh          Member**

**Date of Hearing: June 07, 2016**

**Date of Order: June 17, 2016**

The Order relates to the four Petitions filed by M/s Uttarakhand Power Corporation Ltd. (hereinafter referred to as "Petitioner" or "UPCL") seeking approval of the four Power Purchase Agreements (PPAs) which it proposes to enter into with Uttarakhand Jal Vidyut Nigam Ltd. (hereinafter referred to as "Respondent" or "UJVN Ltd."). Since the matter under the four Petitions were similar, the four Petitions have been clubbed together and are being dealt in this order.

## 1. Petitioner's submissions

- 1.1 UPCL had filed four Petitions seeking approval of the Commission on the draft PPAs for the purchase of energy generated from the Respondent's Canal Bank Grid Connected Solar PV Plant and Canal Top Grid Connected Solar PV Plant to be established by UJVN Ltd. under Section 86(1)(b) of the Electricity Act, 2003 and clause 5.1, 5.2 & 5.4 of the license conditions of the Distribution and Retail Supply license dated 20.06.2003 issued by the Commission.
- 1.2 The Petitioner submitted that the Respondent was desirous to sell entire energy scheduled to be generated from its projects and the applicant company is desirous of purchasing such energy on the terms and conditions as agreed between both the parties as per the terms and condition laid down in the respective draft PPA.
- 1.3 The Petitioner submitted that as per provision of the Electricity Act, 2003 read with the provision of the UERC (Conduct of Business) Regulations, 2014 and Distribution and Retail Supply License, the Petitioner is required to get the Draft PPA entered into with the Respondent approved by the Commission.

A hearing was also held on 07.06.2016 wherein the Petitioner & the Respondent were heard.

## 2. Commission's Views & Decisions

### 2.1 Legal Requirement for approval of PPA

- 2.1.1 A PPA is a legal document incorporating operational, technical & commercial provisions to be complied in accordance with the relevant rules & regulations.
- 2.1.2 Section 86(1)(b) of the Electricity Act, 2003 stipulates that one of the function of the Commission is to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.
- 2.1.3 Further, the Distribution and Retail Supply Licence issued by the Commission lays down certain conditions of license, which amongst others also has the following:

*"5.1 The Licensee shall be entitled to:*

*(a) ...*

*(b) Purchase, import or otherwise acquire electricity from any generating company or*

*any other person under Power Purchase Agreements or procurement process approved by the Commission;*

*..."*

*(Emphasis added)*

2.1.4 Regulation 39 of UERC (Conduct of Business) Regulations, 2014 specifies as under:

*"(1) The distribution licensee shall file with the Commission in complete form copies of all Power Purchase Agreements already entered into by it.*

*(2) The distribution licensee to establish to the satisfaction of the Commission that the purchase of power by it is under a transparent power purchase procurement process and is economical and the power is necessary to meet its service obligation.*

*(3) The Distribution licensee shall apply to the Commission for approval of the draft Power Purchase agreement that it proposes to enter into..."*

2.1.5 Further, Regulations 7(2) & 7(3) of both the UERC (Tariff and other Terms for Supply of Electricity from Non-Conventional and Renewable Energy sources) Regulations, 2010 & 2013 (RE Regulations, 2010 & RE Regulations, 2013) specifies that:

*"(2) The distribution licensee on an offer made by the said RE based Generating Stations and Co-generating Stations shall enter into a power purchase agreement in conformity with these Regulations and relevant provisions of other Regulations and the Act. The distribution licensee shall sign the PPA within two months of offer made by the generating company, failing which the generating company may approach the Commission for suitable remedy.*

*(3) The distribution licensee shall make an application for approval of power purchase agreement entered into with the generating station in such form and manner as specified in these regulations and Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time."*

*(Emphasis added)*

2.1.6 Accordingly, in accordance with the requirement of the Act and Regulations referred above, UPCL as a distribution licensee was required to seek approval of the PPAs entered or proposed to be entered by it from the Commission.

## **2.2 Commission's Analysis of the PPAs and Order on the same**

2.2.1 Details of the capacity of the four projects for which PPAs to be executed by UPCL with the UJVN Ltd. and submitted before the Commission for approval are as follows:

S. No.	Project Name	Capacity (in MW)
1	Canal Top Grid Connected Solar PV Plant on Yamuna Power Channel near Dhalipur Power House, Dhalipur.	1.0
2	Canal Bank Grid Connected Solar PV Plant on Yamuna Power Channel near Dhalipur Power House, Dhalipur.	4.5
3	Canal Bank Grid Connected Solar PV Plant on Yamuna Power Channel between Dhakrani Power House, Dhakrani and Dakpathar Barrage, Dakpathar	7.5
4	Canal Bank Grid Connected Solar PV Plant on Yamuna Power Channel near Kulhal Power House, Kulhal HEP.	7.0

2.2.2 The PPAs submitted by UPCL have been examined in light of the relevant rules & regulations. The Commission observed that draft PPAs submitted by UPCL in the matter are consistent with the provisions of Act/Regulations except for the following modification in Clause 1.5, i.e. Definition of “Energy Account Month” as per Clause 1.5 of:

Definition of ‘Energy Account Month in clause 1.5 needs modification as under:

*‘Energy Account Month’ means period from 00 hrs of 1<sup>st</sup> day to 24 hrs of last day of the billing month.*

2.3 Ordered accordingly.

**(K.P. Singh)**  
Member

**(Subhash Kumar)**  
Chairman