



Delhi Electricity Regulatory Commission

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110017.

No. F.11(2205)/DERC/2023-24/8025

Petition No. 12 of 2024

In the matter of : Petition seeking approval for procurement of 181.8 MW electricity and approval of Power Purchase Agreement (PPA) pursuant to the provisions of Section 86(1)(b) of the Electricity Act, 2003.

New Delhi Municipal Council

.... Petitioner

Coram:

Hon'ble Justice (Retd.) Jayant Nath, Chairperson

Appearance:

1. Mr. Saad Shervani, Advocate, NDMC
2. Mr. Tushar Sannu, Advocate, NDMC

ORDER

(Date of Order: 28.03.2024)

1. The instant Petition has been filed by New Delhi Municipal Council (NDMC) seeking approval for procurement of 181.8MW electricity and approval of Power Purchase Agreement (PPA) pursuant to the provisions of Section 86(1)(b) of the Electricity Act 2003. The Petitioner has made the following prayer:
 - (a) Approve the following Power Purchase Agreement (PPAs):
 - i. PPA entered into between the Petitioner and Jindal India Thermal Power Ltd. Odisha (Talchar)
 - ii. PPA entered into between the Petitioner and RKM Powergen Pvt. Ltd. Chattisgarh (Talchar)
 - iii. PPA entered into between the Petitioner and RKM Powergen Pvt. Ltd. Chattisgarh (IB Valley)
 - iv. PPA entered into between the Petitioner and SKS Power Generation Chattisgarh Ltd. (IB Valley)
 - v. PPA entered into between the Petitioner and Jindal Power Generation Chattisgarh Ltd. (IB Valley)
 - (b) Allow the Petitioner to procure 181.8MW of electricity from the generators.

Petitioner's Submissions.

2. The Petitioner has made the following submissions:
 - i. The Petitioner is entrusted with the distribution of electricity to the consumers in the New Delhi Municipal area under Section 195 to 201 of the New Delhi Municipal Council Act, 1994. That the Petitioner is required to procure power

WEAR FACE MASK WASH HAND REGULARLY MAINTAIN SOCIAL DISTANCING

from various sources in order to meet with its universal service obligations under Section 43 of Electricity Act, 2003 for providing uninterrupted, reliable power supply to the consumer at large.

- ii. That the Petitioner has a peak power demand of approximately 450MW. In order to fulfil its power needs and ensure a continuous supply of electricity across the region, the Petitioner entered into four long term PPAs with the following power generators for an overall quantum of 450MW:

S.No.	Power Generators	Quantum (in MW)
a.	NTPC BTPS	125
b.	NTPC Dadri Th-I	125
c.	PPCL-I	100
d.	PPCL-III	100
	TOTAL	450MW

- iii. As per the directions of the Hon’ble National Green Tribunal, the NTPC BTPS was shut down on October 15, 2018, leaving the Petitioner with 125MW power deficit.
- iv. Subsequently, the PPA entered into with NTPC Dadri Thermal-I expired on 30.11.2020, which resulted in additional 125 MW reduction in power supply.
- v. The Petitioner in order to maintain its overall power usage of 450MW and to make up for the shortage of 250MW power supply, resolved to procure electricity from other power generating stations. That for the said purpose, the Petitioner participated in Para B(v) Shakti Policy of the Ministry of Power, Government of India as provided in Press release dated 28.11.2022 posted by Press Information Bureau, Delhi.
- vi. That in terms of the said Shakti Policy, the Nodal agency at the request and on behalf of the NDMC had accordingly invited proposals by its Request for Selection (RfS) dated 21.11.2022 for shortlisting the bidders who offer to supply electricity from power generating stations and had shortlisted certain bidders. After evaluation of the bids received, the Nodal Agency on behalf of NDMC had accepted the bids of the selected bidders and subsequently issued Letters of Award (LoA) to the selected bidders requiring, inter alia, the execution of this PPA within 10 days of the date of issue thereof.

vii. That on the basis of LOAs issued to the selected bidders, the following quantum of power at the specified tariff was allocated to the Petitioner as given herein below:

	Allocation of Power under SHAKTI B(v) (in MW)								
	Talchar (Coal Quantity 15 MTPA)		IB Valley (Coal Quantity 9 MTPA)						
	Jindal India Thermal Power Ltd. Odisha	RKM Powergen Pvt. Ltd. Chattisgarh	SKS Power Generation Chattisgarh Ltd.	DB Power Ltd. Chattisgarh	TRN Energy Pvt. Ltd. Chattisgarh	Jindal Power Ltd. Chattisgarh	MB Power Madhya Pradesh Ltd. Madhya Pradesh	RKM Powergen Pvt. Ltd. Chattisgarh	Total Allocation (MW)
Tariff	@Rs. 5.14/kWh	@Rs. 5.49/kWh	@Rs. 5.0/kWh	@Rs. 5.20/kWh	@Rs. 5.202/kWh	@Rs. 5.22/kWh	@Rs. 5.28/kWh	@Rs. 5.40/kWh	@Rs. 5.30/kWh
Quantum	30.30	45.45	15.15	15.15	15.15	45.45	24.28	45.45	236.40

viii. That only five out of the aforementioned eight selected bidders, had proceeded to execute the PPAs. As such the overall power demand of 236.40 MW could not be met. However, PPAs with remaining five bidders have been executed successfully for the supply of 181.8MW electricity, details of which are as under:

S.No.	Name of Generators	Quantum of Power in MW	Rate in Rs./kWh
1.	Jindal India Thermal Power Ltd. Odisha (Talchar)	30.30	5.14
2.	RKM Powergen Pvt. Ltd. (Talchar)	45.45	5.49
3.	RKM Powergen Pvt. Ltd. Chattisgarh (IB Valley)	45.45	5.40
4.	SKS Power Generation (IB Valley)	15.15	5.20
5.	Jindal Power Ltd. Chattisgarh	45.45	5.22
	Total	181.8 MW	

ix. That the Central Electricity Regulatory Commission vide its Order dated 21.01.2024 in Petition No. 338/AT/2023, adopted the tariff of the Petitioner as provided in the LOA issued by the Nodal Agency.

x. In terms of Section 86(1)(b) of the Electricity Act, 2003, the Commission has the power to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licenses or from other sources

through agreements for purchase of power for distribution and supply within the State.

Commission’s Analysis

- 3. Officers of NDMC were directed for a meeting with officers of DERC on 27.03.2024 at 2:30 PM vide Interim Order dated 21/03/2024.
- 4. Accordingly, meeting held with officers of NDMC in the office of the Commission on 27/03/2024. During the meeting, Demand Supply Analysis, provisions of Power Purchase Agreement (PPA) were discussed & deliberated in detail.
- 5. Based on discussions data/clarifications was sought from NDMC vide DERC email dated 27.03.2024. In response, NDMC submitted necessary information vide their email dated 27.03.2024.
- 6. The submissions in Petition No. 12/2024 along with additional submissions were analyzed and the analysis of Tariff Division of DERC, is as follows:

A. Justification of Power Procurement: Demand Supply Analysis.

- i. The Peak Load for NDMC has largely remained around 380 MW in last 6 years, as follows:

Description	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Peak Load (MW)	388	385	293	372	361	376
Date	25-Jun	02-Jul	03-Jul	02-Jul	29-Jun	14-Jun
Time in Hrs	15:30	15:15	14:15	13:45	15:00	12:45

- ii. Since NDMC is majorly providing power to Govt. Offices and other Govt. Establishments, Peak Demand for NDMC occurs during Day Time. The Electricity Demand during Night Hours is much lower than that during Day time. Further, Electricity Load Growth is not seen in NDMC area in last 6 years. However, the Petitioner has submitted projected peak demand as 425 MW for next 5 years due to addition of loads such as Central Vista Building etc. in their area.
- iii. On Supply side, Availability of PPCL-I depends upon the consent of Other DISCOMS. Further, the Generation Plant remained back down from Oct '23 to till Mar'24 due to high Tariff of PPCL-I & Merit Order Despatch. Hence, allocation from PPCL-I is not factored in Supply computations. Further, based on submitted Energy Scheduling data of previous months, the availability from PPS-III Bawana to NDMC is 23 MW.

iv. Accordingly, Demand Supply Projections for NDMC for Next 5 years, as follows:

Sr. No.	Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
1	Peak Demand (MW)	425	425	425	425	425
2	Availability in MW					
a	PPCL-I	-	-	-	-	-
b	PPCL-III	23	23	23	23	23
c	Solar Roof Top	10	10	10	10	10
	Other	152	-	-	-	-
3	Total (MW)	185	33	33	33	33
4	Future Capacity Addition (200 MW SECI)	0	200	200	200	200
6	Surplus (+)/ Deficit (-)	-240	-192	-192	-192	-192
5	Capacity proposed (MW)	181.8				

v. Accordingly, Medium Procurement of 181.8 MW for a period of 5 years is considered appropriate for NDMC. Balance, if any, can be met from Banking, Bilateral and Power Exchange markets.

B. Deviations from MoP, GoI Guidelines and Model Bidding document

i. During the meeting, the Petitioner submitted that there are no deviations from MoP, GoI Guidelines dated 20/10/2022 and Model Bidding document.

C. Tariff: Provisions of Power Purchase Agreement

- i. **Adoption of Tariff for Generators:** Hon'ble CERC vide its Order dated 21/01/2024 in Petition No. 338/AT/2024 adopted Tariff discovered through competitive bidding process conducted by PFC Consulting limited (PFCCL) under Section-63 of the Act, subject to execution of PPA with Distribution Licensees.
- ii. **Commencement of Supply:** The Petitioner submitted that post signing of Fuel Supply Agreement (FSA), it may take a week's time for Commencement of Supply. Accordingly, they are expecting Supply from 15.04.2024.
- iii. **Transmission Arrangement:** Allocation of General Network Access (GNA) to NDMC as per DTL is 150 MW. They are in process for additional allocation of GNA for 80 MW to meet the requirement for future as well. However, till the final allocation of GNA is made, the Power will be scheduled under Temporary-GNA (T-GNA).

iv. **Landed cost of Power:** Party-wise Landed Cost of Power considering ISTS charges and other charges etc. is computed as follows

Landed Cost of Power for 181.8 MW Medium Term Tender							
Sr. No.	Coal Source →	Talcher (15 MTPA)		IB Valley (9 MTPA)			Total Allocation
	Generator →	JITPL Odisha	RKM Powergen CG.	SKS Power CG.	JPL CG.	RKM Powergen CG.	
1	Quantum (MW)	30.30	45.45	15.15	45.45	45.45	181.80
2	Tariff Rs/kWh	5.14	5.49	5.20	5.22	5.40	5.30
3	Additional Charges*	1	1	1	1	1	
4	Landed Cost of Power Rs/KWh	6.14	6.49	6.20	6.22	6.40	

CG. : Chhattisgarh

Details of Additional Charges		
Sr. No	Description	Charges (Rs./kWh)
1	STU Losses @0.84%	0.04
2	STU Charges Rs 382.54 /MWh	0.38
3	T-GNA Charges Charges Rs. 462.16 /MWh	0.46**
4	GNA Charges Charges Rs 406.130/MWh	0.41
5	ISTS Losses in 3.30%	0.17
6	Total	1.00

7. In view of above, the Commission grants approval of the following:
- a) Procurement of 181.8 MW Power for period of 5 years from various Generators through Aggregate Power Tender floated by PFC Consulting Ltd. under Para B(v) of 'SHAKTI' Policy;
 - b) PPA's entered into between the Petitioner and Generators mentioned at Prayer of the instant Petition;
8. Also, the Petitioner in its additional submissions vide email dated 27.03.2024 has submitted that the PPA with TRN Energy executed for supply of 15.15 MW Power was signed on 22.03.2024. Accordingly, the Commission directs the Petitioner to file a Petition for approval of PPA with said developer in due course of time.
9. Ordered Accordingly.

Sd/-
(Justice (Retd.) Jayant Nath)
Chairperson