



Delhi Electricity Regulatory Commission

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

F.11(2216)/DERC/2024-25/8087

Petition No. 27/2024

In the matter of: **Petition seeking approval for procurement of 15.15 MW electricity and approval of Power Purchase Agreement (PPA) pursuant to the provisions of section 86(1)(b) read with Section 63 of the Electricity Act, 2003.**

New Delhi Municipal Council

.... Petitioner

Vs.

TRN Energy Private Limited

...Respondent

Coram:

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

Appearance:

Mr. Saad Shervani, Advocate, Petitioner.

Order

(Date of Order: 05.06.2024)

1. The instant Petition has been filed by NDMC seeking approval of the Commission for procurement of 15.15 MW electricity and approval of Power Purchase Agreement (PPA). The Petitioner has made the following prayers in its Petition:
 - a. Approve the Power Purchase Agreement (PPA) entered into between the Petitioner and TRN Energy Private Ltd.
 - b. Allow the Petitioner to procure 15.15 MW of electricity from the Respondent.

Submissions by the Petitioner

2. The Petitioner has submitted that:
 - i. The Petitioner is entrusted with the distribution of electricity to the consumers in the New Delhi Municipal area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994.
 - ii. The Petitioner has a peak power demand of approximately 450 MW. In order to fulfill 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. Subsequently, the PPA entered into with NTPC Dadri Thermal-I expired on 30.11.2020, which resulted in additional 125MW reduction in power supply.
- iv. 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 generating stations. That for the said purpose, the Petitioner participated in Para B(V) Shakti Policy of the Ministry of Power, Government of India. The said policy was published in gazette of India vide no. 270 dated 20.10.2022.
- v. In terms of the 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 station 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.
- vi. On the basis of LOAs issued to the selected bidders, the following quantum of power at the specified tariff was allocated to the Petitioner:

| Allocation of Power under SHAKTI B(V) (in MW) | | | | | | | | | |
|---|--|------------------------------------|---------------------------------------|---------------------------|----------------------------------|-------------------------------|---|------------------------------------|-----------------------|
| | Talcher (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 |

- vii. The Petitioner had previously entered into five PPAs for procurement of power premised on similar facts which PPAs were executed successfully for supply of 181.8 MW electricity. The Petitioner filed a Petition bearing no. 12 of 2024 before the Commission seeking approval of the procurement of 181.8MW electricity and for approval of PPAs entered into with those five selected bidders. The said Petition was allowed vide Order dated 28.03.2024.
- viii. In addition to the five PPAs earlier executed by the Petitioner with five of the aforementioned eight selected bidders, a Power Purchase Agreement for the delivery of 15.15MW electricity at a cost of Rs. 5.202/unit has recently been executed between NDMC and TRN Energy Private Limited on 22.03.2024. All the six PPAs arise out of a common bid conducted in pursuance of the participation of the Petitioner NDMC in Para B(V) Shakti Policy of the Government of India for the procurement of power.
- ix. The Central Electricity Regulatory Commission vide its order dated 21.01.2024 in Petition No. 338/AT/2023, adopted the tariff of the Petitioners as provided in the LOA issued by the Nodal Agency.

Commission Analysis

- 3. The instant Petition has been filed by the Petitioner, NDMC, seeking approval of procurement of 15.15MW Power and PPA entered with TRN Energy Pvt. Ltd., in compliance of the order of the Commission dated 28.03.2024 passed in Petition No. 12 of 2024 filed by NDMC for seeking approval for procurement of 181.8MW electricity and approval of Power Purchase Agreement pursuant to the provisions of Section 86(1)(b) of the Electricity Act, 2003.
- 4. The relevant part of the Commission' Order dated 28.03.2024 is reproduced below:

“.....

 - 7. *In view of above, the Commission grants approval of the following:*
 - a) *Procurement of 181.8MW 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.*

....”

5. It is observed that the Terms and Conditions of PPA executed with TRN Energy Pvt. Ltd. are in line with PPAs entered by NDMC with various Generators, as approved by the Commission vide order dated 28.03.2024. The Central Electricity Regulatory Commission vide its order dated 21.01.2024 in Petition No. 338/AT/2023, adopted the tariff of the Petitioners as provided in the LOA issued by the Nodal Agency.
6. In view of above, the Commission grants approval to the following:
 - a) Procurement of 15.15MW power at a Two-part Tariff of Rs. 5.202/kWh for a period of 5 years; and
 - b) PPA executed on 22.03.2024 between Petitioner, NDMC, and TRN Energy Pvt. Ltd.
7. Ordered Accordingly.

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