



## **Delhi Electricity Regulatory Commission**

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

F.11(2250)/DERC/2024-25/8195

### **Petition No. 44/2024**

**In the matter of:**      **Petition under Sections 62 and 86(1)(e) of the Electricity Act, 2003 read with Regulation 45 of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 seeking approval of the Draft Power Purchase Agreement between Nuclear Power Corporation of India Limited and BSES Rajdhani Power Ltd. for Narora Atomic Power Station Unit – 1 & 2 for 33MW of Nuclear Power.**

**BSES Rajdhani Power Ltd.**

**....Petitioner**

**Vs.**

**Nuclear Power Corporation Ltd.**

**...Respondent**

### **Coram:**

**Justice Umesh Kumar, Former Judge, Chairman, DERC  
Sh. Ram Naresh Singh, Member  
Sh. Surender Babbar, Member**

### **Appearance:**

- 1. Mr. Buddy A Ranganadhan, Sr. Advocate for Petitioner**
- 2. Mr. Dushyant Manocha, Ld. Counsel for Petitioner**
- 3. Ms. Kashish Chhabra, Ld. Counsel for Petitioner**

### **ORDER**

(Date of Order: 18.06.2025)

1. The instant Petition has been filed by BSES Rajdhani Power Ltd. ("BRPL") for seeking approval of the Draft Power Purchase Agreement (Annexure 'O' of the Petition) between Nuclear Power Corporation of India Limited and BSES Rajdhani Power Ltd. for Narora Atomic Power Station Unit 1 & 2 for 33MW of Nuclear Power. The Petitioner has made the following prayer in its Petition:
  - a. To approve the Draft Power Purchase Agreement for 33MW of nuclear power between Nuclear Power Corporation of India Limited ("NPCIL") and the Petitioner from the Narora Atomic Power Station Unit 1 & 2 ("NAPS-1 & 2") for a period of 15 years.

### **Petitioner's Submissions**

2. The Petitioner has submitted the following:
  - i. The Petitioner is a distribution licensee under the provisions of the Electricity Act, 2003 ("EA, 2003") having its area of supply in South and West Delhi.

ii. NPCIL has set up nuclear power plants within the country in general and within the northern region in particular, including the station at NAPS-1&2 at Narora, Bulandshahr District, Uttar Pradesh, designed for an installed nominal capacity of 440 MWe, consisting of two units each of 220MWe. The first unit of the two units of the Power Station has been declared commercial since 01.01.1991 and the second unit has been declared commercial since 01.07.1992.

iii. That on 27.04.2005, DTL entered into a PPA with NPCIL for supply of power to NCT of Delhi for a period of 15 years, i.e., till 26.04.2020. The Commission on 31.03.2007 passed an Order reassigning the PPAs in various Generating Stations including that of NAPS – 1&2 with effect from 01.04.2007. The Commission while re-assigning the PPAs to the Petitioner, BYPL and TPDDL also issued *inter-alia* the following directions:

“ ...

*ii) All existing PPAs (with the exception of Badarpur TPS, NCR Dadri TPS, IPGCL and the PPCL both existing and future capacities) shall be allocated amongst the three Distribution Companies, namely, the NDPL, BRPL and BYPL in a ratio which would be in proportion to the energy drawn by them from the date of unbundling to February 2007. For the NCR Dadri TPS, IPGCL and the PPCL, only 85% of the capacities shall be allocated amongst the three Discoms on the same principle. Insofar as Badarpur is concerned, only 85% of the capacity left after allocating to the NDMC and the MES would be allocated between the three Discoms, again on similar lines. The capacity allotted to each of the Distribution Companies arrived at on the basis of this principle is annexed along with this Order.*

...

*vi) With the allocation arrangements discussed above, the allocations made from individual stations shall be effective during the period 1.04.2007 to 31.03.2011.”...*

iv. The Petitioner's PPA with NPCIL was coming to end on 26.04.2020, during the COVID-19 pandemic. the pandemic led to multiple waves of infections globally, prompting governments to implement measures like lockdowns, travel restrictions, and social distancing to curb its spread. These measures, at the time, disrupted normal life patterns, directly impacting electricity consumption patterns, demand, and supply dynamics. Further, during the pandemic, industrial and commercial activities were significantly scaled back, with employees instructed to work from home and schools and universities transitioning to remote learning.

v. Accordingly, the Petitioner on 03.04.2020 and 11.04.2020, along with other DISCOMs, approached the Commission regarding the renewal of the PPA with NPCIL for NAPS-1&2.

- vi. On 19.04.2020, the Commission responded vide its e-mail stating that considering various factors it was pleased to accord in-principle approval for allocation of power from NAPS-1&2 at the existing terms and conditions beyond the expiry of existing PPA and directed the DISCOMs to file an appropriate petition.
- vii. That there was a lack of communication from NPCIL, as regular communication and administrative processes were impacted on account of the COVID-19 pandemic. Consequently, it was only on 02.08.2022 that NPCIL, shared the revised Draft PPA in line with the latest approvals from its Board committee.
- viii. That since both the Petitioner and BYPL were to renew their PPAs, with NPCIL, BYPL deliberated and negotiated with NPCIL on behalf of the Petitioner as well as and on 06.01.2023, the Petitioner through BYPL after continuous deliberations shared a revised version of the Draft PPA which was redrafted, in order to bring it in line with the changes in the Rules and Regulations applicable to PPAs.
- ix. NPCIL shared a draft PPA with the Petitioner on 21.11.2023 and requested a review of the document. On 28.11.2023, the Petitioner review the draft PPA, made some changes, and then shared the revised version with NPCIL.
- x. A meeting was held at NAPS site on 22.05.2024 between officials of NPCIL and the Petitioner wherein, Clause 9.2 and 9.8 was agreed mutually and all other clauses were agreed upon in line with draft PPA finalized for Rajasthan Atomic Power Station Units 5 and 6.
- xi. Pursuant to the meeting held as mentioned above, the Petitioner and NPCIL have agreed to the terms of the Draft PPA proposed to be entered into, which is largely in line with the existing terms and conditions of the expired PPA with DTL with certain deviations making the Draft PPA more commercially viable and bringing it line with the current market practices. These deviations include:

S.No.	Earlier PPA with DTL	Draft PPA
1.		<b>Clause 2.3:</b> Allocation of power from any other power plant of NPCIL from time to time out of its unallocated power shall stand allocated as per terms and conditions of this agreement except Tariff. The Tariff applicable for the unallocated power shall be the Tariff Notified/Provisional Tariff for that power plant from time to time.

2.	<b>Clause 7.3:</b> In the event of any additional investment made with the approval of DAE towards the modification of the power station's facilities to meet the safety requirements, the tariff will be revised as per notification issued by the Government of India. However, in case of any additional investments towards modifications/improvement of operational efficiency, the DTL/bulk Power Beneficiaries shall be consulted and informed.	<b>Deleted</b>
3.	.... <b>Clause 8.1.1:</b> Such bills shall be accordance with the Tariff rates in force. If there are no Tariff rates in force in any period ,the Bulk Power Beneficiaries shall pay in accordance with the latest valid notified Tariff rates.	<b>Clause 7.3:</b> Pending the Notification of the tariff or any other such imposition by DAE the bill shall be paid at provisional tariff that would be indicated by NPCIL.
4.	<b>Clause 8.1:</b> The DTL shall pay to NPCIL all bills for energy supplied to it by the Power Station as well as the bills for the interest charges, if any, levied, through a Letter of Credit (LC) as per Clauses 8.2.1, 8.2.2, and 8.2.3 below on presentation of such bills by the Power Plant, in accordance with various provisions of this Agreement. The procedure for assessment of supply of energy shall be as laid down in the memorandum of instructions appended as Annexure-A to this Agreement and referred to in clause 5.0 of this agreement.	<b>Clause 9.1:</b> The _____ shall pay to NPCIL all bills for energy supplied to it by the Power Station as well as the bills for the interest charges, if any, levied, through a Letter of Credit (LC), Standby Letter of Credit (SBLC), Direct Pay Letter of Credit (DPLC), Bank Guarantee (BG), Standby Bank Guarantee (SBG), or any payment security mechanism as notified by MoP/GOI time to time as per Clauses 10.1, 10.2, 10.3, and 10.4 below on presentation of such bills by the Power Plant, in accordance with various provisions of this Agreement. The procedure for assessment of supply of energy be as laid down in the memorandum of instructions appended as Annexure-A to this Agreement and referred to in Clause 5.0
5.	<b>Clause 8.1.1:</b> NPCIL shall present the bills at the end of each calendar month for energy supplied to DTL from the Power Station on the basis of the Regional Energy Account issued by NREB. The date of presentation of the bill shall be the sixth day from the date of the issue of the bill.	<b>Clause 9.2:</b> NPCIL shall present the bills electronically by email on address as given at Clause 18.0 at the end of each calendar month for energy supplied to BRPL from the Power Station on the basis of the Regional Energy Account issued by NRPC/Delhi SLDC or any designated authority in line with the applicable codes/directions. The date of presentation of the bill shall be the date of e-bill delivered through email.
6.	<b>Clause 7.5.2</b> The total amount of such taxes/duties/cess etc. payable by NPCIL to the authorities concerned in any month on account of the said taxes/duties/cess etc. as referred to above shall be borne and additionally paid by the DTL to NPCIL and the same shall be charged in the monthly bills raised by NPCIL in proportion of energy drawl by DTL from NPCIL.	<b>Clause 9.4:</b> The monthly bill for the Power Station shall reflect tariff along with statutory taxes, levies such as decommissioning, self-insurance and nuclear liability fund, and other applicable charges in accordance with the provisions of the Agreement. If for certain reasons, some of the charges cannot be included in the main monthly bills, the Power Station will raise supplementary bill(s) for such amounts.

	<b>Clause 8.1.3</b> The monthly bill for the power station shall be aggregate charges in accordance with the provisions of the agreement. If for certain reasons some of the charges cannot be included in the main monthly bills, the power stations will raise supplementary bill(s) for such amounts.	
7.		<b>Clause 9.5:</b> If the amount of the bill is more than the amount of Letter of Credit (LC), Standby Letter of Credit (SBLC), Direct Pay Letter of Credit (DPLC), Bank Guarantee (BG), or Standby Bank Guarantee (SBG), NPCIL will prepare two bills, out of which one bill for one amount equal to the amount of approved Trade finance instruments and the second bill for the balance amount of direct payment to be made by the Beneficiaries on or before the last day of the month in which the bill is raised.
8.	<b>Clause:8.1.6</b> In the event of any error in the bills coming to the notice of DTL, it shall within 30 days of the date of presentation of the relevant invoice, communicate the same to NPCIL in writing, stating the error noticed and the full reasons/data of error, provided, however, that non-acceptance of the tariff determined/approved by DAE shall not be the valid ground for the dispute.	<b>Clause 9.8:</b> In the event of any error in the bills coming to the notice of BRPL, it shall within three working days of the date of presentation of the relevant invoice, communicate the same to NPCIL in writing, stating the error noticed and the full reasons/data of error, provided, however, that non-acceptance of the tariff determined/approved by DAE shall not the ground for withholding payments. Non-payment of such bills beyond the due date would attract delayed payment charges as would attract delayed payment charges as per the provisions of this Agreement.
9.	<b>Clause 8.1.7:</b> Bill amounts are not realized in the NPCIL account, the bill amount not received would be payable with an interest @ zero point zero four one percent (0.041%) per day (i.e. 15% per annum compounded quarterly) from the last day of the month following the month in which the bill is raised by the NPCIL.	<b>Clause 9.9:</b> BRPL shall pay the entire bill in respect of which an error is noticed in accordance with Clauses 7.0 and 8.0 in full. The Power Plant will modify the bill, if found necessary, in consultation with NRPC and shall refund any amount overcharged with an interest calculated as per MoP notification dated 3/6/2022, interest calculated @ 0.049% per day (18% p.a.) for late payment surcharge specified in Clause 12 from the date of receipt of the amount to the date of refund to the BRPL.
10.	<b>Clause 8.2.1:</b> DTL shall also open an irrevocable revolving LC, in favor of NPCIL & maintained by DTL at a branch of the State Bank of India or any Nationalized Bank, as may be mutually agreed. The LC shall be established prior to the commencement of power supply from the Power Stations. The LC shall be established for an amount equal to 105% of the average of monthly energy bills of the immediately preceding six months excluding the periods of planned shutdown. The	<b>Clause 10.1:</b> The payment of all bills shall be made by the BRPL preferably through Trade Finance Instrument [Letter of Credit (LC), Standby Letter of Credit (SBLC), Direct Pay Letter of Credit (DPLC), Bank Guarantee (BG), Standby Bank Guarantee (SBG)] or any payment security mechanism as notified by MoP/GOI time to time including advance cash payment in case no Trade Finance Instrument is established. The aforesaid instrument to be opened in favor of

	Power stations will inform to the DTL the amount of LC, which is required to be opened as per the above guidelines.	NPCIL and maintained by BRPL at a branch of the State Bank of India or any Nationalized Bank, as may be mutually agreed. The Trade Finance Instrument shall be established prior to the commencement of power supply from the Power Station. The Trade Finance Instrument shall be established for an amount equal to 105% of the average of monthly energy bills of the immediately preceding twelve months excluding the periods of planned shutdown, to be reviewed every six months in January & July. The Power Plant will inform to the BRPL the amount of Trade Finance Instrument required to be opened as per above guidelines.						
11.		<b>Clause 10.4:</b> Orders and circulars issued by GOI or any other agency such as MoP, CERC, CEA etc. from time to time, and offering better payment security mechanism shall also be applicable.						
12.	<b>Clause 8.3.1:</b> 2.5% (two and a half percent) only (excluding duties, levies, etc.) on the amount of the bill negotiated through the LC on presentation of the bills by the NPCIL to Bank.	<b>Clause 11.1:</b> NPCIL shall allow a rebate as per Table-1 below, on the amount of the bill negotiated through the approved Trade Finance Instrument on presentation of the bills by the NPCIL to Bank or paid through other means by BRPL and realized within the last day of the calendar month in which the date of issue of the bill is recorded as per Clause 9.2 above or adjustment against advance deposited with NPCIL through electronic mode before supply of energy to the Beneficiaries. NPCIL shall not allow any rebate where the bill amounts are realized in the NPCIL account subsequently, in the following month to the month in which the date of issue of the bills is recorded, as mentioned under Clause 9.2 or in absence of an approved instrument of requisite value if paid through any other means except adjustment against advance deposited by beneficiary before purchase of electricity. <table><tr><td>Period of payment through Trade Finance Instrument (Days of Calendar month in which date of bill is recorded)</td><td>Rebate (as% on the amount of Bill negotiated through Trade Finance Instrument or paid directly)</td></tr><tr><td>1<sup>st</sup>- 10<sup>th</sup> day of the calendar month</td><td>2.50%</td></tr><tr><td>11<sup>th</sup>- 20<sup>th</sup> day of the calendar month</td><td>2.00%</td></tr></table>	Period of payment through Trade Finance Instrument (Days of Calendar month in which date of bill is recorded)	Rebate (as% on the amount of Bill negotiated through Trade Finance Instrument or paid directly)	1 <sup>st</sup> - 10 <sup>th</sup> day of the calendar month	2.50%	11 <sup>th</sup> - 20 <sup>th</sup> day of the calendar month	2.00%
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1 <sup>st</sup> - 10 <sup>th</sup> day of the calendar month	2.50%							
11 <sup>th</sup> - 20 <sup>th</sup> day of the calendar month	2.00%							

		21 <sup>st</sup> - Last day of the Calendar month	1.50%	
13.	<p><b>Clause 8.4.1:</b> Bill amounts are not realized in the NPCIL account, the bill amount not received would be payable with an interest @ zero point zero four one percent (0.041%) per day (i.e. 15% per annum compounded quarterly) from the last day of the month following the month in which bill is raised by the NPCIL.</p>	<p><b>Clause 12:</b> If Trade finance instruments is opened for any amount lower than calculated as per Clause 10.1 above or though the Trade finance instrument is opened and bill amounts are not realized in the NPCIL account, the outstanding amount would be payable with Late Payment Surcharge from the last day of the month following the month in which the bill is raised by the NPCIL. The late payment surcharge shall be payable as per MoP notification dated 3/6/2022 which is as under:</p> <p>12.1 Late payment surcharge on the payment outstanding after the due date, i.e., last day of the month following the month in which bill is raised by the NPCIL, at the Base Rate of Late Payment Surcharge applicable for the period for the first month of default.</p> <p>12.2 The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5% for every month of delay provided that the Late Payment Surcharge shall not be more than three percent higher than the base rate at any time.</p> <p>The same shall be applicable in case of advance deposit. Also, no rebate will be admissible on such amount.</p>		

- xii. That even as per the demand-supply analysis, since the earlier PPA has come to an end, the present Draft PPA will help in meet the load profile of the Petitioner as per the Power Supply Deficit scenario at a reasonable cost on a long-term basis.
- xiii. The power generation from nuclear energy is reliable and clean with low carbon emission as compared to other alternatives, which in turn benefits the consumers as well. Therefore, it is not only in the Petitioner's interest but also in the interest of consumers at large that the Commission may be pleased to allow the present Petition in the terms prayed.
- xiv. NPCIL supplies power at a very competitive tariff, i.e. FY 2022-23 for NAPS is Rs. 3.01/ kWh. Moreover, the tariff is single part tariff against the long term tariff of Rs. 5.31/kWh from other long term sources in FY 2022-23. Further, the power from nuclear source is base load and should not be compared with RE power which has peaking and intermittent power.

- xv. It is pertinent to note that the Petitioner previously filed Petition No. 33 of 2024, seeking approval of a draft PPA for 25 MW of nuclear power from Rajasthan Atomic Power Station Units 5 and 6.

### **Commission Analysis**

3. The instant Petition has been filed by BSES Rajdhani Power Ltd. for seeking approval of the Draft Power Purchase Agreement between Nuclear Power Corporation of India Limited and BSES Rajdhani Power Ltd. for Narora Atomic Power Station Unit 1 & 2 for 33MW of Nuclear Power.
4. The Commission observes that there are thirteen mutually agreed deviations. It has been submitted that these deviations have been incorporated to make NAPS-Unit1&2 draft PPA commercially viable and bringing it in line with the current market practices.
5. Further, the mutually agreed draft PPA proposed to be entered into, with certain deviations specified in Para 2(xi) of this Order, is largely in line with the terms and conditions of the existing PPA, as entered into by the Petitioner with NPCIL for Rajasthan Atomic Power Station (RAPs) Unit 5&6, which has already been approved by the Commission for the Petitioner in its Order dated 04.02.2025 in Petition Nos. 30 and 33 of 2024 for NPCIL RAPS-5&6.
6. The Commission hereby accords approval, as prayed for, to the Draft Power Purchase Agreement, at Annexure-O of the Petition, entered by the Petitioner with Nuclear Power Corporation of India Limited for 33MW of Nuclear Power from the Narora Atomic Power Station Unit 1&2 for a period of 15 years. As per the terms of the proposed Draft PPA, the Tariff shall be charged by the Respondent as per the Notification issued by the Department of Atomic Energy from time to time, as per the provisions of the Atomic Energy Act, 1962. Once the PPA is signed by the Parties, the Petitioner shall file a copy thereof with the Commission for records.
7. Ordered accordingly.

**Sd/-**  
**(Surender Babbar)**  
**Member**

**Sd/-**  
**(Ram Naresh Singh)**  
**Member**

**Sd/-**  
**(Justice Umesh Kumar)**  
**Former Judge**  
**Chairman DERC**