



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

F.11(2341)/DERC/2025-26/8500

Petition No. 36/2025

In the matter of: Petition u/S 86(1)(b) of the Electricity Act, 2003 and other enabling provisions seeking approval of Draft Power Purchase Agreement for procurement of power from Parbati H.E. Project Stage-II to be executed between Tata Power Delhi Distribution Ltd. and National Hydroelectric Power Corporation Ltd.

Tata Power Delhi Distribution Ltd.

... Petitioner

Vs.

National Hydroelectric Power Corporation Ltd.

...Respondent

Coram:

Sh. Ram Naresh Singh, Member

Sh. Surender Babbar, Member

Appearance:

- 1. Mr. Shivam Sinha, Ld. Counsel for Petitioner**
- 2. Mr. Chetan Saxena, Ld. Counsel for Petitioner**

ORDER

(Date of Order: 24.11.2025)

1. The Instant Petition was filed by Tata Power Delhi Distribution Ltd. ("the Petitioner") seeking approval of draft Power Purchase Agreement ("PPA") for procurement of 12MW power from Parbati H.E. Project Stage-II to be executed between the Petitioner and National Hydroelectric Power Corporation Ltd. ("NHPC"). Meanwhile, in view of the Order dated 16.06.2025 for Allocation of Power passed by the Commission & subsequent signing of PPA by the Parties under directions of the Commission, the Petitioner has filed an Additional Affidavit dated 03.07.2025, thereby praying for taking on record the PPA signed between the Parties. Now, the matter for consideration before the Commission is the approval of the aforesaid PPA dated 25.06.2025.

Petitioner's Submissions

2. The Petitioner has submitted the following:
 - i. The Petitioner is a distribution licensee in terms of Section 14 of the Electricity Act, 2003 ("Act") read with Delhi Electricity Reforms Act, 2000 ("DERA, 2000") and is operating in North and North West areas of Delhi.

- ii. That National Hydroelectric Power Corporation Ltd. ("NHPC/Respondent") is a company owned by the Government of India within the meaning of Companies Act, 1956 and is a 'Generating Company' as defined under Section 2(28) of the Electricity Act, 2003 ("Electricity Act") having power stations/projects at different regions and places in the country, one of them being the Parbati H.E. Project Stage-II("Parbati-II"/"Project") which is located in Himachal Pradesh.
- iii. Pursuant to privatization of the power sector in NCT of Delhi, the GNCTD issued policy directions in FY 2001-2002 and vested the responsibility for power procurement/bulk supply from FY 2002-2007 with Delhi Transco Limited ("DTL") for a period of 5 years. Further, the policy directions issued by GNCTD were valid till 31.03.2007. Thus, till 31.03.2007, DTL was the sole entity responsible for procurement and bulk supply of power in NCT of Delhi wherein all distribution companies including the Petitioner had to purchase power from DTL at an approved Bulk Supply Tariff based on their capacity to pay principle.
- iv. Subsequently, on 28.06.2006, GNCTD issued a set of policy directions wherein the distribution companies were required to make their own arrangements for procurement of power for supply to the consumers with effect from 01.04.2007.
- v. On 28.03.2007, DTL and the Respondent executed a Power Purchase Agreement ("Reassigned PPA") for procurement of power from Parbati-II which was based on the allocation issued by Ministry of Power ("MoP") from time to time. The Reassigned PPA is now being superseded by the Draft Power Purchase Agreement ("Draft PPA") for which the approval is being sought of the Commission.
- vi. Thereafter, the Commission vide Order dated 31.03.2007 ("Reassignment Order") reassigned the existing and future power projects from DTL to the distribution companies in NCT of Delhi i.e., BSES Rajdhani Power Limited, BSES Yamuna Power Limited, and the Petitioner wherein the Petitioner was allocated 29.18% of power procured for NCT of Delhi from Parbati-II.
- vii. On 27.02.2014, the Commission issued review of the Reassignment Order ("Reviewed Reassignment Order") wherein the share of the Petitioner was revised from 29.18% to 30.68% for procurement of power for NCT of Delhi.

- viii. On 31.01.2017, the Commission notified the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 ("Tariff Regulations"). A conjoint reading of Regulation 118 and Regulation 119 of the Tariff Regulations provides that the power procurement cost is to be allowed by the Commission on approval of power purchase agreement which is to be computed on the basis of quantum of power required to meet the demand and distribution loss approved by the Hon'ble Commission for the relevant year.
- ix. On 01.11.2020, the Central Electricity Regulatory Commission ("CERC") notified the Central Electricity Regulatory Commission Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("Principal Regulations") in relation to the sharing of transmission charges amongst the designated Inter-State Transmission ("ISTS") customers.
- x. Subsequently, on 01.12.2022, MoP issued order in relation to waiver of ISTS charges wherein it was stated that no ISTS charges shall be levied for transmission of power from hydro power projects where the power purchase agreement is signed on or before 30.06.2025.
- xi. On 07.02.2023, the Hon'ble CERC amended the Principal Regulations and issued CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 wherein Regulation 13 of the Principal Regulations was amended. Vide such amendment Regulation 13(2)(e) was added wherein hydro generating stations were exempted from payment of ISTS charges where the power purchase agreement(s) were signed on or after 01.12.2022 but on or before 30.06.2025 granting the waiver of transmission charges for a period of 18 years from the date of commissioning in such cases.
- xii. On 25.02.2025, MoP issued order for allocation of power from Parbati-II ("Allocation Order"). Vide the Allocation Order, MoP allocated 39 MW of power to the NCT of Delhi in relation to Parbati-II. Further, the Allocation Order states that the allocation of power will be subject to power purchase agreement(s) between the Respondent and State Power Utilities / Union Territory / distribution companies.
- xiii. Considering that all four units of Parbati-II have achieved the COD, in order to seek waiver of ISTS charges, the Petitioner is required to execute fresh power purchase agreement before 30.06.2025, as the Project is entitled to waiver of ISTS charges only in case where the fresh power purchase agreement is signed on or before 30.06.2025.

Additional Affidavit dated 03.07.2025 filed by the Petitioner:

- xiv. The Petitioner has filed an Additional Affidavit dated 03.07.2025, whereby the Petitioner has *inter alia* prayed for taking on record the Power Purchase Agreement dated 25.06.2025 executed between the Petitioner and the Respondent. The following has been submitted by the Petitioner:
- a. That after the filing of the instant Petition on 10.06.2025, the Commission vide its Order dated 16.06.2025 directed the distribution companies of Delhi along with the Petitioner to take the necessary steps for execution of Power Purchase Agreements with the Respondent.
 - b. In terms of the directions passed by the Commission vide Order dated 16.06.2025, the Petitioner and the Respondent have now executed the PPA for procurement of power from Prabati-II.

Commission's Analysis

3. The matter was listed for hearing before the Commission on 06.08.2025 and was reserved for Orders. The requirement of signing fresh PPA despite the fact that the existing PPA is still in force, has been examined. It is observed that as per the Regulation 13(2)(e) of CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023, exemption from ISTS charges for hydro generating stations is allowed where PPAs are signed on or after 01.12.2022 but on or before 30.06.2025. Moreover, Clause 12 of the existing PPA signed on dated 28.03.2007 between DTL and NHPC (Reassigned to DISCOMs of Delhi vide Commission's Order dated 31.03.2007), provides that the "*Agreement may be mutually extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties may agree to*".
4. Accordingly, the Commission vide its Order dated 16.06.2025 for Allocation of Power from NHPC, directed the distribution companies of Delhi including the Petitioner to take necessary steps for execution of Power Purchase Agreement with NHPC. The Petitioner vide its Additional Affidavit dated 03.07.2025, submitted that in compliance of the said Order, the Petitioner and the Respondent have executed the PPA on 25.06.2025 for procurement of power by the Petitioner from Parbati-II. It is observed that the mutually agreed PPA is similar to the original PPA dated 28.03.2007 except that certain amendments have been made therein in order to bring the same in conformity with the LPSC Rules, 2022 made by the Ministry of Power, Govt. of India.
5. As per the terms of the PPA, the duration of agreement shall be 40 years from the date of commercial operation of the last unit of the NHPC Power Station or

Balance useful life/Operational Life of the NHPC Power Station whichever is later. The same is in line with Regulation 3(87) of Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulation, 2024. Further, the Tariff to be charged & its associated Terms and Conditions for the energy to be supplied from NHPC Power Station shall be as per Tariff Notifications/Orders issued/to be issued by CERC from time to time under Electricity Act, 2003 and/or any other Act/Regulations as may be substituted by Gol in place of these provisions.

6. In view of the above, the Commission hereby takes on record and grants approval to the PPA dated 25.06.2025 signed by the Petitioner with NHPC Limited (Annexure 'B' to the Additional Affidavit dated 03.07.2025 filed by the Petitioner). The above PPA shall govern the rights and liabilities of the parties in relation to supply and procurement of Power from Parbati H.E. Project Stage-II (NHPC Limited) and thus, shall supersede and substitute original PPA dated 28.03.2007.
7. The Petition is disposed of in the above terms.
8. Ordered accordingly.

Sd/-
(Surender Babbar)
Member

Sd/-
(Ram Naresh Singh)
Member