

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 65 of 2015

Dated: 21 October, 2015

**CORAM: Smt. Chandra Iyengar, Chairperson
Shri Azeez M. Khan, Member
Shri. Deepak J. Lad, Member**

In the matter of:- Petition for Approval of PPA between The Tata Power Company Limited – Mumbai Distribution and Ideal Energy Projects Limited (IEPL), for purchase of 170 MW power from IEPL's coal based thermal power project in village Bela in Nagpur district of Maharashtra.

The Tata Power Company Limited (TPC-D)Petitioner

Ideal Energy Projects Ltd. ... Respondent

Representative for the Petitioner: Shri. Ashok Sethi (Rep)
Shri. Bhaskar Sarkar (Rep)

Representative for the Respondent Shri. S.O.Deshpande (Rep)
Consumer Representative: Shri. Ashok Pendse, TBIA

Daily Order

Heard the Representative of the Petitioner, Respondent and Consumer Representative.

Representative of TPC-D made presentation explaining features of the Power Purchase Agreement. The Commission enquired whether copies of draft FSAs/ LoAs and supporting documents have been submitted to Commission. The Commission asked TPC-D, whether quantum of coal mentioned in draft FSAs and LoAs will meet coal requirement of the Plant. Shri. Sethi stated that the draft FSAs and LoAs will meet the coal requirement of the power plant. The Commission asked whether the Condition Precedent for signing the FSAs upto 31 March, 2016 for Generators having Long Term PPA is generic in nature. Representative of IEPL and TPC-D informed the Commission that it is generic to all Generators to have FSAs signed upto 31 March, 2016 and same is recorded in Agenda Item No.9 of MoM annexed as Annexure IV. Shri. Ashok Pendse raised the question of impact of Unit 5 in case availability of gas is increased and fuel sources on IEPL.

The Commission directed IEPL to submit the following on affidavit:

- a) All draft Fuel Supply Agreements (FSAs) or Letter of Assurance (LoAs) from CIL for Unit 1 of IEPL. The Plant Capacity is of 270 MW and proposed PPA is for 170 MW. Whether quantum of coal in FSAs shall be proportionate to Long Term PPA in place.
- b) Whether all draft FSAs or LoA will meet the 100 % coal requirement from CIL to meet 85% Normative Availability of the Plant.
- c) What is the present ownership and shareholder pattern of IEPL, and at the time of LoA by CIL? Whether any change in shareholder pattern will have any impact on signing of FSAs and any prior approval has been taken from CIL in case LoA requires such approval.

The Commission directed TPC-D to submit the following on Affidavit:

- a) Copy of Short Term Tender Document, Short term contract of power procurement entered by TPC-D from September, 2015 to December 2015 and also the details of all bids received.
- b) Revised project Capital Cost and revised Energy Charge for first year as submitted during the presentation at hearing. Detailed working of the same also needs to be submitted.
- c) Transmission Capacity constraints, if any
- d) Long term power procurement planning of TPC factoring the issues such as tenure of existing PPAs, conversion of Unit 6 from Gas to Coal etc.

The Case is reserved for Order subject to submission by the Parties.

Sd/-
(Deepak J. Lad)
Member

Sd/-
(Azeez M. Khan)
Member

Sd/-
(Chandra Iyengar)
Chairperson