



- b. NUPLLP's Licensee area is a totally greenfield project area without any habitation and almost no existing electricity distribution infrastructure, with negligible level of load and is expected to grow initially at slow pace.
- c. In accordance with the Electricity Act, 2003 and the various Judgments of the APTEL, NUPLLP has the option to purchase power through MoU route under Section 62 as well as the procurement of power through competitive bidding under Section 63 of the Electricity Act, 2003.
- d. NUPLLP has proceeded to negotiate and has signed the Power Purchase Agreement with TPC-D for the reasons below:
  - i. As a Distribution Licensee, TPC-D, being an aggregator of different sources of supply, will provide high reliability in supply in comparison to single source of Generator.
  - ii. In pursuance of the PPA, TPC-D will make its best efforts to maintain supply to NUPLLP by providing most reliable power supply from TPC at its Panvel substation at 110 kV from Khopoli Hydro station on one side and Chembur Receiving Station on other side.
  - iii. In case of any disruption /shortfall of power, TPC-D will endeavour to supply power to NUPLLP at the earliest by procuring power through its associates till system is normalized on mutual consent.
  - iv. Procurement of power from TPC-D will require clearance for evacuation from State Transmission Utility. Such clearance will become smooth since clearance to the above scheme of power drawal through 110 kV Khopoli-Mankhurd transmission line has already been provided to TPC-T by the STU.
- e. The Tariff negotiated under the PPA is proposed to be a two-part Tariff: (a) Fixed Charge based on the Monthly Load Factor which shall be computed on the basis of scheduled energy against the Monthly Contracted Capacity; and (b) Variable Charge are the fuel charges based on the implemented energy schedule during the month.
- f. The Fixed Charge @ Monthly Load Factor of 85% of the Monthly Contracted Capacity shall be Rs. 1.59 per kWh for 2017-18, Rs.1.56 per kWh for 2018-19 and Rs.1.53 per kWh for 2019-20. For the period April-2020 to Sept-2020, the Fixed Charge @ Monthly Load Factor of 85% of the Monthly Contracted Capacity shall be based on the Fixed Charge as approved by the Commission in the relevant Tariff Order for Unit 8, Trombay of TPC-G. For each Period, if the Monthly Load Factor on the basis of Monthly Contracted Capacity is less than 85%, the Fixed Charge will increase as per the PPA so that Fixed Charge pertaining to 85% Monthly Load Factor of Monthly Contracted Capacity for each period can be recovered.
- g. The Fixed Charge is based on the Commission's Order in relation to Unit No. 8 of Trombay Power Station of TPC – G on the basis of which the power purchase cost of

TPC-D from that Unit has been determined in the Tariff Order of TPC-D. At the end of each financial year, during Mid-Term Review or final true up at the end of the control period, the Fixed Charge will be recalculated for adjustment.

- h. In addition to the Fixed Charges, NUPLLP shall also pay Energy Charges, ex-bus, based on the energy scheduled for each time block during any billing month on the Commission notified normative operating parameters for Trombay Unit 8 and actual landed fuel cost applicable for each billing month.
3. TPC-D stated that it in agreement with NUPLLP's submission during the hearing.
4. On a query of the Commission, NUPLLP stated that it cannot envisage the quantum of renewable power purchase to fulfill its Renewable Purchase Obligation (RPO), and has prayed to waive the RPO in the Petition.
5. The Commission asked NUPLLP why it has not opted for Competitive bidding on short term basis till a considerable load requirement is established and to avoid complicated calculations to arrive at the fixed cost. NUPLLP replied that load projections done by NUPLLP are not very reliable, as it is depends on the occupancy of the Project which itself is unpredictable.
6. In justification of the treatment to reduced load requirement, NUPLLP stated that for FY 2018-19, 2019-20 and April, 2020 to September, 2020 the contracted Capacity shall be modified to the average of the final monthly Contracted Capacity for last three months of corresponding previous financial year or at any value as intimated by NUPLLP to TPC-D, whichever is higher, at least four months in advance. This provides NUPLLP flexibility for reduction in Contracted Capacity according to the load condition at that time.
7. The Commission directs NUPLLP to submit the following information within two weeks:
  - a. Comparison sheet to justify that the power purchase cost proposed in the PPA is competitive as against the various recent tariffs discovered through competitive bidding for short term and medium term power procurement within and outside the state as concluded on the DEEP E-Bidding Portal.
  - b. Expression of Interest (EoI) issued by NUPLLP for procurement of power, if any, and number of bidders who responded to the EoI. In case EoI is not issued by NUPLLP, the number of Generators and Trading Licensees it has approached to get the best power purchase rates, and relevant correspondence.
  - c. Number of connections and electricity bills for existing supply connections taken from MSEDCL for construction purpose.

- d. Reasons for not opting for to bidding process on short term basis, which may be beneficial for NUPLLP considering present negligible load and unpredictable load growth.**
- e. At the peak demand of TPC-D and BEST, TPC-G as a Generator may cater to the demand of consumers of TPC-D and BEST. In that scenario, there would be no surplus power to meet the demand of NUPLLP, and at the same time a transmission bottleneck would have arisen. What would be the alternative arrangement to meet the demand of consumers of NUPLLP?
- f. All requisite data in Excel format with back-up data, if any.
- g. What are the existing PPAs of TPC-D with Generators (short term, medium term and long term).

**The Commission may schedule a Public hearing in this matter post submission of replies to data gaps and the issues raised above.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**

**Sd/-  
(Anand B. Kulkarni)  
Chairperson**