



Chhattisgarh State Electricity Regulatory Commission

Civil Lines, G.E. Road, Raipur – 492001

Tel: 0771-5073555, Fax-5073553

Suo Motu Petition No. 02/2004

Chhattisgarh State Electricity Board, Raipur -

Respondent

ORDER **(Passed on 03.03.2005)**

"The applications received from M/s Jindal Electricity Generation Pvt. Ltd., Mahasamund and M/s Shivalik Power & Steel Ltd., Raipur seeking clarification on PPAs with CSEB may be taken on record.

2. The matter regarding PPAs entered into by the CSEB with a number of proposed non-conventional energy plants, without permission of the Commission, was considered by the Commission in this petition. Certain directions were issued during the hearing on 22nd January, 2005. One of the directions was that "the Board shall not enter into any fresh PPA with any other such units without permission of the Commission as it would amount to a contravention of provisions of the Electricity Act 2003" [Para 5(2) of order]. The Commission did not prohibit CSEB from entering into PPAs in future; the only caveat was that it should be done with the permission of the Commission as required under the provisions of the Act. The Commission is conscious of the fact that one of the responsibilities enjoined upon it under Sec. 86 is promotion of electricity from renewable sources of energy. In fact, it is in view of this, the Commission did not nullify the PPAs already entered into by CSEB. The Commission is, therefore, surprised that the Board should be sending promoters to us to seek guidance in the matter, as the two applications received from M/s Jindal Electricity Generation Pvt.Ltd., Mahasamund and M/s Shivalik Power & Steel Pvt. Ltd., Raipur would indicate.

3. The Commission has already directed CREDA, which is the nodal agency for all non-conventional energy in the State, to submit a petition seeking orders of the Commission not only with regard to tariff but also the wheeling charges, third party sale, obligations of CSEB or its successor agency, to buy power from such units, and related issues. This petition has not yet been submitted and CREDA has prayed for a fortnight's time for its submission. It will take some time before the petition is submitted, heard and final orders are passed. The Commission would not like the PPAs to be held up till then which would not enable the promoters to approach financial institutions for financing the projects. It is, therefore, clarified that CSEB may enter into PPAs with promoters of non-conventional energy sources in which so far as the provision of purchase price is concerned it would be mentioned that that would be fixed by the State Electricity Regulatory Commission. The other clauses of the PPA may be as these exist at present.

4. These orders would have the effect of modifying para 5(2) of the order passed by the Commission on 22nd January 2005. In other words, it is clarified that the Board need not approach the Commission for prior approval for entering into such PPAs so long as they are as per the standard PPAs entered into earlier and there are no additional/special clauses. With regard to the purchase price, the provision would be that it would be decided by the Commission. A copy of the PPA entered into should be submitted to the Commission no sooner it is signed.

5. A copy of this order may be sent to CSEB and also to the two applicants and to the State Govt."

Sd/-
(Sarat Chandra)
Member

Sd/-
(S.K. Misra)
Chairman