

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 12 of 2022

Date of Hearing: 30.03.2022

Date of Order: 06.04.2022

Petition under Section 86 of the Electricity Act 2003 read with Article 18.1 of the Power Purchase Agreement dated 01.09.2008 seeking directions to approve and take on record the Supplementary Agreement dated 07.03.2022 executed between Talwandi Sabo Power Limited and Punjab State Power Corporation Limited amending the PPA dated 01.09.2008

AND

In the matter of: Talwandi Sabo Power Limited Mansa-Talwandi Sabo Road, Village Banawala, District Mansa, Punjab

...Petitioner

Versus

Punjab State Power Corporation Limited, through its Chief Engineer (PP&R), D-3 Shed, Shakti Vihar, PSPCL, Patiala-147001.

.....Respondent

Present: Sh. Viswajeet Khanna, Chairperson
Ms. Anjuli Chandra, Member
Sh. Paramjeet Singh, Member

TSPL : Sh. Akshat Jain, Advocate

PSPCL: Ms. Poorva Saigal, Advocate,
Sh. G.S. Banga, CE/ARR&TR
Sh. Mukesh Kumar, Addl,SE/TR-5
Sh. Ravi Luthra, SE/TR-2
Sh. VPS Kailay, Dy.CE/Projects

ORDER

Talwandi Sabo Power Limited (TSPL) had entered into a Power Purchase Agreement (PPA) dated 01.09.2008 with Punjab State Power Corporation Limited (PSPCL) for supplying the entire installed capacity of 1980 MW Power from the project. Article 18.1 of the Power

Purchase Agreement dated 01.09.2008, pertaining to amendment stipulates that this agreement may only be amended or supplemented by a written agreement between the parties after duly obtaining the approval of the appropriate Commission, where necessary. TSPL and PSPCL have executed a Supplementary Agreement dated 07.03.2022 pursuant to the requirement under the methodology for Coal linkage rationalization for IPPs issued by Ministry of Coal on 15.05.2018 for giving effect to pass through of any cost savings made by TSPL to PSPCL on account of such linkage rationalization by Coal India Limited. TSPL has filed the present petition for approval of the Supplementary Agreement dated 07.03.2022.

2. The petition was admitted vide Order dated 29.03.2022 and was taken up for hearing on 30.03.2022. During hearing, in reply to a query raised by the Commission, the learned counsel for PSPCL submitted that the methodology for linkage rationalization provides only for linkages through rail. However, the Commission observed that after linkage rationalization, the power plants which were earlier moving coal through rail may move coal through road as per the letter issued by the Ministry of Power on the rationalization policy. In such a situation the transportation charges through road may exceed the transportation charges through rail. The learned counsel for TSPL however, submitted that even if the transportation of coal is through road the cost to PSPCL and consequently the consumer will not exceed the transportation charges through rail. Learned counsel for TSPL was asked to file an affidavit affirming this statement made before the Commission. PSPCL was asked to file their response to the statement of the counsel/affidavit of TSPL, if any. TSPL has since filed an affidavit dated 04.04.2022, indicating the savings

accruing in the transportation of coal in terms of Rs/GCV. PSPCL also confirmed vide e-mail dated 06.04.2022 that the undertaking given by TSPL in the said affidavit is acceptable to PSPCL. The Commission has already approved the Supplementary PPA in case of NPL Vs PSPCL in petition No. 64 of 2021 vide Order dated 27.12.2021 on a similar issue. Keeping in view the facts of the present petition, the affidavit filed by TSPL the Commission notes that the PPA can be amended or supplemented by a written agreement between the Parties, with the approval of the Commission. Further, as the parties to the PPA have executed the Supplementary Agreement dated 07.03.2022 with mutual consent, with the underlying objective of reducing the variable charges, the Commission finds it prudent to approve the same with the direction that the full extent of the savings would be passed on to the Respondent PSPCL and that the Petitioner would be responsible for providing the necessary details and related information in respect of such procurement of coal and actual savings that accrue.

The petition is disposed of accordingly.

Sd/-

Sd/-

Sd/-

(Paramjeet Singh)
Member

(Anjuli Chandra)
Member

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 06.04.2022