

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 1794 of 2019

In the matter of:

Petition under Sections 86 (1) (b) of the Electricity Act, 2003 seeking approval of the Commission for procurement of power on “As and When required basis” from 165 MW GIPCL Station – II for a period of 5 years and approval of Power Purchase Agreement dated 29.03.2019

Petitioner : Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara- 390 007.

Represented by : Advocate Shri Anand Ganesan and Shri K. N.
Chudasama

Vs.

Respondent : Gujarat Industries Power Company Limited (GIPCL)
P. O. Petrochemical, Vadodara 391 346.

Represented by : Shri D. M. Chandarana and Shri S. Mani

CORAM:

**Shri Anand Kumar, Chairman
Shri K. M. Shringarpure, Member**

Date: 3/06/2019

DAILY ORDER

1. The matter was kept for hearing on 24.05.2019. Shri. K. N. Chudasama, on behalf of the Petitioner submitted that the present petition has been filed by the Petitioner for approval of the arrangement for procurement upto 130 MW power from GIPCL Station – II on “As and When” required basis at the fortnightly rate conveyed by GIPCL without any liability towards “Take or Pay” charges for gas non off-take under GIPCL’s Fuel Supply Agreement and the Power Purchase Agreement dated 29.03.2019 as entered into between the parties.

2. Shri D. M Chandaran and Shri S. Mani, on behalf of the Respondent, submitted that the gas based generating stations generally have a life of 30 years and since the original PPA with GUVNL was for only 20 years and that the plant is having a residual life of 10 years, a medium-term Power Purchase Agreement with GUNVL is entered into for power off-take in the range of 105 – 130 MW on as and when required basis. He submitted that the GIPCL shall furnish the rate (Rs./kWh) of power supply to GUVNL on fortnightly basis considering cost of blending of APM & SPOT gas price plus 50 paise/unit towards O & M expenses. Further, GUVNL will consider the capacity declared by GIPCL only when the price discovery in Power Exchange (PX)/ power from SPOT Gas/Bilateral arrangement including incidental charges upto GETCO periphery is more than the fortnightly rate conveyed by GIPCL (including GETCO STOA charges & SLDC charges) Moreover, the tie-up is without any committed liability towards capacity charge and obligation towards gas off-take if any on GIPCL.
- 2.1. On a query from the Commission regarding the fuel supply arrangement and the approx. cost of generation, they replied that the GIPCL has APM gas allocation and will also procure the SPOT Gas from GSPC & GAIL and at the current gas price of \$ 3.69/MMBTU, the landed cost will be approximately Rs. 4.16 per unit including 50 paise/unit towards O&M expense. They also submitted that GIPCL will blend the SPOT gas with APM Gas and will try to restrict the landed cost to a maximum of Rs. 4.50/unit to qualify in the Merit Order desptach.
3. We have noted the submission made by the parties and terms and conditions stated in the PPA dated 29.03.2019 as entered into between the parties. As the present petition has been filed by the Petitioner under Section 86(1)(b) of the Electricity Act, 2003 seeking approval for procurement of power on “As and When required basis” from 165 MW GIPCL Station II for a period of 5 years and approval of Power Purchase Agreement, we deem it appropriate to conduct a public hearing to take into account the suggestions/objections of the stakeholders/consumers, if any. The Petitioner is, therefore, directed to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State stating that they have filed Petition No. 1794 of 2019 before the Commission for approval of procurement of power and Power Purchase Agreement dated 29.03.2019 and invite suggestions/objections from the stakeholders on affidavit within 30 days from the date of issuance of public notice. The Petitioner is also directed to upload the present petition along with all the relevant documents on its website for inviting suggestions/objections thereon. The

Petitioner shall also state in the Public Notice that the stakeholders shall file their suggestions/objections on the petition to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT CITY, Gandhinagar 382 355 in five copies along with affidavit in support of their submissions with a copy to the Petitioner. The staff of the Commission is also directed to upload the petition along with relevant documents on the website of the Commission after the public notice is issued and a copy thereof is provided on affidavit to this Office by the Petitioner.

4. We order accordingly.
5. The next date of hearing will be intimated separately.

Sd/-
[K. M. SHRINGARPURE]
Member

Sd/-
[ANAND KUMAR]
Chairman

Place: Gandhinagar.

Date: 3/06/2019.