

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION AT
GANDHINAGAR**

PETITION NO.....OF 2019

IN THE MATTER OF:

Petition under Section 86 (i)(b) seeking approval of Hon'ble 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

AND

IN THE MATTER OF:

Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhawan,
Race Course, Vadodara 390007
Gujarat

- Petitioner

Versus

Gujarat Industries Power Company Ltd.
P.O. Petrochemical
Vadodara - 391 346.

- Respondent

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For Gujarat Urja Vikas Nigam Ltd

Place - Vadodara

Date - 30/03/2019

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THE PETITIONER ABOVE NAMED MOST RESPECTFULLY SHOWETH:

1. The Petitioner, Gujarat Urja Vikas Nigam Limited (herein after referred to as 'GUVNL') is a Company incorporated under the provisions of the Companies Act, 1956 with registered office at Sardar Patel Vidyut Bhawan, Race Course, Vadodara (Gujarat). The Petitioner is engaged in the activities of bulk purchase and bulk supply of electricity and is a licensee for the said activities under the provisions of the Electricity Act, 2003.
2. The Respondent, Gujarat Industries Power Company Ltd. is also a Company incorporated in 1985 under the provisions of the Companies Act, 1956 and having its registered office at P.O. Petrochemicals,

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Vadodara. The Respondent is a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003 and have installed a 165 MW Combined Cycle Power Plant (GT - 111 MW & STG 54 MW) Station -II at P.O. Petrochemicals, Vadodara .

3. Gujarat Urja Vikas Nigam Limited (GUVNL), the petitioner herein had entered into Power Purchase Agreement dated 1.08.1996 with M/s Gujarat Industries Power Company Ltd. (GIPCL) for procurement of power from their 165 MW Gas based Power Station No. 2 on cost plus basis. The validity of the PPA has expired on 31.07.2016 and accordingly there is no supply of power to GUVNL from the project.
4. GIPCL had time and again requested the Petitioner for extending the validity of the PPA and pursuant to the expiry of the Agreement, GIPCL has been requesting for exploring the possibility for revival of the power station considering the 10 year residual useful life of the plant.
5. GIPCL vide letter dated 3.10.2018 has proposed that considering the 10 year residual life of the plant, GUVNL may enter into a medium term PPA with GIPCL for procurement of 135 Max power from GIPCL Station - II subject to regulatory approval. GUVNL has examined the GIPCL's proposal and vide letter dated 27.11.2018 has agreed to off-take power from GIPCL Station II, conveyed the methodology, terms & conditions under the arrangement and sought GIPCL's consent to the same. Copies of GIPCL letter dated 3.10.2018 and GUVNL reply dated 27.11.2018 are attached hereto and marked as **Annexure A & B** respectively.
6. The methodology proposed by GUVNL under the power purchase arrangement and the Terms and Conditions are as under:

Methodology:

- a) GIPCL shall furnish rate (Rs/Kwh) of power supply to GUVNL on fortnightly basis considering cost of blending of APM & SPOT based on gas price plus 50 paise / unit towards O&M expense. Variable cost shall be worked out considering the parameters approved by GERC i.e. Gross Station Heat Rate - 2038 Kcal / Kwh and Auxiliary consumption @ 2.90% plus 50 paise / unit towards O&M expense.

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