ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. WBERC/OA-276/18-19

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED (WBPDCL) FOR 'IN PRINCIPLE' CLEARANCE AND APPROVAL OF INVESTMENT PROPOSAL FOR CONSTRUCTION OF 1 X 660 MW CAPACITY THERMAL POWER PLANT WITH SUPER CRITICAL TECHNOLOGY AT SAGARDIGHI THERMAL POWER PROJECT OF WBPDCL IN TERMS OF REGULATION 2.8.1.4.2 READ WITH REGULATION 2.8.1.4.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED.

PRESENT:
SHRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SHRI DURGADAS GOSWAMI, MEMBER

DATED: 15.07.2019
In regard to the application submitted by West Bengal Power Development Corporation Limited (WBPDCL) for ‘in principle’ clearance and approval of investment proposal for construction of 1x660 MW capacity Thermal Power Plant with super critical technology at Sagardighi Thermal Power Projects of WBPDCL in terms of regulation 2.8.1.4.2 read with regulation 2.8.1.4.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

**Facts in brief:**

1.0 West Bengal Power Development Corporation Limited (in short ‘WBPDCL’) has submitted an application dated 12th June, 2018 seeking ‘in-principle’ investment approval for setting up of 1 x 660 MW capacity – Unit no. V of Super Critical Technology at Sagardighi Thermal Power Project (in short “SgTPP”) in terms of regulation 2.8.1.4.2 read with regulation no. 2.8.1.4.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (hereinafter referred to as the ‘Tariff Regulations’). WBPDCL has also submitted a Detailed Project Report (DPR) along with the application.

2.0 In the said application WBPDCL has inter-alia stated the following:

2.1 As per 18th Electric Power Survey of CEA, although there is not much of shortfall in peak power demand in the State at present, substantial requirement of capacity addition is needed to bridge the gap of electricity demand and supply in future. Moreover, with National Grid being set up in the country, it makes sense to generate power economically near pit head locations and transmit the same to power starving states. Further the proposed 1x660 MW unit being an extension unit of existing 2x300 MW and 2x500 MW will share the extensive infrastructure developed during phase-1 & II, land is available within the acquisition limit of project authority, water already allotted from river Bhagirathi by WRD, Government of West Bengal for phase-II will be sufficient for the existing phase-II as well as proposed 660 MW unit and coal is expected to be available from captive coal mine of WBPDCL at Pachhwara (North) in the State of Jharkhand. These all together is expected to make the energy cost reasonable.

2.2 SgTPP was conceived for more than 2000 MW power station. Already 1600 MW has been commissioned through phase-1 (2x300) and phase-2 (2x500). Now WBPDCL wants to install another 660 MW at northern side of two 500 MW units. Initially the proposal was for 500 MW and Government of W.B had accorded “in-principle” clearance of such 500 MW unit#5 of SgTPP with an estimated cost of Rs. 3518.43 Crore. However, as advised by CEA and in line with 13th Capacity addition plan, SgTPP #5 was upgraded to 660 MW super critical TPP with a revised estimated
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project cost of Rs. 3862.65 Crore, which was duly approved by the Department of Power and the State cabinet.

2.3 WBPDCL submitted copies of the bulk power supply agreement dated 31.12.2010 read with amendment agreement dated 21.05.2013 executed by and between WBPDCL and West Bengal Electricity Distribution Company Limited (WBSEDCL) for supply of power from Unit no. V of 660 MW capacity at Sagardighi.

3.0 WBPDCL along with the application further submitted a copy of clearance for chimney height from Airport Authority of India and a copy of the consent letter towards drawal of raw water from the river Bhagirathi from Irrigation & Waterways Department, Government of West Bengal. However, WBPDCL in their application mentioned that proposal for installation of 1x660 MW unit of Super Critical Technology at Sagardighi has been placed to the Ministry of Environment & Forest (MOEF), Govt. of India for their necessary concurrence.

4.0 WBPDCL also submitted in the DPR that power will be evacuated at 400 kV through D/C lines to Parulia / Durgapur of PGCIL, LILO of 400kV Jeerat – Subhasgram line at SgTPP and proposed 400 kV D/c line of SgTPP-Gokarna of WBSETCL.

5.0 In view of above, WBSEDCL prayed before the Commission to approve the proposal for investment in Sagardighi – Phase – II Extension Project for installation of 1 x 660 MW capacity Unit with Super Critical Technology at an estimated cost of Rs. 3862.65 crore

**Points for Determination**

6.0 Regulation 2.8.1.4.1 of the Tariff Regulations inter-alia specifies that, the approval of the Commission for investment for new generating station, commissioned after 31.12.2007 is mandatory, if electricity is received directly by any distribution licensee under the purview of the Commission from such generating station situated within the state or such electricity is purchased under section 64(5) of the Act.

West Bengal Electricity Regulatory Commission
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7.0 Regulation 2.8.1.4.2 of the Tariff Regulations inter-alia specifies that the investment approval for such new generating stations shall be sought in two stages. In the first stage, before procurement or placement of order for such project the concerned generating company or the licensee shall seek 'in principle' clearance from the Commission through an application. The documents required to be submitted along with such applications are also mentioned in regulation 2.8.1.4.2 of the tariff Regulations.

8.0 Now it is required to determine, whether WBPDCL may be allowed 'in-principle' clearance to invest Rs. 3862.65 crore for construction of 1 x 660 MW Unit V Super Critical Technology at SgTPP based on the papers / documents submitted along with the application required for consideration under the extant Rules and Regulations of the Commission.

Observations of the Commission

9.0 After scrutinizing the petition submitted along with DPR and other documents, the Commission observes that:

a) The clearance from the Ministry of Environment and Forest, Government of India has not been received by WBPDCL, which is required to be submitted along with the application for 'in-principle' clearance as per regulation 2.8.1.4.2(iii) of the Tariff Regulations.

b) In terms of regulation 2.8.1.4.2(iii) of the Tariff Regulations it is required to submit 'in-principle' clearance of connectivity for power evacuation from appropriate authority along with the application. No document in regard to 'in-principle' clearance of connectivity for evacuation from PGCIL and WBSETCL has been submitted along with the application.

c) There is a gap of Rs. 103.25 crore between project cost and its financing proposals. Further no SWOT analysis for the project has been submitted.
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d) Estimates for major packages as cost breakup of the project has not been submitted.

e) Neither the documentary evidence for mine allocation of Pachhwa (North) coal mine nor the status of its operation has been submitted along with the application. The scheme of railway track and its associated cost is not clear in the DPR.

**Order**

10.0 Considering the facts and observations mentioned above, the Commission directs WBPDCL to submit a fresh petition for 'in-principle' clearance for construction of 1 x 660 MW Unit with Super Critical Technology at SgTPP. WBPDCL is also directed to comply with all the requirements as specified in regulation 2.8.1.4.2 of the Tariff Regulations and the observations made in this order, while submitting the fresh petition for approval of the investment proposal.

11.0 The application is thus disposed of. Let a copy of the order be served upon WBPDCL.

Sd/-
(DURGADAS GOSWAMI)  
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)  
CHAIRPERSON

Dated: 15.07.2019

(T. K. MUKHERJEE)  
SECRETARY