ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO: OA- 335 /20-21

IN THE MATTER OF THE APPLICATION SUBMITTED BY THE
WEST BENGAL POWER DEVELOPMENT CORPORATION
LIMITED (WBPDCL) FOR SEGREGATION OF TARIFF OF
BANDEL THERMAL POWER STATION (BTPS) AMONG UNIT
NOS 1 & 2 OF 60 MW CAPACITY EACH AND UNIT NO 5 OF
215 MW CAPACITY BASED ON TARIFF ORDER OF 2017-18
OF THE COMMISSION

PRESENT:
SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI DURGADAS GOSWAMI, MEMBER
SRI PULAK KUMAR TEWARI, MEMBER

DATE: 29.05.2020

Certified true Copy
Order of the West Bengal Electricity Regulatory Commission in the matter of application submitted by WBPDCL for segregation of tariff of Bandel Thermal Power Station (BTPS) among unit Nos 1 & 2 of 60 MW capacity each and Unit No 5 of 215 MW capacity based on Tariff order of 2017-18 of the Commission

FACTS IN BRIEF

1. The West Bengal Power Development Corporation Limited (WBPDCL) has submitted an application for segregation of tariff of Bandel Thermal Power Station (BTPS) among unit nos 1 & 2 of 60 MW capacity each and unit no 5 of 215 MW capacity based on tariff order of 2017-18 of the Commission.

2. In their application WBPDCL submitted that unit 1 to 4 of 60 MW capacity each are more than 55 years old, fuel cost of those units are on the higher side although the incidence of fixed cost is less. On the otherhand, after energy efficient renovation and modernization (EERM) of unit no 5 of BTPS, the capacity of the unit has got enhanced to 215 MW from 210 MW. Since then the fuel cost has been reduced to some extent by use of coal with lower GCV i.e. around 4000 kCal/ Kg (design coal) compared to the previously used GCV 4500 kCal/ Kg. But as the tariff of all the 5 units have been determined on composite basis the benefit of cheaper fuel cost of Unit No. 5 cannot be availed of by WBSEDCL owing to higher fuel cost of these units to make unit 5 less economical under Merit Order Dispatch (MoD). This anomaly is causing damage to WBPDCL and having adverse impact on the financial position of WBPDCL.

3. WBPDCL further submitted that following the direction of the Commission, they filed petition for FY 2018-19 and 2019-20 claiming composite tariff for 3 units out of 5 units as the remaining 2 units of 60 MW capacity each have been de-commissioned by order of CEA and duly approved the Commission. Now WBPDCL requested the Commission to allow them to submit additional information showing segregated tariff for Units 1 & 2 and 5 for BTPS.

4. WBPDCL also submitted that since the plant is remaining idle due to the aforesaid difficulties of MoD criteria the Commission may allow them to segregate the tariff of unit nos. 1 and 2 and unit no. 5 which will benefit both WBSEDCL and WBPDCL. The tariff petition for the 2020-21 to 2022-23 is yet to be submitted by WBPDCL. The West Bengal Electricity Regulatory Commission
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existing composite fuel cost as per tariff order for 2017-18 has been segregated by WBPDCL as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unit No. 5 of 210 MW</th>
<th>Unit No. 1 &amp; 2 of 60 MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Cost</td>
<td>Rs. 11257.93 Lakhs</td>
<td>Rs. 4426.80 Lakhs</td>
</tr>
<tr>
<td>Fuel Cost</td>
<td>238.21 Paise/kWh</td>
<td>305.40 Paise/kWh</td>
</tr>
</tbody>
</table>

5. WBPDCL has submitted the computation for segregation of Fixed cost and fuel cost as per prevailing tariff order along with their petition.

6. Under the prevailing circumstances, WBPDCL prayed before Commission to Issue order directing State Load Dispatch Centre (SLDC) to schedule energy supply for Unit No. 1 & 2 and Unit No. 5 of Bandel Thermal Power Station separately w.e.f 01st April, 2020 as there was virtually no supply from BTPS since April, 2020 following commencement of Lockdown period announced by the Government due to COVID-19.

Observation of the Commission

7. The Commission has observed that segregation of the fixed cost for unit 5 and unit 1&2 as proposed by WBPDCL is based on the total fixed cost admitted in the tariff order for 2017-18 in respect of BTPS (Composite unit 5 and units 1 to 4) after eliminating the proportionate fixed cost of unit 3&4, now decommissioned. The fuel cost i.e the energy charge are computed based on the operating norms of unit 5 and unit 1&2 separately considering same average price and heat value of fuel as considered for composite BTPS in the tariff order for 2017-18, now prevailing.
8. The Commission also observes that the segregation of fuel cost of unit 5 and unit 1&2 of BTPS will enable WBPDCL to schedule the energy from unit 5 of BTPS under MoD criteria which will be beneficial for WBSEDCL as well as for their end consumers.

9. The Commission also observes that since WBSEDCL is the sole beneficiary of all the plants of WBPDCL including BTPS, the views of WBSEDCL on the prayer of WBPDCL is required. Accordingly, the views of WBSEDCL has been sought for forwarding a copy of the petition of WBPDCL.

10. WBSEDCL has furnished their comments vide no REG/SERC/461 dated 29.05.2020 which are as follows:

   a) Segregation of elements of fixed cost and fuel cost for BTPS may be considered based on norms and cost element of respective units.

   b) The effective date of segregating the Tariff of Bandel Thermal Power Station among Unit 1&2 of 60 MW capacity each and unit no -5 of 215 MW capacity based on tariff order for the FY2017-18 should be from prospective date since merit order despatch for April' 2020 and May' 2020 has already been done without segregation of BTPS.

Order

11. In view of the above circumstances the Commission in exercise of its power under regulation 8.10 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended, directs to remove the difficulty in scheduling power of unit 5 of BTPS by WBPDCL by segregating the fixed charge and energy charge of unit 5 and unit 1&2 of BTPS as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unit No. 5 of 210 MW</th>
<th>Unit No. 1 &amp; 2 of 60 MW</th>
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West Bengal Electricity Regulatory Commission
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<table>
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<tr>
<th>Annual Capacity Cost</th>
<th>Rs. 11257.93 Lakhs</th>
<th>Rs. 4426.80 Lakhs</th>
</tr>
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<tr>
<td>Energy Charge</td>
<td>238.21 Paise/kWh</td>
<td>305.40 Paise/kWh</td>
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12. The above rates are based on annual fixed cost and fuel cost admitted for BTPS in the tariff order for 2017-18 now prevailing and shall be applicable w.e.f 01.04.2020 till further order of the Commission.

13. WBPDCCL shall give their schedule separately for unit 5 and unit 1&2. SLDC shall consider the energy charge mentioned above for unit 5 and unit 1&2 separately for merit order dispatch prospectively from 01.06.2020.

14. The petition of WBPDCCL is disposed off.

15. Let a copy of this order be served upon WBPDCCL, WBSEDCL and SLDC for their compliance.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

DATED: 29.05.2020