



# ASSAM ELECTRICITY REGULATORY COMMISSION

## ORDER SHEET

FILE NO. AERC 722/2019

PETITION NO: 06/2019

**CORAM: HON'BLE SHRI S.C. DAS, CHAIRPERSON**

**In the matter of**

Miscellaneous Petition No. 06 of 2019 for concurrence on Procurement of 114.11 MW Power from 4 x 180 MW Mangdechhu Hydro Electric Project, Bhutan

**In the matter of**

Assam Power Distribution Company Limited (APDCL)

---- Petitioner

**Present**

APDCL:

Shri Manoranjan Kalita, GM (Com-TRC)  
Ms. Mitra Roy, DGM (TRC)  
Shri Bibhu Medhi, AGM  
Shri Pradeep Kumar Baishya, AGM (TRC)  
Shri Indrajit Tahbildar, AGM (TRC)

**ORDER**  
**19.12.2019**

1. Assam Power Distribution Company Ltd. (APDCL) filed a petition for concurrence of procurement of 144.11 MW power from 4 x 180 MW Mangdechhu Hydro Electric Power Project, Bhutan.
2. The Petition was registered as Petition No. 06/ 2019.
3. The Petitioner submitted that a bilateral agreement was signed between Government of India and Royal Government of Bhutan on 30.04.2010 to execute the 720 MW Mangdechhu Hydro Electric Project, a run-of-the river scheme located on river Mangdechhu in Trongsa Dzongkhag District in Central Bhutan.
4. The Central Electricity Authority vide its letter no. CEA/PLG/IPR/1/12/2010/2256 dated 23.10.2012 requested Government of Assam to indicate requirement of power from the Mangdechhu Hydroelectric project along with from other 2 (two) no. of projects namely Punatsangchhu-I (1200 MW) and Punatsangchhu-II (990 MW). Subsequently, Govt. of Assam vide its letter no. PEL.226/2012/1 dated 03.11.2012 had requested APDCL to submit the requirement of power from the mentioned projects after doing a detail assessment of power requirement of the state.
5. APDCL through Government of Assam placed requirement of 500 MW power from the three HEP of Bhutan and accordingly Government of Assam allocated the same to APDCL as below:

| Sl. No. | Hydro Electric Power | Capacity | Allotment |
|---------|----------------------|----------|-----------|
| 1.      | Punatsangchhu-I      | 1299 MW  | 220.00 MW |
| 2.      | Mangdechhu           | 720 MW   | 122.50 MW |
| 3.      | Punatsangchhu St-II  | 990 MW   | 157.50 MW |
|         | TOTAL                | 2910 MW  | 500.00 MW |

6. Subsequently, Government of India allocated 144.11 MW power to Assam from the 720 MW Mangdechhu Hydro Electric Power Project.
7. The rate of power was fixed at Rs. 4.12 per unit with periodic increment.
8. PTC was engaged as the trader and the trading margin is 7 paisa per unit.
9. PSA was signed on 30.08.2019 with PTC by the following four beneficiary state jointly:
  - (i) West Bengal
  - (ii) Bihar
  - (iii) Jharkhand
  - (iv) Assam
10. The power has been scheduled w.e.f. 01.09.2019 and Assam is drawing this power.
11. The Petitioner APDCL was heard on 14.11.2019.
12. The representative of APDCL submitted the following in response to the queries of the Commission during the course of the hearing:
  - a) APDCL analyse the long term Power requirement with respect to the forecasted demand and there is a gap of around 600 MW during peak hours. They also submitted that the trend in the IEX during last couple of years revealed that the rate during peak hours is very high. So, the instant power will compensate to some extent against buying power from Power Exchange.
  - b) The PPA with the Power Project by PTC is not available; however, they will produce the same before AERC after collecting from PTC
  - c) It was also submitted that the instant power is on RTC basis and there is no any clause for short supply or short consumption of power from this project. APDCL will have to draw the quantum as scheduled.
13. The Commission after hearing the Petitioner on 14.11.2019 admitted the Petition 06/2019 and directed APDCL to produce the Power Purchase Agreement between PTC and Mangdechhu Power and also directed to submit the oral submission in affidavit form.
14. APDCL submitted their replies on 28.11.2019.
15. APDCL in their submission gave the following:
  - a) The copy of the Power Purchase Agreement signed on 15.08.2019 between PTC India Limited and Druk Green Power Corporation limited.
  - b) The detailed study regarding existing of power availability and projected demand done as per 19<sup>th</sup> EPS and also as per APDCL's own calculation which was done before entering into the power purchase agreement with PTC India Limited. In that study it was found that there was a gap between the projected demand and existing availability of power.
  - c) APDCL stated that procuring power for the Mangdechhu Hydro Electric Project will help them to carter the above stated gap.
16. On going through the Power Purchase Agreement between PTC and the Druk Green Power Corporation Limited (**DGPC**) for purchase of Mangdechhu Power and the PSA executed by APDCL with PTC for sell of power, the following differences are observed:
  - a) The DGPC will raise monthly bills to PTC to be paid within 30 days whereas PTC will raise weekly bills to APDCL payable within 7 days.
  - b) The late payment interest shall be 1% in case of payment to DGPC by PTC, whereas the late payment interest shall be 1.25% in case of payment to PTC by APDCL.

17. The Commission directed APDCL to take up the matter with PTC regarding the difference in the terms and conditions in the PPA and PSA and sort out the issues.

A report in this regard is to be submitted by the petitioner within 90 days from the date of this order.

18. The Central Electricity Regulatory Commission issued CERC (Cross Border Trade of Electricity) Regulations, 2019 on 08.03.2019.

19. Clause 7.1.2 of the said Regulations stipulates as under:

“Where the tariff for import or export of Electricity is mutually agreed between the Government of India and the Government of the neighbouring country involving the participating entities of the two countries, the same shall be final.”

In the instant case, the tariff has been mutually agreed by Government of India and Bhutan. As such the determination of tariff is out of the purview of the Commission and the Commission has no other alternative but to adopt the tariff.

20. Regarding requirement of the instant power of 144.11 MW, the Commission has examined the submission of the APDCL and noted that there is gap between the demand and supply particularly in peak hours. The price of electricity in the short term market is on the higher side. Further, APDCL will be benefited by buying Hydro Power, as it is exempted from RPO obligations.

21. Having considered the above mentioned facts and submissions made by APDCL, the Commission has allowed the purchase of 144.11 MW power from Mangdechhu project of Bhutan with the following conditions:

(i) The APDCL should desist from entering into any agreement for purchase of power without prior approval of the Commission. Failing which, the Commission may impose penalty or fine on APDCL.

(ii) APDCL shall ensure that purchase of this instant power should not create any additional burden of fixed charges on account of partial requisition of corresponding power from the existing Thermal stations.

22. With the above observations and decisions, the Petition No.06/2019 is disposed off allowing the procurement of 144.11MW of Power from 720 MW Mangdechhu Hydro Electric Project in Bhutan @ of Rs. 4.12 per unit (KWH).

s/d  
(S.C.Das)  
Chairperson, AERC