



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
ITANAGAR**

MP- 05 of 2024.

& Interlocutory Application No.01 of 2026

IN THE MATTER OF:

Petition for approval of Draft Power Purchase Agreement (PPA) to be entered and signed between Department of Power, Government of Arunachal Pradesh and M/s Buru Energy Private Limited for Dengzi Hydro Electric Project (10 MW).

**CORAM: Mr. R.K. Joshi, Hon'ble Chairperson,
 Mr. Nich Rika, Hon'ble Member (Law).**

PARTIES:

1. The Department of Power, Arunachal Pradesh (DOP, AP), represented by the Chief Engineer (P) Commercial cum CEI, Vidut Bhawan, Itanagar.

.....**Petitioner.**

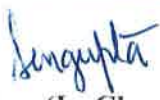
2. M/s Buru Energy Private Limited, represented by its Director Mr. Bamang Tagoku having its registered office at C/o Bamang Tago, Tara Tabang Complex, ESS Sector, Near Govt. High School, Itanagar, District Papum Pare, Arunachal Pradesh.

APPEARANCE:

1. Er. Jomge Dulom, SEI, DOP, AP.
2. Er. N K Jha, EE (Com), DOP, AP.
3. Mr. Bamang Tagoku, Director, M/s Buru Energy Private Limited.
4. Mr. Deepak Baishya, M/s Buru Energy Private Limited.

Date of Hearing: 07. 07. 2026.

Date of Order: 09. 07. 2026


**Secretary (In-Charge)
APSERC**

ORDER

1.This Order relates to the Miscellaneous Petition filed by the Department of Power, Arunachal Pradesh (DOP, AP) being represented by the Chief Engineer (P) Commercial cum CEI, for adjudication of approval of Draft Power Purchase Agreement (PPA) to be entered and signed between Department of Power, Government of Arunachal Pradesh (DOP, AP) and M/s Buru Energy Private Limited for execution of Dengzi Hydro Electric Project (10 MW).

2.The Petitioner is a deemed distribution licensee for the State of Arunachal Pradesh and M/s Buru Energy Private limited is a company incorporated under the Companies Act, 2013.

Submission of the Petitioner:

3.The Petitioner submitted that on 24.11.2015, a Memorandum of Agreement (MoA) was signed between the Government of Arunachal Pradesh and M/s Buru Energy Private limited for execution of Dengzi Hydro Electric Project (18 MW).

4. Based on the Detail Project report (DPR) and concurrence accorded by the State Government, an Amendment Agreement was entered on 13.03.2023 between the Government of Arunachal Pradesh and M/s Buru Energy Private limited to amend the Memorandum of Agreement signed on 24.11.2025. As of amendment the installed capacity of Dengzi Hydro Electric Project was reduced from 18 MW to 10 MW.

5. As per Clause 4 of the amended MoA, M/s Buru Energy Private limited shall give 2.5 % free power after a moratorium period of 2 years. Under Clause 5.2 of the MoA, the State of Arunachal Pradesh has first right to purchase the power generated from the project at a tariff 10 paisa lower than the tariff as determined by the Hon'ble Commission.

Secretary (In-Charge)
APSERC

6.The petitioner further submitted that both parties have given their consent to the terms of the Draft Power Purchase Agreement (PPA), hence seeks approval from the Hon'ble Commission.

Commission Proceedings:

Hearing on 25.07.2024:

7.The matter was taken up for admission hearing on 25.07.2024. It was observed that in the instant petition, the petitioner has not sought any approval on the Power Procurement Plan (PPP) as mandated under the Regulation 6 and 8 of the Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations,2024 and Regulation 5 of Resource adequacy framework of Arunachal Pradesh State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations,2024

8.On the submission made by the petitioner that the Power Procurement Plan is under preparation, the same shall be submitted along with the next tariff petition. For consideration of any PPA it necessitated that PPP is approved first. Accordingly, the petitioner was directed to submit on affidavit within three weeks stating the PPP will be finalised and filed before next tariff petition.

Hearing on 20.08.2024:

9.The petitioner representative submitted that in compliance of direction in the Record of Proceedings (RoP) dated 25.07.2024, an affidavit dated 16.08.2024 was placed for consideration.

10.Going through the affidavit wherein the petitioner has stated that PPP shall be finalized along with the next tariff petition is not in


Secretary (In-Charge)
APSERC

consonance with the direction given in the ROP dated 25.07.2024. The Commission had clearly directed the petitioner to submit the PPP for approval before filing of the next tariff petition.

11.The petitioner was directed to submit the PPP for approval before filing the next tariff petition. In the hearing itself it was made clear that further matter shall be heard on approval of the PPP submitted by the petitioner.

Interlocutory Application No 01 of 2026 filed by M/s Buru Energy Private Limited:

12.Seen that an interlocutory application dated 12.06.2026 is received and placed on record being filed by M/s Buru Energy Private Limited seeking expeditious hearing and disposal of the matter which has remained pending since, resulting in substantial financial losses.

13.Considering the gravity of hardship in terms of financial losses suffered by M/s Buru Energy Private Limited, a Notice dated 17.06.2026 was issued to both the parties for further hearing on 07.07.2026.

Hearing on 07.07.2026:

14.When the matter has being taken up for hearing, Mr Bamang Tagoku, Director, M/s Buru Energy Private Limited has submitted that by Office Memorandum No. CE(KB)/HPD/W-537/DENGZI/2017-18/3122-31 dated 27.12 2025 the Department of Hydro Power Development, Government of Arunachal Pradesh has accorded Techno Economic Clearance (TEC). As the Clause (4) (i) office memorandum, the TEC is valid for 12 months from the date of issue and shall expire

Secretary (In-Charge)
APSERC

if the implementation of the projects is not started at field within 12 months from the date of TEC.

15.The representative of M/s Buru Energy Private Limited submitted that the project has already obtained “In-principal Stage -I Forest Clearance” from the Ministry of Environment, Forest & Climate Change, Sub-Office, Guwahati.

16.On further submission, Mr Bamang Tagoku stated that it is more than 14 years since the initial MoA was signed with the Government of Arunachal Pradesh. The instant petition filed by the petitioner for approval for draft PPA is also pending almost for 2 years. Any further delay in approval of the PPA is likely to adversely impact project timelines, investment commitments and overall project viability. Thus, prayed that the petition may be disposed at the earliest by considering approval of the PPA.

17.On the other hand, when the Commission raised queries about the status of the PPP as directed in the ROP dated 25.07.2024, the authorised representative of the petitioner Er. N K Jha again sought for more time to finalise the draft PPP saying that the same is entrusted to the consultant appointed for the purpose. The authorised representative was reprimanded for delay for already taking 2 years for framing PPP and not being serious into the matter showing sheer negligence on their part for which the other party had suffered hardship and adverse financial implication.

Commission's observations:

18.The Commission at first note that the approach of the present petitioner was very casual and not appreciated in any way. Even after a long gap of 24 months, till date the directions in ROP dated 25.07.2024

Secretary (In-Charge)
APSERC

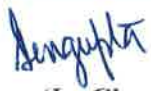
is yet to be complied. We have made our observation to the serious lapses on the part of the petitioner. To make the matter worse it is seen that the petitioner still stands with the lame excuses for its non-compliance.

19. With non-seriousness attitude of the petitioner, the petition remains in abeyance for almost 2 years. This matter has come to our consideration only after the other party, M/s Buru Energy Private Limited approach with instant interlocutory application seeking expeditious hearing and disposal of the matter which has remained pending since, resulting in substantial financial losses.

20. The present petition comes under the purview of Section 86(1)(b) of the Electricity Act, 2003 which states that the State Commission has power to regulate the electricity purchase and procurement process of distribution licensees. Section 86(1) (b) of the Electricity Act, 2003 provides as under: -

" (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the state;"

21. It is seen that parties have already agreed to the terms of the PPA and the draft PPA is submitted to the Commission for approval. The Commission having perused the available petition, relied documents placed on records note that the perquisite PPP document was not submitted by the petitioner. As mandated under the Regulation 6 and 8 of the Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations, 2024 and Regulation 5 of Resource adequacy framework


Secretary (In-Charge)
APSERC

of Arunachal Pradesh State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024. The responsibility lies on the part of distribution licensee to prepare a power procurement plan for procuring balance power and energy under short term power procurement plan and long-term power procurement plan duly approved by the Commission.

22. In the hearing dated 25.07.2024 and 20.08.2024, the Commission reiterated that petitioner was directed to file an affidavit within three weeks undertaking that PPP shall be finalised by the petitioner and filed it before next tariff petition, but same has not been submitted by the petitioner till date. When the matter was taken up on dated 07.07.2026 the authorised representative of the petitioner has assured this Commission the PPP is at the final stage and has been sent to the consultant appointed for the purpose.

23. Going through the available documents placed before the Commission, we see that M/s Buru Energy Private Limited, after it entered and signed the Amendment Agreement dated 13.03.2023 has made endeavour to obtain Techno Economic Clearance (TEC) by Office Memorandum No. CE(KB)/HPD/W-537/DENGZI/2017-18/3122-31 dated 27.12.2025 issued the Department of Hydro Power Development, Government of Arunachal Pradesh. Further the project has already obtained "In-principal Stage -I Forest Clearance" from the Ministry of Environment, Forest & Climate Change, Sub-Office, Guwahati.

24. Having a closer look at the Clause (4) (i) Office Memorandum, dated 27.12.2025, the TEC has a validity for 12 months from the date of issue and shall expire if the implementation of the projects is not


Secretary (In-Charge)
APSERC

started at field within 12 months from the date of TEC. It is obvious that M/s Buru Energy Private Limited shall have to face unnecessary burden to go for revalidation once the term expired as per TEC. The lackadaisical approach of the petitioner, result to adverse financial implication on the developer, which directly goes against the principle and intent of State policy regarding the Small Hydro Electric Project. This scenario if persistent would be a huge drawback for local entrepreneur who wish to set up power plant in the State.

25. The Section 86(1)(e) of the Electricity Act, 2003 makes it incumbent upon the Commission to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Therefore, it is the duty of the Commission to facilitate signing of PPA in the aforesaid case and also resolving the issues pending between the parties.

26. In terms of the Draft Power Purchase Agreement placed for approval, it is seen that under Clause 6.1 of the Draft PPA which states that:

“ 6.0 TARIFF

6.1. DoPAP shall accept and purchase the power made available to DoPAP's system either directly or through the transmission licensee's system, from the BEPL facility as per clause 4(III) of Office Memorandum of Techno-Economic Clearance, at the project-specific tariff @ →Rs 4.86 (Four rupees and eighty six paise) Per Unit or as determined by the APERC (Arunachal Pradesh State Electricity Regulatory Commission) under the provisions of relevant Regulations, as amended from time to time, whichever is lower.”


Secretary (In-Charge)
APERC

27. Going by Clause 6 of the Draft PPA, the Commission finds that tariff provisions are inconsistent and not in conformity with Section 62 of the Electricity Act, 2003. Under provisions of the Act, exclusive jurisdiction and power to determine the tariff lies with the State Commission. In several of citation, the Hon'ble Supreme Court and APTEL has reiterate that power to determine tariff is within the exclusive domain of the Commission.

28. The Commission has also taken considerable time, scrutinizing the aspects of Clause 14.0 of the Draft PPA, which states that:

“14.0 The agreement shall come into force from the date of signing of this agreement and shall remain valid for period of 50 years for COD of Dengi (10 MW) SHP subject to the following conditions –

(a) The intervening period from the date of signing of this agreement and the COD of the first unit of the project is not more than 60 (sixty) months.

(b) unless due to force as per clause 13, this agreement shall be inoperative after 60 (sixty) months automatically in pursuant to sub-clause 14 (a) above.”

29. The insertion of above Clause is praise worthy as it set a definite time line for its execution. The responsibility shift towards the developer to execute the project within the agreed time line for overall viability. The Commission in its earlier Order has emphasised and highlighted the power sector fabric of the State is changing rapidly. Holding onto economically unviable projects with PPAs in hand could misrepresent the availability of power to the distribution licensee and the Government of Arunachal Pradesh. Past PPAs signed by the distribution licensee rely on uncertain timelines, leading to a false sense of power availability. This situation could hinder the licensee's ability to secure economically viable resources for consumption. The licensee should review all such PPAs and develop a realistic pool of resources with clear timelines in its procurement plan and resource.



Secretary (In-Charge)
APERC

30. We are raising our concern to the subsequent Sub Clause (a) and (b) of Clause 14.0 of the Draft PPA, where the intervening period from the date of signing of this agreement and the COD of the first unit of the project is reflected as “not more than 60 (sixty) months”. The Commission on other hand insisted that time line for the period of date of signing of the agreement and the COD of the first unit of the project should be as per Detail Project Report (DPR) submitted by developer on which TEC has been accorded by the Committee On System Coordination and Techno Economic Clearance (TEC) of Government of Arunachal Pradesh for HE projects.

31. The Commission acknowledge that for one reason or another the present petition was lying unnoticed for almost 2 years. Due to the non-compliance of direction given in ROP dated 25.07.2024, the aggrieved party M/s Buru Energy Private Limited has endured hardship and financial loss. This act can be seen as a discouraging to the capable entrepreneur who wish to invest in the State power project. As of the literal understanding of the phrase “Justice delayed is justice denied.” We come to conclusion that the Draft for Power Purchase Agreement to be entered and signed between Department of Power, Government of Arunachal Pradesh and M/s Buru Energy Private Limited for Dengzi Hydro Electric Project (10 MW) can be approved and considered with further directions.

Directions:

32. Considering the delay and subsequent hardship faced by the M/s Buru Energy Private Limited, the Commission feel it is an exceptional matter which can be considered.

33. Further in anticipation that the petitioner in the short span of time shall submit all requisite documents connected to PPP for approval and


Secretary (In-Charge)
APSERC

consideration before the Commission, the Draft for Power Purchase Agreement to be entered and signed between Department of Power, Government of Arunachal Pradesh and M/s Buru Energy Private Limited for Dengzi Hydro Electric Project (10 MW) is approved subject to the modification made in Clause 6.1 and Clause 14.0 of the Draft PPA, which shall reads as:

“6.1 DoPAP shall accept and purchase the power made available to DoPAP’s system either directly or through transmission license system from the BEPL facility at the project specific tariff determined by the Arunachal Pradesh State Electricity Regulatory Commission under the provision of relevant RE Regulations as amended from time to time”.

“14.0 The agreement shall come into force from the date of signing of this agreement and shall remain valid for period of 50 years from COD of Dengi (10 MW) SHP subject to the following conditions –

(a) The intervening period from the date of signing of this agreement and the COD of the first unit of the project shall be as per Detail Project Report (DPR) of developer on which TEC has been accorded by the Committee On System Coordination and Techno Economic Clearance (TEC) of Government of Arunachal Pradesh for HE projects.

(b) unless due to Force Majeure clause 13, this agreement shall be inoperative automatically in pursuant to sub-clause 14 (a) above.”

34. Further note that the Commission shall not considered or admit any Petition filed for seeking approval in terms of Draft Power Purchase Agreement (PPA) without complying to the provisions as set under Regulation 6 and 8 of the Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations, 2024 and Regulation 5 of Resource adequacy



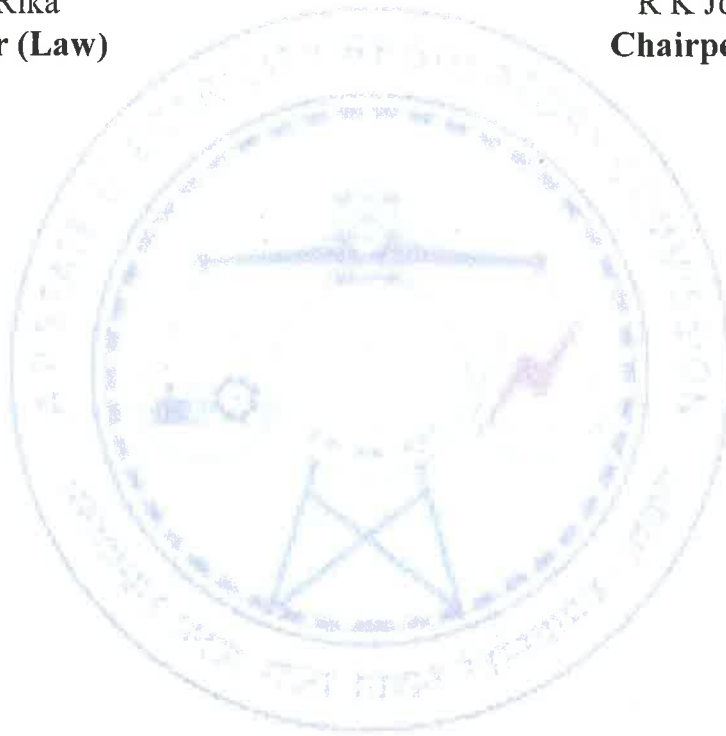
Secretary (In-Charge)
APSERC

framework of Arunachal Pradesh State Electricity Regulatory Commission(Framework for Resource Adequacy) Regulations,2024.

35.With the above observations and directions, the petition MP 05 of 2024 along with IA 01 of 2026 is disposed of accordingly.

Sd/-
Nich Rika
Member (Law)

Sd/-
R K Joshi
Chairperson




Secretary (In-Charge)
APSERC