



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY  
COMMISSION ITANAGAR**

**MP-03 OF 2025.**

**In the matter of:**

An application praying for approval of renewal of the Power Purchase Agreement (PPA) for the purchase of power from North Eastern Electric Power Corporation Ltd. Power stations

**Coram: Mr. R. K. Joshi Hon'ble Chairperson.**

**Mr. Nich Rika Hon'ble Member (Law).**

**Petitioner:** Department of Power, Government of Arunachal Pradesh.

**Appearance:**

1. Er. Rajesh Sharma, JE (Comm), Department of Power, Government of Arunachal Pradesh.

**Date of Hearing:** 24.09.2025

**Record of Proceedings**

1. Appeared for the Petitioner, Er. Rajesh Sharma, Junior Engineer (Comm), Department of Power, Government of Arunachal Pradesh.
2. Vide R.O.P dated 30.07.2025, the Petitioner was directed to submit justification for renewal of PPA with NEEPCO Plants based on projected demand with a comprehensive power procurement strategy.
3. The Commission has scrutinized the submission of the Petitioner vide No. CE(COM)/NEEPCO/07/2025-26/2642 dated Itanagar the 5<sup>th</sup> September 2025 and has observed that the Petitioner has not submitted required details as stipulated in **Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulation, 2024.**
4. The Petitioner, in its submission, has only provided the allocation details from Central Generating Stations as notified by the Ministry of Power, Government of India wherein it is shown that out of the total Central Share of 294.04 MW, the contribution of NEEPCO is 221.83 MW. However, the Petitioner has not submitted any detailed analysis regarding the power procurement strategy wrt anticipated demand.

5. The Commission has highlighted that any power procurement process or evaluation of power purchase agreement has to be in sync with the provisions elaborated in **Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulation, 2024.**
6. The Commission has also highlighted the provision of assessment of demand and energy requirements along with assessment of availability in the relevant Regulation which is referred below:

***“4. Assessment of Demand and Energy Requirements:***

*4.1. The Distribution Licensee (s) shall make an assessment of demand (MW) and energy requirement for peak and off peak period of the day for all the months of the year for next one year (short term) and for next ten years (Long term) on monthly basis. The demand and energy requirements shall be worked on peaking capacity (MW) and energy basis (MU). The forecast shall be done based on load duration curve explicitly defining the base load and peak load in such a way that unrestricted 24 hours supply of adequate and uninterrupted Power can be ensured to all categories of consumers.*

*4.2. The assessment shall be based on historical data, load requirement projections in accordance with the business plan and likely impact of implementation of efficiency improvement programs including but not limited to T and D loss reduction initiatives and DSM Programs.*

*4.3. While making forecast, Licensee(s) shall also take into consideration the following along with other relevant factors-*

- i. Weather forecast and seasonal variations.*
- ii. Overall economic growth projections.*
- iii. Likely impact of implementation of Demand Side Management Regulations.*
- iv. Projected efficiency gains due to implementation of T and D loss reduction initiatives and other improvement Programs.*

*4.4. The analysis must also consider the impact of the provisions of the Act and possible switch over of consumers to open access and captive generation.*

*4.5. The Distribution Licensee (s) shall also be guided by the methodology adopted in the latest Electricity Power Survey of Central Electricity Authority (CEA) for the Arunachal Pradesh.*

***5. Assessment of Availability:***

*5.1. The Distribution Licensee(s) shall make an assessment of the availability of Power and energy from different sources for peak and off Peak periods of the day for all the months of the year for next one year (short term) and for next ten years (long term) on monthly basis.*



5.2. The assessment of availability shall be based on the following, among other relevant information and inputs: -

- i. Existing share of power from plants including generating plants owned and/or operated by the State/Distribution Licensee(s), Central Sector and other sources of Power;
- ii. Availability of renewable energy from sources within and outside the State.
- iii. New generating stations due for commissioning and expected share of the licensee(s).
- iv. Banking Power arrangements.
- v. Uprating of existing power plants.
- vi. Phase out of old stations or non-availability of capacity due to extended period of maintenance/renovation of old generating plants.
- vii. Maintenance schedules of generating stations owned or operated by the licensee(s) or the State, and Central Sector plans and other sources of power.
- viii. Renewable purchase obligation.
- ix. The Distribution Licensee (s) shall also be guided by the methodology adopted in the latest Electric Power Survey of CEA for the Arunachal Pradesh. ....”

7. The Commission further draws the Petitioner’s attention to Clause 11 of the Regulations, which outlines the evaluation of Power Purchase Arrangements or Agreements. It is also observed that the Petitioner has not furnished any supporting documents to substantiate the claim for renewal of the PPAs in accordance with the said clause, as referenced below:

**“11. Evaluation of Power Purchase Arrangements or Agreements:** Commencement of power purchase under any new long term or short -term power purchase arrangement or agreement and amendments to existing PPA entered into by Distribution licensee(s), shall be subject to prior approval of the Commission under Section 86 of the Act, in respect of

- i. Necessity;
- ii. Reasonability of cost;
- iii. Promoting efficiency, economy, equitability and competition;
- iv. Conformity with regulations for investment approval;
- v. Conformity with requirements of quality, continuity and reliability of supply;
- vi. Conformity with safety and environmental standards;
- vii. Conformity with criterion of power purchase as laid down in these Regulations;
- viii. Conformity with policy directives of the State Government and policies issued by the Government of India viz. National Electricity policy, Tariff policy, long term and short-term power procurement bidding guidelines.”

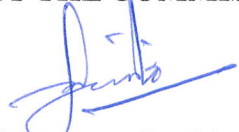
8. The Commission has further observed a mismatch between the projected peak demand submitted by the Petitioner in various submissions and the peak demand outlined in the

20<sup>th</sup> EPS Report. While the EPS estimates the peak electricity demand at 282 MW for 2031-32, the Petitioner has projected only 218 MW for 2025-26 in draft power purchase petition and a contracted capacity of 1047 MW in draft Resource Adequacy Plan. The Commission also highlights that, as per Clause 4.5 of the Regulations, the Distribution Licensee is required to adhere to the methodology adopted in the latest EPS for the State. The relevant portion is referred below:

*“4.5. The Distribution Licensee (s) shall also be guided by the methodology adopted in the latest Electricity Power Survey of Central Electricity Authority (CEA) for the Arunachal Pradesh.*

9. The Commission emphasized the need for the Petitioner to submit a procurement plan in accordance with the methodology prescribed in the Arunachal Pradesh State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations, 2024. These Regulations provide guidelines to effectively and optimally meet demand and ensure that the overall power procurement and supply process is carried out in an efficient manner.
10. The Commission further directed the Petitioner to submit the necessary documents substantiating the need for renewal of the PPA's in line with the provision laid down in the relevant Regulation.
11. The Petitioner requested additional time and agreed to submit the required details by 30<sup>th</sup> November 2025.
12. The Commission granted the time sought by the Petitioner and directed the Petitioner to submit the relevant details within 30<sup>th</sup> November 2025 post which the matter shall be fixed for hearing.

**BY ORDER OF THE COMMISSION**

  
**Secretary (In-Charge)**  
**APERC**