

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

ITANAGAR

Petition No.TP-10 of 2024 alongwith

IA No. IA/3/2024

Coram

Shri R. K. Joshi, Chairperson
Shri Nich Rika, Member (Law)

Date of Order: 03.09.2024

In the matter of:

Petition under section 62 of the Electricity Act, 2003 read with the provisions of Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024 for determination of project specific tariff of the Khangtang SHP of 7.5 MW.

And in the matter of:

Kangteng Hydro Power Private Limited (KHPPL) **Petitioner**

Vs

Department of Power, Government of Arunachal Pradesh & Others ... **Respondents**

Appearance: Shri Prasanjit Mishra, KHPPL
Shri Neeraj Kumar Chaudhary, KHPPL
Shri Duyu Tacho, C.E. (Commercial) Department of Power, Govt. of Arunachal Pradesh

ORDER

The instant petition is filed by Khangteng Hydro Power Pvt. Ltd. under section 62 of the Electricity Act, 2003 read with the provisions of Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024 (hereinafter referred to as the "2024 RE


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Tariff Regulations”) for determination of project specific tariff of the Khangtang SHP of 7.5 MW. The Petitioner has also filed an interlocutory application (IA No.IA/03/2024) praying for grant of interim/ provisional tariff.

Background

2. Kangteng Hydro Power Private Limited (KHPPL) has filed the instant petition for determination of tariff of its 3X2.5 MW Kangteng Small Hydro Electric Plant (KSHEP). The Petitioner has submitted that its project was declared commercial operation on 8.5.2024.

3. The Petitioner had earlier filed a petition for approval of the tariff for KSHEP on 11.12.2023. As there were certain deficiencies, the Petitioner was asked to remove them vide letter 28.11.2023. Accordingly, the Petitioner KHPPL has filed a revised petition on 12.2.2024.

4. It was observed that the Petitioner filed the petition before the commissioning of KSHEP and it is based on the DPR cost. Moreover, the petition is filed on the basis of the Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2018 (2018 RE Tariff Regulations). As the Commission has repealed the 2018 RE Tariff Regulations and has notified the 2024 RE Tariff Regulations on 4.3.2024 and KSHEP was commissioned on 8.5.2024, the Petitioner was asked to file a revised petition as per the 2024 RE Tariff Regulations and the actual cost. Accordingly, the Petitioner has filed the revised petition as per the 2024 RE Tariff Regulations on


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2.9.2024. The Petitioner has prayed for grant of tariff for its 7.5 MW SHP and pending final order has also prayed for grant of interim tariff.

5. The matter was heard on 3.9.2024 on the Petitioner's prayer for grant of interim tariff.

6. The representative of the Petitioner submitted that the project was commissioned on 8.5.2024 and the Petitioner has been supplying power to the Department of Power since then. He submitted that as per the PPA, the tariff has to be determined by this Commission and hence the Petitioner has filed the instant petition.

7. The Petitioner has submitted that the Petitioner has not been receiving any tariff for the past four months in absence of approved tariff by this Commission. The Petitioner is not able to meet its debt obligations since it has not received any payment for the period of last three months. He submitted that the petitioner is vulnerable to be declared bankrupt, if it fails to meet its debt obligations for continuously for a period of three months. He submitted that the Petitioner was able to meet its obligations from the internal resources available with it but now severe financial crunch is anticipated and it will not be able to meet its obligations for more time. Therefore, the Petitioner has requested to grant interim tariff as determination of final levelized tariff is expected to take some more time. In this connection he referred to the 2024 Tariff Regulations of the Central Electricity Regulatory Commission which provides for grant of 90% of the tariff claimed as interim tariff. He also referred to two other instances where interim tariff was granted by the Kerala


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State Electricity Regulatory Commission in case of hydro power projects. He prayed for grant of interim tariff of 90% of the levelized tariff of Rs.4.95 claimed by the Petitioner or in the alternate grant Rs.3.84/kWh as suggested by the DoP, AP in Petition No. MP-03 of 2024, while seeking approval of the PPA, between the Petitioner and the DoP, AP.

8. The representative of the Petitioner submitted that detailed submission will be made by the Petitioner on receipt of the reply from the Respondent on petition for final tariff order. He once again requested to approve the interim tariff so that the Petitioner could meet its debt obligations and avoid being declared bankrupt.

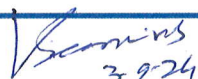
9. The representative of the Department of Power, Government of Arunachal Pradesh submitted that the copy of the petition has not been served on it. Therefore, the DoP, AP is not in a position to offer any submissions at this stage on the claims made by the Petitioner. He submitted that the Petitioner should also implead the Chief Engineer (Monitoring), Department of Hydro Power Development as the custodian and signatory of MOU and the Chief Engineer of the concerned zone under whose jurisdiction the evacuation system of the Petitioner falls. He further sought three weeks to file reply in the matter.

10. We have considered the submissions made by the Petitioner and the representative of DoP, AP. The Petitioner has commissioned its project on 8.5.2024 and has been supplying power since then to DoP, AP. However, the Petitioner has not received any tariff for the past four months. The Petitioner was able to meet its debt obligations with the funds available with it and the Petitioner will not be able to


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meet its obligations in the future because of the depletion of internal resource. The failure to meet its debt obligations may lead to the project being declared as NPA by lender. Taking into consideration the fact that the Petitioner will not be able to meet its debt obligations in the absence of any tariff for its project, we decide to grant to interim tariff for the Petitioner's project under Section 94(2) of the Electricity Act, 2003. As regards the amount of interim tariff, the Petitioner has prayed for grant of 90% of the tariff of Rs.4.95/kWh claimed as interim tariff as provided under the 2024 Tariff Regulations of the Central Electricity Regulatory Commission or in the alternative grant Rs.3.84/kWh as suggested by the DoP, AP in Petition No. MP-03 of 2024. We are not inclined to grant 90% of the levelized tariff claimed by the Petitioner in accordance with the 2024 CERC Tariff Regulations as no such % of interim tariff has been provided for in the 2024 RE Tariff Regulations. Further, we are of the view that it is also not appropriate to allow a % of the levelized tariff at this stage without a detailed scrutiny and prudence check of the capital cost claimed by the Petitioner. We deem it fit, to approve Rs.3.84/kWh as interim tariff which was proposed by the DoP, AP in Petition No. MP-03 of 2024 while seeking approval of the PPA. The interim tariff granted herein is subject to adjustment with the final tariff granted for the project.

11. The Petitioner is directed to publish abridged form of petition in two local newspapers within one week from the date of issue of this order, seeking comments/objections from general public giving 21 days' time and file a copy of the same on an affidavit as prescribed in the regulation.


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12. It is also observed that the Petitioner has not submitted the original DPR of the project and the scheduled COD of the project. The Petitioner is directed to submit the original DPR alongwith the documents and also submit the schedule of COD of the project. The Petitioner is also directed to implead the Chief Engineer (Monitoring), DHPD and the Chief Engineer (Western Zone), DoP and also serve them a copy of the petition by 11.9.2024 besides the Chief Engineer (Commercial), DoP.

13. The Respondents are directed to file their reply on affidavit by 4.10.2024, with a copy to the Petitioner, who may file its rejoinder, if any, by 21.10.2024.

14. The petition will be listed for further hearing on 29.10.2024 at 11.00 AM.

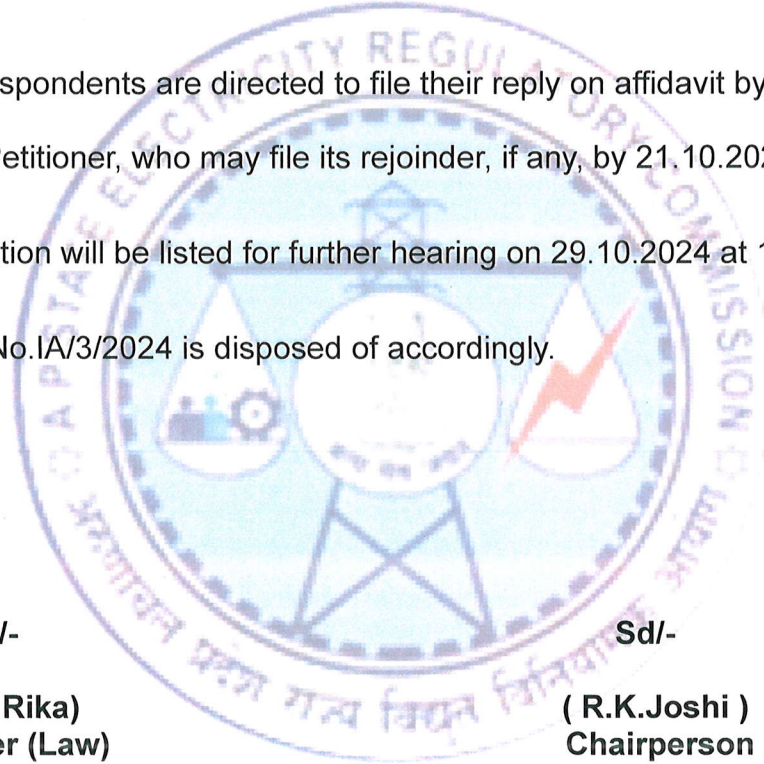
15. The IA No.IA/3/2024 is disposed of accordingly.

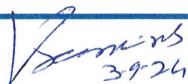
Sd/-

(Nich Rika)
Member (Law)

Sd/-

(R.K.Joshi)
Chairperson




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