



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**FOR THE YEAR
2023 – 24 & 2024 – 25**

IN

CASE NO: TP – 107 / 23 – 24

**IN REGARD TO THE MULTI YEAR TARIFF
APPLICATION UNDER EIGHTH CONTROL PERIOD OF
HIRANMAYE ENERGY LIMITED FOR THE YEARS 2023 –
24, 2024 – 25 AND 2025 - 26 UNDER SECTION 64(3)(a) READ
WITH SECTION 62(1) OF THE ELECTRICITY ACT, 2003**

PRESENT:

**DR MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 12.03.2024



CHAPTER – 1

INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”), has been authorized in terms of the section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 The Hiranmaye Energy Limited (hereinafter referred to as HMEL), [formerly known as India Power Corporation (Haldia) Limited] registered under the Companies Act, 1956, is a generating company in terms of section 2(28) of the Act and is engaged in the business of generation of electricity within the State of West Bengal and the generation tariff of HMEL shall be determined by the Commission.
- 1.3 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the ‘Tariff Regulations’), the Commission vide its order dated 31.08.2022 in case no. SM-31/22-23 decided that the eighth control period shall be for three years consisting of 2023 – 24, 2024 – 25 and 2025 – 26. In terms of regulation 2.7.1 of the Tariff Regulations, application for determination of tariff under Multiyear Tariff framework has to be submitted 120 days in advance from the effective date of the start of the control period. Considering the prayer of HMEL, the Commission extended the date of filing of tariff petition by 31.05.2023 vide letter dated 14.03.2023.
- 1.4 HMEL has submitted MYT Petition for determination of Tariff, Aggregated Revenue Requirement and Expected Revenue for the eighth control period for



unit 1 and 2 of its 3 x 150 MW generating station on 31.05.2023. The petition was admitted by the Commission on 25.07.2023 in Case No. TP – 107/ 23 – 24.

- 1.5 The Commission directed HMEL to publish the gist of their Tariff Application, as approved by the Commission, in the newspapers and also in their website as per provisions of the Tariff Regulations. The gist was, accordingly, published simultaneously on 14.01.2024 in the newspapers - (i) the 'Bartaman' (Bengali), (ii) the 'Aajkaal' (Bengali), (iii) 'The Statesman' (English) and (iv) the 'Pravat Khabar' (Hindi). The gist along with the tariff application was also posted in the website of HMEL. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of HMEL for the eighth control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission latest by 03.02.2024.
- 1.6 No objection/suggestion/comment has been received from the stakeholders within the stipulated due date i.e. 03.02.2024.
- 1.7 The Commission now determines the tariff in accordance with the Electricity Act, 2003 and the Tariff Regulations framed thereunder.



CHAPTER - 2

THE CASE OF HIRANMAYE ENERGY LIMITED

- 2.1 H MEL has submitted a composite Tariff Application in respect of unit 1 and unit 2 of its 3 x 150 MW generating station for the years 2023-24, 2024-25 and 2025-26 under the eighth control period in accordance with the Tariff Regulations. The applicant has proposed the ARR and tariff for the eighth control period and has prayed for allowing the same. H MEL has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 H MEL has submitted the present application for determination of tariff of Unit 1 (150 MW) and Unit 2 (150 MW). The dates of commercial operation (COD) of Unit 1 and Unit 2 are 13.08.2017 and 31.12.2017 respectively. H MEL also submitted that the tariff application is based on the provisional capital cost of Rs. 2721.95 Crore based on applicable regulatory principles for the two units as on 31.12.2022. H MEL has considered an amount of Rs. 1961.08 Crore as debt and Rs. 760.87 Crore as equity for tariff determination.
- 2.3 H MEL in its petition submitted that they have considered Plant Load Factor of 85% for the years 2023 – 24, 2024 – 25 and 2025 – 26 in resemblance and equivalent to the Plant Availability Factor. Projected gross generation by H MEL for the eighth control period are as below:

Table 1 : Gross Generation of 2 x 150 MW Generating Station of H MEL (MU)

Generating station	2023-24	2024-25	2025-26
Hiranmaye Energy Limited [2 x 150 MW]	2233.80	2233.80	2233.80

- 2.4 H MEL has submitted that they have entered into two long-term Fuel Supply Agreements with Mahanadi Coalfield Limited for supply of a total quantum of 15,02,300 Tonnes per annum till the expiry of the PPA terms through SHAKTI scheme. For the purpose of determination of Energy Charges for the 8th Control Period they have considered sourcing of 100% SHAKI coal through which they



can achieve generation level maximum upto 76.50% of the installed capacity for Unit 1 & 2. For the balance quantum they have preferred imported coal (Indonesian Coal) sourced through competitive bidding to meet a target availability of 85%. HMEL also submitted that the reason for preferring imported coal in the fuel mix is due to various notifications of Govt. of India, Ministry of Power directing the generating companies for sourcing of imported coal in varying proportion for blending purpose to meet the unprecedented increase in energy demand of country.

- 2.5 In view of the above, HMEL has considered to meet its coal requirement during the eighth control period from linkage and balance from import. Accordingly, HMEL has projected the total fuel cost on the basis of normative operating parameters as Rs. 77140.34 Lakh, Rs. 77535.38 Lakh and Rs. 77954.98 Lakh for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively.
- 2.6 HMEL has projected employee expenses as Rs. 4932.89 Lakh, Rs. 5220.45 Lakh and Rs. 5528.25 Lakh for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively which includes own employees and contractual employees.
- 2.7 HMEL has projected the Operation and Maintenance Expenses for unit 1 and unit 2 of its 3 x 150 MW generating station as Rs. 3360.00 lakh, Rs. 3486.00 lakh and Rs. 3618.00 lakh for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively, as per the norms specified by the Commission in Tariff Regulation. HMEL, in their petition also has claimed Rs.23.64 lakh, 24.85 lakh and 26.12 lakh for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively for operational expenses of HMEL transmission line @1.25 times of WBSETCL norms.
- 2.8 HMEL has projected the Water Charges at a rate of Rs. 21.68/ kL, 22.77/kL and 23.90/kL for the years 2023-24, 2024-25 and 2025-26 respectively for water supplied by Haldia Development Authority (HDA). The amount projected for the years 2023-24, 2024-25 and 2025-26 is Rs. 1453.03 Lakh, 1525.68 lakh and 1601.97 lakh respectively.