

*(d) For other values of moisture content, multiplying factor shall be pro-rated for moisture content between 30-40% and 40-50% depending upon the rated values of multiplying factor for the respective range given under sub-clauses (a) to (c) above*

36. GMDC's generating station was commissioned in 2006. The design heat rate was 2361.16 kcal/kwh and therefore the 1.045 X Design Heat Rate works out to 2467 kCal/Kwh.
37. That the PPA as well as the MYT Regulations also provide for the moisture content and the design heat rate/station heat rate would have to be increased to account for the same. The multiplying factors in the PPA and the MYT Regulations are the same.
38. GMDC had represented that corrosive oxides of sulphur and chlorides are present in the coastal saline atmosphere and hence the plant is exposed to very high deterioration rate. GMDC had further stated that the plant is designed for GCV of 3200 KCal / Kg of lignite whereas they are actually receiving GCV in the range of 2800 to 2900 KCal / Kg.
39. The maximum station heat rate which can be considered for the ATPS considering the maximum moisture correction of 1.10 is  
 Design Heat Rate X 1.045 X 1.10  
 i.e.  $2361.16 \times 1.045 \times 1.10 = 2713 \text{ Kcal/KWh}$
40. The SHR of other lignite based power plants as per PPA and/ or approved by Hon'ble Commission are as under:
- |                         |   |  |
|-------------------------|---|--|
| 1. GIPCL SLPP           | : | 2400 Kcal / KWh with moisture correction |
| 2. GIPCL SLPP Expansion | : | 2461 Kcal / KWh with moisture correction |
| 3. GSECL KLTPS -3       | : | 3231 Kcal /KWh                           |
| 4. GSECL KLTPS-4        | : | 3000 Kcal /KWh                           |
| 5. GSECL BLTPS          | : | 2623 Kcal /KWh                           |
41. In view of the above, GUVNL had agreed to revise the Station Heat Rate to 2713 kcal/kwh irrespective of moisture content as against the proposal of GMDC being 2900 kcal/kWh with 0.5% degradation each year. This was agreed to by the GMDC and therefore the parties have agreed to revise Station Heat Rate to 2713 KCal /KWh irrespective of moisture content for

the balance period of the PPA with effect from the date of signing of the Supplementary Agreement.

**(D)Auxiliary Consumption**

42. The existing clause in the PPA dated 19.02.2000 read with Supplementary Agreement dated 17.12.2014 was as under:

10.10.1

<i>Auxiliary Consumption</i>	<i>AC</i>	<i>shall mean the Energy consumed in the Auxiliaries of the Generating Station. The normative values will be as under :</i>	
		<i>During Stabilisation Period</i>	<i>10.0%</i>
		<i>After Stabilisation Period</i>	<i>11%</i>

43. GMDC has sought revision in Auxiliary Consumption from 11% to 12% from FY 2022-23 and 13% with effect from FY 2027-28 onwards. GMDC submitted that due to the issues already submitted relating to deterioration and life of the plant, the Auxiliary Consumption had increased heavily.
44. MYT Regulations provided for Station Heat Rate for existing coal based stations and further for new stations including lignite based stations:

*53.7 Auxiliary Energy Consumption:*

.....

*(e) New lignite-fired thermal generating stations:*

*(i) All generating stations with below 200 MW sets: 12%;*

*(ii) All generating stations with 200 MW sets and above: 0.50% more than that allowed for coal based generating stations under Table 8 above: Provided that for the lignite fired stations using CFBC technology, the auxiliary energy consumption norms shall be 1.50% more than the auxiliary energy consumption norms of coal based generating stations as specified above.*

45. In terms of the above, the auxiliary consumption for new lignite fired thermal generating stations is 12%. The ATPS was commissioned in 2006.
46. Initially, GUVNL had not agreed to the revision as GMDC had proposed capital expenditure to improve the performance parameters and therefore GMDC should be in a position to improve its auxiliary consumption; however the GMDC had insisted on the revision.
47. The Auxiliary Consumption allowed to other lignite based generating stations are as under:



- a. GIPCL SLPP II:11.5%
  - b. GSECL KLTPS 3 and 4 -12%
48. In view of the above, GUVNL had agreed to revision limited to 11.5% as against 12% and 13% sought by GMDC. GMDC accepted the revision to 11.5%. The same is agreed to be with effect from the date of signing of the Supplementary Agreement.

**(E) Effective date of the Supplementary Agreement**

49. The parties have agreed that the Effective date of the Supplementary Agreement shall be date of signing of the agreement with regard to the aspects of Station Heat Rate, Auxiliary Consumption and Return on Equity and 01.04.2022 with regard to O&M expenses.
50. That even with the amended terms agreed to between the parties, it is anticipated that the power from the ATPS would be cheaper power as compared to other lignite based power stations and would fall within the merit order despatch.
51. That the Supplementary Agreement is subject to the approval of this Hon'ble Commission. Under the Electricity Act, 2003, this Hon'ble Commission is empowered to regulate the procurement process of the distribution licensees. Section 86 (1) (b) reads 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.”*
52. GUVNL is hereby filing the present Petition before Hon'ble Commission under Section 86 (1) (b) of the Electricity Act 2003 for approval of the Supplementary Agreement executed between GUVNL and GMDC in relation to amendments to the Power Purchase Agreement dated 19.02.2000 read with Supplementary Agreement dated 17.12.2014. The above Supplementary Agreement shall be subject to approval by GERC.
53. The Petitioner craves relief of the Hon'ble Commission to allow further submissions, prayers, additions and alterations to this Petition as may be necessary from time to time.

**54. PRAYER**

It is therefore, respectfully prayed that this Hon'ble Commission may be pleased to :

- a) Admit this Petition.
- b) Approve the Supplementary Agreement at Annexure E for amendments to the Power Purchase Agreement dated 19.02.2000 read with Supplementary Agreement dated 17.12.2014;
- c) Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case.


Date: 19-10-2023  
Place: Vadodara

  
GUJARAT URJA VIKAS NIGAM LIMITED  
PETITIONER  
Deputy Engineer (IPP)  
Gujarat Urja Vikas Nigam Limited  
Vadodara

**DECLARATION**

Declaration that subject matter of the Petition has not been raised by the Petitioner before any other competent forum and that no other competent forum is currently seized of the matter or has passed any order in relation thereto.

Date: 19-10-2023  
Place: Vadodara

  
GUJARAT URJA VIKAS NIGAM LTD  
PETITIONER  
Deputy Engineer (IPP)  
Gujarat Urja Vikas Nigam Limited  
Vadodara



**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR  
PETITION NO. \_\_\_\_\_ OF 2023**

**IN THE MATTER OF:**

Petition under Section 86 (1) (b) and (e) of the Electricity Act 2003 for approval of amendments to the Power Purchase Agreement dated 19.02.2000 read with Supplementary Agreement dated 17.12.2014 for procurement of power from 2X125 MW lignite based thermal power plant established by GMDC at Akrimota, Kutch, Gujarat.

Gujarat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhavan  
Race Course,  
Vadodara - 390 007

**Petitioner**

**Versus**

Gujarat Mineral Development Corporation Limited  
Khanij Bhavan, 132 Feet Ring Road,  
Near Gujarat University Ground, Vastrapur,  
Ahmedabad, Gujarat 380 052

**Respondent**

Regd. No.: 21596  
Date: 19/10/2023

**AFFIDAVIT VERIFYING THE PETITION**

I, Hitesh Patel son of Prabhudas Patel, aged 49 years, residing at Vadodara, do hereby solemnly affirm and state as under:-

1. I say that I am Deputy Engineer of the Petitioner, Gujarat Urja Vikas Nigam Limited and am authorised on behalf of the Petitioner to swear this present affidavit.
2. I say that I have read the contents of the accompanying Petition and I have understood the contents of the same.
3. I say that the contents of the above Petition are based on information available from the records maintained in the ordinary course of business and I believe them to be true and correct.



4. I say that the Annexures to the Petition are true and correct copies of their Originals.

*ATZ*

**DEPONENT**

Deputy Engineer (IPP)  
Gujarat Urja Vikas Nigam Limited  
Vadodara

**VERIFICATION**

I, the deponent above-named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge and belief and no part of it is false and nothing material has been concealed there from.

Verified at Vadodara on this 19<sup>th</sup> day of October, 2023.

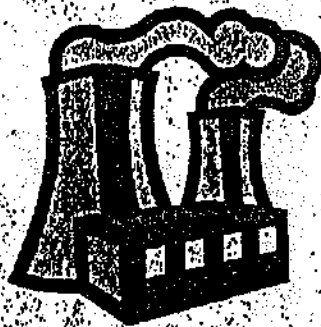
*ATZ*

**DEPONENT**

Deputy Engineer (IPP)  
Gujarat Urja Vikas Nigam Limited  
Vadodara



Solemnly Affirmed/Declared  
Sworn Before me by *H.P. Patel*  
*H. J. Zala*  
**H. J. ZALA**  
NOTARY (Govt. of India)



**POWER PURCHASE AGREEMENT**

**BETWEEN**

**GUJARAT ELECTRICITY BOARD**

**AND**

**GUJARAT MINERAL DEVELOPMENT  
CORPORATION LIMITED**











9.5/2/2000 20/-

સુજાતા ઇલેક્ટ્રીકલ કોર્પોરેશન

વડોદરા

27/01/2000

ધનરપાલક શ્રીલાલ મહેતા  
6, પોલીસ સ્ટેશન,  
સુપરમાર્કેટ ડેવલપમેન્ટ ડિવિઝન રોડ,  
વડોદરા ૩૯૦૦૦૭  
તા. નં ૧૧૬૦ તા. ૧૮-૪-૯૦

ANDWHEREAS GMDC has, amongst its objectives laid down in its Memorandum of Articles, incorporated the activities relating to the establishment, operation and maintenance of generating station, and is eligible to be identified as a Generating Company pursuant to the provisions of Clause 4-A of Section-2 of the Electricity (Supply) Act, 1948

AND WHEREAS the Government of Gujarat, at its meeting held on 15-6-94, determined to assign the work of implementation of a Lignite based, 250

MW Generating Station, at Village Chher-Nani in Kutchh Dist. of the State of Gujarat to GMDC, alongwith the leasing rights of mining of Lignite

AND WHEREUPON GMDC has undertaken to build, own, operate and maintain the said Generating Station having the configuration and specifications as incorporated under Schedule-I

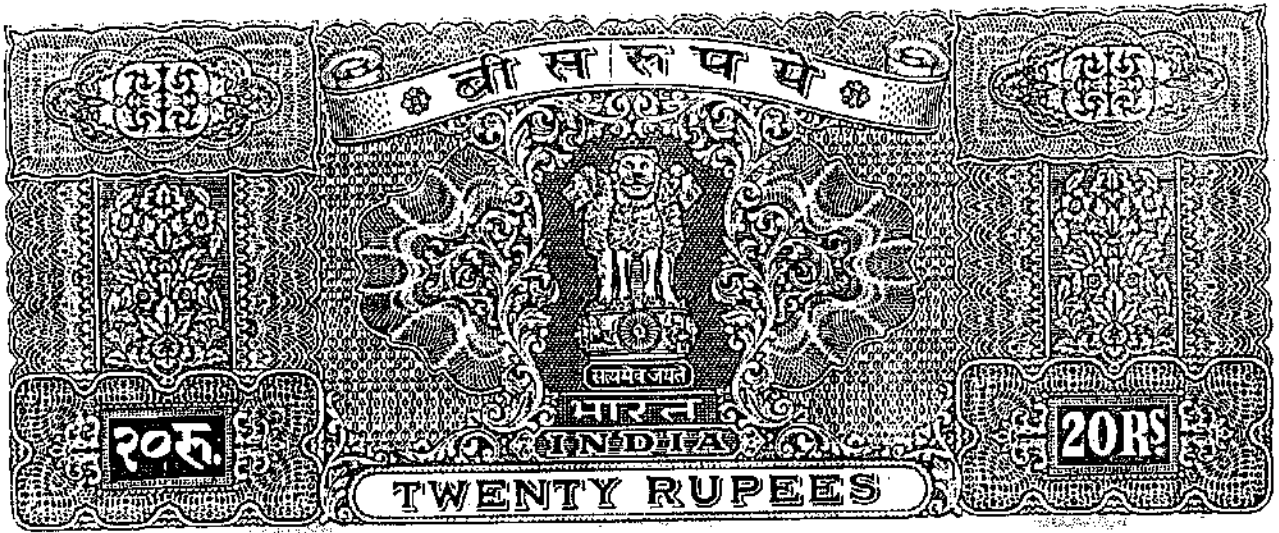
ANDWHEREAS GEB, which is generating, transmitting, distributing and selling electrical energy in the State of Gujarat, intends to purchase from GMDC, such of the Capacity as mentioned hereinafter, commensurate with the detailed terms and conditions of this PPA

*Handwritten signature*

*Handwritten signature*

*Handwritten initials*

*Handwritten signature*



१९/२/२००० रु २०/-  
 ...  
 ...  
 ...

धनरक्षक श्रीमान् ...  
 ...  
 ...  
 ...

This Power Purchase Agreement (hereinafter referred to as the "PPA") is entered into on nineteenth day of the month February of the year two thousand at Gandhinagar

**BETWEEN  
GUJARAT ELECTRICITY BOARD**

formed under the Electricity (Supply) Act, 1948, having its Head Office at Sardar Patel Vidyut Bhavan, Race Course, Vadodara, 390007 (hereinafter referred to as "GEB" or "Board") which expression shall mean and include its assigns and successors

AND

**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

incorporated under the Companies Act, 1956 (1 of 1956) having its registered office at Khanij Bhavan, Ashram Road, Opp. Nehru Bridge, PO Box No.4016, Ahmedabad, 380009, (hereinafter referred to as "GMDC") which expression shall mean and include its assigns and successors