

**BEFORE THE GUJART ELECTRICITY REGULATORY COMMISSION**

**GANDHINAGAR**

**Petition No. 2348 of 2024**

**In the matter of:**

**Petition under Section 86 (1) (b) of the Electricity Act., 2003 seeking for approval of the Commission for Fourth Supplemental Agreement to the PPA dated 26.02.2007 with M/s ACB (India) Limited for incorporating discount in fixed energy tariff towards generation of power for utilization of the coal allocated under SHAKTI Scheme B(ii) Round 6 Scheme of the Government of India.**

Petitioner : Gujarat Urja Vikas Nigam Limited  
Represented by : Ld. Adv. Ms. Kriti Soni along with Mr. Nilay Joshi  
and Mr. Vipul L. Lathiya  
V/s.  
Respondent : ACB (India) Limited  
Represented by : Nobody was present.

**CORAM:**

**Mehul M. Gandhi, Member  
S. R. Pandey, Member**

**Date: 02/09/2024**

**ORDER**

1. The Petitioner Gujarat Urja Vikas Nigam Limited has filed the present Petition seeking the following prayers:

*(a) Admit the present petition.*

*(b) Approve the addendum mentioned above at Para 16 to be incorporated in the Schedule 10 of the PPA dated 26.02.2007 read with Supplemental Agreement(s) dated 02.02.2018, 17.03.2020 and 26.10.2020 with M/s*

*ACB (India) Limited for availing benefit of discounted tariff for supply of power to GUVNL under PPA for the generation towards coal received under SHAKTI Scheme B (ii) Round VI subject to the condition as specified in earlier orders.*

*(c) Approve the annexed draft of Fourth Supplementary PPA by the Petitioner with M/s ACB (India) Limited for incorporating the addendum in Schedule 10 of the PPA dated 26.02.2007.*

*(d) Pass any such further order or orders as the Commission may deem just and proper in the circumstances of the case.”*

2. Facts mentioned in the Petition in brief are as under:
- 2.1. The Petitioner Gujarat Urja Vikas Nigam Limited (GUVNL) is a Company incorporated under the provisions of the Companies Act, 1956 and engaged in the activities of bulk purchase and bulk supply of electricity and is a licensee for the said activities under the provisions of the Electricity Act, 2003.
  - 2.2. The Respondent M/s ACB (India) Limited (M/s ACBIL) erstwhile M/s Aryan Coal Beneficiation Pvt. Limited is also a Company incorporated under the provisions of the Companies Act, 1956 and also is a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003 and installed 2 x 135 MW Power project at Chakbura in the State of Chhattisgarh.
  - 2.3. GUVNL has entered into a Power Purchase Agreement dated 26.02.2007 with the Respondent M/s ACB (India) Limited for supply of 200 MW contracted capacity at levelised tariff of Rs. 2.2498/unit at GETCO periphery pursuant to selection under the Competitive Bidding Process undertaken under the Section 63 of Electricity Act, 2003. The supply of power to the Petitioner is from 2 x 135 MW Thermal Power Plant located in the State of Chhattisgarh. The aforesaid PPA was approved and adopted the tariff under Section 63 of

the Electricity Act, 2003 through Order dated 20<sup>th</sup> December 2007 in Order No. 4 of 2007 by the Commission. M/s ACB (India) Limited has been supplying contracted capacity to GUVNL from Unit No. 1 which was put under Commercial Operation on 13.12.2011 and Unit No. 2 on 21.06.2012.

- 2.4. Government of India vide Notification dated 22.05.2017 has notified the Scheme for Transparent Allocation of Coal for Power Sector, viz., SHAKTI Scheme. As per the Scheme, the actual coal supply to the power plants shall be to the extent of long-term PPAs which DISCOMs/State Designated Agencies and medium term PPAs to be concluded in future against bids to be invited by DISCOMs as per bidding guidelines issued by the Ministry of Power, Government of India.
- 2.5. Clause (B) (ii) of the SHAKTI Scheme provides that CIL/SCCL may grant the coal linkages on notified price on auction basis for the power producers/IPPs having already concluded the PPAs under Sections 62 & 63 of the Electricity Act, 2003 based on domestic coal. The Power producers/IPPs participating in auction will bid for discount on the tariff in paise/unit.
- 2.6. The SHAKTI Scheme provides that the discount quoted by the generating companies would be adjusted from the gross bill amount payable by the Procurer. The discount shall be computed with reference to scheduled generation from linkage coal supplied under the auction. Accordingly, the PPA may be amended or supplemented mutually between the developer and the procurer to pass on the discount to the procurer and the approval of Appropriate Commission be obtained as per the provisions of the PPA or Regulations.
- 2.7. The Supplementary PPAs dated 02.02.2018 & 17.03.2018 were signed between the Petitioner and the Respondent for incorporating addendum in Schedule 10 (Tariff) of the PPA dated 26.02.2007 towards availing benefits of discounted levelised tariff @ 3.02 Paise/Kwh for supply of power to GUVNL for balance period under the PPA for generation towards the Coal of 2 Lac MT

of G-12 received under the SHAKTI Scheme pursuant to the approval of the Commission vide Orders dated 02.02.2018 & 15.03.2018.

- 2.8. Subsequently third Supplementary PPA dated 26.10.2020 was signed between the Petitioner and the Respondent for incorporating addendum in Schedule 10 (Tariff) of the PPA dated 26.02.2007 towards availing benefits of the discounted levelised tariff @ 7.02 Paise/Kwh for supply of power to GUVNL for balance period under the PPA for generation towards the Coal of 2,27,954 MT of G-11 grade received under the SHAKTI Scheme pursuant to approval of the Commission vide Order dated 12.10.2020.
- 2.9. The Respondent through its letter dated 22.08.2023 intimated the Petitioner regarding participating under "SHAKTI" Scheme, B (ii) Round VI and has sought Verification Certificate from the Petitioner for applying linkage coal under the Scheme in the prescribed format.
- 2.10. The Petitioner vide letter dated 24.08.2023 forwarded the Verification Certificate to the Respondent M/s ACBIL for participation in the SHAKTI Scheme, B (ii) Round VI subject to the condition that there shall be no implication including tariff on the Petitioner and any reduction/benefit has to be passed on in tariff.
- 2.11. The Respondent vide letter dated 03.02.2024 has informed regarding allocation of long term linkage of 1,65,800 MT of G11 grade coal under SHAKTI B(ii) Round-VI scheme with the provisions of levelised 13.04 Paise/Kwh discount in the PPA and out of allocated coal, GUVNL's share works out to 1,52,277 MT after excluding the capacity for which linkage coal is already allocated under the SHAKTI Scheme Round 1 & 3. Further, as per the provisions of the Letter of Intent (LoI), an addendum to PPA duly approved by the Commission is to be submitted within 60 days of issue of the LoI dated 02.02.2024.

2.12. In order to avail the benefit of the levelised discount of 13.04 Paise/Kwh in the fixed energy charge payable by the Petitioner to M/s ACB (India) Limited towards the generation and supply of power for the quantum of coal allocated under the SHAKTI Scheme for the balance life of the PPA, the following addendum is to be made by incorporating para under the Schedule 10 of the existing PPA dated 26.02.2007, 1<sup>st</sup> SPPA dated 02.02.2018, 2<sup>nd</sup> SPPA dated 17.03.2018 and 3<sup>rd</sup> SPPA dated 26.10.2020.

*“REBATE ON ACCOUNT OF COAL LINKAGE UNDER SHAKTI B (ii) Round-VI SCHEME*

*ACB (India) Ltd. shall pass on year-on-year discount as mentioned in the table below in the fixed energy charge starting from the date of receipt of linkage coal and for the full balance tenure of the PPA on the energy (Kwh) generated during the year with the 1,52,277 MT of G-11 grade allocated under the SHAKTI B (ii) Round-VI scheme and delivered after accounting for the following:*

- (i) Actual quantity of coal linkage made available to ACB (India) Ltd against above allocation*
- (ii) Actual average GCV of Coal as received / measured at Plant-head against different lots during the month/year.*
- (iii) Actual auxiliary consumption of the plant during the month/year subject to ceiling of 10%*
- (iv) Actual Weekly applicable transmission losses as notified by the CERC / NLDC.*

*The rebate shall be reflected in the monthly energy bill proportionate to the coal received during the previous month subject to annual reconciliation as above.*

*Year on Year tariff discount to be passed on by ACBIL to GUVNL*

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>Calculated levelised discount</i>
<i>Year to year</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>14</i>	<i>-</i>	<i>13.04</i>

<i>discount (paise/Kwh)</i>																			
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2.13. As per the Letter of Intent dated 02.02.2024 issued by South Eastern Coalfields Limited (Coal India) to M/s ACB (India) Limited, the amended PPA along with approval of the Appropriate Commission is to be submitted within 60 days of issue of LoI otherwise the LoI issued shall be lapsed.

2.14. The Petitioner’s Plant would be able to generate and supply the around 227 MUs per annum to the Petitioner under PPA using coal allocated under SHAKTI Scheme Round-VI. The estimated annual energy is subject to change depending on allocation of coal under the Scheme, GCV of coal and the weekly Drawl losses. Considering the levelised discounting in tariff of 13.04 Paise/Kwh, the annual benefit to the Petitioner and consequently to the consumers of the State would be around Rs. 2.96 Crore towards supply of coal under the Scheme.

2.15. In view of the above, it is requested to the Commission to approve the addendum to the PPA dated 26.02.2007 executed with M/s ACB (India) Limited for availing the benefit of discounted levelised tariff @ 13.04 Paise/Kwh under the SHAKTI Scheme round- VI.

3. The Respondent, ACB (India) Limited vide its reply dated 27.06.2024 submitted that the Petitioner, by way of present Petition, inter alia, sought for approval of the addendum to be incorporated in the Schedule 10 of the PPA and also to the consequential approval of the Fourth Supplementary PPA thereof. The said addendum is sought to be inserted for availing benefit of the discounted tariff for supply of power to the Petitioner under the PPA for the generation in respect of the coal received under the SHAKTI Scheme, B (ii) round VI. Per se the Respondent does not contended or disputed the addendum and having no objection in incorporation of the said addendum clause and in the consequential approval of the Fourth Supplementary PPA.

4. The matter was heard on 28.06.2024. During the course of the hearing, Ld. Adv. Ms. Kriti Soni appearing on behalf of the Petitioner, reiterated the facts as stated in para 2 above. She further submitted that the Petitioner has entered into a Power Purchase Agreement dated 26.02.2007 with M/s ACB (India) Limited, erstwhile M/s Aryan Coal Beneficiation Pvt. Limited for supply of 200 MW contracted capacity at levelized tariff of Rs. 2.2498/Unit at GETCO periphery pursuant to selection under the Competitive Bidding Process undertaken under the Section 63 of Electricity Act, 2003. The supply of power to the Petitioner is from the 2 x 135 MW Thermal Power Plant located in the State of Chhattisgarh.
- 4.1. Ld. Adv. for the Petitioner further submitted that the Ministry of Coal, Government of India vide Notification dated 22.05.2017 has notified the Scheme for Transparent Allocation of Coal for Power Sector namely SHAKTI Scheme (Scheme for Harnessing and Allocating Koyala Transparently in India) and as per this scheme, the actual coal supply to the power plants shall be to the extent of long term PPAs which DISCOMs/State Designated Agencies and medium term PPAs to be concluded in future against bids to be invited by DISCOMs as per the bidding guidelines issued by the Ministry of Power, Government of India.
- 4.2. She submitted that Clause (B) (ii) of the aforesaid scheme provides that CIL/SCCL may grant coal linkages on notified price on auction basis for the power producers/IPPs having already concluded the PPAs based on domestic coal and accordingly, the Power producers/IPPs participating in auction are required to bid for discount on the tariff in Paise/Unit.
- 4.3. She submitted that the scheme provides that the discount quoted by the generating companies would be adjusted from the gross bill amount payable by the Procurer. The discount shall be computed with reference to scheduled generation from linkage coal supplied under the auction. Accordingly, in order to pass on the discount quoted by the Supplier to the Procurer, the PPA

executed between them needs to be amended or supplemented mutually between the developer and the procurer to pass on the discount to the procurer and the approval of Appropriate Commission needs to be obtained as per the provisions of the PPA or Regulations, which in the present case is this Commission.

- 4.4. She also submitted that the PPA dated 26.02.2007 was amended vide Supplementary PPAs dated 02.02.2018 and 17.03.2018 towards availing the benefits of discounted levelized tariff @ 3.02 Paisa/kWh for supply of power to GUVNL for balance period under the PPA for generation towards coal of 2 Lac MT of G-12 received under the SHAKTI Scheme. Subsequently third Supplementary PPA dated 26.10.2020 was signed between the Petitioner and the Respondent towards availing benefits of discounted levelized tariff @ 7.02 paise / kWh for supply of power to GUVNL for balance period under the PPA for generation towards Coal of 2,27,954 MT of G-11 grade received under the SHAKTI Scheme pursuant to approval of the GERC vide order dated 12.10.2020.
- 4.5. She submitted that the Respondent vide its letter dated 22.08.2023 intimated the Petitioner regarding participating under "SHAKTI" Scheme B (ii) Round VI and sought Verification Certificate from the Petitioner for applying linkage Coal under the Scheme in the prescribed format. The Petitioner vide letter dated 24.08.2023 has forwarded the Verification Certificate to M/s ACBIL for participation in the SHAKTI Scheme, B(ii) Round VI subject to the condition that there shall be no implication including tariff on the Petitioner and any reduction/benefit has to be passed on in tariff.
- 4.6. She submitted that in order to avail the benefit of the levelized discount of 13.04 Paisa/kWh in the fixed energy charge payable by the Petitioner to M/s ACB (India) Limited towards the generation and supply of power for the quantum of coal allocated under the SHAKTI Scheme for the balance life of the PPA, the addendum of "Rebate on account of coal Linkage under Shakti



B(ii) Round VI Scheme” is to be made by incorporating under the Scheme 10 of the existing PPAs dated 26.02.2007, 1<sup>st</sup> SPPA dated 02.02.2018, 2<sup>nd</sup> SPPA dated 17.03.2018 and 3<sup>rd</sup> SPPA dated 26.10.2020. The rebate shall be reflected in the monthly energy bill proportionate to the coal received during the previous month subject to the annual reconciliation.

- 4.7. She submitted that the Respondent had also participated in earlier round of auction under SHAKTI Scheme offering levelized discount of 3.02 paise per unit and approval for incorporating addendum in Schedule 10 (Tariff) of PPA dated 26.02.2007 for availing the said benefits of discounted levelized tariff of 3.02 Paise per unit for supply of power to the Petitioner for balance period under the PPA for generation towards coal received under the SHAKTI Scheme was granted by the Commission vide Order dated 02.02.2018 in Petition No. 1703 of 2018. Subsequently, the Respondent had also participated in other round of auction under the SHAKTI Scheme offering levelized discount of 7.02 Paise per Unit and approval for incorporating addendum in the Schedule 10 (Tariff) of PPA dated 26.02.2007 and the SPPA dated 17.03.2018 for availing the said benefits of discounted levelized tariff of 7.02 paise per unit for supply of power to the Petitioner for balance period under the PPA for generation towards coal received under the SHAKTI Scheme was granted by the Commission vide its Order dated 12.10.2020 in Petition No. 1885 of 2020.
- 4.8. Upon query of the Commission regarding the quantum of coal received, Ld. Adv. appearing for the Petitioner submitted that regarding allocation of long-term linkage of 1,65,800 MT of G 11 coal under the SHAKTI B(ii) Round VI scheme, share of the Petitioner, GUVNL works out to 1,52,277 MT after excluding the capacity for which linkage coal is already allocated under the SHAKTI Scheme Round 1& 3. In response to further query of the Commission regarding reduction of 13.04 Paisa per Unit on account of coal linkage under SHAKTI Scheme B(ii) Round VI, she submitted that the computation sheet for

bifurcation of the linkage quantity under the Shakti scheme B(ii) is submitted along with the present Petition.

- 4.9. When the matter was called out, nobody was present on behalf of the Respondent. However, the Respondent vide its affidavit dated 27.06.2024 has submitted as under:

“ .....

2. *The Respondent Company herein has no objection in approval of the addendum and also to the consequential approval of the fourth supplementary PPA thereof. The present affidavit be taken on record for passing an appropriate order in the manner prayed for, in the captioned petition.*

.....”

### **Analysis and Decision**

5. We have carefully considered the submissions of the Petitioner and the Respondent. Based on the submissions made by the Petitioner and the affidavit of the Respondent, the issue emerged for the consideration of the Commission is to whether the supplemental PPA to be signed by the parties by incorporating the addendum to Schedule 10 of the PPA dated 26.02.2007 for availing the benefit of discount in tariff for supply of power to the Petitioner by the Respondent under the PPA for generation against coal received under SHAKTI Scheme notified by the Government of India be approved or not?
- 5.1. It is undisputed that the Petitioner had conducted Competitive Bidding Process under Section 63 of the Electricity Act, 2003 in which the Respondent who is a generating company within the meaning of Section 2(28) of the Electricity Act, 2003 was selected as a successful bidder for supply of the 200 MW power to the Petitioner from its 2 x 135 MW Plant located at Chakbura, Chhattisgarh.

- 5.2. The tariff discovered under the Competitive bidding conducted by the Petitioner was Rs. 2.2498 per Unit and Power Purchase Agreement dated 26.02.2007 was signed by the Petitioner and the Respondent. The Commission adopted the said tariff vide its Order dated 20.12.2007.
- 5.3. It is also admitted by the Petitioner that Unit No. 1 of the Respondent was put under commercial operation on 13.12.2011 and Unit No. 2 on 21.06.2012. The Respondent is supplying power from the aforesaid units to the Petitioner. Government of India vide its Notification dated 22.05.2017 notified the Scheme for Transparent Allocation of Coal for Power Sector namely "SHAKTI"- (Scheme for Harnessing and Allocating Koyala Transparently in India).
- 5.4. As per the provisions of the Scheme of the Government of India, the IPPs/ Power Producers who are having long term PPA under Sections 62 or 63 of the Electricity Act, 2003 are eligible to participate in the bidding process for receiving coal linkages on notified price. The Power Producers are required to quote for discount on the tariff (in paise per unit) in the auction. The bid evaluation criteria will be non-zero levelised value of the discount quoted by the bidder on the existing tariff for each year of the balance period of the PPA. The Ministry of Coal in consultation with the Ministry of Power is required to work out a methodology on normative basis to be used in the bidding process for allocation of coal linkages. Further, the discount by the generating companies would be adjusted from the gross amount of the bill at the time of billing raised as per the terms and conditions of the PPA and the discount amount would be reduced from the gross amount of the bill. The discount shall be computed with respect to the scheduled generation from the linkage coal supplied under this auction. It is also provided that PPA may be amended or supplemented mutually between the Developer and the Procurer to pass on the discount to the Procurer and it needs to be approved by the Commission.

- 5.5. We note that both the Petitioner as well as the Respondent have confirmed that they have no objection to the incorporation of addendum to Schedule 10 of the PPA dated 26.02.2007 read with the Supplemental PPAs dated 02.02.2018, 17.03.2020 and 26.10.2020 executed between the Petitioner and the Respondent for availing the benefit of discounted tariff or supply of power to the Petitioner under the PPA for generation from the coal received under the SHAKTI scheme and the Draft fourth Supplemental PPA.
- 5.6. We also note that earlier Supplementary PPAs dated 02.02.2018 & 17.03.2018 were signed between the Petitioner and the Respondent for incorporating addendum in Schedule 10 (Tariff) of PPA dated 26.02.2007 towards availing benefits of discounted levelised tariff @ 3.02 Paise/Kwh for supply of power to GUVNL for balance period under PPA for generation towards Coal of 2 Lac MT of G-12 grade coal received under SHAKTI Scheme pursuant to approval of the Commission vide its Orders dated 02.02.2018 & 15.03.2018. Thereafter, Third Supplementary PPA dated 26.10.2020 was signed between Petitioner and Respondent for incorporating addendum in Schedule 10 (Tariff) of PPA dated 26.02.2007 towards availing benefits of discounted levelised tariff @ 7.02 Paise/Kwh for supply of power to GUVNL for balance period under PPA for generation towards Coal of 2,27,954 MT of G-11 grade received under SHAKTI Scheme pursuant to approval of the Commission in its Order dated 12.10.2020.
- 5.7. The Petitioner has submitted the draft Supplemental PPA along with the Petition, which contains the recital as well as other conditions in the amendment to the PPA dated 26.02.2007 and Supplemental Agreements dated 02.02.2018, 17.03.2018 and 26.10.2020. The relevant portion of the said draft Supplemental PPA is reproduced below:

“.....

- A. *Procurer initiated a competitive bidding process named as 02/LTPP/2006 for procurement of generation capacity and*

*purchase and supply of electricity to the Procurer in bulk as per the bidding guidelines notified by Government of India.*

- B. Consortium of Aryan Coal Beneficiations Private Limited and Indian Coal Agency had participated as bidders in the competitive bidding process and offered aggregate of 200 MW (100 MW x 2) capacity at Delivery Point (GETCO periphery) from its 2 x 135 MW Thermal Power Plant located in District Korba, Chhattisgarh.*
- C. Pursuant to the bidding process, Consortium of Aryan Coal Beneficiations Private Limited and Indian Coal Agency were selected by Procurer as Selected Bidder to sell and supply electricity in bulk to the Procurer in accordance with the terms of the Bid documents.*
- D. Parties have signed Power Purchase Agreement on 26<sup>th</sup> February 2007, hereinafter called the Agreement setting out the terms and conditions of the sale and supply of electricity in bulk by the Seller to the Procurer.*
- E. Subsequently, M/s Aryan Coal Beneficiations Private Limited was changed to the abbreviated name M/s ACB (India) Limited in September 2009.*
- F. Government of India vide notification dated 22.05.2017 has notified the SHAKTI Scheme for Harnessing and Allocating Koyala transparently in India.*
- G. As per the Scheme, the actual coal supply to the power plants shall be to the extent of long - term PPAs which DISCOMs / Designated Agencies and medium term PPAs to be concluded in future against bids to be invited by DISCOMs as per bidding guidelines issued by Ministry of Power.*
- H. Clause (B) (ii) of the scheme provides that Coal India Ltd. (CIL) / South Eastern Coalfields Ltd. (SECL) may grant coal linkages on notified price on auction basis for power producers / IPPs having already concluded PPAs (both under Section 62 & 63 of the Electricity Act, 2003) based on domestic coal. Power producers / IPPs participating in auction will bid for discount on the tariff in (paise / unit).*

- I. *The discount computed with reference to scheduled generation from linkage coal supplied under the auction by generating companies would be adjusted from the gross bill amount on monthly basis. Accordingly, PPA may be amended or supplemented mutually between the developer and the procurer to pass on the discount to the procurer and the approval of Appropriate Commission be obtained as per provisions of the PPA or Regulations.*
- J. *The parties have signed 1<sup>st</sup> & 2<sup>nd</sup> Supplementary PPA dated 02.02.2018 and 17.03.2018 for incorporating addendum in Schedule 10 (Tariff) of PPA dated 26.02.2007 towards availing benefits of discounted levelised tariff @ 3.02 paise / kwh for supply of power to GUNVL for balance period under PPA for generation towards Coal of 2 Lac MT of G-12 received under SHAKTI Scheme pursuant to approval of Hon'ble GERC vide orders dated 02.02.2018 & 15.03.2018.*
- K. *The parties have signed 3<sup>rd</sup> Supplementary PPA dated 26.10.2020 for incorporating addendum in Schedule 10 (Tariff) of PPA dated 26.02.2007 towards availing benefits of discounted levelized tariff @ 7.02 paise / Kwh for supply of power to GUVNL for balance period under PPA for generation towards Coal of 2,27,954 MT of G-11 received under SHAKTI Scheme pursuant to approval of Hon'ble GERC vide order dated 12.10.2020.*
- L. *Vide letter dated 23.08.2023 M/s ACB (India) Ltd informed GUVNL that it was applying for additional coal linkage under Shakti B (ii), Round 6 and sought signing of verification certificate by GUVNL. The same was signed and confirmed by GUVNL vide letter dated 24.08.2023 subject to the conditions therein inter alia that there shall be no implication including tariff on the Procurer and any reduction/benefit has to be passed on to Procurer in tariff.*
- M. *M/s ACB (India) Ltd vide letter dated 03.02.2024 has informed GUVNL regarding allocation of coal linkage of 1,65,800 MT of G-11 under SHAKTI B (ii), Round 6 to the Chhattisgarh power plant vide Letter of Intent (LOI) dated 02.02.2024, out of which the proportionate share of GUVNL under PPA is worked out to 1,52,277 MT after excluding the capacity for which linkage coal is already allocated under SHAKTI Scheme Round 1 & 3. It is also stated that the amended PPA reflecting the levelised discount*

@13.04 paisa / Kwh is to be submitted to CIL within 60 days of Letter of Intent. M/s ACB (India) Ltd. has requested GUVNL for addendum to the para under Schedule 10 of the PPA.

NOW THEREFORE, in consideration of the premises, mutual agreements, covenants and conditions set forth in this Amendment Agreement, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. All capitalised terms unless specifically defined in this Supplemental Agreement shall have the meanings ascribed to them respectively in the Agreement.
2. The Agreement shall be supplemented and modified as under:

2.1 In the Schedule 10: QUOTED TARIFF the following shall be added:

"REBATE ON ACCOUNT OF COAL LINKAGE UNDER SHAKTI 8 (ii) ROUND VI SCHEME

ACBIL shall pass on a discount of 13 paisa / kwh in the fixed energy charge starting from the date of receipt of linkage coal and for the full balance tenure of the PPA on the energy (Kwh) generated during the year with the 1,52,277 MT of G-11 grade allocated under SHAKTI 8 (ii) Round-VI scheme and delivered after accounting for the following:

- (i) Actual quantity of coal linkage made available to ACB (India) Ltd against above allocation.
- (ii) Actual average GCV of Coal as received / measured at Plant-head against different lots during the month/year.
- (iii) Actual average auxiliary consumption of the plant during the month/year subject to ceiling of 10%
- (iv) Actual Weekly applicable transmission losses as notified by NLDC.

The rebate shall be reflected in the monthly energy bill proportionate to the coal received during the previous month subject to annual reconciliation as above.

Year on Year tariff discount to be passed on by ACBIL to GUVNL

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Levelised discount

																	(paise/Kwh)
Year on Year discount (paise/Kwh)	13	13	13	13	13	13	13	13	13	13	13	13	13	13	14	-	13.04

3. All other terms and conditions of Power Purchase Agreement dated 25<sup>th</sup> February 2007 and Supplemental Agreements dated 02.02.2018, 17.03.2018 & 26.10.2020 shall remain unchanged.

4. This supplemental PPA is approved by Hon'ble GERC vide order dated \_\_\_\_\_ in Petition No \_\_\_\_\_ of 2024.

.....”

5.8. As per the aforesaid provisions of the Supplementary PPA, it is admitted by the parties that the parties are having long-term PPA and that the Petitioner, at the request of the Respondent, forwarded the Verification Certificate vide letter dated 24.08.2023 to the Respondent for participation in SHAKTI Scheme stating that there will be no implication including tariff on GUVNL and any reduction/benefit to be passed on to GUVNL in tariff. The Respondent informed to GUVNL vide its' letter dated 03.02.2024 regarding allocation of coal linkage to its Plant vide LoI dated 02.02.2024 and stated that the amended PPA reflecting the levelised discount @ 13.04 Paise per Kwh to be supplied within 60 days of issue of LoI dated 02.02.2024 otherwise the LoI issued shall be lapsed and accordingly, requested the Petitioner GUVNL for taking immediate action to get the PPA amended and approved from the Commission (GERC). The rebate shall be reflected in the monthly energy bill proportionate to the coal received during the previous month subject to annual reconciliation.

5.9. We further note that the Respondent vide its affidavit dated 27.06.2024 has also confirmed that it has no objection to the incorporation of addendum to Schedule 10 of the PPA dated 26.02.2007 executed between the Petitioner and the Respondent for availing the benefit of discounted tariff for supply of power to GUVNL under the PPA for generation from the coal received under the SHAKTI scheme and draft Supplementary PPA.



- 5.10. In terms of aforesaid, the parties are directed to sign the Supplemental PPA and addendum for incorporating para under the Schedule 10 of the PPA dated 26.02.2007, Supplemental PPAs dated 17.03.2018 & 26.10.2020 and the signed Supplemental PPA between the parties shall be submitted to the Commission for record. Further, the said addendum to the supplemental PPA be uploaded on the website of the Petitioner and Respondent for one month for wide publicity of the same for knowledge and information for the stakeholders.
- 5.11. The discount offered by the Respondent in the fixed levelised energy charge is 13.04 Paise per unit in the levelised tariff of Rs. 2.2498 per unit for remaining tenure of the PPA, which is beneficial to the licensee due to annual reduction in the power procurement cost of the licensee to the extent of about Rs. 2.96 Crore as envisaged by the Petitioner subject to receipt of allocated quantity of coal under the aforesaid scheme. There will be no other change. This will only benefit the consumers of the licensee and there will be no other impact on account of the SHAKTI scheme. Hence, we decide to approve the proposal of the Petitioner for addendum to Schedule 10 of the PPA dated 26.02.2007 and execution of the Fourth Supplemental PPA as per the draft Supplemental PPA provided with the present Petition.
6. In view of above, the present Petition succeeds. We decide and approve the addendum to be incorporated in Schedule 10 of the PPA dated 26.02.2007 to be executed between the Petitioner and M/s ACB (India) Limited for availing the benefit for discounted tariff for supply of power to the Petitioner under the PPA for generation towards coal received under the SHAKTI Scheme. This approval is subject to the condition that there shall be no implication including tariff on the Petitioner as approved by the Commission vide its Order dated 20.12.2007 in Order No. 04 of 2007 and only reduction/rebate has to be passed on in tariff.

- 6.1. We also decide and approve the draft Supplemental PPA submitted with this Petition in which addendum to Schedule 10 of the PPA dated 26.02.2007 has to be incorporated.
- 6.2. The Petitioner and the Respondent are directed to sign the Supplemental PPA by revising the addendum to Schedule 10 of the PPA dated 26.02.2007 and supplemental PPAs dated 17.03.2018 and 26.10.2020 signed between the parties. We also decide and direct that once the Fourth Supplemental PPA is executed between the parties, the Petitioner and the Respondent is required to file the aforesaid Supplemental PPA with the Commission as per the present Order by revising the addendum to Schedule 10 of the PPA dated 26.07.2007. We direct the Petitioner to upload the Fourth Supplemental PPA signed with the Respondent on their website for one month for wide publicity of the same for information/knowledge of the consumers/stakeholders.
7. With this, the present Petition stands disposed of.
8. Order accordingly.

**Sd/-**  
**[S. R. Pandey]**  
**Member**

**Sd/-**  
**[Mehul M. Gandhi]**  
**Member**

Place: Gandhinagar.

Date: 02/09/2024.