

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/Petition No. 14 of 2023

Date of Hearing : 10.05.2023

Date of Order : 11.05.2023

In the Matter of

Petition seeking approval of source as well as draft Power Purchase Agreement (PPA) for the procurement of up to 0.4 MW power from the 1 MW Biomass Gasifier unit of M/s Chanderpur Renewal Power Company Pvt Ltd at a tariff to be determined by the Commission under section 62 of the Electricity Act, 2003 for balance useful life of the Project i.e. FY 2022-23 to FY 2033-34.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Respondent

M/s. Chanderpur Renewable Power Co. Pvt. Ltd

Present on behalf of the Petitioner

1. Ms. Sonia Madan, Advocate

Present On behalf of the Respondent

1. Shri Rajiv Puri, GM, Commercial

Quorum

**Shri R.K. Pachnanda
Shri Naresh Sardana**

**Chairman
Member**

ORDER

Brief Background of the case

1. The present petition has been filed by HPPC seeking source approval for procurement of power up to 0.4 MW for balance life of the project i.e. from FY 2022-23 to FY 2033-34 from the 1 MW Biomass Gasifier power plant of M/s Chanderpur Renewal Power Company Pvt Ltd., at a tariff to be determined by the Commission under section 62 of the Electricity Act, 2003.
2. **HPPC has submitted as under:-**
 - 2.1 A Biomass Gasifier unit with a capacity of 1 MW is owned and operated on biomass gasification technology by M/s Chanderpur Renewal Power Company Pvt Ltd at Village Sohana, District Ambala, Haryana. The said power plant was commissioned on 26.05.2014 and was initially envisaged to run only on biomass fuel. However, gradually, the operation of the power plant has shifted upon use of Refuse Derived Fuel (hereinafter referred to as 'RDF') obtained from mixture of Municipal Solid Waste (hereinafter referred to as 'MSW'). Parali and wood waste is also being used as fuel.
 - 2.2 The Commission, in its order dated 11.03.2020 (petition no. 41 of 2019), made an observations with respect to the unique nature of the power plant of the respondent and opined that it is in interest of the society to ensure survival of such power plant set up by the petitioner which helps in disposing of the municipal solid wastes, so that others are

also encouraged to set up more and more such type of projects. Hence the project deserves support from all quarters so that this venture survives.

- 2.3 That in the order dated 11.03.2020, as regards the prayer of the respondent to direct the UHBVNL to purchase surplus RE power injected into the grid, it was observed that the generator may approach DISCOMs with proper proposal to sell its surplus power. The DISCOMs may, after exercising financial prudence, agree to buy such power at such rate, subject to the approval of the Commission to be obtained by them in that eventuality.
- 2.4 That the Generator vide letter dated 18.04.2022 proposed to sell the power of up to 400 KW from its 1 MW Biomass Gasifier Plant to the Petitioner.
- 2.5 That as per the National Tariff Policy, 2016 (hereinafter referred to as 'NTP, 2016') the Distribution Licensee(s) have been mandated to compulsorily procure 100% of the electricity generated from the Waste-to-Energy plants, at the tariff determined by the Appropriate Commission under Section 62 of the Act."
- 2.6 That the Generator's plant is using gasification technology but using a composition of RDF/MSW, Parali and wood waste as fuel. As per the 'HERC RE Regulations 2021', though RDF/MSW is considered as waste for the purpose of waste to energy plant, Parali/Straw and wood waste has been defined as biomass. The relevant definitions of the HERC RE Regulations 2021 are placed as under for reference :-
*"(3) "**Biomass**" means wastes produced during agricultural and forestry operations (for example **straws** and stalks) or produced as a by-product of processing operations of agricultural (e.g. husks, shells, deoiled cakes, etc); wood produced in dedicated energy plantations or recovered from wild bushes/weeds whichever permissible; and the wood waste produced in some industrial operations;*
*(21) "**Municipal Solid Waste**" means and includes commercial and residential wastes generated in a municipal or notified area in either solid or semi solid form excluding industrial hazardous wastes but including treated bio-medical waste.*
- 2.7 That the petitioner is currently facing a deficit of power to meet the demand of the consumers of the State due to non-availability of power from Adani Power Ltd., CGPL Mundra and Faridabad Gas Power Plant (FGPP), despite having long-term power purchase agreement with these Generators.
- 2.8 That considering that there are several benefits associated with the operation of the plant, the SCPP in its 66th meeting dated 28.07.2022 approved the same.
- 2.9 That the following prayers have been made:-
 - a. Grant approval of source for the procurement of power up to 0.4 MW for balance life of the project i.e. from the FY 2022-23 to FY 2033-34 from the 1 MW Biomass Gasifier unit of M/s Chanderpur Renewal Power Company Pvt Ltd. located at

Village Sohana, District Ambala, Haryana at a tariff to be determined by the Hon'ble Commission under section 62 of the Electricity Act, 2003.

- b. Grant approval to the draft Power Purchase Agreement initialled by the parties; and
- c. Pass any such further order(s) or direction(s) that this Hon'ble Commission may deem fit and necessary in the facts and circumstances of the case.

Proceedings in the Case

3. The case was initially heard on 29.03.2023 by the Commission, wherein the Commission directed both the parties to mutually agree upon a tariff which should be considered as the ceiling tariff in the tariff determination by this Commission under Section 62 of the Electricity Act, 2003, so as to minimize the likelihood of disputes and litigations on the tariff related issues.
4. The petitioner (HPPC), vide its affidavit dated 05.05.2023, intimated that a meeting was held on 04.05.2023 to discuss and arrive at a mutually agreed ceiling tariff. However, the proposal of the generator for a tariff of Rs. 8.84/kWh was not acceptable to HPPC and they had proposed Rs. 6.53/kWh which was not agreeable to the respondent company. Therefore, no mutually agreed ceiling tariff could be agreed upon in the meeting.
5. The case was finally heard on 10.05.2023, wherein both the parties reiterated the contents of the petition/affidavit dated 05.05.2023, which for the sake of brevity, have not been reproduced.

Commission's Order

6. The Commission observes that the power proposed to be purchased by HPPC is meager i.e. 400 KW and such a small quantum of power is not going to contribute in any significant manner to address the power deficit scenario projected by HPPC. During the hearing, in reply to the query of the Commission that would HPPC like to purchase power at the tariff proposed by the generator, Ms. Sonia Madan, the learned counsel for the HPPC, submitted that the proposal of the generator is not acceptable to them.
7. In view of the above, since the parties have not reached a consensus and HPPC i.e. the petitioner herein is not agreeing to purchase power from the respondent at the rate proposed by it, the question of source approval does not arise and Commission dismisses the present petition. However, given the fact that a significant percentage of fuel used is

RDF/MSW, the Commission grants liberty to the petitioner to approach this Commission as and when in case consensus is reached at a later stage.

8. Accordingly, the present petition brought before the Commission is disposed of.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 11.05.2023.

Date: 11.05.2023
Place: Panchkula

(Naresh Sardana)
Member

(R.K. Pachnanda)
Chairman

HERC