

# Rajasthan Electricity Regulatory Commission

**Petition No. RERC-2294/2025**

Petition filed under Section 86(1)(b) of the Electricity Act, 2003 read with Regulation 7 of the RERC (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004 for approval of Power Purchase Agreement (PPA) for procurement of power from Nabinagar STPS stage-II (3\*800 MW) to be allocated by Ministry of Power, Gol to Rajasthan State.

**Coram:**

**Dr. Rajesh Sharma, Chairman**  
**Shri Hemant Kumar Jain, Member**

Petitioner : Rajasthan Urja Vikas and IT Services Limited (RUVITL).  
Respondent : National Thermal Power Corporation Ltd (NTPC).  
Date of hearing : 10.03.2025  
Present : 1. Sh. R N Birda, XEn, Representative for Petitioner.  
2. Sh. Parimal Piyush, AGM, Representative for Respondent.

**Date of Order: 20.03.2025**

## **ORDER**

1. Petitioner has filed the instant Petition under Section 86(1)(b) of the Electricity Act, 2003 read with Regulation 7 of the RERC (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004 for approval of Power Purchase Agreement (PPA) for procurement of power from Nabinagar STPS stage-II (3\*800 MW) to be allocated by Ministry of Power, Gol to Rajasthan State.

2. Notice was issued through Online Portal to Respondent to file reply to the petition. Respondent did not submit any written submission.
3. The matter was heard finally on 10.03.2025. Sh. R N Birda, XEn, appeared for the Petitioner and Sh. Parimal Piyush, AGM, appeared for Respondent.
4. Petitioner in its petition and during hearing has submitted as under:
  - 4.1. Ministry of Power in consultation with CEA issued guidelines for Resource Adequacy which aimed for Discoms to meet their long-term electricity requirements through judicious mix of long-term, medium-term, and short-term contracts.
  - 4.2. Pursuant to the guidelines, CEA has prepared National Resource Adequacy Plan for entire country including Rajasthan. The plan laid down the quantum and type of resources required to meet the demand upto FY 2031-32 which already includes available quantum to be served from these PPA in respective financial years. The study optimizes power purchase on a long-term basis while evaluating resource adequacy for meeting the demand 24 X 7 considering variation in demand, RE generation and forced outages of thermal capacities.
  - 4.3. The necessity to enter into power purchase agreement arises from the increasing demand for electricity in Rajasthan, driven by population growth, industrial expansion, urbanization and increasing agricultural activities.
  - 4.4. Therefore Discoms have entered into PPA on dated 26.11.2024 with Nabinagar Super Thermal Power Station, Stage-II having installed capacity 2400 MW (3\*800 MW). The allocation of power shall be in accordance with the instructions issued by the Ministry of Power, GoI. The terms and

conditions of tariff of the power supplied under the PPA shall be governed by Regulations notified by CERC from time to time.

- 4.5. Aforementioned PPA executed as per MOP allocation to be issued and in line with provisions of Regulation 7 of the Rajasthan Electricity Regulatory Commission (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004.
- 4.6. Therefore Petitioner filed present petition for approval of PPA under Regulation 7 of the Rajasthan Electricity Regulatory Commission (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004.
- 4.7. As per Regulation 7 of the Rajasthan Electricity Regulatory Commission (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004, any new PPA or agreement and amendments to existing PPA entered into by distribution licensees is subject to the Commission's scrutiny (after execution) under section 86 of the Act, in respect of:
  - (a) Necessity
  - (b) Reasonability of cost.
  - (c) Promoting efficiency, economy & equitability & competition.
  - (d) Conformity with regulations for investment approval.
  - (e) Conformity with requirements of quality, continuity and reliability of supply.
  - (f) Conformity with safety and environmental standards
  - (g) Conformity with criterion of power purchase as laid down by the Commission.
  - (h) Conformity with policy directives of the State Government and National Power policies.

- 4.8. Aforementioned PPA has obtained all necessary approvals from relevant authorities, and financial and technical due diligence has been conducted.
- 4.9. Procuring power through these PPA is essential to bridge the gap between demand and supply, ensuring reliable and continuous power supply to consumers.
- 4.10. The aforementioned PPA will help the Rajasthan Discoms in meeting the current and projected demand. The state faces a shortfall in existing power supply, necessitating additional power to meet consumer demand and support economic growth.
- 4.11. In the view of above submissions Petitioner prayed to approve the Power Purchase Agreement dated 26.11.2024 entered between NTPC and JVVNL, AVVNL & JdVVNL respectively for Nabinagar Super thermal Power Station, Stage-II.
5. Respondent during the hearing has prayed to approve the PPA dated 26.11.2024 entered between NTPC and JVVNL, AVVNL & JdVVNL respectively for Nabinagar Super thermal Power Station, Stage-II.

### **Commission's view**

6. Commission has considered the submissions and oral arguments made on behalf of the Petitioner and Respondent.
7. Petitioner filed this petition under Section 86(1)(b) of the Electricity Act, 2003 read with Regulation 7 of the RERC (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004 for approval of Power Purchase Agreement (PPA) for procurement of power from Nabinagar STPS

stage-II (3\*800 MW) to be allocated by Ministry of Power, Gol to Rajasthan State.

8. Petitioner submitted that Ministry of Power issued guidelines for Resource Adequacy which aimed for Discoms to meet their long-term electricity requirements through judicious mix of long-term, medium-term, and short-term contracts. Then CEA has prepared National Resource Adequacy Plan for entire country including Rajasthan. The plan laid down the quantum and type of resources required to meet the demand upto FY 2031-32.
9. Petitioner further submitted that Procuring power through these PPA is essential to bridge the gap between demand and supply, ensuring reliable and continuous power supply to consumers. This PPA will help the Rajasthan Discoms in meeting the current and projected demand. The state faces a shortfall in existing power supply, necessitating additional power to meet consumer demand and support economic growth.
10. The Commission observes that Petitioner has not submitted the provisional/ tentative tariff alongwith justification for reasonability of the cost of power to be allotted and the required / tentative quantum of power to be procured from the Nabinagar STPS stage-II (3\*800 MW) in the petition.
11. As per Regulation 7 of the Rajasthan Electricity Regulatory Commission (Power Purchase & Procurement Process of Distribution Licensee) Regulations, 2004, any new PPA or agreement and amendments to existing PPA entered into by distribution licensees is subject to the Commission's scrutiny (after execution) under section 86 of the Act, in respect of:
  - (a) Necessity
  - (b) Reasonability of cost.
  - (c) Promoting efficiency, economy & equitability & competition.
  - (d) Conformity with regulations for investment approval.

(e) Conformity with requirements of quality, continuity and reliability of supply.

(f) Conformity with safety and environmental standards

(g) Conformity with criterion of power purchase as laid down by the Commission.

(h) Conformity with policy directives of the State Government and National Power policies.

12. According to above stated Regulation Commission has to approve the PPA after scrutinizing on aforementioned points. For assessing the PPA on the ground of necessity and reasonability of cost at least the provisional/ tentative tariff and required / tentative quantum of power is required. In absence of aforesaid information Commission at this stage can't undertake the prudence check and can't approve Power Purchase Agreement for procurement of power from Nabinagar STPS stage-II (3\*800 MW).
13. Therefore, Commission allows the Petitioner to file a fresh petition with provisional/ tentative tariff alongwith justification for reasonability of the cost of power to be allotted and the required / tentative quantum of power to be procured from the Nabinagar STPS stage-II (3\*800 MW) whenever such information is available to Petitioner.
14. The petition is disposed of accordingly.

(Sh. Hemant Kumar Jain)  
Member

(Dr. Rajesh Sharma)  
Chairman