

**BEFORE THE HIMACHAL PRADESH ELECTRICITY  
REGULATORY COMMISSION SHIMLA**

<b>Petition No.</b>	<b>125 of 2025</b>
Date of Institution:	01.04.2025
Arguments Heard on:	10.04.2025
<b>Decided on:</b>	<b>19.04.2025</b>

**CORAM**

DEVENDRA KUMAR SHARMA  
**CHAIRMAN**

YASHWANT SINGH CHOGAL  
**MEMBER (Law)**

SHASHI KANT JOSHI  
**MEMBER**

The HP State Electricity Board Ltd. through  
Chief Engineer (System Operation),  
Vidyut Bhawan, Shimla, HP-171004.

**....Joint Petitioner No. 1.**

AND

M/s Arka Industries Solar Power Project,  
Registered Office at Ward No. 3,  
Village and Post Office Gagret,  
Tehsil Ghanari, Distt. Una, H.P-177201,  
through its Authorized Signatory, Sh. Parveen Kumar.

**....Joint Petitioner No. 2.**

**Joint Petition under the provisions of Section 86(1)(b) of the Electricity Act 2003 read with Regulations 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024, for approval of the Power Purchase Agreement (Solar) in respect of M/s Arka Industries Solar Power Project (2.0 MW).**

Present:-

Smt. Pooja Thakur and Sh. Sanjeev Kumar, Sr. Executive  
Engineers for the Joint Petitioner No. 1.  
Sh. Parveen Kumar, Authorised Representative for the  
Joint Petitioner No. 2.

## ORDER

This Joint Petition has been filed by the Himachal Pradesh State Electricity Board Ltd. (the Joint Petitioner No.1 or the HPSEBL for short) and M/s Arka Industries Solar Power Project (the Joint Petitioner No. 2 for short) for the approval of the Power Purchase Agreement (PPA for short) under Section 86 (1) (b) of the Electricity Act, 2003 (Act for short) read with Regulations 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024, (CBR, 2024 for short) in respect of M/s Arka Industries Solar Power Project (2.0 MW).

2. The case of the Petitioners is that a Solar PV Project (2.0 MW) known as M/s Arka Industries Solar Power Project, situated at Village Upper Khad, Post Office Khad, Tehsil Ispur, Distt. Una, H.P (Project for short) is being setup pursuant to the approval accorded by the HIMURJA (HP Govt. Energy Development Agency) vide letter No. HIMURJA (F-7)/SPV Projects/2024-9459 dated 05.02.2025 (Annexure-IV). As per the Joint Petition, the date of scheduled commercial operation of the Project is 04.02.2026.

3. As per the Joint Petition, the Commission vide Order dated 29.02.2016 passed in Suo Moto Petition No. 104 of 2015 amended vide order dated 28.10.2024 in Suo Moto Petition No. 02 of 2024 has approved the Model Power Purchase Agreement for Solar PV

Projects. The HIMURJA has also approved the Project inventory vide letter No. HIMURJA (F-7)/SPV Projects/ 2024-10150 dated 27.02.2025 (Annexure-VIII).

4. It is averred that HPSEBL has issued the feasibility report on 07.03.2025 providing that the interconnection point has been proposed at existing 11 kV Colony feeder emanating from 2x6.3 MVA, 33/11 kV Pandoga Sub-station, through solid tap with appropriate Protection arrangement. Further, the connection agreement will be signed soon.

5. It is also averred that the Joint Petitioner No. 2 shall apply for the admissible subsidy and shall intimate the Joint Petitioner No. 1 to that effect.

6. It is also averred that the Commission vide Order dated 14.03.2024 has determined the generic levellised tariff in respect of Solar PV Projects for FY 2024-25 (01.04.2024-31.03.2025) under the HPERC (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017, as amended, (RE Regulations, 2017 for short). The Joint Petitioner No. 2 has submitted an affidavit that the project is situated in a rural area and that the tariff for the Projects to be set up in areas other than Industrial and Urban areas above 1 MW and upto 5 MW is

Rs. 3.47 per kWh as determined by the Commission vide Order dated 14.03.2024 which shall be applicable to the Project which has been incorporated in Clause 6.2 of the draft PPA.

7. We have heard Smt. Pooja Thakur and Sh. Sanjeev Kumar, Sr. Executive Engineers for the Joint Petitioner No. 1 and Sh. Parveen Kumar, Authorised Representative for the Joint Petitioner No. 2 and have perused the entire record carefully.

8. It is evident from the record that the feasibility report in respect of the Project has been issued by the Joint Petitioner No. 1 on 07.03.2025, a copy whereof has been placed on record. As per the feasibility report, the interconnection point has been proposed at 11 kV Colony feeder emanating from 2x6.3 MVA, 33/11 kV Pandoga Sub-station, through solid tap with appropriate Protection arrangement. The Connection Agreement is yet to be signed but the parties state that the same will be signed as per the feasibility report.

9. As per the Swaran Jayanti Energy Policy, 2021, notified on 20.01.2022, Solar Power from the Solar PV Projects upto 5 MW shall mandatorily be purchased by the HPSEBL, if commissioned on or before 31.03.2030 at HPERC approved tariff applicable on the date of allotment of the Project.

10. It is also evident from the letter of the HIMURJA dated 05.02.2025 that the tariff in respect of the Project shall be as per the rates determined by the HPERC and that the Project has been provisionally registered.

11. The Commission vide Order dated 14.03.2024 in Suo Moto Petition No. 01 of 2024 has determined the generic levelled tariff for Solar PV Power Projects for FY 2024-25 (for a period w.e.f. 01.04.2024 to 31.03.2025) as under :-

Sr. No.	Capacity	Generic levelled tariff (Rs. Per kWh)
<b>1.</b>	<b>Projects to be set up in other than industrial areas and urban areas.</b>	
(a)	Upto 1.00 MW	3.50
(b)	Above 1.00 MW & upto 5.00 MW	3.47
<b>2.</b>	<b>Projects to be set up in industrial areas and urban areas</b>	
(a)	Upto 1.00 MW	3.55
(b)	Above 1.00 MW & upto 5.00 MW	3.52

12. This Project is situated in the rural area as per affidavit. The capacity of the Project is 2.0 MW. Though the Petition has been filed on 01.04.2025 but the same had been received by the HPSEBL in their office prior to 31.03.2025 as evident from letter No. HPSEBL/CE(SO)/PSP/Solar-Gen/2025-10981 dated 29.03.2025. A total of 72 applications were received during the last days of March, 2025 in the office of the HPSEBL and a significant time was consumed in processing the applications and granting connectivity and feasibility for evacuation of power. Since, 30.03.2025 and 31.03.2025 were holidays on account of Sunday and Eid-ul-Fitar, the

Project is entitled to the tariff of Rs. 3.47 per kWh, which is subject to adjustment of capital subsidy, if any. This tariff shall be applicable upto 31.03.2026 as per Clause 12 (E) (i) of the Order dated 14.03.2024 in Suo Moto Petition No. 1 of 2024.

13. As per the order dated 28.10.2024 in Suo Moto Petition No. 2 of 2024, the synchronization and the commissioning shall be on the same date. Therefore, the SCOD of the Project is considered as 04.02.2026.

14. The Government of Himachal Pradesh vide notification No. MPP-F(10)-43/2023 dated 21<sup>st</sup> September, 2023 amending clause 4.3.11 of the Swaran Jayanti Energy Policy, 2021 has levied a tariff based royalty of 5 paise per unit on commissioning Solar Power Project having capacity of more than 1 MW. Since, this provision has come into being w.e.f 21.09.2023, the tariff based royalty has to be paid in the manner provided in the policy to the State Government. Accordingly, the royalty as provided i.e. 5 paise per unit shall be worked out by the HPSEBL from the generation of the project and shall be payable @ 5 paise per unit to the Government of HP over and above the approved tariff of the project which shall be eligible for the pass through.

15. The Petition is supported by the affidavits of the respective parties.

16. Therefore, in view of the powers vested in the Commission under Section 86 (1) (b) of the Act, read with Regulations 56 and 57 of the CBR, 2024, the Joint Petitioners have made out a case for the approval of the Power Purchase Agreement (Solar) in respect of the Project. Hence, the Petition succeeds and allowed. The PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs. 3.47 per kWh will be applicable to the Project of the Joint Petitioner No. 2 which will be subject to further adjustment of subsidy, if any, and is provisional.
- (ii) The affidavit of the Joint Petitioner No. 2 that the Project is at rural area shall form the part of the PPA.
- (iii) The Joint Petitioners are directed to sign the Connection Agreement within 15 days. The feasibility report and the Connection Agreement shall also form part of the PPA.
- (iv) The Joint Petitioner No.2 shall apply to the State/Central Government or its designated department(s)/agency(ies), for grant of applicable subsidy/financial assistance to the Solar Power Project immediately on receipt of this Order, if not already applied, and shall intimate the Joint Petitioner No.1 i.e. HPSEBL of the receipt of financial assistance/subsidy

released to the Project by the State/ Central Government or its designated Department(s)/ agency(ies), within 15 days of receipt of the same and an undertaking to this effect shall be furnished by the Joint Petitioner No. 2 which shall form part of the PPA.

- (v) The Joint Petitioner No. 2 shall make an endeavour to avail the admissible subsidy/financial assistance (if any). In case the subsidy/financial assistance is not availed or the Joint Petitioner No. 2 fails to approach the State/Central Government or its designated Department(s)/agency(ies), the same shall be deemed to have been availed by the Joint Petitioner No. 2 and the Joint Petitioner No. 1 shall carry out the adjustment of such benefit, if any, admissible to the project after a period of 2 years from the date of the Order, as per order dated 14.03.2024 passed by the Commission in Suo-Moto Petition No. 01/2024. The Joint Petitioner No. 1 shall also intimate the Commission in this regard on making adjustment.
- (vi) The SCOD of the Project will be 04.02.2026 in view of order dated 28.10.2024 in Suo Moto Petition No. 2 of 2024.
- (vii) This tariff shall be applicable upto 31.03.2026 as per Clause 12 (E) (i) of the Order dated 14.03.2024 in Suo Moto Petition No. 1 of 2024.
- (viii) The royalty as provided i.e. 5 paise per unit shall be worked out by the HPSEBL from the generation of the project and shall be payable @ 5 paise per unit to the



Government of HP over and above the approved tariff of the project which shall be eligible for the pass through.

17. Other terms and conditions of the PPA shall be subject to provisions of the RE Regulations, 2017, as amended from time to time and the Order of Commission dated 14.03.2024 in Suo-Motu Petition No. 01 of 2024 issued under the aforesaid Regulations.

18. The Joint Petitioners are directed to execute PPA as per the above order after carrying out the necessary additions and alterations within 30 days from the date of this order. Three copies of the executed Power Purchase Agreement be submitted to the Commission for record.

Let a copy of this order be supplied to the Joint Petitioners forthwith.

The file after needful be consigned to records.

Announced  
**19.04.2025**

**-sd-**  
**(Shashi Kant Joshi)**  
**Member**

**-sd-**  
**(Yashwant Singh Chogal)**  
**Member (Law)**

**-sd-**  
**(Devendra Kumar Sharma)**  
**Chairman**