

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

Petition No: 17 of 2024
Date of Institution: 27.01.2024
Arguments Heard on: 01.02.2024
Decided on: 14.02.2024

The HP State Electricity Board Ltd. through,
Chief Engineer (System Operation)
Vidyut Bhawan, Shimla, HP-171004.**Joint Petitioner No. 1**

AND

M/s Neela Solar Power Project.
Village & Post Office Indora,
Distt. Kangra. HP-176401, through its,
Authorized Signatory, Ms. Neela Pathania.

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

Joint Petition under the provisions of Section 86 (1) (b) of the Electricity Act 2003 read with Regulations 50 and 50-A of the HPERC (Conduct of Business) Regulations, 2005, as amended from time to time, for the approval of Power Purchase Agreement (Solar) in respect of the Neela Solar Power Project (500 kW).

CORAM

DEVENDRA KUMAR SHARMA
CHAIRMAN

YASHWANT SINGH CHOGAL
MEMBER (Law)

Present:-

Sh. Dhananjay Sharma, Ld. Counsel for the Joint Petitioner
No. 1.
Sh. Umakant Joshi, Authorised Signatory for the Joint Petitioner
No. 2.

ORDER

The present Joint Petition has been filed by the Himachal Pradesh State Electricity Board Ltd. (the Joint Petitioner No.1 or the HPSEBL for the short) and M/s Neela Solar Power Project (the Joint Petitioner No. 2 for the 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 50 & 50-A of the HPERC (Conduct of Business) Regulations, 2005, as amended from time to time, (CBR,2005 for short) in respect of Neela Solar Power Project (500 kW).

2. The case of the Petitioners is that a Solar PV Project (500 kW) known as Neela Solar Power Project, situated at Village & Post Office Indpur, Tehsil Indora, Distt. Kangra, 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/ 2023- 12342 dated 04.11.2023. As per the Joint Petition, the date of Completion/ Commissioning Schedule of the Project is 03.11.2024 as evident from Schedule-I, annexed to the Draft PPA.

3. As per the Joint Petition, the Commission vide Order dated 29.02.2016 passed in Suo Moto Petition No. 104/2015 has finalized the Model Power Purchase Agreement for Solar PV Projects and the Himurja has also approved the proposed inventory vide letter No. HIMURJA (F-7)/SPV Projects/ 2023-16494 dated 11.12.2023 (Annexure-VIII).

4. It is averred that parties have signed the connection agreement on 11.01.2024 providing that the interconnection point shall be at existing 11 kV Kandrori-Rey feeder, emanating from (2x6.3 MVA at 33/11 kV level), 132/33/11 kV Sub-Station, Kandrori, through solid tap with appropriate Protection arrangement (Annexure-III). It is also averred that the joint Petitioner shall apply for the admissible subsidy and shall intimate the Joint Petitioner No. 1 to that effect (Annexure-VII).

5. It is also averred that the Commission vide Order dated 04.11.2023 has determined the generic levellised tariff in respect of Solar PV Projects for FY 2023-24 (01.10.2023 to 31.03.2024) under the HPERC (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 (RE Regulations, 2017 for short). The Joint Petitioner No. 2 has submitted an undertaking (Annexure-VI to the draft PPA) wherein it has been declared that the said project is situated in a rural area. It is also averred that the tariff for the Projects to be set up in areas other than Industrial and Urban Areas upto 1 MW (wrongly averred as 2 MW) is Rs. 3.65 per kWh as determined by the Commission vide Order dated 04.11.2023 (Suo-Moto Petition No. 06/2023) which shall be

applicable to the Project which has been incorporated in Clause 6.2 of the draft PPA.

6. We have heard Sh. Dhananjay Sharma, Ld. Counsel for the Joint Petitioner No. 1 and Sh. Umakant Joshi, Authorised Signatory for the Joint Petitioner No. 2 and have perused the entire record carefully.

7. It is evident from the record that the connection agreement in respect of the Project has been signed by the Joint Petitioners on 11.01.2024, a copy whereof has been placed on record as Annexure-III. As per the connection agreement, the Interconnection Point of the project has been provided at existing 11 kV Kandrori-Rey feeder, emanating from (2x6.3 MVA at 33/11 kV level), 132/33/11 kV Sub-Station, Kandrori through solid tap with appropriate Protection arrangement. The connection agreement further shows that M/s Neela Solar Power Project (500 kW) shall evacuate its power in joint mode with M/s Akash Solar Power Project (500 kW) using the distribution and communication system of the distribution licensee/ SLDC to transmit the electricity. The Joint Petitioners have placed on record the joint agreement dated 02.02.2024 signed between M/s Neela Solar Power Project (500 kW) and M/s Akash Solar Power Project (500 kW) that both have agreed not to claim any damages or losses, if

any, occurring out of the said joint evacuation arrangement in future which shall form part of draft PPA.

8. As per clause (ii) of sub-clause (a) of Para 4.3.5 of the Swaran Jayanti Energy Policy- 2021, notified on 20.01.2022, Solar Power Projects ranging from 250 kW - 1 MW capacity shall be allotted to Bonafide Himachalies only and the energy generated from these Solar Power Projects 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.

9. It is also evident from the letter of the HIMURJA dated 04.11.2023 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. As per Schedule-I attached to the draft PPA, the SCOD of the project is 03.11.2024. Thus, the SCOD is being taken as 03.11.2024.

10. The Commission vide Order dated 04.11.2023 in Suo Moto Petition No. 06 of 2023 has determined the generic levelised tariff for Solar PV Power Projects for FY 2023-24 (for a period w.e.f. 01.10.2023 to 31.03.2024) as under :-

Sr. No.	Capacity	Generic levellised tariff (Rs. Per kWh)
1.	Projects to be set up in other than industrial areas and urban areas.	
(a)	Upto 1.00 MW	3.65
(b)	Above 1.00 MW & upto 5.00 MW	3.62
2.	Projects to be set up in industrial areas and urban areas	
(a)	Upto 1.00 MW	3.70
(b)	Above 1.00 MW & upto 5.00 MW	3.67

11. This Project is situated in the rural area as per undertaking (Annexure-VI). The capacity of the Project is 500 kW. Thus, the Project is entitled to the tariff of Rs. 3.65 per kWh, which is subject to adjustment of capital subsidy, if any. However, in case commissioning of the Project is delayed beyond SCOD i.e. 03.11.2024, and the tariff in the said control period is less, the Joint Petitioner No. 2 shall have to provide power to the Joint Petitioner No. 1 on said tariff only.

12. The Petition is supported by the undertakings of the respective parties.

13. Therefore, in view of the powers vested in the Commission under Section 86 (1) (b) of the Act, read with Regulations 50 and 50-A of the CBR, 2005, as amended from time to time, 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 draft PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs. 3.65 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 undertaking of the Joint Petitioner No. 2 that the Project is at rural area shall form the part of the PPA. Similarly, the joint agreement dated 02.02.2024 between Neela Solar Power Project (500 kW) and Akash Solar Power Project (500 kW) and the Connection Agreement dated 11.01.2024 shall also form part of the PPA. Further, the above Project Developers shall not claim any damages of losses if any, occurring out of said joint evacuation arrangement in future.
- (iii) 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.
- (iv) 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 04.11.2023 passed by the Commission in Suo Moto Petition No. 06/2023. The Joint Petitioner No. 1 shall also intimate the Commission in this regard on making adjustment.

- (v) In case the meter is installed in the premises of the Joint Petitioner No. 2, the notional line losses upto the injection point shall be borne by the Joint Petitioner No. 2.

In case the metering point is in the facilities of the HPSEBL, the notional line losses from injection point to the metering location have to be borne by the HPSEBL and credit for the losses from the injection point to the metering location shall be given to the Joint Petitioner No. 2 by the HPSEBL.

- (vi) The Scheduled Date of Synchronisation of the Project is 19.10.2024 and Scheduled Commercial Operation Date (SCOD) of the project is 03.11.2024 which has been specified in Schedule-I which shall form a part of the PPA. In case commissioning of the Project is delayed beyond SCOD i.e. 03.11.2024, and the tariff in the said control period is less, the Joint Petitioner No. 2 shall have to provide power to the Joint Petitioner No. 1 on said tariff only.

14. Other terms and conditions of the PPA shall be subject to provisions of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources Terms & Conditions for the Tariff Determination)

Regulations, 2017 and Order dated 29.02.2016 in Suo-Moto Petition No. 104/2015 whereby Model PPA for Solar PV Projects has been finalized and the Order of Commission dated 04.11.2023 in Suo-Motu Petition No. 06 of 2023 issued under the aforesaid Regulations.

15. 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
14.02.2024

-Sd-
(Yashwant Singh Chogal)
Member (Law)

-Sd-
(Devendra Kumar Sharma)
Chairman