

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

Petition No: 17 of 2025
Instituted on: 20.01.2025
Heard on: 07.02.2025
Decided on: 10.02.2025

CORAM

DEVENDRA KUMAR SHARMA
CHAIRMAN

YASHWANT SINGH CHOGAL
MEMBER (Law)

SHASHI KANT JOSHI
MEMBER

In the matter of :

The HP State Electricity Board Limited, thro'
Sh. Mandeep Singh, Chief Engineer (S.O.),
Vidyut Bhawan, Shimla-171004.

.....**Petitioner**

The Solar Energy Corporation of India Limited (SECI),
6th Floor, Plate-B, NBCC Office, Block Tower-2,
East Kidwai Nagar, New Delhi-110023.

.....**Respondent**

Petition under Section 86(1)(b) and (e) of the Electricity Act, 2003 and Regulation 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024 for the approval of procurement of 600MW Solar Photo-Voltaic (PV) power from the Solar Energy Corporation of India Limited (SECI), under ISTS-connected Tranche-XVIII scheme pursuant to the competitive bidding conducted by the SECI.

Present:

For the Petitioner: Sh. R. K. Verma, SE(Interstate), HPSEBL.
Authorized Representative.
Ms. Sangeeta, Sr. Executive Engineer,
HPSEBL.

ORDER

This Petition has been filed by the Petitioner i.e. the HP State Electricity Board Limited (HPSEBL for short) under the provisions of the Section 86(1)(b) and (e) of the Electricity Act, 2003 (Act for short) and Regulation 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024 for the approval of Procurement of 600MW Solar Photo-Voltaic (PV) Power from the Respondent i.e. the Solar Energy Corporation of India Limited (SECI for short) for a period of 25 years, under the Inter State Transmission System (hereinafter being referred to as "ISTS")-connected Solar Tranche XVIII Scheme.

2. The Petitioner /HPSEBL is a company incorporated under the provisions of the Companies Act, 2013 and is engaged in the business of distribution of electricity in the State of Himachal Pradesh. The Petitioner has been procuring electricity from various sources, including renewable sources of energy to meet the power supply requirements in order to maintain the distribution and retail supply of electricity in the State of Himachal Pradesh.

3. The SECI has been designated as Renewable Energy Implementing Agency by the Ministry of New and Renewable Energy (MNRE for short), Government of India (GoI for short) for setting up of ISTS connected renewable projects.

4. As per the Petitioner, the Ministry of Power (MoP for short), Govt vide Notification dated 28.06.2023 has issued Guidelines for Resource Adequacy Planning Framework vide which each Distribution Licensee shall undertake a Long Term Distribution Licensee Resource Adequacy Plan (LT-DRAP for short) for a 10 year horizon to meet its energy requirements, wherein, the share of long-term contracts is suggested to be at least 75% of the required capacities as per LT-DRAP of the DISCOM, share of Medium term contracts is suggested to be in the range of 10–20%, while the rest of the power demand can be met through short term contracts. In line with the aforesaid guidelines, the Central Electricity Authority (CEA for short) has carried out studies for Himachal Pradesh based on the inputs shared by HPSEBL. CEA report on the LT-DRAP RA studies, inter alia, provides that 3710 MW solar power capacity addition along with 220 MW Distributed Renewable Energy (DRE for short) Solar power addition is required for meeting future demand reliably till 2024-25.

5. As per the Petitioner, as per final resource adequacy report of CEA, Himachal Pradesh (H.P) is in power deficit of 1565 MUs during FY 2025-26, 1280MUs during FY 2026-27 and 1135MUs during FY 2027-28. CEA has suggested the H.P. to increase 763MW additional solar power during FY 2029-30, 201MW during FY 2031-32, 358MW during FY 2033-34 and 345MW solar power during the FY 2023-35.

6. Further, the Petitioner has received offers from Renewable Energy Implementing Agencies (REIAs) i.e. the Satluj Jal Vidyut Nigam Limited (SJVNL for short) and the SECI, for long term procurement of Solar power which is getting commissioned before 30.06.2025. Therefore, in line with CEA suggestion, the HPSEBL has filed this Petition for approval of procurement of 600MW solar power through SECI during 2025-26. The proposed power procurement of 600MW will reduce the deficit of the State from 1280MUs to 385MUs during FY 2026-27 and from 1135MUs to 240MUs during FY 2027-28. The offer of the SECI has been found most suitable and thus, the Petitioner has decided to procure the 600MW ISTS Connected Solar Power through M/s SECI, which is getting commissioned before 30.06.2025, on the terms and conditions contained in the draft Power Sale Agreement (PSA for short) from sources and at Tariffs specified hereunder:

Sr.No.	Solar Power Developer	Capacity (MW)	Tariff (Rs./kWh)	Scheduled commencement of supply date
1	Renew Solar Power Pvt. Ltd.	250	3.04	On or before 30.06.2025
2	ACME Solar Holding Ltd.	300	3.05	
3	Adani Renewable Energy Holding Twelve Limited	50	3.10	

Further, an additional trading margin of SECI amounting to Rs. 0.07/kWh shall be applicable over and above discovered tariff.

7. It is also averred by the Petitioner that in addition to fulfill its Renewal Power Purchase Obligations and bridge the demand-availability

gap, this Power shall also enable to achieve 1st Green Energy State in the Country in line with the HP Energy Policy, 2021.

8. We have heard Sh. R.K. Verma, Authorized Representative for the Petitioner and have perused the entire case with minute care.

9. Though, the Petition has been filed under Section 86 (1) (b), 86 (1) (e) of the Act read with Regulation 56 & 57 of the HPERC (Conduct of Business) Regulations, 2024 (CBR, 2024 for short) but no Power Purchase Agreement is to be approved by the Commission. Only a permission for Power procurement has been sought. Therefore the Petition is being treated under Section 63, 86 (1) (b), 86 (1) (e) of the Act read with Regulation 56 of the CBR, 2024 and not under Regulation 57 of the CBR, 2024.

10. At the very outset the Commission has analysed the power supply and demand situation within the State as submitted by the Petitioner and agrees that there shall be demand supply mismatch/gap in the State in coming years and with the continuous growth in power demand, this gap is going to increase. Therefore, the Petitioner needs to tie up for its power requirement on long term basis.

11. The promotion of Renewable Power such as Solar is one of the best alternatives for the State in order to meet the rising power demand, reduce the dependency on the fossil fuel and for converting the State into

a Green Energy State as per the Energy Policy, 2021. Therefore, there is need to promote renewable energy as mandated under Section 86(1)(e) of the Act. Thus, having analysed the Power supply and demand situation within the State and keeping overall power scenario of the State and Power available with the DISCOM in view, the Commission is of the opinion that there is a definite need to procure the proposed Solar Energy.

12. The Tariff offered by the SECI has been discovered through a transparent bidding process as per the "*Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar Power Projects*" dated 28.07.2023 issued by the MoP, Gol. The Trading Margin of Rs. 0.07/kWh is to be charged by the Respondent in addition to the per unit Tariff. However, the above tariff is yet to be adopted by the CERC.

13. Section 63 of the Act provides for the determination of tariff by bidding process which is reproduced here as under:

"Section 63. (Determination of tariff by bidding process): Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

14. Since, the HPSEBL is in need of power procurement and has proposed the tie up through SECI on the tariff discovered through competitive bidding, the Petitioner has made out a case for power

procurement. Hence, the Petition succeeds and allowed. Permission is accorded under Section 86(1)(b) and Section 63 of the Act to the Petitioner for procurement of 600MW ISTS Connected Solar Power for a period of 25 years from the Respondent subject to the following conditions:

- A. Procurement of Power shall be carried out at following rates plus Rs. 0.07/kWh as trading margin of the SECI:

Sr. No.	Solar Power Developer	Capacity (MW)	Tariff (Rs./kWh)	Scheduled commencement of supply date
1	Renew Solar Power Pvt. Ltd.	250	3.04	On or before 30.06.2025
2	ACME Solar Holding Ltd.	300	3.05	
3	Adani Renewable Energy Holding Twelve Limited	50	3.10	

- B. In case of failure by the SECI to provide an escrow arrangement or irrevocable, unconditional, and revolving letter of credit to the Solar Power Generators, the trading margin of the Respondent shall be restricted to Rs. 0.02/kWh.
- C. If the trading Margin of Rs. 0.07/kWh of the SECI is reduced by the MoP, Gol or a competent Statutory Authority for existing contracts, in future, the benefit of the same shall be passed on by the SECI to the Petitioner.
- D. In the event of failure on the part of developer to commission the project and supplying the power on or before 30.06.2025, the applicable transmission charges on ISTS system shall be borne by the Solar Power Developer or SECI.
- E. This approval is subject to adoption of discovered tariff under Section 63 of the Electricity Act by CERC plus trading margin @ Rs.

0.07/kWh. In case the tariff is reduced by the CERC, the same shall be applicable.

The Petition is accordingly disposed off. The file after the needful be consigned to records.

Announced
10.02.2025

-Sd-
(Shashi Kant Joshi) Member

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

-Sd-
(Devendra Kumar Sharma) Chairman