

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

Petition No: 19 of 2023
Instituted on: 14.03.2023
Heard on: 22.03.2023
Decided on: **28.03.2023**

CORAM

DEVENDRA KUMAR SHARMA
CHAIRMAN

YASHWANT SINGH CHOGAL
MEMBER (Law)

SHASHI KANT JOSHI
MEMBER

In the matter of:-

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

AND

**M/s Prodigy Hydro Power Pvt. Ltd.,
through Sh. Anish Kumar, Authorised Representative
Chaitra No. 490/1, 39th Cross, 8th Block,
Jayanager, Bangalore-560082.Joint Petitioner No.2**

**Joint Petition for approval of Power Purchase Agreement (Short-Term) in respect of
Baner-II HEP (6.00MW) under Section 86(1)(b) of the Electricity Act, 2003.**

Present:-

Ms. Vandna Thakur Ld. Counsel for the Petitioner.

Sh. Anish Kumar, Authorised Representative for Joint Petitioner No.2.

ORDER

This Joint Petition has been filed under Section 86 (1)(b) of the Electricity Act, 2003 read with Regulations 50 and 50-A of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 (the CBR, 2005

for short) by the Himachal Pradesh State Electricity Board Ltd.(the HPSEBL/ Joint Petitioner No. 2 for short) and M/s Prodigy Hydro Power Private Limited (the Joint Petitioner No. 1 for short) for approval of Short-term Power Purchase Agreement under REC mechanism (PPA for short) for the period w.e.f. 01.04.2023 to 31.03.2024 in respect of Baner-II Hydro Electric Project (6.00MW) situated on Baner Khad, a tributary of river Beas in Distt. Kangra, Himachal Pradesh (Project for short).

2. As per the Joint Petitioners, the parties had signed a Power Purchase Agreement for the sale and purchase of Power on 09.08.2012 till 11.06.2020 which has been subsequently extended mutually with prior approval of the Commission, time to time, by signing supplementary Power Purchase Agreement (SPPA for short) vide Orders dated 21.05.2020, 03.07.2021 and 23.03.2022 (Annexure P-2) which is valid up till 31.03.2023. It is averred that both parties have now agreed to extend the terms of PPA ending on 31.03.2023 till 31.03.2024 for the sale and purchase of Power at the rate/ tariff as may be fixed by the Commission for FY 2023-24 in respect of Hydro Electric Projects (HEPs for short) under REC Mechanism.

3. Heard. The Petition is duly supported by the affidavits of Joint Petitioners No. 1 and 2 and draft Supplementary PPA.

4. The Commission under Sub-section (1)(b) of Section 86 of the Electricity Act, 2003 read with Regulation 50 and 50-A of the CBR, 2005 is empowered to

accord the approval of the sale and purchase of Power. Both parties have sold and purchased the Power from the Project w.e.f. 09.08.2012 under REC mechanism and the term of ongoing Power Purchase Agreement shall come to an end on 31.03.2023. The Joint Petitioners have agreed for the sale and purchase of Power on similar terms and conditions w.e.f. 01.04.2023 to 31.03.2024. Therefore, keeping in view the averments made in the Petition and the fact that the parties are seeking an extension on the lines of previous PPA/SPPAs under REC mechanism, the Commission accords its approval for the approval of the PPA under REC mechanism for a period one year w.e.f. 01.04.2023 to 31.03.2024 subject to the following conditions:-

(i) Clause 6.2 of the PPA shall be substituted with the following, namely.-

The HPSEBL shall pay for the Net saleable Energy delivered and sold to it at the Interconnection Point by the Joint Petitioner No. 2 under REC mechanism at the APPC rate determined by the Commission for FY 2022-23 as an interim rate.

(ii) This interim rate shall be subject to further adjustment with the rate as may be specified/ fixed by the Commission for FY 2023-24 for the sale /purchase of power under the REC mechanism for Small Hydro Power Projects.

(iii) The Petitioners shall approach the Commission within 15 days of the Order of the Commission as per clause (ii) of this para for applicability of tariff to the project for FY 2023-24 under the REC mechanism.

(iv) The water cess, as made applicable by the Govt. of H.P. for the Hydro Electric Projects, shall be dealt with accordingly as per the notification of the Government of HP.

5. The other terms and conditions of the Power Purchase Agreement to be executed by the Joint Petitioners shall be subject to provisions of the applicable Central Electricity Regulatory Commission Regulations, Procedure for Registration of Renewable Energy Generation Project by Central Agency, Procedure/Guidelines for accreditation of Renewable Energy Generation Project for REC mechanism by State Agency, Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations, 2023 and Commission's order dated 11.06.2012 in Petition No. 103 of 2011.

6. Necessary additions and alterations in the draft PPA, if required, as per the above, be carried out before the draft PPA is sent after approval to the parties. The Petitioners are directed to execute the Power Purchase Agreement under the REC mechanism accordingly within a period of 30 days from the date of this order. Three copies of the executed Power Purchase Agreement be submitted to the Commission for the record.

Announced

28.03.2023

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

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

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