

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

Petition No: 27 of 2025
Instituted on: 13.02.2025
Heard on: 03.03.2025
Decided on: 25.03.2025

CORAM:

DEVENDRA KUMAR SHARMA
CHAIRMAN.

YASHWANT SINGH CHO GAL
MEMBER (Law).

SHASHI KANT JOSHI
MEMBER .

In the matter of:-

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

AND

M/s DLI Power (India) Pvt. Ltd.,
6, Shiv-Wastu, Tejpal Scheme,
Road No. 5, Vile Parle (East), Mumbai-400057,
through Sh. V.S.V.A. Rao, Authorised Representative
.....**Joint Petitioner No.2.**

Joint Petition under Section 86 (1) (b) of the Electricity Act, 2003 for the approval of Power Purchase Agreement to be executed by the HPSEBL with M/s DLI Power (India) Pvt. Ltd. in respect of Raura HEP (12.0 MW).

Present:-

Sh. Kamlesh Saklani, Authorised Representative for Joint
Petitioner No. 1
Sh. V.S.V.A Rao, Authorised Representative for the Joint
Petitioner No. 2.

ORDER

This Joint Petition has been filed under Section 86 (1)(b) of the Electricity Act, 2003 (Act for short) read with Regulations 56 and 57 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of

Business) Regulations, 2024 (the CBR, 2024 for short) by the Himachal Pradesh State Electricity Board Limited (the HPSEBL/ Joint Petitioner No. 1 for short) and M/s DLI Power (India) Pvt. Ltd (the Joint Petitioner No. 2 for short) for approval of long term Power Purchase Agreement (PPA for short) under generic levelled tariff in respect of Raura Hydro Electric Project (12.0 MW) situated on Raura khad, a tributary of river Satluj, in Distt. Kinnaur, Himachal Pradesh (Project for short).

2. Initially, the Joint Petitioner No. 2 signed an Implementation Agreement (IA for short) Annexure-III with the Government of Himachal Pradesh (GoHP for short) on 24.03.2008 for implementation of (8.0 MW) Project. On getting revised Technical Concurrence for a Project of 12 MW (Annexure-VII), the Joint Petitioner signed Supplementary Implementation Agreement (SIA for short) with the GoHP on 01.02.2018 and 2nd SIA on 12.02.2019, copies annexed alongwith draft PPA as Annexure-IV.

3. The Joint Petitioner No. 2 had also executed the Connection Agreement (Annexure-V) with the Himachal Pradesh Power Transmission Corporation Limited (HPPTCL for short) on 23.03.2016, whereby, the HPPTCL agreed to connect the Project at interconnection point at 66 kV Switching Station at Urni to transmit electricity as well as real time data to and/ or from the facility through electrical system of the HPPTCL.

4. The Joint Petitioner No. 2 has been selling the power to Joint Petitioner No. 1 under REC Mechanism executed between the parties on 25.07.2019 pursuant to order of the Commission dated 25.06.2019 in Petition No. 60 of 2019 which was upto 31.03.2020 but the terms thereof were mutually extended by the parties by signing short term SPPAs until 31.03.2025. Now the Joint Petitioner No. 2 has decided to exit from the REC Mechanism and intends to enter into a long term PPA for the residual period for useful life of the Project applicable to the Project under prevailing Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017, as amended from time to time, (RE Regulation, 2017 for short) w.e.f. 01.04.2025. Further, Regulation 5 (1) of the RE Regulations, 2017 provides that any generator who does not have an arrangement for disposal/ use of energy from his project may with prior consent of the distribution licensee and approval of Commission enter into a long term PPA or under REC mechanism.

5. The GoHP vide notification dated 15.05.2018, further amended vide order dated 10.10.2018 has mandated the HPSEBL to purchase the power from Hydro Electric Projects with capacity upto 25 MW on generic levelized tariff as determined by the Commission.

6. According to the Petitioners, the current case is covered under Regulation 16 of the RE Regulations, 2017 and accordingly, the generic

levellized tariff as determined by the Commission on 24.03.2018 in Suo Moto Petition No. 70 of 2017 for the Small Hydro Electric Projects upto 25 MW capacity shall be applicable to the Project which was Rs. 3.44 per kWh which is applicable for the Project.

7. Further, the Project was eligible for the financial support of Rs. 1.50 Crore per MW limited to 5.00 Crore and thus, the tariff adjustment on account of differential rate has to be made as under:-

1.	Capacity of Project	12 Mega Watt
2.	Category under which the Project Falls	III (Above 5 MW to 25 MW)
3.	Generic Levellized Tariff	Rs. 3.44/ kWh
4.	Formula for Tariff Adjustment (Sheet-IV of Tariff Order-2018)	=10/60 x (75 – “Y”) paise per kWh
5.	Value of “Y” for SHP having capacity of 12 MW as per Appendix “D” of Tariff Order-2018	31.25
6.	Calculated Adjustment (Paise/ kWh)	7.2917 paise per kWh
7.	Tariff after adjustment	Rs. 3.512917 per kWh

Thus, after rounding, the tariff applicable to the Project shall be Rs. 3.51 per kWh. Hence, the Petition.

8. We have heard Sh. Sh. Kamlesh Saklani, Authorised Representative for the Petitioner and Sh. V.S.V.A. Rao, Authroised Representative for the Respondent in detail and have perused the case file carefully.

9. It is evident from the SIAs dated 01.02.2018 and 12.02.2019 that the Project is for the capacity of 12 MW. As per the connection

agreement dated 23.06.2016, the Project is connected at interconnection point at 66 kV Switching Station at Urni to transmit electricity. The Joint Petitioner No. 2 has been selling power from the Project to Joint Petitioner No. 1 under REC Mechanism by executing PPAs/ SPPAs and the last SPPA was executed by the parties per order dated 21.03.2024 in Petition No. 37 of 2024 which will come to an end on 31.03.2025.

10. Now the Joint Petitioner No. 2 intends to exit from the REC Mechanism and the parties have mutually agreed for the sale and purchase of power from the Project on long term basis on generic levelled tariff as applicable for the Project upto 25 MW. The Project was synchronized on 09.09.2019 and the date of Commissioning is 30.09.2019, as evident from Form-A annexed to the Petition. As such the tariff prevailing at the time of commissioning of the Project will be applicable.

11. The Commission had determined the generic levelled tariff for the first control period (w.e.f. 01.10.2017 to 30.09.2019) under RE Regulations, 2017 in Suo Moto Petition 70 of 2017 vide order dated 24.03.2018 which shall be applicable to the Project. The capacity of the Project is 12 MW and the generic levelled tariff as per Order dated 24.03.2018. The Projects above 5 MW and upto 25 MW was Rs. 3.44 per kWh.

12. As per the Petition, the Petitioner was entitled for the MNRE Subsidy of Rs. 5.00 Crores (Rs. 1.50 Crore per MW limited to Rs. 5.0 Crores).

13. While determining the generic levelled tariff vide order dated 24.03.2018 in Suo Moto Petition No. 70 of 2017, the Commission has considered the MNRE capital investment incentive of Rs. 75 lakh per MW, whereas, the Joint Petitioner was entitled to the total capital investment incentive of Rs. 5.0 Crore being project of 12 MW which comes to Rs. 41.67 lakh per MW as per Appendix-D of the aforesaid order.

14. The above order also contains a formula under para 8 (B) (a) regarding the increase in paise per kWh on account of differential rate of capital incentive. Therefore, the adjustment of capital investment incentive has already been made in the tariff @ Rs. 75 lakh per MW whereas in the case of the Project, it should have been @ Rs. 31.25 lakh per MW, in term of formula given in para 8 (B) (a). Accordingly, 75% of capital subsidy per MW works out to Rs. 31.25 lakh per MW. Thus, the additional adjustment to the tune of 7 paise per kWh as made is required to be given effect in the tariff which comes to Rs. 3.51 per kWh, which has also been mentioned in the Joint Petition. Therefore, the Project is entitled for the tariff of Rs. 3.51 per kWh w.e.f. 01.04.2025.

15. The Petition is duly supported by affidavits of the Joint Petitioners. Both the parties have agreed for the sale and purchase of the power from the Project. Thus, taking into consideration the aforesaid facts and circumstances and in exercise of the powers vested in the Commission under Section 86 (1) (b) of the Electricity Act, 2003 and Regulations 56 and 57 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 and also taking into consideration the notifications dated 15.05.2018 and 10.10.2018 of the GoHP, Swaran Jayanti Policy, 2021, the Connection Agreement dated 23.06.2016, the Implementation Agreement dated 24.03.2008, the Supplementary Implementation Agreements dated 01.02.2018 and 12.02.2019, adjustment of subsidy of the Ministry of New and Renewable Energy, the Joint Petitioners have made out a case for the approval of the Long Term PPA under the Generic Levellised Tariff.

16. Accordingly the Petition succeeds and allowed. The PPA is ordered to be approved subject to the following terms and conditions:-

- (i) After considering the financial assistance (MNRE Subsidy) of Rs. 5.0 Crore as deemed availed and adjustment of subsidy amount as per the provisions of order dated 24.03.2018 in Suo Moto Petition 70 of 2017, the provisional tariff of Rs. 3.51 per kWh is applicable to the Project of the Joint Petitioner No. 2 w.e.f. 01.04.2025.
- (ii) In case the financial assistance or subsidy is granted to the Joint Petitioner No. 2 after the order, the intimation thereof shall be given to the Joint Petitioner No. 1/ the HPSEBL, within 15 days of

receipt thereof by the Joint Petitioner No. 2 and the parties shall approach the Commission either jointly or individually for appropriate tariff adjustment in this regard.

- (iii) The free power shall be payable to the Govt. of H.P as per the SIAs dated 01.02.2018 and 12.02.2019.
- (iv) Other terms and Conditions shall be as per the RE Regulations, 2017.

17. The Joint Petitioners are directed to execute the PPA as per the above order after carrying out the necessary additions and alteration 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

25.03.2025

Sd/- (Shashi Kant Joshi) Member	Sd/- (Yashwant Singh Chogal) Member (Law)	Sd/- (Devendra Kumar Sharma) Chairman
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