

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

Petition No: 40 of 2022
Date of Institution: 04.07.2022
Arguments Heard on: 06.08.2022
Decided on: 24.08.2022

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

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

AND

Kathwari Solar PV Project,
Village Kathwari, P.O. Bir, Tehsil Sadar, Distt. Mandi,HP-175001
through its Proprietor Sh. Bhup Singh Rana
R/o Panjethi, P.O. Talyahar,
Tehsil Sadar, Distt. Mandi,HP-175001.

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

**Joint Petition under the provisions of Section 86 (1) (b) of The
Electricity Act, 2003, read with Regulations 50 and 50A of the HPERC
(Conduct of Business) Regulations, 2005 and in accordance with the
Model PPA approved by the HPERC for the approval of Power
Purchase Agreement (Solar) to be executed by the HPSEBL with M/s
Kathwari Solar PV Project in respect of Kathwari Solar PV Project
(500kW).**

CORAM

DEVENDRA KUMAR SHARMA
CHAIRMAN

BHANU PRATAP SINGH
MEMBER

YASHWANT SINGH CHOGAL
MEMBER (Law)

Present:-

Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1.
Sh. Bhup Singh Rana, Proprietor, Proprietor, Joint Petitioner No. 2.

ORDER

The present Joint Petition has been filed by the Himachal Pradesh State
Electricity Board Ltd. (Joint Petitioner No.1 or HPSEBL for short) and M/s
Kathwari Solar PV Project (Joint Petitioner No.2 for short) for 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 in respect of Kathwari Solar PV Project (500 kW) (Project for short).

2. The case of the Petitioners is that the Joint Petitioner No. 2 has setup a Solar PV Project (500 kW) known as Kathwari Solar PV Project situated at Village Kathwari, P.O. Bir, Tehsil Sadar, Distt. Mandi, H.P. The Project has been setup pursuant to the approval accorded by Himurja (HP Govt. Energy Development Agency) vide letter No. HIMURJA(F-7)2/SPV Projects/21-22-8517 dated 10 March, 2022. As per the Joint Petition, the date of Completion/Commissioning Schedule of the Project is 31 March, 2023 as evident from Form-A annexed to the Petition.

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 draft PPA has been prepared on the lines of the aforesaid model PPA. According to them, as per Swarn Jayanti Energy Policy 2021, the payment/Billing to the Solar Power Project developers will be made after the date of operation of the Project declared by the Directorate of Energy, Government of Himachal Pradesh (GoHP for short) and the said provision has been incorporated in the draft PPA at Clause 8.1.

4. It is averred that HIMURJA has notified a Scheme for harnessing 20 MW of Solar Power through Projects ranging from 250 to 1000 kW during the month of January 2022. As per this scheme, HPSEBL is mandated to purchase all the power from the solar projects registered under said Scheme. HIMURJA vide letter No. HIMURJA (F-7)2/SPV Projects /21-22-8517 dated 10 March, 2022 has provisionally registered the Project under this Scheme.

Copy of the provisional registration letter is attached at Annexure-IV of the draft PPA.

5. It is averred that the Commission vide Order dated 28.03.2022 in Suo Moto Petition No. 7/22 has determined the generic levellised tariff in respect of Solar PV Projects for FY 2022-23 under the HPERC (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017. The Company has submitted an undertaking (Annexure-VII of the draft PPA), wherein it has been declared that the said project is situated in rural area. Accordingly, the tariff for the Projects to be set up in other than industrial areas and urban areas upto 1 MW is Rs. 3.75 Per KWh as determined by the Commission vide Order dated 28.03.2022 in Suo Moto Petition No. 7/22 which shall be applicable to the Project which is incorporated in clause 6.2 of draft PPA.

6. We have heard Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No.1 and Sh. Bhup Singh Rana, Proprietor of Joint Petitioner No. 2 and have perused the entire record carefully.

7. It is evident from the record that the connection agreement in the respect of the Project has been signed by the Joint Petitioners on 10 June, 2022, a copy of whereof is annexed to the record. The Petition is supported by the affidavits of the respective parties, draft PPA and an undertaking to the effect that the Project is situated in rural area at Village Kathwari, P.O. Bir, Tehsil Sadar, Distt. Mandi, H.P. It is also apparent from the Petition that entire power to be generated from Solar Power Projects is to be purchased by the Joint Petitioner No. 1, the HPSEBL.

8. 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 HPERC (Conduct of Business) Regulations, 2005, the Joint Petitioners have

made out a case for approval of Power Purchase Agreement. Hence, the Petition succeeds and allowed. The draft PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs.3.75 per unit is determined for the Project being situated in the rural area as per the order of the Commission dated 28.03.2022. The Joint Petitioner No.2 shall not claim the higher tariff in future on account of the location of the said solar project. The undertaking to this effect from the Project developer i.e. Joint Petitioner No. 2 shall form a part of the PPA.
- (ii) 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 within a period of Six months from the date of receipt of this Order 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 affidavit to this effect shall be furnished by the Joint Petitioner No. 2 which shall form part of the PPA.
- (iii) Based on the financial assistance/subsidy, if any, released to the Project, the Joint Petitioner No.1 shall carry out adjustment of such benefit as per the provisions of the Order of Commission dated 28.03.2022 in Suo-Moto Petition No. 7 of 2022 for determination of Generic Levelised Tariff for Solar PV Projects for FY 2022-23.

9. It is ordered that the Joint Petitioner No. 2 shall make an endeavor to avail the admissible subsidy/financial assistance as mentioned in sub-paras (ii) and (iii) of Para 8 above. 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.

10. Other terms and conditions of the PPA shall be subject to the 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 of the Commission dated 28.03.2022, in Suo-Moto Petition No.7 of 2022 issued under the aforesaid RE Regulations, 2017.

11. The Petitioners are directed to execute the Power Purchase Agreement 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 record.

Announced
24.08.2022

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

-Sd-
(Bhanu Pratap Singh)
Member

-Sd=
(Devendra Kumar Sharma)
Chairman