

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

Petition No: 43 of 2022
Instituted on: 14.07.2022
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

M/s A Himalayan Hydro Project. through,
Mr. Tilak Raj, Managing Partner,
House No. 123, Ward No. 4,
Raghunathpur, Distt. Kullu, HP-175101.

.....Joint Petitioner No.2

Petition 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, for the approval of the Long-term Power Purchase Agreement under Generic Levellised Tariff in respect of Phindri SHEP (1.20 MW).

CORAM

**DEVENDRA KUMAR SHARMA
CHAIRMAN**

**BHANU PRATAP SINGH
MEMBER**

**YASHWANT SINGH CHOGAL
MEMBER (Law)**

Present:-

Sh. Kamlesh Saklani, Authorised Representative for Joint Petitioner No.1.

Sh. Mohit Sharma, Ld. Counsel for Joint Petitioner No.2.

ORDER

This Joint Petition has been filed by the Himachal Pradesh State Electricity Board Ltd. (HPSEBL or Joint Petitioner No.1 for short) and

M/s A Himalayan Hydro Project (Joint Petitioner No.2) under Section 86(1) (b) for approval of the Long term Power Purchase Agreement (PPA for short) under Generic Levellised Tariff in respect of Phindri Small Hydro Electric Project (1.20MW) situated at Phindri Nallaha, a tributary of River Beas, Village Solang, Tehsil Manali, Distt. Kullu, H.P. (the Project for short). According to the Joint Petition, pursuant to allotment of the Project by the Government of Himachal Pradesh (GoHP) in favour of Joint Petitioner No. 2, an Implementation Agreement (IA for short) was signed between the GoHP and Joint Petitioner No. 2 on 25.11.2020 for implementation of the Project.

2. It is averred that the free power quantum of the State has been defined under clause 12.1 of the Implementation Agreement. Also averred that the Joint Petitioner No. 2 has also furnished the SCOD certificate issued by HIMURJA vide letter No. HIMURJA/SHP-IA /Phindri-8080 dated 24.02.2022 on prescribed format (Annexure-V, wrongly mentioned in the Petition as Annexure VII) and as per Annexure I to letter dated 24.02.2022 of HIMURJA, the SCOD of the Project is 24.05.2023 but as per the Construction Schedule submitted by Joint Petitioner No. 2, the Project is likely to be completed by 31.10.2022. Hence, 24.05.2023 be considered as the date of SCOD for the purpose of Tariff as per RE Tariff Regulations, 2017.

3. As per the Joint Petition, the Project is eligible for Subsidy/Financial Assistance given under the Industrial Development Scheme for the State of Himachal Pradesh and Utrakhand notified by the Government of India (GoI) vide Notification No. 2 (2)/2018-SPS dated 23.04.2018 which has been applied online through the Web Portal of Industrial Department vide application No. IDS/HP/2510 and the Joint Petitioner No. 2 shall intimate the Joint Petitioner No. 1 about the actual amount of subsidy released under above Scheme within a period of 15 days of release and that the Generic Levellised Tariff be allowed by adjusting the tentative admissible subsidy

amounting of Rs. 1.09 Crore worked out on the basis of electro-mechanical cost of the Project prescribed in Techno-Economic Clearance (TEC for short). Further, the tariff shall be subject to further adjustment on account of actual amount of subsidy released against the above Project by GoI/GoHP.

4. It is also averred that the Joint Petitioner No. 2 has also signed connection Agreement with HPSEBL on 07.04.2022 (Annexure IV to the Draft PPA).

5. Further averred that as per the Swaran Jayanti Policy-2021, the entire Power generated from the Hydro Projects having capacity upto 25 MW shall be mandatory Purchased by HPSEBL on generic Levellised Tariff.

6. We have heard Sh. Kamlesh Saklani, Authorised Representative for Joint Petitioner No. 1 and Sh. Mohit Sharma, Ld. Counsel for Joint Petitioner No. 2 and have perused the record carefully.

7. It is apparent from the Petition that the Joint Petitioner No.2 has applied for availing the financial assistance under Industrial Development Scheme and it has been mentioned that the available subsidy to the extent of Rs. 1.09 Crore may be adjusted while settling the tariff in respect of the Project. Therefore, the subsidy of Rs. 1.09 Crore is being adjusted as deemed availed. The GoHP vide the Notification dated 15.05.2018, further amended vide order dated 10.10.2018 and Swaran Jayanti Policy, 2021 has made it mandatory for the HPSEBL to purchase the entire power generated from the Hydro Projects having capacity upto 25 MW on Generic Levellised Tariff as determined by the Commission and the Commission has given in Principle approval for the same vide letter dated 23.11.2018. The parties have also signed the connection agreement. The Petition is duly supported by affidavits of parties, Draft PPA, Implementation Agreement, Connection Agreement and other supporting documents.

8. Therefore, in view of the powers vested in the Commission under Section 86 (1) (b) of the Act and taking into consideration the notifications dated 15.05.2018 and 10.10.2018 of the GoHP and Swarn Jayanti Policy, 2021 and the tentative admissible subsidy of Rs. 1.09 Crore, the Joint Petitioners have made out a case for the approval of the PPA under the generic levellised tariff as per the provisions of Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017. Hence, the Petition is allowed. The PPA is ordered to be approved subject to the following terms and conditions:

- (i) The Provisional tariff which shall be applicable to the project of Petitioner shall be Rs. 4.29 (Rupees Four and twenty nine paise only) per unit, which shall be subject to the adjustment on account of the financial assistance/subsidy, as per the provisions of ibid Regulations.
- (ii) The SCOD of the project is 24.05.2023 and considering that the release/availability of financial assistance/subsidy under “Industrial Development Scheme for Himachal Pradesh & Uttarakhand” notified by the Ministry of Commerce & Industry is yet to be received, this provisional tariff shall be applicable for a maximum period of 2 (two) years.
- (iii) The Joint Petitioner No. 2 shall intimate the Joint Petitioner No.1 i.e. HPSEBL, about 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.
- (iv) The petitioners shall approach the Commission at least 1 (one) month before completion of the period of 2 (two) years from the issuance of

this Order or immediately after the release of Financial assistance/subsidy as per item (iii) above whichever is earlier for continuation of this tariff or for any other tariff as may become applicable to the project.

- (v) The matter regarding adjustment of financial assistance/subsidy shall be governed as per the Orders as may be issued by the Commission after receipt of Petition as per item (iv) of this para.
- (vi) The clause 6.2 of PPA shall be modified to the extent that the levellised provisional tariff of Rs. 4.29 per unit shall be subject to further adjustment as per the order(s) as may be passed by the Commission after receipt of Petition as per item (iv) of this para.
- (vii) In case of delay of project beyond 24.05.2023, the tariff of Rs. 4.29 (Rupee four and paise twenty nine only) subject to further adjustment as per item (iii) of this para shall be applicable and the same shall be firm and final.

9. It is ordered that the Joint Petitioner No. 2 shall make an endeavor to avail the admissible subsidy/financial assistance as mentioned in Para 8 above. In case the subsidy/Central financial assistance is not availed, the same shall be deemed to have been availed by Joint Petitioner No.2.

10. 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 and Terms and Conditions for Tariff Determination) Regulations, 2017 and Tariff Order issued there under on 22.12.2020 in Suo-Motu Petition No.76 of 2020 for the determination of Generic Levellised Tariffs for Small Hydro Projects for 3rd Control Period (i.e. 01.04.2020 to 30.09.2023).

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