

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

Petition No: 59 of 2023
Date of Institution: 22.09.2023
Arguments Heard on: 17.10.2023
Decided on: 03.11.2023

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

AND

M/s VSBR Solar Projects,
Village Jogi Bhatian, Tehsil Fatehpur,
Distt. Kangra, HP-176215. through its,
Authorised Signatory, Sh. Layak Ram,
.....**Joint Petitioner No. 2**

Joint Petition under the provisions of Section 86 (1) (b) of the Electricity Act 2003 read with Regulations 50 and 50-A of the HPERC (Conduct of Business) Regulations, 2005, as amended from time to time, for the approval of Power Purchase Agreement (Solar) in respect of the VSBR Solar Power Project (5.0 MW).

CORAM

**DEVENDRA KUMAR SHARMA
CHAIRMAN**

**YASHWANT SINGH CHOGAL
MEMBER (Law)**

**SHASHI KANT JOSHI
MEMBER**

Present:-

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

Sh. S. Balasubramaniam, Authorised Signatory for the Joint Petitioner No. 2.

ORDER

The present Joint Petition has been filed by the Himachal Pradesh State Electricity Board Ltd. (the Joint Petitioner No.1 or the HPSEBL for the short) and M/s VSBR Solar Project (the Joint

Petitioner No. 2 for the short) for the 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, as amended from time to time, (CBR, 2005 for short) in respect of VSBR Solar Project (5.00 MW).

2. The case of the Petitioners is that a Solar PV Project (5.00 MW) known as VSBR Solar Project, situated at Village Bhati Jogian, Post Office Halti, Tehsil Fatehpur, Distt. Kangra, H.P, (Project for short) is being setup pursuant to the approval accorded by the HIMURJA (HP Govt. Energy Development Agency) vide letter No. HIMURJA (F-7)/SPV Projects/2023- 1865 dated 19.05.2023. As per the Joint Petition, the date of Completion/ Commissioning Schedule of the Project is 19.05.2024 as evident from Schedule-I, annexed to the Draft PPA.

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.

4. It is averred that parties have signed the connection agreement on 22.08.2023 providing that the interconnection point shall be at the proposed 33kV bay at 33kV switching station/ LILO

arrangement on 33kV Badukhar-Fatehpur line through solid tap with appropriate Protection arrangement (Annexure-III). It is also averred that VSBR Solar Project (5.00 MW) shall evacuate its power in joint mode with Vijay Soni Solar Project (5.00 MW) using the distribution and communication system of the distribution licensee/ SLDC to transmit the electricity.

5. As per the Petition, the HIMURJA has notified a Scheme for harnessing of Solar Power through Projects ranging from 250kW to 5MW in the State (Scheme for short). As per the Swaran Jayanti Energy Policy-2021, the HPSEBL is mandated to purchase all the power from the Solar Projects upto 5 MW. It is averred that the HIMURJA vide letter dated 19.05.2023, has provisionally registered the Project of the Joint Petitioner No. 2 under said Scheme. A copy of the provisional registration letter is attached as Annexure-IV to the draft PPA.

6. It is also averred that the Commission vide Order dated 31.03.2023 (Suo-Moto Petition No. 11/2023) has determined the generic levelled tariff in respect of Solar PV Projects for FY 2023-24 under the HPERC (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 (RE Regulations, 2017 for short). The Joint Petitioner No. 2 has submitted an undertaking

(Annexure-VI to the draft PPA) wherein it has been declared that the said project is situated in a rural area. It is also averred that the tariff for the Projects to be set up in areas other than Industrial and Urban areas upto 5 MW is Rs. 3.72 per kWh as determined by the Commission vide Order dated 31.03.2023 (Suo-Moto Petition No. 11/2023) which shall be applicable to the Project which has been incorporated in Clause 6.2 of the draft PPA.

7. We have heard Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. S. Balasubramaniam for the Joint Petitioner No. 2 and have perused the entire record carefully.

8. It is evident from the record that the connection agreement in respect of the Project has been signed by the Joint Petitioners on 22.08.2023, a copy whereof is annexed to the Petition as Annexure-III. As per the connection agreement, the Joint Petitioner No. 1 has agreed for the connection of VSBR Solar Project (5.0 MW) to the Distribution's Licensee's Wheeling and Communication System (via the applicant's site related Connection Equipment) at the interconnection point i.e. proposed 33kV bay at 33kV switching station/ LILO arrangement on 33kV Badukhar-Fatehpur line through solid tap with appropriate Protection arrangement. The record further shows that VSBR

Solar Project (5.0 MW) shall evacuate its power in joint mode with Vijay Soni Solar Project (5.0 MW) using the distribution and communication system of the distribution licensee/ SLDC to transmit electricity. It is mentioned that the cost of 33kV bay and O&M charges (if any) mentioned in the sub-clause 2.4 & 2.5 of clause 2 of the connection agreement dated 22.08.2023 shall be borne by the Joint Petitioner No. 2. It is also evident from the joint agreement dated 16.10.2023 signed between VSBR Solar Project and Vijay Soni Solar Project in which both have agreed not to claim any damages or losses, if any, occurring out of the said joint evacuation arrangement in future which shall form part of draft PPA.

9. As per clause (ii) of sub-clause (b) of Para 4.3.5 of the Swarn Jayanti Energy Policy-2021, notified on 20.01.2022, energy generated from Solar Power Projects of capacity greater than 1 MW upto 5MW, if commissioned on or before 31.03.2030, shall be purchased by the HPSEBL on the tariff fixed by HPERC.

10. It is also evident from the letter of the HIMURJA dated 19.05.2023 that the tariff in respect of the Project shall be as per the rates determined by the HPERC and that the Project has been provisionally registered. As per Schedule-I attached to the draft PPA, the SCOD of the project is 19.05.2024. Thus, the SCOD is

being taken as 19.05.2024. It has been submitted that a significant time was taken on obtaining connection agreement and preparation of Joint Petition for approval of PPA.

11. The Commission vide Order dated 31.03.2023 in Suo Moto Petition No. 11 of 2023 has determined the generic levelised tariff for Solar PV Power Projects for FY 2023-24 (for a period w.e.f. 01.04.2023 to 30.09.2023) as under :-

Sr. No.	Capacity	Generic levelised tariff (Rs. Per kWh)
1.	Projects to be set up in other than industrial areas and urban areas.	
(a)	Upto 1.00 MW	3.75
(b)	Above 1.00 MW & upto 5.00 MW	3.72
2.	Projects to be set up in industrial areas and urban areas	
(a)	Upto 1.00 MW	3.81
(b)	Above 1.00 MW & upto 5.00 MW	3.78

12. This Project is situated in the rural area as per undertaking (Annexure-VI) and the capacity of the Project is 5.0 MW. Thus, the Project is entitled to the tariff of Rs. 3.72 per kWh, which is subject to adjustment of capital subsidy, if any. However, in case commissioning of the Project is delayed beyond SCOD i.e. 19.05.2024, and the tariff in the said control period is less, the Joint Petitioner No. 2 shall have to provide power to the Joint Petitioner No. 1 on said tariff only.

13. The Petition is supported by the affidavits of the respective parties.

14. 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 CBR, 2005, as amended from time to time, the Joint Petitioners have made out a case for the approval of the Power Purchase Agreement (Solar) in respect of the Project. Hence, the Petition succeeds and allowed. The draft PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs. 3.72 per kWh will be applicable to the Project of the Joint Petitioner No. 2 which will be subject to further adjustment of subsidy, if any, and is provisional.
- (ii) The Joint Petitioner No. 2 shall bear the cost of 33 kV bays and O&M charges (if any) of the proposed 33 kV bay as mentioned in Para 8 above. The 33 kV Single Circuit dedicated line from the project to the Sub-station shall be constructed by the Joint Petitioner No. 2.
- (iii) The undertaking of the Joint Petitioner No. 2 that the Project is at rural area shall form a part of the PPA. Similarly, the joint agreement dated 16.10.2023 between VSBR Solar Project and Vijay Soni Solar Project shall also form part of the PPA. Further, the above Project Developers shall not claim any damages or losses if any, occurring out of said joint evacuation arrangement in future.

- (iv) 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 immediately on receipt of this Order if not already applied, 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.
- (v) The Joint Petitioner No. 2 shall make an endeavour to avail the admissible subsidy/financial assistance (if any). In case the subsidy/financial assistance is not availed or 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 and the Joint Petitioner No. 1 shall carry out the adjustment of such benefit, if any, admissible to the project after a period of 2 years from the date of the Order, as per Order dated 31.03.2023 passed by the Commission in Suo Moto Petition No. 11/2023. The Joint Petitioner No. 1 shall also intimate the Commission in this regard on making adjustment.
- (vi) In case the meter is installed in the premises of the Joint Petitioner No. 2, the notional line losses upto the injection point shall be borne by the Joint Petitioner No. 2.

In case the metering point is in the facilities of the HPSEBL, the notional line losses from injection point to the metering location have to be borne by the HPSEBL and credit for the losses from the injection point to the metering location shall be given to the Joint Petitioner No. 2 by the HPSEBL.

(vii) The Scheduled Date of Synchronisation of the Project is 04.05.2024 and Scheduled Commercial Operation Date (SCOD) of the project is 19.05.2024 which has been specified in Schedule-I which shall form a part of the PPA. In case commissioning of the Project is delayed beyond SCOD i.e. 19.05.2024, and the tariff in the said control period is less, the Joint Petitioner No. 2 shall have to provide power to the Joint Petitioner No. 1 on said tariff only.

(viii) The additions and alterations qua 'Base Rate of Late Payment Surcharge', 'Default Trigger Date', 'Due Date', 'Outstanding Dues', 'Payment Security Mechanism' and Regulations 31-B, and Regulation 31-BB, as per Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) (Sixth Amendment) Regulations, 2023 shall be carried out at appropriate places in the draft PPA before approved draft PPA is sent to the parties. Similarly, any other necessary addition and alteration, if any, required to be carried out as per Connection Agreement dated 22.08.2023 or the prevailing

Regulations, etc. be also carried out before approved draft PPA is sent to the parties.

15. 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 Terms & Conditions for the Tariff Determination) Regulations, 2017 and Order dated 29.02.2016 in Suo-Moto Petition No. 104/2015 whereby Model PPA for Solar PV Projects has been finalized and the Order of the Commission dated 31.03.2023 in Suo-Motu Petition No. 11 of 2023 issued under the aforesaid Regulations.

16. The Joint Petitioners are directed to execute 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 Petitioner forthwith.

The file after needful be consigned to records.

Announced

03.11.2023

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