

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

Petition No. 70 of 2024
Date of Institution: 27.03.2024
Arguments Heard on: 30.03.2024
Decided on: 12.04.2024

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

AND

M/s VR Solar Power Project,
Near Sub Post Office Ram Nagar,
Tehsil Dharamshala, Distt. Kangra, H.P.-176215,
through its Authorized Signatory Sh. Vishal Kalia.

....**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, for approval of the Power
Purchase Agreement (Solar) in respect of M/s VR Solar Power Project
(990 kW).

CORAM:

DEVENDRA KUMAR SHARMA
CHAIRMAN.

YASHWANT SINGH CHOGAL
MEMBER (Law).

Present:-

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

Sh. Vishal Kalia, Authorised Representative 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 short) and M/s VR Solar Power Project (the Joint Petitioner No. 2 for 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 M/s VR Solar Power Project (990 kW).

2. The case of the Petitioners is that a Solar PV Project (990 kW) known as M/s VR Solar Power Project, situated at Village Katorri/Kotoreri, Post Office Lahru, Tehsil Jawali, 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/ 2024- 19454 dated 05.03.2024 (Annexure-IV). As per the Joint Petition, the date of Completion/ Commissioning Schedule of the Project is 04.03.2025, as evident from Schedule-I, annexed to the Draft PPA.

3. As per Joint Petition, the Commission vide Order dated 29.02.2016 passed in Suo Moto Petition No. 104 of 2015 has finalized the Model Power Purchase Agreement for Solar PV Project and the HIMURJA has also approved the Project inventory vide letter

No. HIMURJA (F-7)/SPV Projects/ 2024- 17811 dated 15.03.2024 (Annexure-VIII).

4. It is averred that the interconnection point has been proposed at existing 11 kV Mastgarh feeder emanating from 2x3.15 MVA, 33/11 kV Sub-Station, Kotla at Nawa Shehar through solid tap with appropriate Protection arrangement. It is also averred that the joint Petitioner No. 2 shall apply for the admissible subsidy and shall intimate the Joint Petitioner No. 1 to that effect. The connection agreement further shows that M/s VR Solar Power Project (990 kW) shall evacuate its power in joint mode with M/s VR Solar Power Project (1.0 MW) using the distribution and communication system of the distribution licensee/ SLDC to transmit the electricity. The Joint Petitioners have placed on record the joint agreement dated 16.03.2024 signed between M/s VR Solar Power Project (990 kW) and M/s VR Solar Power Project (1.0 MW) that 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.

5. It is also averred that the Commission vide Order dated 04.11.2023 has determined the generic levellised tariff in respect of Solar PV Projects for FY 2023-24 (01.10.2023-31.03.2024) 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 affidavit (Annexure-VI) that the project is situated in a rural area and averred that the tariff for the Projects to be set up in areas other than Industrial and Urban areas upto 1 MW is Rs. 3.65 per kWh as determined by the Commission vide Order dated 04.11.2023, which shall be applicable to the Project which has been incorporated in Clause 6.2 of the draft PPA.

6. We have heard Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. Vishal Kalia, Authorised Representative for the Joint Petitioner No. 2 and have perused the entire record carefully.

7. The Joint Petitioners have placed on record copy of the connection agreement dated 06.04.2024 and as per the connection agreement, the Interconnection Point for the project has been provided at existing 11 kV Mastgarh feeder emanating from 2x3.15 MVA, 33/11 kV Sub-Station, Kotla at Nawa Shehar through solid tap with appropriate Protection arrangement. The Joint Petitioners have placed on record the joint agreement dated 16.03.2024 signed between M/s VR Solar Power Project (990 kW) and M/s VR Solar Power Project (1.0 MW) that 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.

8. As per clause (ii) of sub-clause (a) of Para 4.3.5 of the Swaran Jayanti Energy Policy- 2021, notified on 20.01.2022, Solar Power Projects ranging from 250 kW - 1 MW capacity shall be allotted to bonafide Himachalies only and the energy generated from these Solar Power Projects shall mandatorily be purchased by the HPSEBL, if commissioned on or before 31.03.2030 at HPERC approved tariff applicable on the date of allotment of the Project.

9. It is also evident from the letter of the HIMURJA dated 05.03.2024 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 04.03.2025.

10. The Commission vide Order dated 04.11.2023 in Suo Moto Petition No. 06 of 2023 has determined the generic levelised tariff for Solar PV Power Projects for FY 2023-24 (for a period w.e.f. 01.10.2023 to 31.03.2024) 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	3.65
(b)	Above 1.00 MW & upto 5.00 MW	3.62
2.	Projects to be set up in industrial areas and urban areas	
(a)	Upto 1.00 MW	3.70
(b)	Above 1.00 MW & upto 5.00 MW	3.67

11. This Project is situated in the rural area as per Affidavit (Annexure-VI). The capacity of the Project is 990 kW. Thus, the Project is entitled to the tariff of Rs. 3.65 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. 04.03.2025, 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.

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

13. 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 PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs. 3.65 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 Affidavit of the Joint Petitioner No. 2 that the Project is at rural area shall form the part of the PPA. Similarly, the Connection Agreement dated 06.04.2024 and joint agreement dated 16.03.2024 between Joint Petitioner No.2 and VR Solar Power Project shall also form part of the PPA.
- (iii) 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 undertaking to this effect shall be furnished by the Joint Petitioner No. 2 which shall form part of the PPA.

(iv) 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 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 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 04.11.2023 passed by the Commission in Suo-Moto Petition No. 06/2023. The Joint Petitioner No. 1 shall also intimate the Commission in this regard on making adjustment.

(v) The Scheduled Date of Synchronisation of the Project is 17.02.2025 and Scheduled Commercial Operation Date (SCOD) of the project is 04.03.2025 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. 04.03.2025, 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.

(vi) The detail of the Sub-station in the Sub-clauses 2.2.43, 2.2.44, 2.2.56 of the Article 2, and Clause 5.7 of the Article 5, and sub-Clause 9.1(k) of the Article 9 of the draft PPA shall be aligned with the Connection Agreement executed between the Joint Petitioners.

(vii) Clause 2.2.57 of Article 2 of the draft PPA shall be deleted.

(viii) Clause 7.1A of Article 7 of the draft PPA shall be deleted.

14. Other terms and conditions of the PPA shall be subject to provisions of the RE 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 Commission dated 04.11.2023 in Suo-Motu Petition No. 06 of 2023 issued under the aforesaid Regulations.

15. The Joint Petitioners are directed to execute PPA as per the above order after carrying out the necessary additions and alterations 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
12.04.2024

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

-Sd-
(Devendra Kumar Sharma)
Chairman