

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

Petition No. 85 of 2024
Date of Institution: 30.03.2024
Arguments Heard on: 30.03.2024
Decided on: 03.05.2024

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

AND

M/s Chandan Solar Power Project,
Village Kailash Nagar, Post Office Nakroh,
Tehsil Amb, Distt. Una, H.P.-177213.
through its Authorized Signatory Sh. Chandan Sharma.
.....**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 Chandan Solar Power
Project (1.0 MW).**

CORAM:

**DEVENDRA KUMAR SHARMA
CHAIRMAN.**

**YASHWANT SINGH CHOGAL
MEMBER (Law).**

Present:-

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

Sh. Sanjeev Rehman, 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 Chandan 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 and 50-A of the HPERC (Conduct of Business) Regulations, 2005, as amended from time to time, (CBR, 2005 for short) in respect of Chandan Solar Power Project (1.0 MW).

2. The case of the Petitioners is that a Solar PV Project (1.0 MW) known as Chandan Solar Power Project, situated at Village and Post Office Ram Nagar Nakroh, Tehsil Ghanari, Distt. Una, 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- 19581 dated 07.03.2024 (Annexure-IV). As per the Joint Petition, the date of Completion/ Commissioning Schedule of the Project is 06.03.2025, 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- 20107 dated 23.03.2024 (Annexure-VIII).

4. It is averred that as per the feasibility report (Annexure-III), the interconnection point shall be at existing 11 kV Gagret-Bharwain feeder emanating from 132/33/11 kV Sub-Station, Gagret with appropriate Protection arrangement (through solid tap). 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.

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 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. Sanjeev Rehman, Authorised Representative for the Joint Petitioner No. 2 and have perused the entire record carefully.

7. It is evident from the record that the Joint Petitioners have not signed the Connection Agreement in respect of the Project. As per the feasibility report (Annexure-III), the Interconnection Point of the project has been provided at existing 11 kV Gagret-Bharwain feeder emanating from 132/33/11 kV Sub-Station, Gagret through solid tap with appropriate Protection arrangement.

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 Project ranging from 250 kW – 1 MW capacity shall be allotted to the Bonafide Himachali 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 07.03.2024 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 06.03.2025.

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 levelled 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 1.0 MW. 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. 06.03.2025 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. In case the tariff in said control period is higher, the Joint Petitioner shall be entitled to the tariff of the control period w.e.f. 01.10.2023 to 31.03.2024 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.
- (iii) The Connection Agreement shall be signed by the Joint Petitioners within 15 (fifteen) days of this order, as per the feasibility report (Annexure-III) and the Connection Agreement as signed shall form part of the PPA.
- (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 undertaking 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 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.

- (vi) The Scheduled Date of Synchronisation of the Project is 19.02.2025 and Scheduled Commercial Operation Date (SCOD) of the project is 06.03.2025 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. 06.03.2025, 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. In case the tariff in said control period is higher, the Joint Petitioner shall be entitled to the tariff of the control period w.e.f. 01.10.2023 to 31.03.2024 only.
- (vii) Clause 2.2.43, 2.2.44, 2.2.56 of Article 2, Clause 5.7 of Article 5 and Clause 9.1 (k) of Article 9 of the Draft PPA, shall be strictly aligned with the Connection Agreement to be signed by the Joint Petitioners.
- (viii) Clause 2.2.57 of Article 2 and 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
03.05.2024

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

-Sd-
(Devendra Kumar Sharma)
Chairman