

The HPSEBL and the HPPCL.

Filing No. 247 of 2023

29.11.2023

Present: Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No.1.
Ms. Anjali Sharma, Deputy General Manager (SoP) and Sh. Gulshan Kumar, Senior Manager (Elect.) for the Joint Petitioner No. 2.

DAILY ORDER

Office report seen. This is a Joint Petition filed by the HPSEBL and the HPPCL for the approval of Power Purchase Agreement in respect of Pekhubella Solar Power Project (32.0 MWac).

It is seen from the Petition that in view of the amendment in the Swaran Jayanti Policy, 2021 vide notification dated MPP-F(10)-43/2023 dated 21.09.2023, the HPSEBL is mandated to purchase Solar Power for the Projects above 5 MW capacity from the HPPCL and HIMURJA at the rate discovered through competitive bidding process and if a hybrid project has solar power as component, the tariff for purchase of solar power by the HPSEBL exceeding 5.0 MW shall be through the competitive bidding.

In so far as the aforesaid Swaran Jayanti Policy is concerned, the same is contradictory to the provisions of the Electricity Act, 2003 and the regulations framed by this Commission and we have already brought

it to the notice of the Govt. of HP to align the same with the provisions of the Electricity Act, 2003 and the Regulations framed by the Commission.

The power procurement is a major cost in overall ARR of the HPSEBL and it appears that the HPSEBL has no plan for renewable energy procurement in line with the National RE Policy and advantages offered in the recently enforced GNA Regulations by the CERC for sourcing energy from eligible RE sources.

The Petitioner have mentioned in Para 6.1.5 of the draft PPA that till the tariff is finalized, the HPSEBL shall pay interim charges @ 3.00 per kWh. There is no mention in the Petition as to how said tariff of Rs. 3.00 per kWh has been calculated. The calculation of tariff is not in the domain of the Petitioners as per the provisions of the Electricity Act, 2003. This right is vested with the Commission.

In fact, this Pexhubella Solar generating station should be cost effective in view of the fact that land is provided by the developer. The Commission has observed from the Petition that the cost of the project is quite exorbitant compared to the available trend in the market. Resultantly, the tariff determined on the basis of the said high cost is bound to be very high which shall not be in the interest of consumers. Such high tariff cannot be allowed and passed on to the consumers. In fact, the tariff determined should be more or less in line with the tariff

determined by the SECI. We therefore direct the HPSEBL to negotiate with the HPPCL and to arrive at cost nearer to the national average cost determined by the SECI. Based on the negotiations and the observations made herein above, the detail be furnished to the Commission well before 27.12.2023.

List this case on 27.12.2023 at 11:00 AM.

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