

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

Petition No.	179 of 2025
Date of Institution:	23.07.2025
Arguments heard on:	07.08.2025
Decided on:	19.08.2025

CORAM

YASHWANT SINGH CHOGAL
MEMBER (Law)-cum-Chairman

SHASHI KANT JOSHI
MEMBER

The HP State Electricity Board Ltd. through
Chief Engineer (System Operation),
Vidyut Bhawan, Shimla, HP-171004.

....Joint Petitioner No. 1.

AND

M/s Ramesh Hydro Power Pvt. Ltd.,
Gyamba House, South End, Lane-IV,
Sector-1, New Shimla, HP-171009,
through its Authorized Signatory, Sh. Gopal Verma.

....Joint Petitioner No. 2.

**Petition/ Application under Regulation 75 of the Himachal Pradesh
Electricity Regulatory Commission (Conduct of Business)
Regulatory, 2024 read with Section 151 of the Code of Civil
Procedure, 1908 for appropriate order in furtherance to order dated
24.09.2022 in Petition No. 48 of 2022.**

Present:-

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

Sh. Vikas Chauhan, Ld. Counsel for the Joint Petitioner
No. 2.

ORDER

This 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 Ramesh Hydro Power Pvt. Ltd. (the Joint Petitioner No. 2 for short) pursuant to the Commission's order dated 24.09.2022 in Petition No. 48 of 2022.

2. According to the Joint Petition, a Petition being Petition No. 48 of 2022 for approval of long term Power Purchase Agreement (PPA) under generic levelled tariff was filed by the parties in respect of Selti-Masrang HEP (24.0 MW) situated at Village Masrang on Bhaba Khad, a tributary of river Satluj, Distt. Kinnaur, H.P. (Project for short) which was decided by the Commission on 24.09.2022 and accordingly, the PPA was executed on 19.10.2022.

3. Para 13 of the order of the Commission dated 24.09.2022 in Petition No. 48 of 2022 has been reproduced as under:-

"13. Therefore, taking into account the aforesaid and the powers vested in the Commission under Section 86 (1) (b) of the Electricity Act, 2003 and HPERC (Conduct of Business) Regulations, 2005, the Joint Petitioner have made out a case for approval of the Power Purchase Agreement under Generic Levelled 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) Regulation, 2017. Hence, the Petition is allowed. The Power Purchase Agreement is ordered to be approved subject to the following terms and condition:

- (i) The Provisional Tariff of Rs. 4.43 (Rs. Four and forty three paisa only) shall be applicable to the Project which has been worked out by adjusting admissible MNRE Subsidy of Rs. 5.00 crore and since the financial assistance/subsidy under the Government Scheme mentioned in para-12 of this order is yet to be received, this provisional tariff shall be applicable for a maximum period of 2 (two) years.*

- (ii) *The Petitioners shall approach the Commission either individually or jointly, at least 1 (one) month before completion of the period of 2 (two) years from the issuance of this Order or immediately after release of financial assistance/subsidy as per item (i) above, whichever is earlier, for continuation of this tariff or for any other tariff as may become applicable to the project.*
- (iii) *The Joint Petitioner No. 2 shall intimate the Joint Petitioner No. 1 i.e. HPSEBL, the receipt of financial assistance/subsidy 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 clause 6.2 of PPA shall be modified to the extent that the levellised provisional tariff of Rs. 4.43 (Rupee four and forty three paise only) per kWh 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 (ii) of this para.*
- (v) *In case of delay of project beyond 12.05.2022 (SCOD), the tariff of Rs. 4.43 (Rupee four and forty three paise only) subject to further adjustment as per item (ii) of this para shall be applicable and the same shall be firm and final.”*

The copy of order dated 24.09.2022 in Petition No. 48 of 2022 has been annexed as Annexure A-1.

4. It is averred that the Project of the Joint Petitioner No. 1 was eligible for subsidy/ financial assistance of Rs. 5.00 Crore under “Scheme for financial support to setup new SHP upto 25 MW capacity in the private, cooperative, Joint Sector etc.” as notified by the Ministry of New and Renewable Energy, Government of India (MNRE for short) on 02.07.2014 but the subsidy has not been made available to the Project despite applying within the stipulated time period as provided under the scheme. On the contrary, the MNRE vide letter

dated 12.03.2021 apprised the Joint Petitioner No. 2 that no subsidy is available to the Project.

5. It is averred that the non-availability of subsidy under the MNRE Scheme, 2014 has been challenged before the Hon'ble High Court of Delhi in a Writ Petition being Writ Petition No. W.P.(C) 4126/2023 titled as Ramesh Hydro Power Pvt. Ltd. Vs. UOI and Another which is pending before the Hon'ble High Court. Since, the subsidy/ financial assistance has not been provided as per the MNRE Scheme, 2014, the Joint Petitioner No. 2 reserves its right to approach the Commission for review of tariff in case the financial assistance/ subsidy is not made available by the MNRE.

6. Further, the Commission in Petition No. 48 of 2022 has allowed provisional tariff of Rs. 4.43 per kWh for a period of two years from the issuance of the order or immediately after release of financial assistance/ subsidy, whichever is earlier. Therefore, it has been prayed that till the issue relating to subsidy/ financial assistance under the "Scheme for Financial Support to set up new SHP Projects upto 25 MW capacity" is put to rest, the already allowed tariff of Rs. 4.43 per kWh be continued.

7. We have heard Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. Vikas Chauhan,

Ld. Counsel for the Joint Petitioner No. 2 and have perused the entire record carefully.

8. A perusal of the order dated 24.09.2022 in Petition No. 48 of 2022 shows that provisional tariff of Rs. 4.43 per kWh in respect of project was allowed for a period of two years from the date of the order or immediately after release of financial assistance/ subsidy, whichever is earlier, and the parties were directed to approach the Commission accordingly.

9. It is evident from the Petition/ Application that the Project of the Joint Petitioner No. 2 was eligible for the MNRE subsidy and the tariff has been allowed after adjusting the admissible MNRE subsidy of Rs. 5.00 Crore. It is also apparent that the Joint Petitioner No. 2 had applied for the grant/ subsidy of the scheme within the validity of the Scheme but the admissible subsidy has not been granted to the Project. It is also apparent from the record that the Joint Petitioner No. 2 has been apprised by the MNRE vide letter dated 12.03.2021 that no financial assistance is available to the Project.

10. It is also apparent from the record that the Joint Petitioner No. 2 has assailed the issue of non-availability of subsidy/ financial assistance under the MNRE Scheme, 2014 before the Hon'ble High Court in W.P.(C) 4126/2023 which is pending adjudication.

11. The Petitioner has prayed that till the issue of release of subsidy is put to rest, the provisional tariff of Rs. 4.43 per kWh, as allowed vide order dated 24.09.2022 in Petition No. 48 of 2022, be continued.

12. Apparently, the Commission has allowed provisional tariff of Rs. 4.73 per kWh for a period of two years after making adjustment of admissible MNRE subsidy, which is provisional and the Joint Petitioners were directed to approach the Commission atleast one month before the completion of a period of two years from the date of order or immediately after release of financial assistance/ subsidy, whichever is earlier, for continuation of provisional tariff or for any other tariff as may become applicable for the Project. The action of the MNRE of refusing to grant the admissible subsidy has been challenged in W.P.(C) 4126/2023 before the Hon'ble High Court which is pending adjudication. In the circumstances, the prayer appears to be genuine. Accordingly, the Petition succeeds and allowed. The provisional tariff of Rs. 4.43 per kWh as allowed vide order dated 24.09.2022 in Petition No. 48 of 2022 is allowed to be continued further till the issue relating to the eligibility of MNRE subsidy of Rs. 5.00 Crore is put to rest by the MNRE or disposal of Writ Petition (C) 4126 of 2023 before the Hon'ble High Court of Delhi, subject to the following terms and conditions:-

- (i) The Joint Petitioners shall approach the Commission immediately on the disposal of Writ Petition No. (C) 4126 of 2023 by the Hon'ble High Court of Delhi or release of subsidy by the MNRE, whichever is earlier.
- (ii) 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 (i) of this para.
- (iii) The clause 6.2 of PPA shall be modified to the extent that the levellized provisional tariff shall be subject to further adjustment as per the order(s) as may be issued by the Commission after receipt of Petition as per item (i) of this para.
- (iv) Other terms and conditions of order dated 24.09.2022 shall remain the same.

13. The Joint Petitioners are directed to execute the Supplementary Power Purchase Agreement 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 Supplementary 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
19.08.2025

-Sd-
(Shashi Kant Joshi)
Member

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