

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

Petition No: 194 of 2025
Date of Institution: 31.07.2025
Arguments Heard on: 29.08.2025
Decided on: 01.09.2025

CORAM.

Yashwant Singh Chogal
MEMBER (Law)-cum-CHAIRMAN.

Shashi Kant Joshi
MEMBER.

In the matter of:

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

AND

M/s Shivalik Energy Private Limited,
Village Kodla, Tehsil Bharmaur, Distt. Chamba, H.P.
Registered Officer at Flat No. 602, Basilius Building,
Rodas Enclave, Hiranandani Estate,
Thane, Maharashtra-400607, through,
Sh. Harnam Singh Kanwar (Authorised Signatory),
.....**Joint Petitioner No.2.**

Joint Petition under Section 86 (1) (b) of the Electricity Act, 2003 for the approval of the Supplementary Power Purchase Agreement under Generic Levellised Tariff to be executed by the HPSEBL with M/s Shivalik Energy Private Limited in respect of Chirchind-II Hydro Electric Project (12.90 MW).

Present:-

Sh. Kamlesh Saklani, Authorised Representative for the Joint
Petitioner No. 1.
Sh. Harnam Singh Kanwar, Project Officer for the Joint Petitioner
No. 2.

ORDER

This Joint Petition has been filed under Section 86 (1) (b) of the
Electricity Act, 2003 (Act for short) read with Regulations 56 and 57 of

the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024, (CBR for short) by the Himachal Pradesh State Electricity Board Limited (HPSEBL or Joint Petitioner No. 1 for short) and M/s Shivalik Energy Private Limited (Joint Petitioner No. 2 for short) for the approval of Supplementary Power Purchase Agreement (SPPA for short) in respect of 12.90 MW Chirchind-II Hydro Electric Project (Project for short) for incorporating the applicable generic levellized tariff.

2. It is averred that the Joint Petitioners had filed a Joint Petition being Petition No. 72 of 2022 before the Commission seeking approval to execute the Power Purchase Agreement (PPA) in respect of Chirchind-II HEP which was accorded on 13.12.2022, Annexure P-1 (not annexed) allowing provisional tariff of Rs. 4.49 per kWh. However, the same was based on the generic levellized tariff for the 3rd Control Period as the tariff for the 4th Control Period had not been determined at that time by the Commission. Para 14 (i) of the order dated 13.12.2022 in Petition No. 72 of 2022 is reproduced as under:-

“14. (i) The SCOD of the Project is 25.11.2025, therefore, the Joint Petitioner No. 2 would be entitled for the tariff which would be prevalent in the control period, where the SCOD of the Project falls, which may be higher or less and if, the tariff in the prevalent control period, when the SCOD of the Project falls, is less, Joint Petitioner No.2 will have to supply the power to the Joint Petitioner No.1 on the said tariff only.”

3. As per the Joint Petition, the Commission vide order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 determined the generic levelled tariff for the Small Hydro Projects (SHPs) above 100 kW for the 4th Control Period w.e.f. 01.10.2023 to 31.03.2027 (SHP Tariff Order for short) under Regulation 14 of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 (RE Regulations, 2017 for short).

4. The Scheduled Commercial Operation Date of the Project is 25.11.2025 and the project clearly falls under the ambit of the 4th Control Period for the purpose of the tariff defined under RE Regulations, 2017 (Seventh Amendment) and, as such, the generic levelled tariff determined by the Commission under SHP Tariff Order dated 17.11.2023 for Small Hydro Projects shall be applicable to the Project of the Petitioner and be granted.

5. As per the Joint Petition, the SHP Order dated 17.11.2023 in Suo Moto Petition No. 07 of 2023 provides that the generic levelled tariff for SHPs having installed capacity above 5 MW and upto 25 MW shall be Rs. 4.78 per kWh. However, the said tariff is subject to adjustment on account of the following:

- Adjustment on account of incentive and/ or subsidy and/ or grant available to Project;

- Additional tariff on account of O&M;
- Variation in free power structure; and
- Rounding.

6. Averments in respect of adjustment(s) on account of incentive and/or subsidy and/ or grant available, additional tariff on account of O&M, free power, royalty and rounding have also been made in the Petition by reproducing the provisions of the IA/ SIAs regarding royalty.

7. It is averred that no adjustment in tariff is to be made on account of variation in free power structure. Also averred that no additional tariff on account of O&M is required as the Project capacity is beyond 6.50 MW.

8. According to the Joint Petition, no adjustment on account of incentive/ subsidy/ grant is required to be made as no subsidy/ incentive scheme is available for the Project.

9. 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 record carefully.

10. It is simple case of the Joint Petitioners that a Joint Petition being Petition No. 72 of 2022 was filed before the Commission seeking approval to execute the Power Purchase Agreement (PPA) in respect of Chirchind-II HEP which was accorded on 13.12.2022 and a provisional tariff of Rs. 4.49 per kWh was allowed to the Project as per the generic

levellized tariff for the 3rd Control Period as the SCOD of the Project was in the 4th Control Period and the tariff for the 4th Control Period was yet to be determined by the Commission.

11. The Commission vide order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 has determined the generic levellized tariff for the Small Hydro Projects (SHPs) above 100 kW and upto 25 MW capacities for the 4th Control Period w.e.f. 01.10.2023 to 31.03.2027 under Regulation 14 of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017.

12. The Scheduled Commercial Operation Date of the Project is 25.11.2025 and thus, the project clearly falls under the ambit of the 4th Control Period for the applicable tariff defined under RE Regulations, 2017 (Seventh Amendment). As such, the generic levellized tariff determined by the Commission under SHP Tariff Order dated 17.11.2023 in Suo Moto Petition No. 07 of 2023 for Small Hydro Projects shall be applicable to the Project of the Petitioner. As per order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023, the tariff structure for the 4th Control Period for SHPs above 100 kW and upto 25 MW capacities is as under:-

“A. the Generic Levelised Tariffs under the HPERC RE Regulations, 2017 for various categories of SHPs is reproduced as under:-

Sr. No.	Capacity	Generic levelled tariff in Rs. /kWh of net saleable energy without considering subsidy
(i)	Above 100 kW to 2 MW capacity	4.93
(ii)	Above 2 MW but below 5 MW capacity	5.03
(iii)	5 MW to 25 MW capacity	4.78

13. It is the case of the Joint Petitioner No. 2 that the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion), Government of India had notified the Industrial Development Scheme for the States of Himachal Pradesh and Uttarakhand on 23.04.2018 (IDS, 2017) but said scheme was applicable for the industrial units upto 10 MW only whereas, the Project of the Petitioner has capacity of 12.90 MW. Therefore, the said scheme is not applicable for the Project. Sh. Vikas Chauhan, Ld. Counsel submits that earlier the Project was proposed to be set up for 9.90 MW. The capacity of the Project was enhanced from 9.90 MW to 12.90 MW and the Joint Petitioner No. 2 and the GoHP signed the 3rd SIA in respect of the 12.90 MW on 02.11.2021. It is clearly mentioned in the said SIA that the Joint Petitioner No. 2 had requested on 22.05.2012 for relocation of domain in Chirchind-II HEP from 9.90 MW to 12.90 MW due to non-suitability of power house location on account of poor geology. It is also evident from the 3rd SIA that the DoE, GoHP vide letter dated 09.09.2014 intimated the Second Party (Joint Petitioner No.

2) that the GoHP after considering the matter has accorded in principle approval for relocation of the allotted domain and capacity enhancement from 9.90 MW to 12.90 MW. A 2nd SIA in respect of the 12.90 MW capacity was signed on 16.08.2021. It is, thus, apparent that the Project site was relocated being not suitable and approval for enhancing the capacity was accorded on 09.09.2014. The IDS, 2017 came into being on 23.04.2018 which was for the Industrial units upto 10 MW capacity only and, therefore, the provisions of the IDS, 2017 are not applicable for the Project. Thus, no adjustment on account of Industrial Subsidy is required to be made in the tariff.

14. In view of the above, since the Project capacity is 12.90 MW, the tariff for the project without adjustment of subsidy would be Rs. 4.78 per kWh.

15. The Petition is duly supported by affidavits of the Joint Petitioners.

16. Thus, taking into consideration the aforesaid facts and circumstances and in exercise of the powers vested in the Commission under Section 86 (1) (b) of the Electricity Act, 2003 and Regulations 56 and 57 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 the Joint Petitioners have made out a case for the approval of the Long Term PPA under the Generic Levellised Tariff.

17. Accordingly, the Petition succeeds and allowed. A generic levelled tariff of Rs. 4.78 per kWh is allowed for the Project from the date of the commissioning of the Project. However, it is made clear the in case any subsidy is granted for the Project of the Applicant, by the State/ Central Government in future, the Applicant shall intimate the HPSEBL and the Commission and appropriate adjustment of tariff shall be made on receipt of the same.

18. The Joint Petitioners are directed to execute the Supplementary Power Purchase Agreement accordingly within a period of 30 days from the date of this order. Three copies of the executed Supplementary Power Purchase Agreement be submitted to the Commission for record.

19. Other terms and conditions of order dated 13.12.2022 in Petition No. 72 of 2022.

The file after needful be consigned to the records.

Announced
01.09.2025

**-Sd-
(Shashi Kant Joshi)
Member**

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