BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

Petition No:	**200 of 2025**
Instituted on:	25.08.2025
Heard on:	13.10.2025
Decided on:	**29.10.2025**

CORAM:

YASHWANT SINGH CHOGAL
MEMBER (Law)-cum-CHAIRMAN.

SHASHI KANT JOSHI
MEMBER.

<u>In the matter of:-</u>

M/s Gopal Hydrogen Pvt. Ltd.
C/o Usaka Hydro Power Pvt. Ltd.,
Suman Sarwari Power House,
Khalara Nallah, Lug Valley,
Distt. Kullu, HP-175101 through Authorised Representative,
Sh. Varun Kumar Sharma **…….Petitioner**

Versus

1. The Himachal Pradesh State Electricity Board Ltd.
   Thro' its Chief Engineer (SO) Vidyut Bhawan, Shimla-04

2. The Department of Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, Udyog Bhawan, New Delhi 110011.

3. The Directorate of Industries, Government of Himachal Pradesh, Majitha House, Chhota Shimla-171002.

……**…Respondents**

Petition under Regulation 75 of the HPERC (Conduct of Business) Regulations 2024 read with Section 151 of the Code of Civil Procedure, 1908 in furtherance to the Commission's earlier order dated 21.05.2022 in Petition No. 47 of 2021, for appropriate directions regarding the denial of subsidy benefits under the Industrial development Scheme, 2017 despite the same having been considered by the Commission

during tariff determination for Beas Kund Top (4.90 MW) Hydro Power Project.

Present:-

Sh. Vikas Chauhan, Ld. Counsel for the Petitioner.
Sh. Kamlesh Saklani, Authorised Representative for the Respondent No. 1.
The Respondents No. 2 and 3 Ex-parte.

ORDER

This Petition has been filed under Regulation 75 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 (CBR, 2024 for short) read with Section 151 of the Code of Civil Procedure, 1908 in furtherance of the Commission earlier order dated 21.05.2022 in Petition No. 47 of 2021, for appropriate directions regarding denial of subsidy benefits under the Industrial Development Scheme, 2017, having been considered by the Commission while allowing provisional tariff of Rs. 4.46 per kWh after taking into account the Industrial subsidy.

2. It is averred that the Petitioner had applied for financial assistance/ subsidy under the Industrial Development Scheme for the Himalayan States notified by the Ministry of Commerce & Industry, Government of India on 23.04.2018 (IDS, 2017 for short) vide application bearing No. IDS/HP/ 2333 dated 10.02.2022. As per order dated 21.05.2022 passed in Petition No. 47 of 2021, the Commission determined the provisional tariff for Beas Kund Top HEP considering

the admissible subsidy of Rs. 2.98 Crore under IDS, 2017 and reduced the tariff by Rs. 0.21 per unit from the applicable generic levellized tariff of Rs. 4.67 per kWh. Also averred that eversince the commissioning the Petitioner has been subjected to the reduced tariff and accordingly, significant amount has been adjusted by the Himachal Pradesh State Electricity Board Limited (HPSEBL/ Respondent for short) under the presumption that the subsidy will be made available to the Petitioner.

3. It is also averred that the Petitioner has received a categorical communication from the Department of Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India (GoI) (Respondent No. 2 for short) and the Directorate of Industries, Government of Himachal Pradesh (GoHP) (Respondent No. 3 for short) that the incentives under the IDS, 2017 shall only be extended to already registered units and that units whose applications stand "Closed" on the DPIIT portal, like the Petitioner shall not be eligible for any kind of incentive, regardless of their investment or operational status and no new registrations or claims from unregistered units shall be entertained.

4. The Petitioner operates and maintains a Small Hydro Power Project (SHP for short) named as Beas Kund Top (4.90 MW) situated on Beas Kund Nallah, a tributary of Beas River, District Kullu, Himachal

Pradesh. (Project for short). A joint Petition No. 47 of 2021, was filed before the Commission for the approval of the Power Purchase Agreement (PPA for short) in respect of the project for capacity of 4.0 MW which was allowed by the Commission vide order dated 21.05.2022 (Annexure P-2) and parties accordingly signed the PPA on 28.06.2022. Further, another joint Petition was filed before the Commission for the tariff after the capacity of 4.90 MW, being Petition No. 55 of 2022 which was allowed vide order dated 24.09.2022 (Annexure P-3). Thereafter, a Supplementary Power Purchase Agreement (SPPA for short) was executed between the parties on 29.10.2022.

5. The Commission vide order dated 21.05.2022 in Petition No. 47 of 2021 has held as under:-

> *"8. In view of what is stated above and the powers vested in the Commission under Section 86 (1) (b) of the Electricity Act, Condcuct of Business Regulations, 2005, notification dated 15.05.2018 of the Government of HP, as amended vide order dated 10.10.2018 and the Forest Clerance accorded on 15.05.2019, the Joint Petitioners have made out a case for the approval of the PPA on the basis of Provisional Tariff as per the provisions of applicable Renewable Energy Regulations, 2017 as under:-*
>
> *(i) Applicable Tariff without considering the subsidy under Generic levellised tariff of 3rd Control Period: Rs.4.67 per unit. **
>
> *(ii) Considering Central Assistance/Subsidy of Rs.2.98 Crore from the Ministry of Commerce & Industry (MCI): Rs.4.46 per unit.*
>
> ** As per Commission's Order dated 22.12.2020 in Suo Motu Petition No. 76/2019 for the determination of Generic Levellised Tariffs for Small Hydro Projects for 3rd Control Period (i.e. 01.04.2020 to 30.09.2023).[**Project Capacity = 4.00 MW**].*

9. Thus, the tariff which shall be applicable to the project of Petitioner comes to ***Rs.4.46*** *per unit. This tariff shall be subject to further adjustment on getting actual amount of Industrial Subsidy and other permissible deductions, if any, required to be made.*

10. The Joint Petition is accordingly allowed. The draft PPA is ordered to be approved subject to the following conditions:-

(i) The SCOD of the project is 30.06.2023 and considering that the financial assistance/subsidy under "Industrial Development Scheme for Himachal Pradesh & Uttarakhand" notified by the Ministry of Commerce & Industry is yet to be released, this provisional tariff shall be applicable for a maximum period of 2 (two) years or upto 3rd Control Period, whichever, is earler.

(ii) The petitioners shall approach the Commission at least 1 (one) month before completion of the period of 2 (two) years from the issuance of this Order or immediately after the settlement of such adjustment 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 matter regarding adjustment of financial assistance/ subsidy shall be governed as per the orders as may be passed by the Commission after receipt of Petition as per item (ii) of this para.

(iv) The clause 6.2 of PPA shall be modified to the extent that the levellised provisional tariff of Rs.4.46 per unit 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 and any other permissible deduction.

(v) In case of delay of the project beyond 30.06.2023, the tariff, subject to further adjustment as per item (iv) of this para, shall be applicable and the same shall be firm and final.

(vi) The Construction Schedule shall form part of PPA.

(viii) The connection agreement dated 19.08.2020 shall forms part of PPA.

11. Other terms and conditions of the PPA shall be subject to provisions of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 and Tariff Order issued thereunder on 22.12.2020 in Suo-Motu Petition No. 76/2020 for the determination of Generic Levellised Tariffs for Small Hydro Projects for 3rd Control Period (i.e. 01.04.2020 to 30.09.2023)."

6. According to the Petitioner, the Ministry of Commerce and Industry, GoI vide notification No. 2(2)/2018-SPS dated 23.04.2018

notified the Industrial Development Scheme for the States of ‘Himachal Pradesh and Uttarakhand (IDS 2017 for short) providing Central Capital Investment Incentive for the access to credit (CCIIAC) @ 30% of the investment in plant & machinery (Industrial subsidy for short) with an upper limit of Rs. 5.00 Crores for new and existing industrial units.

7. The Petitioner also applied for the same vide Application No. IDS/HP/2333 dated 10.02.2022. On 10.04.2024 (Annexure P-4), the Respondent No. 1 requested the Petitioner about the status of subsidy under IDS, 2017 from the Petitioner so that a joint Petition for continuation of tariff could be filed before the Commission and the Petitioner vide letter dated 19.04.2024 (Annexure P-5) replied that the same is under evaluation and pending registration.

8. However, 06.09.2024 (Annexure P-6) when the Petitioner approached General Manager, Director of Industries, Kullu regarding status of application of above subsidy, the Petitioner was informed vide letter dated 18.09.2024 (Annexure P-7) that the status of the application of the Petitioner on the portal of DPIIT is reflected as ‘closed’ so the said unit is not eligible for any kind of incentive under IDS, 2017. Thus, the project of Petitioner is not eligible for the grant of Industrial subsidy.

9. The Petitioner vide letter dated 25.09.2024 in furtherance of Communication dated 24.09.2024 received from the HPSEBL,

approached the District Industries Centre to supply hard copy of its application alongwith requisite details of discrepancies, if any and in response, the District Industries Centre mentioned vide letter dated 28.09.2024 that the case of the Petitioner was forwarded to DPIIT and no discrepancies were raised by them. The Petitioner forwarded the details of documents to the Respondent No. 1 vide letter dated 18.10.2024. The copy of letter dated 24.09.2024, 25.09.2024, 28.09.2024 and 18.10.2024 have been annexed as Annexure P-8 to Annexure P-11.

10. The relevant clauses of the IDS, 2017 have been reproduced in the Petition as under:-

> ***"3. Commencement and duration: -*** *It will be effective from 1.04.2017 and will remain in force up to 31.03.2022.*
> ***4. Eligibility:***
> *4.1 Unless otherwise specified, all new industrial units and existing industrial units undertaking substantial expansion in manufacturing sector and services sector including Bio-technology and Hydel Power Generation Units upto 10 MW located in the states of H.P. & Uttarakhand will be eligible for incentives under the scheme.*
> ***5. Definitions***
> ***(a) Commencement of Commercial Production****' means starting of manufacture of finished products on commercial scale which is preceded by trial production and installation of complete plant and machinery and on that day the plant must be ready in all respects for manufacture of finished products in commercial quantity and all raw materials, consumables, etc. required for manufacture are available and as per date of registration with Central Excise/Goods and Services Tax (GST) authorities.*
> ***(g) 'New industrial unit'*** *means an industrial unit which registers itself on DIPP portal on or after the first day of April, 2017 but not later than 31st day of March, 2022. Such units have to commence commercial production/ operation within 18 months of registration.*
> ***6.1*** *There will be an Empowered Committee chaired by Secretary, Department of Industrial Policy and Promotion with Secretaries of D/o*

Expenditure, representative of NITI Aayog and Secretary of the concerned Ministries/Departments of Government of India dealing with the subject matter of that industry as its members as also the concerned Chief Secretary/Secretary (Industry) of the State where the beneficiary unit claiming incentive is located for selection of beneficiaries under the scheme. While examining the proposals for incentive, due consideration will be given to factors
like cost disadvantage, project viability, bankability, employment generation and promoters' risk capital. Preference will also be given to eligible industrial units under the Micro, Small and Medium Enterprises (MSME).

7. Mandatory requirement

7.1 This Scheme requires that all eligible industrial units would have to register under the Scheme with Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Govt. of India, through the DIPP portal prior to being eligible for any benefit under this scheme. In this regard, an online application process shall be developed under which the applicants have to submit applications along with the DPR.

7.2 The Department of Industrial Policy and Promotion would separately issue detailed
instructions for the use of online portal for Industrial Development Scheme for H.P & Uttarakhand and registration of eligible units.

7.3 The final grant of registration/in-principle approval will be decided by the Committee, which will, inter-alia, consider the prima-facie eligibility of the industrial unit, availability of budget and decide the eligibility for registration under the Scheme. No Industrial unit will have the right to register under Industrial Development Scheme for H.P & Uttarakhand or claim the benefits unless it is specifically approved by the Central Government. No interest on account of delay in payment of incentive can be claimed by the unit. The beneficiary of this scheme has to furnish an undertaking to abide by the terms and conditions of the scheme."

The copy of notification dated 23.04.2018 w.r.t. IDS, 2017 and its general operational guidelines are annexed as Annexure P-12 and P-13 (Colly).

11. It is averred that the DPIIT vide communication dated 30.07.2024 and 09.11.2023 (Annexure P-14 Colly) had made it clear that IDS-2017 will only be extended in respect of already registered Unit(s) and the claims will not be entertained in respect of unregistered Units.

12. It is also averred that the Petitioner had signed Implementation Agreement (IA) on 21.09.2013 and Supplementary Implementation Agreements (SIA's) on 30.05.2019, 23.12.2020 and 24.06.2022 for the implementation of the project with the Government of H.P with the Scheduled Commercial Operation Date (SCOD) of the project as 30.06.2023, as such, the tariff determined vide order dated 22.12.2020 in Suo-Moto Petition No. 76 of 2020 by the Commission for the 3rd Control period w.e.f 01.04.2020 to 30.09.2023 was allowed but after adjustment of the admissible Industrial Subsidy.

13. It is claimed that a further information under the Right to Information Act, 2005 was sought by the Petitioner from Respondent No. 2 and 3 with respect the reasons for the closure of subsidy for the Project of the Petitioner under IDS, 2017 but Respondents No. 2 and 3 have failed to give direct and responsible answer (Annexure P-15 and P-16 Colly).

14. According to the Petitioner, the denial of subsidy IDS, 2017 and adjustment of the same by the Commission directly impacts the financial health and viability of the Petitioner's project, infringing upon the principles of regulatory certainty and fairness and the denial of the benefit of right tariff falls within the purview of the Commission.

15. Also averred that the adjustment of Rs. 2.98 Crore towards Industrial subsidy on provisional basis is not required to be made and, therefore, the Petitioner is entitled to the tariff of Rs. 4.67 per kWh as applicable for the 3rd Control period w.e.f 01.04.2020 to 30.09.2023. Hence the Petition.

16. The Petition has been resisted by the Respondents by filing separate replies.

REPLY OF RESPONDENT NO. 1

17. The Respondent No. 1 HPSEBL in its reply has averred that the Petitioner availed benefits under one time amnesty scheme notified by the GoHP on 15.05.2018 and thereafter approached the HPSEBL for signing the Long Term Power Purchase Agreement and Petition No. 47 of 2021 was filed which was allowed vide order dated 21.05.2022 and tariff of Rs. 4.46 per kWh was allowed after considering the subsidy of Rs. 2.98 Crore. The Petitioner also signed the Power Purchase Agreement (PPA) on 28.06.2022 pursuant to order dated 21.05.2022. The Petitioner also signed the 3rd Supplementary Implementation Agreement (SIA) with the GoHP on 24.06.2022 and filed a joint Petition (Petition No. 55 of 2022) and the Commission accorded the approval to the same vide order dated 24.09.2022 and Supplementary Power

Purchase Agreement (SPPA) was signed between the Petitioner and the HPSEBL on 29.10.2022.

18. Further, the Directorate of Industries, GoHP has intimated the Petitioner that the application of the Petitioner on the DPIIT Portal is depicted as “closed” and that the Petitioner is not eligible for any kind of incentive under the IDS, 2017. Also that in various communications with the Ministry of Commerce and Industry, it has been mentioned that the additional outlay of Rs. 1164.53 Crore was sanctioned in respect of already registered 774 units and that no claim will be entertained from the unregistered units. However, no specific reason for not registering the Project has been mentioned. Further, no reasons have been provided by the Industries Department for not registering the Project. It is averred that the Replying Respondent, being a Distribution Licensee under the Electricity Act, 2003 is under an obligation to procure power in a manner that ensures financial prudence, cost effectiveness and least burden on the consumers and the tariff design approved by the Commission is governed by the Section 61 of the Electricity Act, 2003 and therefore, the Respondent No. 1 is duty bound to act in the confines of the tariff Regulations framed by the Commission.

19. Also averred that the Commission has rightly taken into account the impact of Industrial subsidy being deemed availed. Further, the

Department of Industries, GoHP and Ministry of Commerce and Industry, GoI being the nodal agencies for the administration of IDS, 2017 have been declined the release of subsidy on the ground that the scheme had closed by the time the application for disbursal was made but said denial is not based on the ineligibility of the Petitioner and is based on the procedural non-compliance and late submission of requisite application by the Petitioner. In the circumstances, the denial of subsidy by the Respondents No. 2 and 3 arising out of the negligence of the Petitioner cannot be made a ground to revisit or revise the tariff determined by the Commission.

20. Further, the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 (RE Regulations, 2017 for short) operate on the principle that the Project cost is reduced by the admissible subsidy regardless of whether the same is disbursed or not. This principle ensures that consumers are not burdened with inflated tariffs arising from avoidable costs and admissibility of subsidy is a matter of regulatory recognition and not actual receipt and the Commission has already exercised its wisdom by factoring the same into the tariff design. According to it, the attempt to seek retrospective exclusion of subsidy in the tariff calculation on non-

receipt of the subsidy would violate the established regulatory framework and undue burden on the HPSEBL and the consumers.

21. Further averred that the upward revision in tariff on the basis of derived subsidy would amount to compensating the Petitioner for its own omissions and would undermine the sanctity of the regulatory regime. The Petitioner has voluntarily executed the PPA with the HPSEBL on the basis of provisional tariff whereby, the Commission has factored in the subsidy as per the Regulations. Thus, the Petitioner cannot turn around and seek upward revision.

REPLY OF RESPONDENT NO. 2

22. The Respondent No. 2 (DPIIT) in its separate reply has denied the averments made in the Petition that the Department of Promotion and Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India, notified Industrial Development Scheme, 2017 for State of Himachal Pradesh and Uttrakhand on 23.04.2018, effective from 01.04.2017 to 31.03.2022 (Annexure-1). In the 11th Empowered Committee Meeting (Annexure-2), it was observed that committed liabilities exceeded the original financial outlay of Rs. 131.90 Crores, therefore, it was decided to issue Provisional Registration until additional funds were made available. Further, a formal communication was issued on 08.09.2021 (Annexure-3) in the shape of provisional

certificate highlighting clause 7.3 of the scheme Notification clarifying that claims will be entertained only after conversion of provisional registrations to final registrations upon augmentation/approval of financial resources and units shall be eligible for submitting their Claim only after conversion of Provisional registration into final registration.

23. According to the Replying Respondent, due to high number of applications, the committed financial liability surpassed the initial budget allocated under the IDS, 2017 and, therefore, a considered policy decision was taken and an additional outlay of Rs. 1164.53 crores was approved vide Cabinet decision dated 06.09.2023 for 774 units approved till the 11th Empowered Committee Meetings held on 04.08.2021, and in coherence to the decision, the letters dated 09.11.2023 (Annexure-4) and 30.07.2024 (Annexure-5) were issued.

24. According to Replying Respondent, no meeting of the Empowered Committee has been held after 04.08.2021 and that the unit of the Petitioner was an unregistered one and incoherence to the decision of Cabinet, the application of the Petitioner is closed and cannot be considered by the Department.

<u>REPLY OF RESPONDENT NO. 3</u>

25. The Respondent No. 3 in its separate reply has raised preliminary submissions that neither any legal nor any fundamental right of

Petitioner has been infringed by the Replying Respondent and, as such, no cause of action has accrued to the Petitioner against Respondent. According to the answering Respondent, the final decision on the application for grant a subsidy to Petitioner was to be taken by the Respondent No. 2, under IDS, 2017 and answering Respondent had a very limited role of processing the online application(s) subject to eligible criteria. The application of the Petitioner was received in the office of General Manager, District Industries Centre, Kullu on 10.02.2022 for pre-registration vide IDS/HP/2333 which was referred to the Petitioner for compliance of observations as depicted in (Annexure R-3/I). The same was referred back to the Petitioner for certain clarifications/observations raised by the DIC, Kullu and on receipt of the same, updation was done in the online portal on 03.08.2023 as depicted in the email dated 18.09.2025 (Annexure R-3/II) of the GoI. Also averred that clarifications were sought from the Petitioner and on receipt of the same, the portal of the Respondent No. 2 was again updated on 19.02.2024 (Annexure R-3/III) According to Respondent 3, the Commission may consider the fact that the application was to be forwarded to the Government of India by the Respondent No.3 through online portal only after ensuring eligibility criteria and submission of requisite documents and thus, the Petition is liable to be dismissed.

26. On merits, contents have been denied reiterating the averments made by of the preliminarily submissions. It is averred that the scheme remained in force till 31.03.2022 and during the currency of the Scheme, it was obligatory upon the Petitioner to submit the requisite documents in order to facilitate the Replying Respondent to forward the same through online portal.

REJOINDERS

27. By way of separate rejoinders, the content of the replies had been denied and those of the Petition have been reaffirmed.

POINTS FOR DETERMINATION

28. We have heard Sh. Vikas Chauhan, Ld. Counsel for the Petitioner and Sh. Kamlesh Saklani, Authorised Representative for the Respondent No. 1 and have perused the entire case file carefully. On the basis of the Pleadings, the following points arise for determination in the present Petition:

Point No. 1: Whether the Industrial subsidy has not been provided to the Petitioner despite submission of application in time and no adjustment on account of Industrial subsidy is required to be made, while allowing the final tariff in respect of project?

Point No. 2: **Final Order**

29. For the reasons to be recorded hereinafter in writing, our point wise findings are as under:-

Point No. 1: Yes

Point No. 2: Petition allowed per operative part of the order.
(Final Order)

REASONS FOR FINDINGS

Point No. 1

30. It is a simple case of the Petitioner that it had applied for the grant of Industrial subsidy under IDS, 2017 on 10.02.2022 as the Scheme was valid from 01.04.2017 to 31.03.2022 and the project of the Petitioner was also duly registered on the portal of DPIIT. It is also the case of Petitioner that on enquiry about the status of the Industrial subsidy, no positive response was given by the Respondents No. 2 and 3. However, the Petitioner was informed vide letter dated 18.09.2024 by District Industries Centre that the status of the application is reflected as closed on the DPIIT portal and hence, the project is not eligible for grant of Industrial subsidy.

31. Though the Respondents No. 1 and 3 in their reply have mentioned that the subsidy could not be granted by the Respondent No. 2 on account of inaction of the part of the Petitioner in not furnishing requisite information/ documents but the reply of the Respondent No. 2 nowhere suggests that there was any irregularity in the application

submitted by the Petitioner or that subsidy has been denied due to some defects or insufficient documents. Sh. Vikas Chauhan, Ld. Counsel for the Petitioner has submitted that the application submitted by the Petitioner was complete in all respect and no communication in writing was sent to the Petitioner for any deficiency.

32. A careful perusal of the reply of the Respondent No. 2 shows that keeping in view the fact that committed financial liability surpassed the initial budget allocated under IDS, 2017, a policy decision was taken that the allocation be made only in respect of already registered 774 units approved till the 11th empowered Committee Meeting held on 04.08.2021 meaning thereby that no registration of new units was made after 04.08.2021. Thus, it is evident that the Respondent No. 2 has allowed the subsidy only to the units which were registered uptill 04.08.2021 and thereafter, no registration of any unit(s) was made. Thus, all the units which submitted applications after 04.08.2021 and before 31.03.2022 were not covered. In the circumstances, as evident from the reply of the Respondent No. 2 that in view of the decision taken in the Empowered Committee meeting held on 04.08.2021, the application of the Petitioner was closed. Since the Petitioner had submitted the application for Industrial subsidy on 10.02.2022, within the validity of the IDS, 2017, which was valid uptill 31.03.2022, no fault

can be attributed to the Petitioner as the registration to Industrial unit(s) after 04.08.2021 has not been considered, because the outlay of Rs. 1164.53 Crore only was approved to the unit(s) registered upto 04.08.2021.

33. The Commission while approving the provisional generic levellized tariff for the Project has taken into account the Industrial subsidy of Rs. 2.98 Crore. Since said Industrial subsidy has not been granted, no adjustment on account thereof is required to be made in the tariff to be provided to the Project of the Petitioner. Point 1 is accordingly decided in favour of the Petitioner.

APPLICABLE TARIFF

34. The Petitioner in the present Petition has submitted that Petitioner is entitled for the enhanced tariff of Rs. 4.67 per kWh by not taking into account the Industrial subsidy of Rs. 2.98 Crore. A careful perusal of the order dated 21.05.2022 in Petition No. 47 of 2021 shows that considering the impact of subsidy of Rs. 2.98 Crore towards Industrial Subsidy, the tariff comes to Rs. 4.46 per kWh.

35. As per para 8.19 of the tariff order dated 22.12.2020 in Suo Moto Petition No. 76 of 2020 determining the generic levellized tariff, the Petitioner shall be entitled to the tariff of Rs. 4.67 per kWh from the date of the commissioning of the Project after excluding the Industrial

Subsidy of Rs. 2.98 Crore. Hence, a tariff of Rs. 4.67 per kWh is allowed to the Project of the Petitioner from the date of commissioning of the Project. Point No. 1 is accordingly, decided in favour of the Petitioner.

Final Order

36. In view of our aforesaid discussion and findings, the Petition succeeds and allowed. A tariff of Rs. 4.67 per kWh is granted to the Project from the date of the commissioning of the Project after excluding the Industrial Subsidy of Rs. 2.98 Crore.

37. The parties are accordingly directed to execute the 2nd Supplementary Power Purchase Agreement (SPPA) as per the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017, as amended within a period of 30 days from the date of this Order after making necessary additions and alterations. Three copies of the executed SPPA be submitted to the Commission for record.

38. It is made clear that in future, any subsidy/ incentive is released to the Project by the GoI, the Petitioner shall intimate the same to the HPSEBL and consequent deduction in tariff shall be made with the approval of the Commission.

39. Significantly, the Petitioner has deposited only a fee of Rs. 40,000/- whereas, the Petitioner is required to deposit fee for the execution of SPPA as per the Schedule appended to the HPERC (Conduct of Business) Regulations, 2024 within a period of ten (10) days from the date of the receipt of the order failing which the Petition shall be deemed to have been dismissed.

40. Let a copy of this order be supplied to the parties forthwith.

The Petition is disposed off accordingly. The file after needful be consigned to records.

<u>Announced</u>
29.10.2025

-sd-	**-sd-**
(Shashi Kant Joshi)	**(Yashwant Singh Chogal)**
Member	**Member (Law)-cum-Chairman**