

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

CORAM:

YASHWANT SINGH CHOGAL
MEMBER (Law)-cum-Chairman

SHASHI KANT JOSHI
MEMBER.

In the matter of:-

Suo Moto Petition No:	03 of 2025
Date of Institution:	12.08.2025
Arguments Heard on:	08.09.2025
Decided on:	08.10.2025

Commission on its own Motion

Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....**Respondents.**

ALONGWITH

Suo Moto Petition No:	04 of 2025
Date of Institution:	12.08.2025
Arguments Heard on:	08.09.2025
Decided on:	08.10.2025

Commission on its own Motion

Versus

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

Sh. Kameshwar Dhaulta,

Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 05 of 2025
Date of Institution: 12.08.2025
Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion
Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 06 of 2025
Date of Institution: 12.08.2025
Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion
Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 07 of 2025
 Date of Institution: 12.08.2025
 Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion

Versus

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

Sh. Kameshwar Dhaulta,
 Consumer Representative.
 H.No. A62, Sector 2, Phase-I,
 New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 08 of 2025
 Date of Institution: 12.08.2025
 Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion

Versus

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

Sh. Kameshwar Dhaulta,
 Consumer Representative.
 H.No. A62, Sector 2, Phase-I,
 New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 09 of 2025
 Date of Institution: 12.08.2025
 Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion

Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 10 of 2025
Date of Institution: 12.08.2025
Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion
Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 11 of 2025
Date of Institution: 12.08.2025
Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion
Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

ALONGWITH

Suo Moto Petition No: 12 of 2025
Date of Institution: 12.08.2025
Arguments Heard on: 08.09.2025
Decided on: 08.10.2025

Commission on its own Motion
Versus

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

Sh. Kameshwar Dhaulta,
Consumer Representative.
H.No. A62, Sector 2, Phase-I,
New Shimla, Shimla, HP-171009.

.....Respondents.

Suo-Moto Petitions for pass through of the tariff based royalty @ 5 paise per unit notified by the State Government of Himachal Pradesh vide Notification No. MPP-F(10)-43/2023 dated 21.09.2023, to be charged from all the Solar Power Projects having of capacity more than 1.0 MW.

Present:-

Sh. Yashwant Singh, (Executive Director) for the
Petitioner.

Sh. Kamlesh Saklani, Authorised Representative for the
Respondent.

Sh. Kameshwar Dhaulta, Consumer Representative.

ORDER

These Suo Moto Petitions have been initiated by the
Commission as the Department of MPP and Power, Government of
Himachal Pradesh (GoHP) vide Notification No. MPP-F(10)-43/2023

dated 21.09.2023 has levied a tariff based royalty @ 5 paise per unit on all the Solar Power Projects having capacity of more than 1.0 MW.

2. Since a common issue is involved in these Petitions, therefore, the Petitions are being disposed off together by a common order.

3. Though, the Commission has permitted charging of the above royalty @ 5 paise per unit from the generation of all the Solar Power Projects having capacity of more than 1.0 MW, over and above the approved tariff of the Projects, from the date of issuance of Notification dated 21.09.2023 but in the above cases, the provision relating to tariff based royalty @ 5 paise per unit could not be made by the Commission.

4. The Commission while determining the generic levelled tariff for the Solar PV Projects for the FY 2025-26 has also made a provision of working out aforesaid royalty @ 5 paise per unit from the generation of the Projects above 1.0 MW, over and above the approved tariff, in the tariff order in Suo Moto Petition No. 1 of 2025 dated 27.03.2025.

5. A notice of the above stated Suo Moto Petitions was issued to the Himachal Pradesh State Electricity Board Limited (HPSEBL for short) and the Consumer Representative.

6. The Consumer Representative has filed separate replies to the above Petitions. The sum and substance of the replies is that on

account of the aforesaid royalty, there shall be no impact on the Solar PV Project Developers, having capacity more than 1.0 MW yet the same shall have adverse impact on the consumers. Further, said royalty is lacking in justification. Also that no Solar PV Projects in the State are selling power in the open access mode, therefore, the royalty shall put an additional burden on the State power consumers. Also that the orders passed by the Commission i.e. order dated 10.11.2023 in Petition No. 107 of 2023, order dated 19.10.2023 in Petition No. 51 of 2023, order dated 27.09.2023 in Petition No. 44 of 2023, order dated 03.05.2024 in Petition No. 68 of 2024, order dated 10.04.2024 in Petition No. 61 of 2024, order dated 10.04.2024 in Petition No. 60 of 2024, order dated 03.11.2023 in Petition No. 57 of 2023, order dated 16.10.2024 in Petition No. 111 of 2024, order dated 17.05.2022 in Petition No. 26 of 2022 and order dated 11.03.2024 in Petition No. 33 of 2024 are legal and proper and warrant no review. Also averred that the Commission is not legally bound to follow the provisions made in the Power Policy by the State Government and in case the Commission decides to allow the royalty, the higher royalty rate imposition compared to the present 5 paise per unit shall not be automatically allowed as prior publication process may be followed in that eventuality. Further, the tariff allowed by the Commission vide order dated 10.11.2023 in Petition No. 107 of 2023, order dated

19.10.2023 in Petition No. 51 of 2023, order dated 27.09.2023 in Petition No. 44 of 2023, order dated 03.05.2024 in Petition No. 68 of 2024, order dated 10.04.2024 in Petition No. 61 of 2024, order dated 10.04.2024 in Petition No. 60 of 2024, order dated 03.11.2023 in Petition No. 57 of 2023, order dated 16.10.2024 in Petition No. 111 of 2024, order dated 17.05.2022 in Petition No. 26 of 2022 and order dated 11.03.2024 in Petition No. 33 of 2024 is on higher side and needs to be reduced to bring it to the level of national average tariff of Rs. 2.52 per unit in the interest of consumers.

7. The HPSEBL has also filed separate replies to the above Suo Moto Petitions. The sum and substance of all the replies is that specific provision relating to recovery of royalty @ 5 paise per unit from the generation of the Projects, over and above the approved tariff, could not be made while approving the PPAs vide order dated 10.11.2023 in Petition No. 107 of 2023, order dated 19.10.2023 in Petition No. 51 of 2023, order dated 27.09.2023 in Petition No. 44 of 2023, order dated 03.05.2024 in Petition No. 68 of 2024, order dated 10.04.2024 in Petition No. 61 of 2024, order dated 10.04.2024 in Petition No. 60 of 2024, order dated 03.11.2023 in Petition No. 57 of 2023, order dated 16.10.2024 in Petition No. 111 of 2024, order dated 17.05.2022 in Petition No. 26 of 2022 and order dated 11.03.2024 in Petition No. 33 of 2024 and, therefore, the HPSEBL be permitted to

work out the royalty from the generation of the concerned projects @ 5 paise per unit to be payable to the GoHP, over and above the approved tariff, and said amount be made eligible for pass through in the tariff.

8. It is also averred that the Commission in Suo Moto Petition No. 01 of 2025 for Determination of Generic Levelled Tariff for Solar PV Projects for FY 2025-26 under 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) has been pleased to permit as follows:-

“The royalty as provided i.e. 5 paise per unit by the State Government vide Notification No. MPP-F(10)-43/2023 dated 21.09.2023 shall be worked out by the HPSEBL from the generation of the project and shall be payable @ 5 paise per unit to the Government of HP over and above the approved tariff of the project, which shall be eligible for pass-through.”

9. Since, the royalty is to be deducted over and above the approved tariff and the Project developers were not affected in any manner, no notices were issued to them.

10. We have heard Sh. Yashwant Singh, Executive Director (Technical) for the HPERC, Sh. Kamlesh Saklani, Authorized Representative for the Respondent and Sh. Kameshwar Dhaulta, Consumer Representative and have perused the record carefully.

11. The GoHP vide notification No. MPP-F(10)-43/2023 dated 21.09.2023 has provided that permanent registration will be done by the HIMURJA on commissioning of the Projects and on commissioning of the Solar Power Projects, tariff based royalty @ 5 paisa per unit shall be charged from all the Solar Power Projects having capacity more than 1.0 MW.

12. After the issuance of the aforesaid notification, the Commission in various Petitions for approval of Power Purchase Agreements of Solar Power Projects, having capacity of more than 1.0 MW has permitted the HPSEBL to work out the royalty @ 5 paise per unit from the generation of the Projects, over and above the approved tariff, for the respective Projects and pay the same to the Government which shall be eligible for pass through. However, due to inadvertence and clerical mistake, the said provision could not be made in order dated 10.11.2023 in Petition No. 107 of 2023 in respect of M/s MVD Solar Power Project, order dated 19.10.2023 in Petition No. 51 of 2023 in respect of M/s Shree Rudra Green Solar Power Project, order dated 27.09.2023 in Petition No. 44 of 2023 in respect of M/s Samurja Shakti Pvt. Ltd., order dated 03.05.2024 in Petition No. 68 of 2024 in respect of M/s Camson Industries Solar Power Project, order dated 10.04.2024 in Petition No. 61 of 2024 in respect of M/s Evaz Solar Power Project, order dated 10.04.2024 in Petition No. 60 of 2024 in

respect of M/s Rockwell Industries Solar Power Project, order dated 03.11.2023 in Petition No. 57 of 2023 in respect of M/s Bhubaneswari-II Solar Power Project, order dated 16.10.2024 in Petition No. 111 of 2024 in respect of M/s Himachal Renewables Limited, order dated 17.05.2022 in Petition No. 26 of 2022 in respect of M/s SS Energy Ltd. and order dated 11.03.2024 in Petition No. 33 of 2024 in respect of M/s KK Kashyap Green Solar Energy Power Producer-II.

13. Significantly, the Commission while determining the generic levelled tariff for FY 2025-26 in Suo Moto Petition No. 01 of 2025 decided on 27.03.2025 has made a following provision in Clause 13 (H):-

“The royalty as provided i.e. 5 paise per unit by the State Government vide Notification No. MPP-F(10)-43/2023 dated 21.09.2023 shall be worked out by the HPSEBL from the generation of the project and shall be payable @ 5 paise per unit to the Government of HP over and above the approved tariff of the project which shall be eligible for pass through.”

14. No doubt, Sh. Kameshwar Dhaulta, Consumer Representative has submitted that the aforesaid royalty @ 5 paise per unit shall put an additional burden on the consumers and should not be allowed to be deducted and that the notification of the Government is not binding on the Commission but fact remains that the Commission after issuance of the notification has started giving effect to the notification

but due to inadvertence, the order could not be made in the above Petitions. The royalty @ 5 paise per unit, over and above the approved tariff, which is to be deducted from the generation of the Project, is quite marginal. The same shall be used for the welfare activities, funding public services, area development, protecting low income consumers and funding environmental restoration. In the circumstances, the notification was given effect by the Commission in various orders.

15. In view of the above facts and circumstances, the Commission is of the view that it is necessary to order that the royalty @ 5 paise per unit, as provided by the GoHP vide Notification No. MPP-F(10)-43/2023 dated 21.09.2023, is required to be worked out by the HPSEBL from the generation of the aforesaid Solar Projects, over and above the approved tariff, which shall be payable to the State Government and shall be eligible for pass through.

16. Thus, the above Suo Moto Petitions are allowed. The HPSEBL is directed to work out the royalty @ 5 paise per unit from the generation of the above Projects i.e. order dated 10.11.2023 in Petition No. 107 of 2023 in respect of M/s MVD Solar Power Project, order dated 19.10.2023 in Petition No. 51 of 2023 in respect of M/s Shree Rudra Green Solar Power Project, order dated 27.09.2023 in Petition No. 44 of 2023 in respect of M/s Samurja Shakti Pvt. Ltd.,

order dated 03.05.2024 in Petition No. 68 of 2024 in respect of M/s Camson Industries Solar Power Project, order dated 10.04.2024 in Petition No. 61 of 2024 in respect of M/s Evaz Solar Power Project, order dated 10.04.2024 in Petition No. 60 of 2024 in respect of M/s Rockwell Industries Solar Power Project, order dated 03.11.2023 in Petition No. 57 of 2023 in respect of M/s Bhubaneswari-II Solar Power Project, order dated 16.10.2024 in Petition No. 111 of 2024 in respect of M/s Himachal Renewables Limited, order dated 17.05.2022 in Petition No. 26 of 2022 in respect of M/s SS Energy Ltd. and order dated 11.03.2024 in Petition No. 33 of 2024 in respect of M/s KK Kashyap Green Solar Energy Power Producer-II, over and above the tariff of the respective Projects, which shall be payable to the GoHP and shall be eligible for pass through.

17. Accordingly, the abovementioned Suo Moto Petitions are disposed off as per the above terms.

18. Let a copy of the aforesaid order be placed with Petitions i.e. order dated 10.11.2023 in Petition No. 107 of 2023 in respect of M/s MVD Solar Power Project, order dated 19.10.2023 in Petition No. 51 of 2023 in respect of M/s Shree Rudra Green Solar Power Project, order dated 27.09.2023 in Petition No. 44 of 2023 in respect of M/s Samurja Shakti Pvt. Ltd., order dated 03.05.2024 in Petition No. 68 of 2024 in respect of M/s Camson Industries Solar Power Project, order

dated 10.04.2024 in Petition No. 61 of 2024 in respect of M/s Evaz Solar Power Project, order dated 10.04.2024 in Petition No. 60 of 2024 in respect of M/s Rockwell Industries Solar Power Project, order dated 03.11.2023 in Petition No. 57 of 2023 in respect of M/s Bhubaneswari-II Solar Power Project, order dated 16.10.2024 in Petition No. 111 of 2024 in respect of M/s Himachal Renewables Limited, order dated 17.05.2022 in Petition No. 26 of 2022 in respect of M/s SS Energy Ltd. and order dated 11.03.2024 in Petition No. 33 of 2024 in respect of M/s KK Kashyap Green Solar Energy Power Producer-II for record.

19. Let a copy of this order be also supplied to the HPSEBL for necessary action.

The file after doing the needful be tagged to the respective Petitions for record.

Announced
08.10.2025

-sd-
(Shashi Kant Joshi)
Member

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