

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

Petition No: 226 of 2025
Instituted on: 20.11.2025
Heard on: 27.11.2025
Decided on: 03.12.2025

CORAM

YASHWANT SINGH CHOGAL

MEMBER (Law)-cum-Chairman

SHASHI KANT JOSHI

MEMBER

In the matter of:-

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

AND

M/s Bawa Hydro Projects,
Registered Office at Near Sub-Post Office Shyam Nagar,,
Dharamshala, Distt. Kangra, H.P.,
through Sh. Vishal Kalia, Authorised Representative
.....**Joint Petitioner No.2.**

Joint Petition under Section 86 (1) (b) of the Electricity Act, 2003 for the approval of Power Purchase Agreement to be executed by the HPSEBL with M/s Bawa Hydro Projects in respect of Leond-IV Hydro Electric Project (600 kW).

Present:-

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

Sh. Vishal Kalia, Authorised Representative 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 (the CBR, 2024 for short) by the Himachal Pradesh State Electricity Board Limited (the HPSEBL/ Joint Petitioner No. 1 for short) and M/s Bawa Hydro Projects (the Joint Petitioner No. 2 for short) for the approval of long term Power Purchase Agreement (PPA for short) under generic levelized tariff in respect of Leond-IV Hydro Electric Project (600 kW) situated on Leyond Khad, a tributary of Beas River in Beas Basin, Distt. Kangra, Himachal Pradesh (Project for short).

2. According to the Petition, the Joint Petitioner No. 2 signed an Implementation Agreement, Annexure-III (IA for short) with the Government of Himachal Pradesh (GoHP for short) on 21.06.2021 for the implementation of the Project. The Technical Clearance (TC for short) in respect of the Project was accorded by the Directorate of Energy (DoE for short) vide order No. DOE/ CE(Energy)/TC-Leond IV/2021-9651-60 dated 26.02.2021 (Annexure-V).

3. The Joint Petitioner No. 2 also signed a Connection Agreement with the Joint Petitioner No. 1/ HPSEBL on 26.02.2024 (Annexure-IV), whereby the HPSEBL has agreed to connect the Project to its wheeling and communication system through solid tap on 11 kV Adit feeder, emanating from 2x3.15 MVA, 33/11 kV Gaj (Bithloo) Sub-station with appropriate protection arrangement using the distribution and

communication system of the Distribution Licensee to transmit electricity as well as real time data to and/ or from the Project.

4. According to the Petition, the Joint Petitioner No. 2 has agreed to sell the entire net saleable energy from the Project to the Joint petitioner No. 1 at the generic levelled tariff, as may be applicable 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 (RE Regulations, 2017 for short).

5. Further, the GoHP vide notification dated 15.05.2018, further amended vide order dated 10.10.2018 has mandated the HPSEBL to purchase the power from Hydro Electric Projects with capacity upto 25 MW on generic levelled tariff as determined by the Commission.

6. It is also averred that till date, no agreement has been executed by the Joint Petitioner No. 2 for disposal/ use of energy from the Project on long term basis or under REC Mechanism. Further, no Joint Petition for approval of PPA has ever been filed before the Commission in respect of the Project.

7. It is averred that for ascertaining the relevant control period, the SCOD certificate issued by the Chief Executive Officer, HIMURJA vide letter No. HIMURJA/SHP-IA/Leond-IV (36)/2015/4750 dated 02/09/2025

in respect of the Project of the Joint Petitioner No. 2, which provides that the SCOD of the Project shall be 31.12.2025 (Annexure-V) and the Project falls under the 4th Control Period, defined under the RE Regulations, 2017, as such, the generic levelized tariff as determined by the Commission vide order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 for the 4th Control Period for category of the Projects above 100 kW and upto 1.0 MW will be applicable which is Rs. 4.93 per kWh. However, the tariff is subject to adjustments on account of the following:-

- a) Adjustment on account of incentive and/ or subsidy and/ or grant available to the Project.
 - b) Additional tariff on account of O&M.
 - c) Variation in free power structure.
 - d) Rounding.
8. Regarding adjustment on account of incentive/ subsidy/ grant being made available by the Ministry of Commerce and Industry, Government of India (GoI) vide Notification No. 2(2)/2018-SPS dated 23.04.2018, as per the Industrial Development Scheme for the Himachal Pradesh and Uttarakhand (IDS, 2017), the scheme was operational from 01.04.2017 to 31.03.2022. In this regard, the Joint Petitioner No. 2 had applied for the industrial subsidy on the DPIIT

Portal vide application No. IDS/HP/2390 on 03.03.2022. On enquiring about the status of application, the General Manager, District Industries Centre, Kangra vide letter No. Ind/Kngr/IDS/3908 dated 30.10.2025 has informed the Joint Petitioner No. 2 that the IDS portal is inoperative and the required status of the application cannot be ascertained and provided, as the IDS, 2017 has been discontinued since March, 2022. In view of the aforesaid, no adjustment on account of IDS, 2017 is required to be made in the tariff.

9. It is averred that no additional tariff on account of O&M is applicable. The provisions regarding free power/ royalty have been reproduced in para 13 (C) of the Petition. It is averred that the royalty rates inclusive of the Local Area Development Fund (LADF) contribution are 3% for the first 12 years, 13% for the next 18 years and 19% thereafter until the Project is taken over by the GoHP. This royalty structure is in variance from the structure considered by the Commission in the SHP tariff order for the relevant category. However, since the variation exceeds the permissible limit of 13% under the RE Regulations, 2017, no adjustment in tariff is required to be made. It is also averred that the applicable generic levelled tariff after rounding off works out to be Rs. 4.93 per kWh.

10. Also averred that the Joint Petitioner No. 2 will pursue any financial assistance/ grant/ subsidy given by the State/ Central Government and shall intimate the Joint Petitioner No. 1 within fifteen days of receipt of the same.

11. We have heard Sh. Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. Vishal Kalia, Authorised Representative for the Joint Petitioner No. 2 and perused the case file carefully.

12. It is apparent from the record that the Joint Petitioner No. 2 has signed an IA, with the GoHP on 21.06.2021 for the implementation of the Project. The TC in respect of the Project was accorded by the DoE vide order No. DOE/ CE(Energy)/ TC-Leond IV/ 2021-9651-60 dated 26.02.2021.

13. The Joint Petitioner No. 2 also signed Connection Agreement with the Joint Petitioner No. 1/ HPSEBL on 26.02.2024 (Annexure-IV), whereby the HPSEBL has agreed to connect the Project to its wheeling and communication system through solid tap on 11 kV Adit feeder, emanating from 2x3.15 MVA, 33/11 kV Gaj (Bithloo) Sub-station with appropriate protection arrangement using the distribution and communication system of the Distribution Licensee to transmit electricity as well as real time data to and/ or from the Project.

14. The record also shows that the Project was eligible for the incentive/ subsidy available under the “Industrial Development Scheme for Himachal Pradesh & Uttarakhand” as IA with the GoHP was signed only on 29.01.2021. The above subsidy scheme was valid uptill 31.03.2022. It is evident from the record that the Joint Petitioner No. 2 had applied for said subsidy on 03.03.2022, well within the validity period. The Joint Petitioners have placed on record copy of letter No. Ind/Kgr./IDS/3908 dated 30.10.2025 issued by the General Manager, Distt. Industries Center, Kangra that the IDS portal is inoperative, therefore, the required status of application cannot be ascertained and that the IDS, 2017 has been discontinued w.e.f. March, 2022. Since, the Joint Petitioner No. 2 had applied on DPIIT Portal through application No. IDS/HP/2390 dated 03.03.2022 well within the validity of the scheme, no fault whatsoever, can be ascribed to the Petitioner for non-grant of subsidy under IDS, 2017. Thus, the case of the Petitioner is beyond the scope deemed availed subsidy, as mentioned in Para 7.13 of the SHP Order dated 17.11.2023 and Regulation 22-C of the RE Regulations, 2017.

15. Further, the GoHP vide notification dated 15.05.2018, further amended vide order dated 10.10.2018 has mandated the HPSEBL to

purchase the power from Hydro Electric Projects with capacity upto 25 MW on generic levelled tariff as determined by the Commission.

16. No other Petition is pending for approval of the Power Purchase Agreement in respect of the Project before the Commission.

17. The Commission has determined the generic levelled tariff for the Small Hydro Electric Projects above 100 kW and upto 25 MW for the 4th Control Period, commencing from 01.10.2023 to 31.03.2027 vide order dated 17.11.2023 in Suo Moto Petition No. 07 of 2023 which is as under:-

Category	Capacity	Generic levelled Tariff in Rs./kWh of net saleable energy without considering subsidy.
Col. 1	Col. 2	Col. 3
(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

18. The capacity of the Project is 600 kW. The tariff as per the 4th Control Period for Projects having installed capacity of 100 kW to 2 MW w.e.f. 01.10.2023 to 31.03.2027 is Rs. 4.93 per kWh, and, thus, the Project is entitled for the tariff of Rs. 4.93 per kWh, as no adjustment on account of Industrial subsidy is required to be made.

19. The Petition is duly supported by affidavits of the Joint Petitioners. Therefore, 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 and also taking into consideration the notifications dated 15.05.2018 and 10.10.2018 of the GoHP, Swaran Jayanti Policy, 2021, the Implementation Agreement dated 21.06.2021, the Connection Agreement dated 26.02.2024, letter dated 30.10.2025 of the General Manager, District Industries Center, Kangra, the Joint Petitioners have made out a case for the approval of the Long Term PPA under the Generic Levellised Tariff.

20. Accordingly the Petition succeeds and allowed. The PPA is ordered to be approved subject to the following terms and conditions:-

- (i) The provisional tariff of 4.93 per kWh (Four Rupees and Ninty Three Paisa only) is allowed.
- (ii) The Interconnection Point for the Project shall be as per the Connection Agreement dated 26.02.2024.
- (iii) In case any subsidy or incentive is made available for the Small Hydro Projects or the Joint Petitioner No. 2 avails any subsidy or incentive in future, the Joint Petitioner No. 2 shall intimate the Joint Petitioner No. 1 within a period of 15 (fifteen) days from the date of receipt of subsidy/ incentive so that appropriate adjustment on account of such incentive/ subsidy is made.
- (iv) Other additions, alterations and deletions shall be as per the RE Regulations, 2017, as amended from time to time, and SHP order dated 17.11.2023 passed in Suo Moto Petition No. 7 of 2023.
- (v) In Clause 2.2.38 of the draft PPA, the word 'Supplementary' shall be omitted.

- (vi) In Clause 5.7 and 9.1 (k) of the draft PPA, the reference 'Bajinath Sub-station' shall be substituted with 'Gaj (Bithloo) Sub-station'
- (vii) Clause 2.2.47 of the draft PPA shall align with provisions of the Connection Agreement with respect to solid tap.
- (viii) In clause 2.2.43, the correct details of references of Implementation Agreement and Supplementary Agreements referred to in the definition shall be incorporated.

21. The Joint Petitioners are directed to execute the Power Purchase Agreement accordingly within a period of 30 days from the date of this order after carrying out necessary additions, alterations and deletions. Three copies of the executed Power Purchase Agreement be submitted to the Commission for record.

22. Let a copy of this order be supplied to the Joint Petitioners forthwith.

The file after needful be consigned to records.

Announced
03.12.2025

-Sd-
(Shashi Kant Joshi)
Member

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