

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

Petition No.	242 of 2025
Date of Institution:	18.12.2025
Arguments Heard on:	23.12.2025
Decided on:	23.12.2025

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

ARV Solar Power Project,
Registered Office at 194/11, Naya Bazar,
Post Office Sundernagar Township,
Thesil Sundernagar, Distt. Mandi, H.P-175019,
through its Authorized Signatory, Sh. Narender Kumar.

....Joint Petitioner No. 2.

Joint Petition under the provisions of Section 86(1)(b) of the Electricity Act 2003 read with Regulations 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024, for the approval of the Power Purchase Agreement (Solar) in respect of ARV Solar Power Project (1.0 MW).

Present:-

Sh. Sandeep Sharma, Authorised Representative for the
Joint Petitioner No. 1.

Sh. Narender Kumar, Authorised Representative 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 ARV Solar Power Project (the Joint Petitioner No. 2 for short) for the approval of the Power Purchase Agreement (PPA for short) under Section 86 (1) (b) of the Electricity Act, 2003 (Act for short) read with Regulations 56 and 57 of the HPERC (Conduct of Business) Regulations, 2024, (CBR, 2024 for short) in respect of ARV Solar Power Project (1.0 MW).

2. The case of the Petitioners is that a Solar PV Project (1.0 MW) known as ARV Solar Power Project, situated at Village Karshnu, Post Office Kapahi, Tehsil Sundernagar, Distt. Mandi, H.P (Project for short) is being setup pursuant to the approval accorded by the HIMURJA (HP Govt. Energy Development Agency) vide letter No. HIMURJA (F-7)/SPV Projects/2024-5852 dated 20.09.2025 (Annexure-IV). As per the Joint Petition, the date of scheduled commercial operation of the Project is 19.09.2026.

3. As per the Joint Petition, the Commission vide Order dated 29.02.2016 passed in Suo Moto Petition No. 104 of 2015, amended vide order dated 28.10.2024 in Suo Moto Petition No. 02 of 2024 has approved the Model Power Purchase Agreement for Solar PV Projects. The HIMURJA has also approved the Project inventory vide letter No. HIMURJA (F-7)/SPV Projects/ 2024-7226 dated 04.11.2025 (Annexure-VIII).

4. It is averred that parties have signed the connection agreement on 25.11.2025 providing that the interconnection point has been proposed at existing 11 kV Jain Irrigation feeder, emanating from 33/22/11 kV Sundernagar Sub-station (Transformation capacity is 4x6.3 MVA at 33/11 kV transformation level), through solid tap with appropriate Protection arrangement.

5. It is also averred that the Joint Petitioner No. 2 shall intimate the Joint Petitioner No. 1 on receipt of financial subsidy, if any.

6. It is also averred that the Commission vide Order dated 27.03.2025 has determined the generic levellised tariff in respect of Solar PV Projects for FY 2025-26 (01.04.2025-31.03.2026) under the HPERC (Promotion of Generation from Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017, as amended, (RE Regulations, 2017 for short). The Joint Petitioner No. 2 has submitted an undertaking that the project is situated in a rural area and that the tariff for the Projects to be set up in areas other than Industrial and Urban areas upto 1 MW is Rs. 3.45 per kWh as determined by the Commission vide Order dated 27.03.2025, which shall be applicable to the Project which has been incorporated in Clause 6.2 of the draft PPA.

7. We have heard Sh. Sandeep Sharma, Authorised Representative for the Joint Petitioner No. 1 and Sh. Narender Kumar, Authorised Representative for the Joint Petitioner No. 2 and have perused the entire record carefully.

8. It is evident from the record that the connection agreement in respect of the Project has been signed by the Joint Petitioners on 25.11.2025, a copy whereof has been placed on record. As per the connection agreement, the Interconnection Point of the project has been provided at existing 11 kV Jain Irrigation feeder, emanating from 33/22/11 kV Sundernagar Sub-station (Transformation capacity is 4x6.3 MVA at 33/11 kV transformation level), through solid tap with appropriate Protection arrangement through the Distribution and Communication System of the Distribution Licensee.

9. As per the Swaran Jayanti Energy Policy, 2021, notified on 20.01.2022, Solar Power from the Solar PV Projects upto 5 MW shall mandatorily be purchased by the HPSEBL, if commissioned on or before 31.03.2030 at HPERC approved tariff applicable on the date of allotment of the Project.

10. It is also evident from the letter of the HIMURJA dated 20.09.2025 that the tariff in respect of the Project shall be as per the

rates determined by the HPERC and that the Project has been provisionally registered.

11. The Commission vide Order dated 27.03.2025 in Suo Moto Petition No. 01 of 2025 has determined the generic levelised tariff for the Solar PV Power Projects for FY 2025-26 (for a period w.e.f. 01.04.2025 to 31.03.2026) as under :-

Sr. No.	Capacity	Generic levelled tariff (Rs. Per kWh)
1.	Projects to be set up in other than industrial areas and urban areas.	
(a)	Upto 1.00 MW	3.45
(b)	Above 1.00 MW & upto 3.00 MW	3.38
(c)	Above 3.00 MW & upto 5.00 MW	3.32
2.	Projects to be set up in industrial areas and urban areas	
(a)	Upto 1.00 MW	3.50
(b)	Above 1.00 MW & upto 3.00 MW	3.44
(c)	Above 3.00 MW & upto 5.00 MW	3.38

12. This Project is situated in the rural area as per undertaking. The capacity of the Project is 1.0 MW. Thus, the Project is entitled to the tariff of Rs. 3.45 per kWh, which is subject to adjustment of capital subsidy, if any. This tariff shall be applicable upto 31.03.2027 as per Clause 13 (E) (i) of the Order dated 27.03.2025 in Suo Moto Petition No. 1 of 2025. The SCOD of the Project is 19.09.2026.

13. The Petition is supported by the affidavits of the respective parties.

14. Therefore, in view of the powers vested in the Commission under Section 86 (1) (b) of the Act, read with Regulations 56 and 57 of the CBR, 2024, the Joint Petitioners have made out a case for the approval of the Power Purchase Agreement (Solar) in respect of the

Project. Hence, the Petition succeeds and allowed. The PPA is ordered to be approved subject to the following conditions:-

- (i) The tariff of Rs. 3.45 per kWh will be applicable to the Project of the Joint Petitioner No. 2 which will be subject to further adjustment of subsidy, if any, and is provisional.
- (ii) The undertaking of the Joint Petitioner No. 2 that the Project is at rural area shall form the part of the PPA. Similarly, the Connection Agreement dated 25.11.2025 shall also form part of the PPA.
- (iii) The Joint Petitioner No.2 shall apply to the State/Central Government or its designated department(s)/agency(ies), for grant of applicable subsidy/financial assistance to the Solar Power Project immediately on receipt of this Order, if not already applied, and shall intimate the Joint Petitioner No.1 i.e. HPSEBL of the receipt of financial assistance/subsidy released 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 undertaking to this effect shall be furnished by the Joint Petitioner No. 2 which shall form part of the PPA.
- (iv) The Joint Petitioner No. 2 shall make an endeavour to avail the admissible subsidy/financial assistance (if any). In case the subsidy/financial assistance is not availed or the Joint Petitioner No. 2 fails to approach the State/Central Government or its designated Department(s)/agency(ies), the same shall be deemed to have been availed by the Joint Petitioner No. 2 and the Joint Petitioner No. 1 shall carry out

the adjustment of such benefit, if any, admissible to the project after a period of 2 years from the date of the Order.

(v) The SCOD of the Project is 19.09.2026.

(vi) This tariff shall be applicable upto 31.03.2027 as per Clause 13 (E) (i) of the Order dated 27.03.2025 in Suo Moto Petition No. 1 of 2025.

15. Other terms and conditions of the PPA shall be subject to provisions of the RE Regulations, 2017, as amended from time to time and the Order of Commission dated 27.03.2025 in Suo-Motu Petition No. 01 of 2025 issued under the aforesaid Regulations.

16. The Joint Petitioners are directed to execute PPA 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 Power Purchase Agreement be submitted to the Commission for record.

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

The file after needful be consigned to records.

Announced
23.12.2025

(Shashi Kant Joshi)
Member

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