

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

Petition No: 57 of 2026
Instituted on: 30.03.2026
Heard on: 01.04.2026
Decided on: 07.04.2026

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 Soiel Dashal Hydro Power Pvt. Ltd.,
Registered Office at SCO-5, Block No. 2,
SDA Complex, Kasumpti, Shimla, H.P-171009,
through Sh. D.R. Sharma, Authorised Representative
.....**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 to be executed by the HPSEBL with M/s Soiel Dashal Hydro Power Pvt. Ltd. in respect of Soiel Dashal Hydro Electric Project (9.00 MW).

Present:-

Sh. Kamlesh Saklani, Authorised Representative for Joint
Petitioner No. 1
Sh. L.S. Mehta, Ld. Counsel 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 Soiel Dashed Hydro Power Pvt. Ltd. (the Joint Petitioner No. 2 for short) for the approval of Supplementary Power Purchase Agreement (SPPA for short) in continuation of existing Power Purchase Agreement (PPA for short) dated 31.03.2022 in respect of Soiel Dashed Hydro Electric Project (4.50 MW) situated near Meha and Dhinchin Villages on Fojal Khad, a tributary of river Beas, in Distt. Kullu, Himachal Pradesh (Project for short).

2. According to the Petition, initially the Joint Petitioner No. 2 had signed the Implementation Agreement (IA for short) on 20.06.2011 (Annexure P-2 Colly) for the implementation of the Project of 4.50 MW with the Government of Himachal Pradesh (GoHP for short). Further, a Supplementary Implementation Agreement (SIA) was signed between the GoHP and the Joint Petitioner No. 2 on 04.02.2015 and 2nd SIA was signed on 27.01.2021 under One Time Amnesty Scheme to redefine the zero date of the Project as per notification dated 07.11.2020.

3. Subsequently, a Joint Petition being Petition No. 05 of 2022 was filed before the Commission for the sale/ purchase of power from the

Project which was approved vide order dated 22.03.2022 and accordingly, a PPA was executed between the parties on 31.03.2022 (Annexure P-3) for supplying energy at the tariff of Rs. 4.67 per kWh.

4. It is averred the DoE, GoHP accorded the revised Technical Concurrence on 25.11.2023 to the Project for enhanced capacity of 9.0 MW. Thereafter, the Joint Petitioner No. 2 signed the Implementation Agreement with the GoHP on 12.01.2026 for the enhanced capacity of the Project from 4.50 MW to 9.00 MW, incorporating the terms and conditions on account of change of capacity of the Project.

5. It is averred that the Joint Petitioner No. 2 has signed a Connection Agreement with the Himachal Pradesh Power Transmission Corporation Limited (HPPTCL/ STU for short) on 13.02.2026 (Annexure P-6) for the enhanced capacity of 9.0 MW and the HPPTCL has agreed to connect the Project to its Transmission and Communication System at the Connection Point i.e. 33/220 kV Phojal Sub-station, using the Transmission and Communication System of the STU.

6. It is averred that as per the provisions of IA/ SIAs, the Joint Petitioner No. 2 has agreed to sell entire net saleable energy from project to the Joint Petitioner No. 1/ HPSEBL at the generic levellised tariff, as may be applicable to the Project, as per the provisions of the

Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from Renewable Energy Sources and Terms & Conditions for Tariff Determination) Regulations, 2017, as amended from time to time, (RE Regulations 2017 for short).

7. It is further averred that the Commission vide order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 has determined the generic levellised tariff for Small Hydro Projects (SHPs) above 100 kW and upto 25 MW for the 4th control period i.e. 01/10/2023 to 31/03/2027 (SHP Tariff Order). The Scheduled Commercial Operation Date (SCOD) of the Project for 4.50 MW capacity was 26.01.2025, as certified by the Chief Executive Officer, HIMURJA, Shimla and the SCOD for the enhanced capacity of 9.0 MW was fixed as 30.06.2026 by the DoE, GoHP vide letter No. HPDOE/ CE (Energy) Soiel Dasha/ 2026-11492 dated 07.03.2026 (Annexure P-9). Hence, SCOD of the original capacity and the additional/ enhanced capacity of the Project clearly fall within the ambit of the 4th Control Period and therefore, the generic levellized tariff determined by the Commission for the 4th control period for the category of SHP having capacity of 5 MW and upto 25 MW shall be applicable.

8. It is averred that the tariff order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 stipulates a generic levelled tariff of Rs. 4.78 per kWh, for the Project having capacity of 5.0 MW and upto 25 MW which is applicable, which is subject to adjustment on account of the following:-

- a) Adjustment(s) on account of incentive and/ or Subsidy and/ or grant available for the Project.
- b) Additional Tariff on account of O&M for the SHPs having capacity of 5.0 MW but not exceeding 6.5 MW.
- c) Adjustment on account of variation between the normative free power structure and the actual free power structure of the Project, subject to a maximum permissible limit of 13%.

9. It is averred that the Ministry of Commerce and Industry vide notification No. 2(2)/2018-SPS dated 23.04.2018 introduced the Industrial Development Scheme for the States of Himachal Pradesh and Uttarakhand for incentive/ subsidy (IDS, 2017 for short) which was effective from 01.04.2017 to 31.03.2022 and the Joint Petitioner No. 2 had applied for the same on the DPIIT Portal vide application No. IDS/HP/2761 dated 26.03.2022 (Annexure P-7). The Joint Petitioner No. 2 vide letter No. SDHPPCL/2025-26/01/DIC, Kullu dated 05.05.2025 (Annexure P-8) sought the status of its application from the General Manager, Industries Department, Kullu but the General

Manager, Industries Department, Kullu vide letter No. Ind.Klu.CCIIAC/17/Misc-394 dated 07.05.2025 (Annexure P-8) intimated that the status of the application on the DPIIT portal is reflected as closed and, therefore, the Project will not be eligible for grant of industrial subsidy under IDS, 2017.

10. It is averred that the Joint Petitioner No. 2 has neither availed nor is eligible for any incentive/ subsidy under IDS, 2017, as categorically confirmed by the Directorate of Industries, Himachal Pradesh and that the denial of subsidy is not attributed to any lapse on part of the Joint Petitioner No. 2 and thus, the industrial subsidy is not liable to be factored into while considering the tariff for the Project in accordance with the provisions of the RE Regulations, 2017.

11. It is also averred that no additional tariff on account of O&M is applicable to the Project as the capacity of the Project exceeds 6.5 MW. Further, while determining the tariff of Rs. 4.78 per kWh, the Commission has considered free power at 13% (inclusive of 1% LADF) for the entire life of the Project. Moreover, IA dated 12.01.2026 provides for royalty in the form of free power uniformly at 13% (inclusive of 1% LADF) through the agreement period and thus, no variation in free

power structure warrants any adjustment in tariff. Therefore, the Project of the Joint Petitioner No. 2 is entitled to the tariff of Rs. 4.78 per kWh.

12. We have heard Sh. Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. L.S. Mehta, Ld. Counsel for the Joint Petitioner No. 2 and perused the case file carefully.

13. Initially, the GoHP allotted 1.0 MW capacity Project to M/s Alvasa Power (India) Ltd. which signed MoU with the GoHP on 02.06.2001. M/s Alvasa Power (India) Ltd. after carrying out detailed survey and investigation submitted the Detailed Project Report (DPR for short) for the installed capacity for 4.50 MW capacity qua which TEC was accorded on 02.03.2008. Later on, an Implementation Agreement was signed by M/s Alvasa Power (India) Ltd. with the GoHP on 20.06.2011 for implementation of 4.50 MW HEP.

14. It is evident from the record that the GoHP vide letter No. NES-F(2)-7/2014 dated 03.01.2015 accorded change of name from Alvasa Power (India) Ltd. to Soiel Dashal Hydro Power Private Limited and a tripartite agreement to this effect was signed on 04.02.2015. Pursuant thereto the GoHP and M/s Soiel Dashal Hydro Power Pvt. Ltd. signed the SIA on 04.02.2015. Meanwhile, the GoHP introduced the One Time

Amnesty Scheme and benefit thereof was accorded to the Joint Petitioner No. 2 and a 2nd SIA to this effect was signed on 27.01.2021. As per the SIA, the SCOD of the Project was scheduled on 26.01.2025. It is also evident from the record that the Joint Petitioner No. 2 further carried out detailed survey and investigation at Project site and submitted DPR for installation and implementation of 9.0 MW HEP instead of 4.50 MW HEP on 05.09.2023 and considering said request of the Joint Petitioner No. 2, the GoHP accorded in-principle approval for capacity enhancement of Soiel Dashal HEP from 4.50 MW to 9.0 MW and Technical Concurrence (TC) was accorded by the DoE on 25.11.2023. Accordingly, IA dated 12.01.2026 was signed with the GoHP for implementation of 9.0 MW Project.

15. As per the certificate issued by the DoE on 07.03.2026, as conveyed vide letter No. HPDOE/CE(Energy)/Soiel Dashal/2026-11492 dated 07.03.2026, the SCOD of the Project is scheduled for 30.06.2026.

16. The Joint Petitioner No. 2 had initially signed the Connection Agreement for 4.50 MW capacity on 15.01.2021. However, after the capacity has been enhanced to 9.0 MW, a fresh Connection Agreement has been signed with the HPPTCL on 13.02.2026 vide which the

HPPTCL has agreed to connect the Project to its Transmission and Communication System at the Connection Point i.e. 33/220 kV Phojal Sub-station using the Transmission and Communication System of the STU.

17. Initially a Joint Petition No. 05 of 2022 was filed before the Commission for the approval of PPA in respect of 4.50 MW capacity and the Commission accorded the approval for the PPA vide order dated 22.03.2022. Paras 19 and 20 of the order dated 22.03.2022 are reproduced as under:-

“19. Therefore, there are the merits in the Petition. The Petition is accordingly allowed. The draft PPA as produced by the Petitioner is ordered to be approved subject to the condition that the tariff of the project of the Petitioner shall be the tariff which would be in the Control period of SCOD of the project. The present tariff of the 3rd Control Period comes to Rs.4.67 per unit as per the Petitioner but same is inconsequential as SCOD of the project is beyond 30.09.2023 and generation, if any, will be only after the SCOD of the project and the tariff of the said control period would be applicable.

20. The Technical Division is directed to process the matter within 2 days, make necessary additions and alternations in the draft PPA and thereafter, the PPA after its approval be sent to the parties and parties are directed to sign the PPA jointly and send three signed copies of the PPA to the Commission within one week well before 31.03.2022.”

18. Apparently, the SCOD of the Project was during the 4th Control Period and the tariff of the 4th Control Period was yet to be determined when the Petition was disposed off.

19. The Commission vide order dated 17.11.2023 in Suo Moto Petition No. 07 of 2023 has determined the generic levelled tariff in respect of the 4th Control Period for the capacity above 100 kW and upto 25 MW. The revised SCOD of the Project is 30.06.2026 and the SCOD of the original capacity was 26.01.2025, both falling in the 4th Control Period. This Commission vide order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 has determined the generic levelled tariff for the 4th Control Period (01.10.2023 to 31.03.2027) 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

20. It has been mentioned in the Joint Petition that the Ministry of Commerce and Industry had introduced the IDS, 2017 effective from 01.04.2017 till 31.03.2022. According to the Joint Petitioner No. 2, it had applied on the DPIIT portal on 26.03.2022 for the subsidy. However, no subsidy/ incentive has been accorded in respect of the Project as evident from letter of the General manager, District Industries Centre, Kullu dated 04.01.2025 that the status of the application submitted on the DPIIT portal for registration is reflected as "Closed". Since, pre-registration has not been granted by the DPIIT, these units are not

eligible for grant of CCIAC under IDS, 2017. Since, the Applicant/ Petitioner had submitted the application in time and no industrial subsidy has been made available to the Project, no adjustment on account of industrial subsidy is required to be made and the tariff is required to be worked out without taking into account the industrial subsidy of Rs. 5.00 Crore. Hence, after not taking into account the industrial subsidy of Rs. 5.00 Crore, a tariff of Rs. 4.78 per kWh is applicable to the Project of the Petitioner from the date of commissioning of the Project.

21. It is mentioned in the Petition that no additional tariff on account of O&M is applicable to the Project as the capacity of the Project exceeds 6.5 MW. Further, while determining the tariff of Rs. 4.78 per kWh the Commission has considered free power at 13% (inclusive of 1% LADF) for the entire life of the Project. Moreover, IA dated 12.01.2026 provides for royalty in the form of free power uniformly at 13% (inclusive of 1% LADF) through the agreement period and thus, no variation in free power structure warrants any adjustment in tariff. Therefore, the Project of the Joint Petitioner No. 2 is entitled to the tariff of Rs. 4.78 per kWh.

22. The SCOD of the Project for the original capacity was 26.01.2025 and the SCOD for the enhanced capacity is 30.06.2026 meaning

thereby that the SCOD in respect of the enhanced capacity falls within the 4th Control Period of generic levelled tariff which has been determined by the Commission for the 4th Control Period w.e.f. 01.10.2023 to 31.03.2027 vide Order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 under RE Regulations, 2017, as amended. The enhanced capacity of the Project is 9.00 MW. As per the SHP Tariff Order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023, the applicable tariff for the enhanced capacity of the 9.0 MW of the Project shall be Rs. 4.78 per kWh without any adjustment of industrial subsidy and Royalty/ free power.

23. 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.

24. Thus, the tariff of Rs. 4.78 per kWh shall be applicable to the Project from the date of commercial operation of the Project after excluding the industrial subsidy.

25. However, the original capacity of the Project was 4.50 MW qua which the PPA had been signed by the Joint Petitioner on 31.03.2022. The SCOD of the original capacity was 26.01.2025. Since, later on the

capacity of the Project was enhanced to 9.0 MW, the Joint Petitioner No. 2 shall be liable to pay Liquidated Damages as per the PPA dated 31.03.2022 in respect of 4.50 MW capacity to the Joint Petitioner No. 1/ HPSEBL from the date of SCOD i.e. 26.01.2025 (in respect of 4.50 MW capacity) till the commissioning of the Project.

26. However, it is made clear that in case the Project is not commissioned during the 4th Control Period, the tariff, whichever is lower shall be applicable for the Project.

27. Both the parties have agreed for the sale and purchase of the power from the Project.

28. 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 Connection Agreement dated 13.01.2026, the Implementation Agreement dated 12.01.2026, the Technical Concurrence dated 25.11.2023, the Scheduled Commercial

Operation Date of the Project, the Joint Petitioners have made out a case for the approval of the Long Term PPA under the Generic Levellised Tariff.

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

- (i) As per the provisions of order dated 17.11.2023 in Suo Moto Petition 07 of 2023, the tariff of Rs. 4.78 per kWh is applicable for the Project of the Joint Petitioner No. 2.
- (ii) The Interconnection Point for the Project shall be as per the Connection Agreement dated 13.01.2026 and the O&M shall be payable by the Joint Petitioner No. 1 as per the Connection Agreement dated 13.01.2026.
- (iii) The Joint Petitioner No. 2 shall pay the Liquidated Damages to the Joint Petitioner No. 1 as per the PPA dated 31.03.2022 in respect of 4.50 MW capacity till the commissioning of the Project.
- (iv) 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 and either of the parties shall approach the Commission for appropriate order.
- (v) In case the Project is not commissioned during the 4th Control Period, the tariff, whichever is lower shall be applicable for the Project.

30. 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 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. Three copies of the executed Supplementary Power Purchase Agreement be submitted to the Commission for record.

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

32. The file after needful be consigned to records

Announced
07.04.2026

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

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