

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

Petition No: 73 of 2026
Instituted on: 06.02.2026
Heard on: 07.04.2026
Decided on: 14.05.2026

CORAM:

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

SHASHI KANT JOSHI
MEMBER .

In the matter of:-

The HP State Electricity Board Limited.
through Chief Engineer (System Operation),
VidyutBhawan, Shimla, H.P.-171004.**Petitioner**

Versus

The HP State Load Despatch Center.
Totu, Shimla, H.P.-171011.**Respondent No. 1**

The HP Power Transmission Corporation Limited.
Tutikandi, Shimla, H.P.-171005.**Respondent No. 2**

The HP Power Corporation Limited.
Himfed Building, BCS, New Shimla, H.P.-171009.
.....**Respondent No. 3**

The HIMURJA.
SDA Complex Kasumpti, H.P.-171009.
.....**Respondent No. 4**

The Directorate of Energy,
Government of Himachal Pradesh,
2nd Floor, MC Parking Building, Tutikandi
Shimla, H.P.-171005.**Respondent No. 5**

Petition under the provisions of Section 86 (1) (i) of the Electricity Act, 2003, read with Regulations 56 & 59 of HPERC (Conduct of Business) Regulations, 2024 for the approval of the “Resource Adequacy Plan (Generation) for Himachal Pradesh for FY 2025-26 to FY 2035-36 to meet peak and electrical energy requirement at optimal cost.

Present:-

Sh. Kamlesh Saklani, Authorised Representative for the Petitioner.

Sh. Rakesh Negi, Deputy Chief Engineer for the Respondent No. 1.

Sh. Ashish, Law Officer for the Respondent No. 2.

None for the Respondent No. 3.

Sh. Ankit Kaloti, Ld. Counsel for the Respondent No. 4.

Sh. Arvind Kumar, Legal Consultant for the Respondent No. 5.

ORDER

This Petition has been filed by the Himachal Pradesh State Electricity Board Limited (hereinafter referred to as the “HPSEBL/Petitioner”) under Section 86 (1) (i) of the Electricity Act, 2003, seeking approval of the “Resource Adequacy Plan (Generation) for Himachal Pradesh for FY 2025-26 to FY 2035-36 to meet peak and electrical energy requirement at optimal cost.

2. The Ministry of Power, Government of India vide Notification No. G.S.R. 911(E) dated 29.12.2022 has notified Electricity (Amendment) Rules, 2022. As per Rule 16 of said Rules, the Ministry of Power, in consultation with Central Electricity Authority (CEA), has

issued the guidelines for Resource Adequacy for the Indian electricity sector which shall be followed by all the institutions and stakeholders.

3. As per petition, CEA had initially carried out a Resource Adequacy (RA) study with a planning horizon up to FY 2034-35, based on the data provided by the State entities. This study has now been updated and extended to cover the period up to FY 2035-36, incorporating the latest data furnished by the State and planning assumptions.

4. As per the HPSEBL, the study has been done considering the increase in electricity energy requirement and peak electricity demand for Himachal Pradesh with a CAGR (Cumulative Average Growth Rate) of 4.63% and 3.71% respectively from FY 2025-26 to FY 2035-36, as per mid-term review of 20th EPS (Electricity Power Survey) demand projections.

5. As per the Petition, the Resource adequacy studies have projected likely optimal capacity mix for future years till FY 2035-36 which shall be able to reliably meet anticipated demand. Based on the study, the likely total projected contracted capacity for the year

2035-36 will be around 11,524 MW which consists of 410 MW from coal; 4 MW from biomass, 55 MW from nuclear, 2,247 MW from hydro, 4,067 MW from solar, 900 MW from hydro based, 569 MW from hydro based Distributed Renewable Energy (DRE) source, 383 MW from solar based DRE, 448 MW from small hydro plant (SHP), 1,299 MW from Storage and 1,143 MW of MTOA/STOA arrangements. This capacity shall be able to meet the projected demand with prescribed reliability criteria

6. As per the Petition, the Resource Adequacy Plan has been designed to ensure that generation capacity is added at a pace matching the growth in power demand and at the same time is slightly ahead of the demand so that on account of the shortage of electricity, growth of the State is not slowed down.

7. As per the HPSEBL, it is mandated to supply 24 X 7 reliable power to its consumers and also duty bound to tie up sufficient capacity to meet the demand. Compliance to the Resource adequacy norms and Guidelines shall ensure that the DISCOM ties up sufficient capacity to meet the demand of the area it is licensed to serve and avoiding over reliance on the electricity market.

8. In the Petition, the HPSEBL has shared future demand projections along with existing capacity and planned capacity, in line with its Energy Policy 2021 to achieve the status of total Green Energy State. The future planned capacity, proposed by the HPSEBL is mostly RE power portfolio based on inputs received from Directorate of Energy (DoE) as also the HIMURJA for Hydro and Solar upcoming projects which are mandatory purchase by the HPSEBL. The upcoming HPPCL Hydro projects i.e. Shongtong Karcham, Chanju-III and Kashang Stage-II & III, are also considered with expected COD in 2028-29 in projected capacity addition plan for which the signing of Power Purchase Agreements (PPA) are under process.

9. The HPSEBL has submitted that the Resource Adequacy Plan report is based on the firm sources of power tied up/ to be tied up. The Govt. of HP Free Power which should be provided to the HPSEBL for the consumption by the people of the State is not available on firm basis and at present is being made available to the HPSEBL only in respect of those projects which are directly connected to the DISCOM network. However, it is not firm and has

not been taken in the Resource Adequacy Plan. It is further submitted that the Government of Himachal Pradesh equity power has also not been taken in the resource adequacy plan in view of the similar reason of firm availability from the GoHP. It is further submitted that the GoHP vide notification No. MPP-C(10)-2/2025 dated 08.01.2026 has reallocated equity power from SJVNL's NathpaJhakri Hydro Power Station and Rampur Hydro Power Station to Directorate of Energy (HPEMC) w.e.f. 01.04.2026. It has been prayed to approve the vetted RAP(Annexure-3) as prepared by the CEA.

10. In the petition, the HPSEBL has submitted that since the GoHP has withdrawn the equity power available to the HPSEBL, the HPSEBL needs additional tie up of 448 MW FDRE (Firm Dispatchable Renewable Energy) over and above the Long-term Distribution Licensee Resource Adequacy Plan (LT-DRAP) vetted by the CEA, to meet the projected demand and unserved energy. The Petitioner has further submitted that the WTD (Whole Time Directors) of the HPSEBL has decided and approved to tie up additional capacity of 448 MW FDRE (RTC) power offered by SJVNL

vide agenda item no. 174.06 in WTD meeting dated 29.01.2026 (Annexure- III) subject to the approval of the Commission.

11. On notice, the Respondent No. 1, 2 and 3 have filed separate replies.

12. The Respondent No. 1 in its reply has not objected to the averments made in the Petition.

13. The Respondent No. 2 in its reply has averred that as per Regulation 2(1) of the HPERC (Framework for Resource Adequacy) Regulations, 2025, the objective of the said Regulations is to enable implementation of the Resource Adequacy framework by outlining a mechanism for planning of both generation and transmission resources so as to reliably meet the projected demand in compliance with the specified reliability standards for serving the load with an optimum generation mix. The Respondent No. 2 has further averred that the CEA Report placed on record reveals that the optimization study undertaken therein is primarily limited to generation modelling. The report explicitly states that *“a single node has been considered for the purpose of study with all generating units and demand connected to the node; no transmission bottleneck has been*

considered for the study; and interstate ATC limit has not been considered.” In view of the above modelling assumptions, the Resource Adequacy study essentially addresses generation adequacy of the State at an aggregate level and does not account for the constraints of the actual transmission network.

14. The Respondent No. 2 has also averred that the petition projects a total contracted capacity of approximately 11,524 MW by the year 2035-36, which includes integration of highly variable capacities such as 4,067 MW from solar and 1,299 MW from storage. However, the petition does not provide detailed information regarding the geographical locations, spatial distribution or grid injection points of the proposed capacities. As per it, the Distribution Licensee is required to submit information regarding contracted capacity to the State Load Dispatch Centre and the State Transmission Utility for the purpose of compliance verification. However, in the absence of data regarding the geographical locations, spatial distribution and injection points of the proposed capacities, the compliance verification to ascertain grid feasibility and

transmission adequacy cannot be carried out by the State Transmission Utility.

15. The Respondent No. 3/ HPPCL in its reply has submitted that the HP Swarn Jayanti Energy Policy, 2021, along with subsequent amendments, stipulate that power generated from solar power projects above 5 MW capacity developed by State Government entities such as HPPCL and HIMURJA shall be mandatorily procured by HPSEBL at the tariff discovered through a Competitive Bidding Process and approved by the Himachal Pradesh Electricity Regulatory Commission (HPERC/ Commission). The Respondent No. 3/ HPPCL has also averred that the Commission in its Order dated 20.05.2023 in Petition No. 17 of 2023 regarding approval of procurement of 250 MW of Solar Power through a Tariff-Based Competitive Bidding Process from grid-connected Solar PV Projects situated within Himachal Pradesh has held that the tariff for grid-connected solar PV power plants developed within the State shall be linked to the latest SECI discovered tariff plus 15%, considering the unique geographical, topographical and climatic conditions prevalent in Himachal Pradesh. The Respondent No. 3/ HPPCL has further

averred that the HPPCL has tied up funding for a total capacity of 180 MW to be set up in the year 2027-28, detailed below:-

- a. Already commissioned 47 MW (three (3) projects)
- b. Under Construction 31 MW (three (3) projects)
- c. Under tendering 49 MW/ 30.8 MWh (six (6) projects)
- d. Balance in DPR stage 53 MW/ 37.1 MWh

16. The Respondent No. 3/ HPPCL has attached the detail of following under execution, Solar PW Projects:-

- (i) Gondpur Bulla SPP 12 MWac
- (ii) Lamlehri SPP 11 MWac
- (iii) BadaBasot SPP 08 MWac

17. Respondent No. 3 has further submitted that the above Solar Power Projects have been awarded through online transparent Competitive Bidding Process with e-Reverse Auction mechanism. Therefore, it has been prayed to take on record the upcoming Solar Power Projects of HPPCL and direct the Petitioner/ HPSEBL to consider these projects in its Resource Adequacy Plan.

ANALYSIS BY THE COMMISSION

18. We have heard Sh. Kamlesh Saklani, Authorised Representative for the HPSEBL, Sh. Rakesh Negi, Deputy Chief Engineer for the Respondent No. 1, Sh. Ashish, Law Officer for the Respondent No. 2, Sh. Ankit Kaloti, Ld. Counsel for the Respondent

No. 4 and Sh. Arvind Kumar, Legal Consultant for Respondent No. 5 and have perused the entire record carefully.

19. The Commission has notified Himachal Pradesh Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2025 on 28th April 2025. Regulation 4 of above Regulations reads as under:-

“4. Resource Adequacy Framework.- (1) Resource Adequacy Framework shall comprise of planning of generation resources for reliably meeting the projected demand in compliance with specified reliability standards for serving the load with an optimum generation mix at least cost and in a secure manner.

(2) Resource Adequacy Framework shall cover following steps:- (a) Demand assessment and forecasting; (b) Generation resource planning; (c) Procurement planning; and (d) Monitoring and compliance.

(3) The time periods under the Long Term, Medium Term and Short Term for the purpose of Resource Adequacy Planning under these Regulations shall be as defined under sub-regulation (1) of Regulation 3 of these Regulations.

(4) The Resource Adequacy exercise shall be planned, developed and prepared for a period of 10 (Ten) years on annual rolling basis.

(5) The Distribution Licensee shall develop and prepare Long-Term Distribution Resource Adequacy Plan (LT-DRAP), Medium-Term Distribution Resource Adequacy Plan (MT- DRAP) and Short-Term Distribution Resource Adequacy Plan (ST-DRAP) in accordance with the conditions outlined under these Regulations.”

20. It is apparent from the report on Resource Adequacy Plan for Himachal Pradesh for FY 2025-26 to FY 2035-36 approved by the CEA that the electrical energy requirement of the Himachal Pradesh

as furnished by the Petitioner and the projections available in the mid-term review of the 20th Electric Power Survey (EPS) have been considered for the preparation of RAP. The peak demand projections of the Discom/ HPSEBL are as per mid-term review of 20th EPS projections. The Petitioner has considered the actual solar and wind generation profiles and capacity Utilization Factor (CUF) as per National Electricity Plan 2023. The Petitioner has also considered the capital cost of candidate plants for Coal, Wind, Solar, Battery as also Pump Storage Plants (PSP) as per the National Electricity Plan, 2023.

21. A careful perusal of the Resource Adequacy Plan, as approved by the CEA on the proposal of the Petitioner, shows that the Petitioner has by and large adhered to the Himachal Pradesh Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2025.

22. Though, the HPPTCL has claimed that the RAP addresses only the generation adequacy and does not take into account the constraints of actual transmission system and since bulk power analysis is used for finalizing the RAP i.e. generation adequacy on a

lump sum basis, the transmission constraints cannot be judged from the data as considered. The sum and substance of the submissions of the HPPTCL is that in order to ensure minimal mismatch between future load demand and power transmission capacity of the intra state transmission system, it is important that planning and execution of schemes for strengthening of intra-state transmission system with at least ten year horizon is ensured which requires timely preparation of schemes and execution and signing of advance transmission services agreements but the Petition lacks such aspects.

23. The submissions of the HPPTCL are not relevant at this stage for the approval of LT-DRAP as the transmission network expansion shall be as per the requirements of DISCOM and future load centers of DISCOM and transmission system shall be designed and rolled out as per transmission planning criteria. Since the Petition pertains to the approval of LT-DRAP, as such, the transmission resource adequacy/ planning is not the subject matter of the present Petition. However, the Commission find it appropriate to issue directions for sharing of data related to upcoming new load centers and projected

Inter-state draws by DISCOM so as to enable system planning of transmission elements in the state.

24. The Respondent No.3/ HPPCL has submitted that the HPPCL has tied up funding for a total Solar capacity of 180 MW to be set up in the year 2027-28 and three number projects totaling to 31 MW are under construction. The Respondent No. 3 has further submitted that these Solar Power Projects have been awarded through online transparent Competitive Bidding Process with e-Reverse Auction mechanism and prayed to take on record the upcoming Solar Power Projects of HPPCL and direct the Petitioner/ HPSEBL to consider these projects in its Resource Adequacy Plan.

25. No commissioning dates of the Projects have been mentioned by the Respondent No. 3. Any Solar Power Procurement above 5.00 MW shall be through competitive bidding process as per Section 63 of the Electricity Act, 2003. Thus, the Commission declines to consider the prayer of the Respondent No.3/HPPCL to issue any direction to Petitioner as the process for adoption of tariff under section 63 is not subject matter of these proceedings. Here it is also relevant to mention that the Respondent No. 3 has so far not signed

the PPA in respect of Shongtong HEP, Chanju-III and Kashang- II and III as directed by the Commission in the previous order approving RAP in MA No. 283 of 2025. The Respondent No. 3 is again directed to do the same at the earliest.

26. It is also relevant to mention that the Commission in Petition No. 48 of 2024 has made it quite clear that the tariff of 15% over and above the SECI determined tariff shall not be available for future PPAs. Paras 18 and 21 of order dated 12.04.2024 in Petition No. 48 of 2024 are reproduced as under:-

“18. The petition has been filed on 21.10.2023. The SECI has called for the tenders on 13.10.2023 for tariff based competitive bidding and the rate discovered pursuant thereto was Rs. 2.52 /- unit as available on the website of SECI, i.e. tender Rfs No. SECI/C&P/IPP/11/0007/23-24 Dated 13.10.23. Therefore the SECI discovered rate was Rs. 2.52/- per unit when the petition had been filed. The Commission has permitted 15% additional cost over and above the SECI determined rate vide order dated 20.05.2023 in Petition no. 17 of 2023 and thus, the solar power in respect of the Pekhubella Solar Power Project may be procured at the rate of Rs. 2.90/- per unit.

21. It is made clear that it being a special case shall not be quoted as precedent in future. It is also made clear that the DISCOM shall follow the proper procedure for procurement of solar power for the future so that consumers of the State can avail benefit of solar power available at much cheaper rates and are not burdened with higher rates of power purchase. We also make it clear that the exemptions / waiver of transmission charges, available under GNA regulations, shall be availed as usual so that consumers of the State are benefited.”

In view of the aforesaid, the contention of the Respondent No. 3 is not tenable.

27. In view of the above, it is in the interest of the HPSEBL and consumers of the State to approve the Resource Adequacy Plan (Generation) for Himachal Pradesh (2025-26 to 2035-36) to meet peak and electrical energy requirement at optimal cost (Annexure-II).

The Petition is accordingly allowed with the following terms:-

- (i) The Petitioner shall enter into the PPAs with HPPCL as early as possible in respect of Shongtong HEP, Chanju-III and Kashang- II and III, but not later than three months.
- (ii) The HPSEBL shall tie up alternate power of 448 MW in lieu of equity power of government of Himachal Pradesh.
- (iii) The petitioner shall also sign PPAs with other proposed developers with sufficient protective clauses that in case of non-implementation of proposed projects, the Petitioners shall be at liberty to source the power from alternate sources on long term basis to fulfill the requirements of Himachal Pradesh Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2025.
- (iv) The Petitioner shall share of data related to upcoming new load centres and projected interstate drawls with Respondent No.2 / HPPTCL to enable them planning transmission system in the state.

- (v) The status of the above directives shall be placed before the commission within three months from the issue of this order.

28. In view of the above discussions and finding, the Petition accordingly succeeds and allowed.

29. Petition be registered.

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

31. Pending applications, if any, are also deemed to have been disposed off.

The file after needful be consigned to records.

Announced

14.05.2026

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

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