BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

Petition No: 168 of 2026
Date of Institution: 04.08.2026
Arguments Heard on: 16.09.2026
Decided on: 22.09.2026

CORAM

Shashi Kant Joshi
MEMBER-cum-CHAIRMAN

In the matter of:-

The HP State Electricity Board Limited,
through Chief Engineer (System Operation) HPSEB Ltd.
Vidyut Bhawan, Shimla, H.P-171004. **………Petitioner**

Versus

The Satluj Jal Vidyut Nigam (SJVN) Thermal (P) Limited,
Buxar Thermal Power Project (BTPP)
Mohanpurwa, Akhauripur Gola, Chausa,
Distt. Buxar,Bihar 802114., **……….Respondent No. 1**

The Directorate of Energy, GoHP,
M.C. Parking Building, 2nd Floor, Tutikandi Crossing,
Shimla, H.P.-171005. **……….Respondent No. 2**

The Himachal Pradesh Power
Transmission Corporation Limited (HPPTCL)
Himfed Bhawan, ISBT Road, Panjari,
Shimla, HP-171005. **……….Respondent No. 3**

The Himachal Pradesh Power
Corporation Limited (HPPCL)
Himfed Building, BCS, New Shimla,
Shimla, HP-171009. **……….Respondent No. 4**

The Himachal Pradesh State Load Dispatch Centre (HPSLDC)
Totu, Shimla, HP-171011. **……….Respondent No. 5**

Sh. Kameshwar Singh Dhaulta,
Consumer Representative, House No. A-62,
Phase-1, Sector-2, Main Road,
New Shimla, HP-171009. **……….Respondent No. 6**

Petition under Sections 86(1)(b) of the Electricity Act, 2003 read with Regulation 56 and 57 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 for the approval of procurement of 198 MW Thermal Power from Buxar Thermal Power Plant (2x 660 MW) of S.TVN Thermal Pvt. Ltd. (wholly owned subsidiary of SJVN Ltd.) on medium term basis for five years by HPSEBL, further extendable on mutual agreeable period, at CERC determined tariff only during the winter months i.e., from October to March, every year.

Present:-

Sh. Rajesh Kashyap, Ld. Counsel for the Petitioner.
Ms. Rashmi Vaish, Ld. Counsel for the Respondent No. 1.
Sh. Arvind Kumar, Law Officer for the Respondent No. 2.
Ms. Anita Sharma, Addl. Superintending Engineer for the Respondent No. 5
None for the Respondents No. 3, 4 and 6.

ORDER

This Petition has been filed by the Himachal Pradesh State Electricity Board Limited (the Petitioner/ HPSEBL for short) under Section 86(1)(b) of the Electricity Act, 2003 (Act for short) readwith Regulations 56 and 57 of the Himachal Pradesh Electricity

Regulatory Commission (Conduct of Business) Regulations, 2024 (CBR, 2024 for short)seeking,-

(i) approval for procurement of 198 MW Thermal Power from Buxar Thermal Power Plant (2x 660 MW) of SJVN Thermal Pvt. Ltd. (wholly owned subsidiary of SJVN Ltd.) on medium term basis for five years by the Petitioner/HPSEBL, further extendable on mutual agreeable period, at the CERC determined tariff only during the winter months i.e., from October to March, every year in terms of Section 79(1) (a) readwith Sections 61, 62 and other applicable provisions of the Electricity Act, 2003 (Act for short), subject to the approval of this Commission; and

(ii) approval to the draft Power Purchase Agreement (draft PPA)

2. According to the Petitioner, the Respondent No. 1 - SJVN Thermal (P) Limited **("STPL** for short **")** is a wholly owned subsidiary of SJVN Limited **("SJVNL** for short**"),** incorporated for execution of (2x660 MW) 1320 MW Buxar Themal Power Project **("BTPP** for short**")** in Chausa, District Buxar, Bihar.

3. The SJVNL took over Buxar Bijlee Company Pvt. Limited from Government of Bihar and renamed as SJVN Thermal (P) Limited (STPL). The first project taken up by the STPL for execution is the (2x660 MW) 1320 MW Buxar Thermal Power Project in Chausa, Distt. Buxar, Bihar. BTPP is a coal based thermal power project envisaged to strengthen the regional power supply and meet the growing demand of the beneficiary States.

4. According to the Petitioner, the tariff for the generation and sale of electricity by BTPP to Distribution Licensees is to be regulated by the Hon'ble Central Electricity Regulatory Commission (CERC for short) in terms of Section 79(1) (a) readwith Sections 61, 62 and other applicable provisions of the Act. Sections 79(l)(a) and 62 of the Act, empowers the CERC to regulate and determine the tariff of the Generating Companies owned or controlled by the Central Government.

5. The present Petition has been filed for; (i) the approval of procurement of power of 198 MW Thermal Power from STPL (2x 660 MW) on medium term basis for five years which is further extendable on mutual agreeable period, only during the winter months i.e. from

October to March every year, as per the tariff determined by the CERC in terms of Section 79(1) (a) readwith Sections 61, 62 and other applicable provisions of the Act, subject to the approval of this Commission; and (ii) the approval of the draft PPA to be signed between the Petitioner/HPSEBL and the STPL. The power shall be supplied by the STPL exclusively during the winter months only, i.e., from October to March every year to meet the winter deficit/unsevered energy.

6. It has been informed by the Petitioner/HPSEBL that the Generating Station is connected to the transmission network through dedicated evacuation facilities comprising the Buxar TPS-Naubatpur 400kV D/C transmission line, associated 400/220 kV Inter-Connecting Transformers (ICTs) and other transmission facilities forming part of the approved evacuation system. The delivery point for supply of power under this arrangement shall be the point of injection of power from the STPL Generating Station (switchyard/Bus-bar of STPL) into the Intra-State Transmission System. The contracted power shall be supplied on an ex-bus basis and

evacuated through the transmission system connected to the Generating Station.

7. In this context, the Petitioner/HPSEBL has informed that the Transmission Charges and losses beyond the delivery point shall be borne and payable by the Petitioner/HPSEBL which inter alia includes Inter-State Transmission System (ISTS for short) charges and losses, Intra state Transmission Charges and losses, scheduling charges and any other charges, fees, levies or expenses imposed by the Central Transmission Utility of India (CTUIL for short), Grid Controller of India Limited (Grid-India for short), National Load Despatch Centre (NLDC for short), Regional Load Despatch Centre (RLDC for short), State Load Dispatch Centre (SLDC for short), transmission licensees or any other statutory, regulatory or competent authority in connection with the scheduling, transmission, wheeling and delivery of power supplied under this arrangement.

8. The Petitioner/HPSEBL has submitted that this Commission, vide Order dated 14.05.2026 in Petition No. 73 of 2026 relating to the approval of Resource Adequacy Plan (Generation) for HP (Annexure-

A of the Petition), has approved year-wise contracted capacity projections to meet the anticipated demand of the State as under:-

Year	Coal	Nuclear	Biomass	Hydro	Solar	Hybrid	Storage	DRE Hydro	DRE Solar	SHP	STOA/ MTOA
2025-26	160	55	4	1664	617	0	0	418	127	155	1456
2026-27	160	55	4	1664	1167	900	0	427	268	155	1132
2027-28	160	55	4	1684	1167	900	0	441	383	155	1226
2028-29	160	55	4	2247	1167	900	0	480	383	247	1172
2029-30	410	55	4	2247	1934	900	149	543	383	265	1005
2030-31	410	55	4	2247	2321	900	349	549	383	331	1029
2031-32	410	55	4	2247	2708	900	587	549	383	369	1039
2032-33	410	55	4	2247	3100	900	794	549	383	407	1050
2033-34	410	55	4	2247	3364	900	919	549	383	434	1076
2034-35	410	55	4	2247	3724	900	1116	569	383	448	1112
2035-36	410	55	4	2247	4067	900	1299	569	383	448	1143

9. In the contracted capacity projections, the Short Term/Medium Term capacity tie up are more than 1000 MW every year from 2025-26 to 2035-36. The year-wise likely unserved energy ·with the existing and planned capacity is given in the table below:-

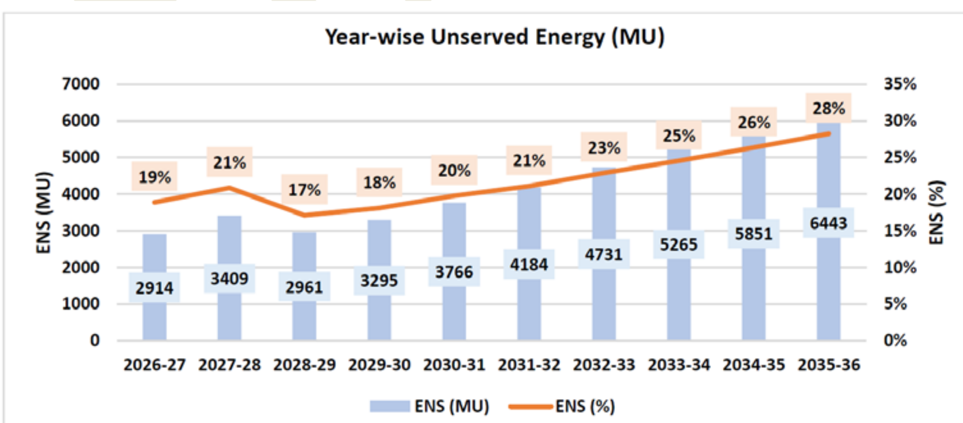

Figure 8: Yearly likely unserved energy (in MU) with the existing and planned capacities

10. As per the Petitioner/HPSEBL, it can be ascertained that the contracted capacity (present and planned) is unable to meet the demand of the State during the deficit period/ winter months. It is pertinent to submit that the aforesaid 198 MW power is proposed to be scheduled to the Petitioner/HPSEBL from October, 2026 onwards.

11. In view of the above, the Petitioner/HPSEBL has requested this Commission for early disposal of the present Petition so that the scheduling of power to the Petitioner/HPSEBL may be commenced for October, 2026 onward to meet the anticipated winter deficit.

12. The Petitioner/HPSEBL has submitted that it plans to tie up 1000 MW Thermal Power with the NTPC on long term basis from the Telangana Super Thermal Power Plant (STPP for short), Stage-II (3X800 MW). But since the planned/additional/proposed tie up of 1000 MW Thermal Power with the NTPC on long term basis from the Telangana STPP, Stage-II (3X800 MW) have target Tentative Commercial Operation Dates (COD) during the FY 2030-31 and 2031-32, therefore, till the availability of Telangana STPP power, the Petitioner/HPSEBL has decided to tie up 198 MW (15% untied quantum of 1320 MW capacity) Thermal Power from STPL's Buxar

Thermal Power Plant only during the winter months i.e. from October to March every year, on medium term basis for five years further extendable on mutual agreeable period, at the CERC determined tariff. This tie up will provide around 600 MUs during the winter months every year to meet the deficit.

13. The Petitioner/HPSEBL has further submitted that in terms of Section 86(1)(b) of the Act, this Commission is vested with the powers to regulate electricity purchase and procurement process of the distribution licensee in the State of Himachal Pradesh. Even for procurement of power where the tariff is determined or adopted under Section 79 by the Central Commission, in terms of rule 8 of the Electricity Rules 2005 and that the approval of this Commission is required for the purchase of the power.

14. In view of the above-mentioned facts and circumstances, the Petitioner/HPSEBL has filed the present petition for seeking; (i) the approval to the procurement of 198 MW Thermal Power from STPL on medium term basis for five years further extendable on mutual agreeable period, only during the winter months i.e. from October to

March every year as per the tariff determined by the Appropriate Commission; and (ii) approval to the draft PPA.

REPLY OF THE RESPONDENTS

15. During the course of the proceedings, the Commission gathered that the Consumer Representative was a necessary party for the disposal of the Petition and accordingly, the Commission vide order dated 18.08.2026 impleaded the Consumer Representative as Respondents No. 6 to the Petition and directed him to file a reply in the matter.

16. Comments have been received from the Respondents No. 1, 3 and 5 by filing separate replies.

REPLY OF RESPONDENT NO. 1

17. The Respondent No. 1/ STPL in its reply has submitted that STPL is a wholly owned subsidiary of SJVNL (a Joint Venture of the Government of India and the Government of Himachal Pradesh), incorporated for execution of (2x660 MW) 1320 MW Buxar Thermal Power Project (BTPP) in Chausa, District Buxar, Bihar.

18. As per it, BTPP is a 1320 MW (2x660 MW) coal-based thermal power project located at Chausa, District Buxar, Bihar. Unit-I of BTPP has achieved Commercial Operation Date ("COD") on 14.11.2025.

19. With respect to Unit-II of BTPP, the 72-hour trial run and other requisite tests were successfully completed on 02.09.2026. The reports of the said tests were submitted to the SLDC, Bihar on 03.09.2026. SLDC, Bihar, thereafter, issued the Trial Operation Completion Certificate on 09.09.2026. Further, SJVNL has issued a certificate dated 10.09.2026 under the CERC (Indian Electricity Grid Code) Regulations, 2023 certifying that Unit-II meets the applicable requirements for declaration of commercial operation. Pursuant thereto, STPL, vide its letter dated 10.09.2026 informed the Central Electricity Authority ("CEA"), that the necessary communication is being issued to the ERPC and the SLDC, Bihar for commencement of commercial operation of Unit-II with effect from 00:00 hours on 12.09.2026.

20. As per the STPL, the Petitioner/HPSEBL, *vide* its letter dated 08.07.2026, has conveyed "in-principle approval" of its competent

authority for procurement of 198 MW power from the BTPP during October to March every year for five years, further extendable on mutually agreeable terms, subject to approval of this Hon'ble Commission. Thereafter, *vide* its letter dated 16.07.2026, the STPL confirmed its cooperation for taking the proposal forward and assured the Petitioner/HPSEBL of the necessary support for execution of the PPA and operationalisation of the proposed power procurement arrangement.

21. The STPL has pointed out that the tariff for the power supplied from the BTPP is subject to determination by the CERC and the STPL has already filed Petition No. 111/GT/2026 before the CERC for determination of tariff for BTPP. The CERC has heard the matter and has reserved its order on 30.07.2026 onthe prayer for grant of interim tariff.

22. The STPL has further submitted that it has no objection to the relief sought by the Petitioner/HPSEBL in the present Petition. The STPL supports the prayer of the Petitioner/HPSEBL for approval of the procurement of 198 MW power from the BTPP for the winter months, i.e., from October to March every year, for a period of five

years, further extendable on mutually agreeable terms. The STPL also has no objection to the approval of the PPA proposed to be executed between the Petitioner/HPSEBL and the STPL. The STPL will take necessary steps for execution of the draft PPA upon approval of the Commission.

23. The STPL has added that the proposed procurement of 198 MW by the Petitioner/HPSEBL, represents the untied quantum of the BTPP, being 15% of the installed capacity of 1320 MW, is in line with the proposal discussed between the parties. The STPL has agreed to make available the said power from the BTPP during the winter months, i.e. from October to March every year, for the proposed period of five years.

24. In view of the above, the STPL has submitted that the present Petition may be allowed and the procurement of 198 MW power from the BTPP, as proposed by the Petitioner/HPSEBL, alongwith the draft PPA, may kindly be approved at the tariff determined by the CERC, as may be applicable from time to time. The STPL has added that the approval of the proposed procurement at this stage will enable the parties to complete the necessary formalities and commence

scheduling and supply of power from the BTPP for the upcoming winter period commencing from October, 2026.

REPLY OF RESPONDENT NO. 3

25. The Respondent No. 3/ HPPTCL in its reply has submitted that it has no objection to the proposed medium-term procurement of 198 MW thermal power from Buxar TPP (2 x 660 MW) of SJVNL for the winter months (October to March), as the same appears to be a seasonal tie-up to bridge the winter deficit of the State.

26. The Respondent No. 3/HPPTCL has further submitted that the instant procurement of 198 MW adds to the power firmly contracted by the Petitioner/HPSEBL from the ISTS-connected sources for consumption within the State. Because cumulative ISTS tie-ups directly dictate peak winter drawals over the interstate interface, timely network planning and augmentation of the intra-State grid are critical to ensure secure and unconstrained evacuation.

27. The Respondent No. 3/HPPTCL has added that since the proposed procurement adds to the firm ISTS-connected capacity and the resultant inter-State drawal of the State during the winter months,

the Petitioner/HPSEBL must be directed to furnish to Respondent No. 3/HPPTCL and keep updated upon every new tie-up, the contract-wise details of all power firmly contracted from ISTS-connected sources for consumption within the State. Such details must cover the contracted quantum (MW), term, and month-wise availability profile, alongwith projected inter-State drawal schedules so as to ensure that the intra-State transmission system is planned and developed in time for drawal of the contracted power. The quantum so contracted on a firm basis directly bears upon the contracted capacity of the Petitioner/HPSEBL on the Respondent No. 3/HPPTCL network and the corresponding transmission service arrangements, and must accordingly be duly intimated by the Petitioner/HPSEBL to the State Transmission Utility (STU).

REPLY OF RESPONDENT NO. 5

28. The Respondent No. 5/ HPSLDC in its reply has not resisted the Petition.

29. No specific reply has been filed by the Respondents No. 2, 4 and 6.

SUBMISSIONS OF THE PARTIES

30. Heard Sh. Rajesh Kashyap, Ld. Counsel for the Petitioner, Ms. Rashmi Vaish, Ld. Counsel for the Respondent No. 1, Sh. Arvind Kumar, Law Officer for the Respondent No. 2 and Ms. Anita Sharma, Addl. Superintending Engineer for the Respondent No. 5.

31. Sh. Rajesh Kashyap, Ld. Counsel for the Petitioner submitted that it requires this power from the SJVNL urgently during winter months to meet the demand of the State Consumers. He further informed that the Petitioner is primarily dependent upon hydro power as more than 80% of its power availability is from hydro sources only. Since hydro generation dips significantly during winter months, therefore, the Petitioner is facing supply shortages during winter months. In the past years, the the Petitioner/HPSEBL used to bank its surplus summer/ monsoon months hydro power to get it back during the winter months. But, with the withdrawal of allocation of the SJVNL equity power by the GoHP, the Petitioner could not do significant banking this year. Accordingly, he requested that the power procurement from the SJVNL, as prayed in the Petition, may be approved by the Commission.

32. Certain queries/discrepancies were pointed out in the Petition and the Petitioner/HPSEBL and the Respondent No.1 were directed to file the reply to the same within three days vide Daily Order dated 16.09.2026.

33. The STPL filed its reply to the queries vide submission dated 19.09.2026 as under:

S. N	**Draft PPA Clause**	**Observations of the Commission**	**Reply by STPL**
1.	Definitions: 11. Delivery Point means the interconnection point where electricity is delivered by STPL to the Inter-State Transmission System for accounting purposes. 32. Transmission System means the Inter-State System used for evacuation and delivery of power from the Generating Station. 5.1.1 The Generating Station is connected to the state transmission network through dedicated evacuation facilities comprising the Buxar TPS-Naubatpur 400 kV D/C transmission line, associated 400/220 kV Inter-Connecting Transformers (ICTs) and other transmission facilities forming part of the approved evacuation system. 5.1.2 The Delivery Point for supply of power under this Arrangement	The Delivery Point for the transmission of power needs to be clarified as there has been ambiguity for the same in the draft PSA supplied in the Original Petition. Further, it has been mentioned that there exists a dedicated evacuation facility from the Power Station. The details of the	The observation of Hon'ble HPERC has been considered and the relevant provisions of the Draft PPA have been suitably revised to remove any ambiguity regarding the Delivery Point. The expression "dedicated" has also been omitted from the description of the evacuation/transmission facilities so as not to create any unintended contractual implication regarding the ownership, classification or regulatory treatment of the transmission assets. It is further clarified that transmission charges, transmission losses and other

	shall be the point of Injection of power from the STPL Generating Station (switchyard/Bus-bar of STPL) into the Intra State Transmission System. The contracted power shall be supplied on an ex-bus basis and evacuated through the transmission system connected to the Generating Station. 5.1.3 STPL shall be responsible for evacuation of power up to the Delivery Point. All the charges & loss beyond the delivery point shall be borne by HPSEBL.	transmission charges and losses for the same needs to be informed and has to be adequately addressed in the draft PSA. Also, the Intra-state transmission system involved for evacuation of power be incorporated in the draft PSA.	charges applicable beyond the Delivery Point shall be dealt with in accordance with the applicable regulatory framework. The relevant tariff order of BERC indicating the applicable transmission charges/losses has been enclosed for reference.
2.	7.1 Energy accounting for billing and settlement purposes shall be based on the readings of Special Energy Meters (SEMs) Installed at the Delivery Point and the State Energy Accounts(SEA) issued by the State Load Dispatch Centre (SLDC)or any other competent authority in accordance with the applicable regulations, procedures and guidelines in force from time to time. The SEA, as finalized by the competent authority, shall be final and binding on both Parties for the purpose of accounting and settlement of energy supplied under this Arrangement.	The State SLDC issuing the State Energy Accounts (SEA) needs to be exclusively mentioned in the PSA. Since, it is an Inter-state transaction, the basis for the billing should Ideally be based on the Regional Energy Account (REA)	The observation of Hon'ble HPERC has been considered. The Draft PPA has been revised to specifically identify Bihar SLDC as the State Load Despatch Centre responsible for issuing the applicable State Energy Account for STPL's generating station. The billing and settlement of energy supplied under the PPA shall be based upon the Special Energy Meter (SEM) readings at the Delivery Point and the energy account issued by the competent authority in accordance with the applicable regulations, procedures and grid/accounting framework.

		issued by the concerned Regional Authority. The same needs to be explained.	It is clarified that reference to Bihar SLDC/State Energy Account in the PPA is intended to provide certainty regarding the operational and billing mechanism and shall not derogate from any applicable Regional Energy Account (REA), regional accounting procedure or direction of the competent Regional/State authority, wherever such mechanism is applicable to the transaction. Accordingly, the energy account issued by the competent statutory/regulatory authority in accordance with the applicable framework shall be binding upon the Parties for billing and settlement, subject to the rights and remedies available under the applicable regulations. The reference to other generating stations has been furnished only by way of illustration and shall not override the regulatory framework applicable to STPL.
3.	8.1 HPSEBL shall pay Capacity Charges corresponding to the allocated capacity of 198 MW in accordance with the tariff determined by the Hon'ble Central Electricity Regulatory	Interim tariff is to be given by the CERC as per the prevailing regulations,	The observation of Hon'ble HPERC has been considered. The provision relating to provisional payment of Capacity Charges has been suitably redrafted in the Draft

	Commission(CERC} from time to time. Till the approval/Issuance of provisional/interim/final orderbyCERC,90%ofCapacitycharg esfiled before Hon'ble CERC shall be applicable for payment of Capacity Charges.	then, this provision/ arrangement of 90% capacity charges needs to be explained.	PPA to align the contractual arrangement with the applicable CERC Tariff Regulations, 2024. It is clarified that the provision for interim tariff under the CERC Tariff Regulations is subject to the order/directions of the Hon'ble CERC and shall not be construed as an independent contractual determination of tariff by STPL. Accordingly, pending determination of the applicable interim/final tariff by the Hon'ble CERC, payment shall be made in accordance with the interim tariff, if any, granted/permitted by the Commission. Where the Hon'ble CERC permits provisional billing at a specified percentage of the tariff claimed, the same shall apply to HPSEBL to the extent attributable to the contracted capacity under the PPA. Any difference between the amount provisionally billed/recovered and the tariff finally determined by the Hon'ble CERC shall be adjusted between the Parties strictly in accordance with the final order of the Commission and the applicable CERC

			Regulations. The clause has accordingly been revised in consultation with HPSEBL so that the PPA remains expressly subject to the tariff determined or permitted by the Hon'ble CERC from time to time.
4.	8.4 The Parties acknowledge that, in terms of the provisos of the CERC Tariff Regulations, 2024, the weighted average price of fuel procured from an alternative source shall not exceed 30% of the base price of fuel. Further, where the Energy Charge Rate (ECR) determined on account of the use of such alternative source of fuel exceeds30% of the Base Energy Charge Rate approved by the Commission for the relevant year or exceeds 20% of the Energy Charge Rate applicable for the previous month, whichever is lower, STPL shall undertake prior consultation with HPSEBL at least three 93) days in advance, in accordance with the applicable CERC Regulations to the extent attributable to the power supply under this agreement. The Energy Charges so determined shall remain recoverable from HPSEBL in accordance with the applicable Regulations and any subsequent amendments or orders issued by	Which provisos of the CERC Regulations? Needs to be exclusively mentioned.	The observation has been considered and the relevant provision has been revised in the Draft PPA with specific reference to the applicable provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2024, including the provisions governing procurement/use of fuel from an alternative source and the consequential Energy Charge Rate. The applicable provisions, including Regulation 64, as amended from time to time, shall govern the weighted average price of alternative fuel, the applicable thresholds for prior consultation with beneficiaries and the consequential recovery of Energy Charges. It is clarified that, where the applicable regulatory threshold requiring prior consultation with the beneficiary is triggered, STPL shall

	the Commission.		undertake such consultation in accordance with the CERC Regulations. Such consultation shall not be construed as requiring prior consent of HPSEBL where the applicable CERC Regulations expressly provide otherwise. The Energy Charges determined in accordance with the applicable CERC Regulations shall remain recoverable from HPSEBL to the extent attributable to the power supplied under the PPA. The provision shall remain subject to any amendment, clarification, order or direction issued by the Hon'ble CERC from time to time.
5.	12.4 STPL shall be responsible only for DSM or other commercial liabilities directly attributable to its failure to comply with the declared availability, generation schedule or applicable Grid Code, except where such non-compliance results from Force Majeure, Grid restrictions, transmission constraints, backing down instructions issued by RLDC/SLDC/Grid-India or any competent authority, fuel constraints recognized under applicable regulations, or any event beyond the reasonable control of STPL.	Why STPL is liable only for limited DSM. It should be as per Grid Code/ Regulations. Why Force Majeure clause relating to DSM not applicable for HPSEBL. The same needs to be clarified.	The observation of HPSEBL has been considered. In order to avoid any duplication or inconsistency with the statutory and regulatory framework governing Deviation Settlement Mechanism (DSM), the specific contractual provision dealing with DSM/commercial liabilities has been deleted from the Draft PPA. The Draft PPA has accordingly been revised by deleting the earlier Clause 12.4.

POINTS FOR DETERMINATION

34. The Commission has gone through the submissions of the Petitioner/HPSEBL and the Respondents and perused the entire record carefully. The following points arise for determination in the Petition:-

Point No. 1: Whether the procurement of 198 MW Thermal Power from Buxar Thermal Power Plant (2x 660 MW) of the SJVN Thermal Pvt. Ltd. (wholly owned subsidiary of SJVN Ltd.) on medium term basis for five years by HPSEBL, further extendable on mutual agreeable period, at the CERC determined tariff only during the winter months i.e., from October to March, every year may be allowed, as proposed?

Point No. 2: **Final Order**

35. For the reasons to be recorded hereinafter in writing, point-wise findings are as under:-

Point No. 1: Yes.

Point No. 2: (Final Order) The Petition succeeds and allowed as per operative part of the Order.

REASONS FOR FINDINGS

Point No. 1:

36. The Commission, in exercise of the powers vested in it under Section 86 (1) (b) of the Act has the power to regulate electricity purchase and procurement process of the Distribution Licensee including the price at which the electricity shall be procured from the generating company or licensee or from other sources through agreement for purchase of power for distribution and supply within the State. Section 86 (1) (b) of the Act reads as under:-

> *"(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;"*

37. The Act was enacted by the Parliament to consolidate the laws and transform the power sector into a competitive consumer centric industry. The primary purpose of enactment is to create comprehensive legal framework by distancing the government from direct regulation and promoting private sector participation. The key objectives of the Act as outlined in the preamble and the provisions of the Act includes promotion of competition, de-licensing of generation,

protection of consumer interest, rationalization of tariff, establishing and strengthening of the institutional framework and to improve technical and financial viability of the DISCOMs. The protection of consumers's interest involves availability of reliable and high quality electricity at fair and competitive prices to them through transparent regulations.

38. This Commission, vide order dated 14.05.2026 in Petition No. 73 of 2026 relating to the approval of Resource Adequacy Plan (Generation) for HP, has approved year wise contracted capacity projections to meet the anticipated demand of the State as under:-

"

Year	Coal	Nuclear	Biomass	Hydro	Solar	Hybrid	Storage	DRE Hydro	DRE Solar	SHP	STOA/ MTOA
2025-26	160	55	4	1664	617	0	0	418	127	155	1456
2026-27	160	55	4	1664	1167	900	0	427	268	155	1132
2027-28	160	55	4	1684	1167	900	0	441	383	155	1226
2028-29	160	55	4	2247	1167	900	0	480	383	247	1172
2029-30	410	55	4	2247	1934	900	149	543	383	265	1005
2030-31	410	55	4	2247	2321	900	349	549	383	331	1029
2031-32	410	55	4	2247	2708	900	587	549	383	369	1039
2032-33	410	55	4	2247	3100	900	794	549	383	407	1050
2033-34	410	55	4	2247	3364	900	919	549	383	434	1076
2034-35	410	55	4	2247	3724	900	1116	569	383	448	1112
2035-36	410	55	4	2247	4067	900	1299	569	383	448	1143

"

39. As per the Petitioner/HPSEBL, the contracted capacity (present and planned) is unable to meet the demand of the State during the deficit period/ winter months. The Petitioner/HPSEBL has submitted that it plans to tie up 1000 MW Thermal Power with NTPC on long term basis from the Telangana STPP, Stage-II (3X800 MW). But since the planned/additional/proposed tie up of 1000 MW Thermal Power with NTPC on long term basis from Telangana STPP, Stage-II (3X800 MW) have target Tentative Commercial Operation Dates (COD) during the FY 2030-31 and 2031-32, therefore, till the availability of Telangana STPP power, the Petitioner/HPSEBL has decided to tie up 198 MW (15% untied quantum of 1320 MW capacity) Thermal Power from STPL's Buxar Thermal Power Plant only during the winter months i.e. from October to March every year, on medium term basis for five years further extendable on mutual agreeable period, at the CERC determined tariff. This tie up will provide around 600 MUs during the winter months every year to meet the deficit.

40. The STPL is a wholly owned subsidiary of SJVNL (a Joint Venture of the Government of India and the Government of Himachal

Pradesh), incorporated for execution of (2x660 MW) 1320 MW BTPP in Chausa, District Buxar, Bihar. BTPP is a 1320 MW (2x660 MW) coal-based thermal power project located at Chausa, District Buxar, Bihar. Unit-I of BTPP achieved Commercial Operation Date ("COD") on 14.11.2025 and Unit-II has achieved COD with effect from 00:00 hours on 12.09.2026.

41. The Commission observes that the Act provides a complete and exhaustive statutory framework for the tariff determination. While Section 62 of the Act provides for tariff determination by the Commission, Section 63 of the Act provides for adoption of tariff discovered through competitive bidding. Further, the CERC, under Section 79(l)(a) and 62 of the Act, is vested with the power to regulate/determine the tariff of the Generating Companies owned or controlled by the Central Government.

42. The tariff of the aforesaid Project is to be determined by the CERC as per CERC Tariff Regulations, 2024 and Section 62 of the Act. The STPL/ Respondent No. 1 has placed on record copy of order dated 30.07.2026 in Petition No. 111/GT/2026, whereby the CERC

has heard the matter and has reserved its order on the prayer for grant of interim tariff .

43. The Commission is of the view that the Petitioner shall remain deficient in power in the coming years due to the withdrawal of equity power of around 2000 MUs in the SJVNL hydro projects by the GoHP from the Peitioner/HPSEBL. Therefore, to meet up this demand-supply gap, the Commission considered it in the interest of the State to allow the procurement of 198 MW power during winter months as proposed by the Petitioner. The tariff for this power shall be the same as determined by the CERC as the project falls under the jurisdiction of the CERC.

44. In view of the aforesaid, procurement of power of 198 MW Thermal Power from STPL (2x 660 MW) on medium term basis for five years which is further extendable on mutual agreeable period, only during the winter months i.e. from October to March every year, as per the tariff determined by the CERC in terms of Section 79(1) (a) read with Sections 61, 62 and other applicable provisions of the Act is accordingly allowed.

45. During the proceedings, the Commission had sought certain clarifications from the Petitioner/HPSEBL and the Respondent No. 1/STPL with respect to the provisions contained in the draft PPA. The Respondent No. 1/ STPL, has responded to the queries of the Commission. The Respondent No. 1/STPL has acknowledged the concern of the Commission regarding certain clauses of the draft PPA and has agreed for suitable amendments in the same as discussed under Para 33 of this Order.

46. Accordingly, the parties to the PPA are directed to carry out appropriate modifications in this regard in the PPA to be executed.

47. The Respondent No. 3/HPPTCL, has raised concerns regarding planning of the Intra-state transmission system within the State. It appears form the submissions made by the Respondent No. 3/HPPTCL that there has been serious issue of the coordination between transmission and distribution licensees within the State. Transmission planning falls under the domain of the STU i.e. HPPTCL. Therefore, it cannot run away from its responsibilities enshrined in the Act. Also, the Petitioner/HPSEBL, being the

DISCOM in the State, must update the STU about its future power tie-ups in advance.

FINAL ORDER

48. In view of the above discussions and findings, Petition succeeds and is accordingly allowed.

49. If the parties to the PPA intends to extend the purchase/sale of power from BTPP for period beyond five (5) years, they shall be required to approach this Commission for seeking prior approval for the same.

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

The file after needful be consigned to the records.

Announced
22.09.2026

-Sd/-
(Shashi Kant Joshi)
Member-cum-Chairman