BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

Petition No: **208 of 2026**
Instituted on: 15.07.2026
Heard on: 03.11.2026
Decided on: **12.11.2026**

CORAM:

SHASHI KANT JOSHI
MEMBER-cum- CHAIRMAN.

In the matter of:-

M/s Sai Eternal Foundation,
Registered Office at Sai Bhawan, Sector-IV,
New Shimla, H.P-171009, through
Sh. Munish Sharma, Chief General Manager. **……Petitioner**

Versus

The HP Power Transmission Corporation Limited through its,
Managing Director,
Himfed Bhawan, Panjari, Near ISBT, Shimla-171005.
……..…Respondent No.1.

The HP State Electricity Board Limited.
through Chief Engineer (System Operation),
Vidyut Bhawan, Shimla-171004. **……..…Respondent No.2.**

Civil Miscellaneous Application under Regulation 75 of the HPERC (Conduct of Business) Regulations, 2024 and applicable Regulations of the HPERC, seeking approval for temporary/ interim connectivity of Bhang HEP (4.80 MW) of the Applicant through the spare 33 kV bay earmarked for HPSEBL at 33 kV Palchan Switching Station of HPPTCL, pending commissioning of dedicated bay as per the approved connection arrangement.

Present:-

Sh. Vikas Chauhan, Ld. Counsel for the Petitioner.
Sh. Ravi Gupta, Sr. Manager for the Respondent No. 1.
Sh. Rajesh Kashyap, Ld. Counsel for the Respondent No. 2.

ORDER

This Petition has been filed under Regulation 75 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 (the CBR, 2024 for short) by M/s Sai Eternal Foundation (Petitioner for short) for the approval of interim connectivity

in respect of Bhang Hydro Electric Project (4.80 MW) through the spare 33 kV Bay earmarked for the Himachal Pradesh State Electricity Board Limited (the Respondent No. 2/ HPSEBL for short) at 33 kV Palchan Switching Station of the Himachal Pradesh Power Transmission Corporation Limited (the HPPTCL/ Respondent No. 1 for short), pending commissioning of the dedicated bay as per the approved connection arrangement.

2. According to the Petition, the Petitioner is implementing the Bhang Hydro Electric Project of 4.80 MW capacity (2 × 2.40 MW) located in District Kullu, Himachal Pradesh (Project for short), which stands fully completed in all respects, including civil, hydro-mechanical, electro-mechanical, control, protection and power evacuation works up to the 33 kV Palchan Switching Station of HPPTCL. The Petitioner has already undertaken and completed all pre-commissioning tests possible without physical grid connectivity, and the project is now awaiting only grid-interface activities, synchronization and commercial commissioning.

3. It is averred that the Commission has already accorded approval to the Long Term Power Purchase Agreement (PPA) to be executed between the Respondent No. 2/ HPSEBL and the Petitioner in respect of the Bhang HEP (4.80 MW) under the generic levellised tariff, vide

Order dated 29.05.2026 passed in Petition No. 84 of 2026, whereby the PPA has been approved at generic levellised tariff, subject to conditions mentioned therein. In terms of the said Order, the Petitioner and the Respondent No. 2/ HPSEBL have duly executed the PPA for long term sale of power to the HPSEBL on dated 06.06.2026.

4. It is further averred that Connection Agreement dated 26.12.2025 (Annexure A-1) has been executed amongst the HPPTCL, the Petitioner and M/s Palchan Bhang Pvt. Ltd., whereby HPPTCL, as the State Transmission Utility, has agreed to connect the Petitioner's project in joint mode with Palchan Bhang 9 MW at the 33 kV Switching Station, Palchan, and to construct the dedicated 33 kV bay at said station for joint evacuation of power, and has undertaken to bear the entire bay cost and O&M charges for the 33 kV bay as lead generator and has already deposited the requisite interconnection bay charges with the HPPTCL. However, the execution of the said dedicated bay may take some time and therefore, the Petitioner shall be unable to evacuate power from a fully completed generating station on account of non-availability of the said dedicated bay.

5. According to the Petition, one 33 kV bay at the 33 kV Palchan Switching Station of the HPPTCL has been earmarked for the HPSEBL under the Revamped Distribution Sector Scheme (RDSS) for providing

alternate connectivity to the 33/11 kV Sub-station, Palchan, and to strengthen the distribution system. However, the concerned 33 kV inter-connecting line of the HPSEBL under RDSS is yet to be executed and the bay presently remains idle and not in use by the HPSEBL.

6. It is averred that in view of the imminent commissioning schedule of the Bhang HEP, the Petitioner requested the Respondent No. 2/ HPSEBL vide letter dated 07.04.2026 (Annexure A-2), seeking permission to utilize the available spare 33 kV bay at Palchan Sub-station on a temporary basis for evacuation of power from Bhang HEP till commissioning of the Petitioner's dedicated bay. The Respondent No. 2/ HPSEBL has accorded its consent and "no objection" for temporary utilization of the 33 kV bay by the Petitioner earmarked for HPSEBL for evacuation of power from Bhang HEP (4.80 MW), subject to the condition that such arrangement will remain purely temporary and valid only up to commissioning of HPSEBL's 33 kV inter-connecting line, whereafter the bay shall be made exclusively available to HPSEBL.

7. It is averred that the Petitioner has also approached the Respondent No. 1/ HPPTCL, inter alia vide letter dated 13.07.2026 (Annexure A-4) seeking immediate permission for interfacing and synchronization of Bhang HEP through the available HPSEBL bay at 33

kV Palchan Sub-Station, under the operational control and supervision of the Respondent No. 1/ HPPTCL. In the said letter, the Petitioner has categorically undertaken that the interim arrangement will not create any permanent right, and that the project shall be disconnected/shifted immediately whenever the bay is required by HPSEBL or whenever HPPTCL so directs.

8. According to the Petition, there exists no dispute or adverse stand inter se the Petitioner, HPPTCL and HPSEBL regarding such temporary arrangement; what is required is formal approval and appropriate directions of the Commission.

9. It is also averred that the Commission has dealt with a substantially similar situation in Petition No. 115 of 2024 titled “M/s Kangra Hydro Power Ventures Pvt. Ltd. & Anr. Vs. HPPTCL & Ors.”, where, in the context of SHPs Gaj-III (5.0 MW) and Gaj Top (3.80 MW), the Commission vide Order dated 09.09.2024 passed in Petition No. 115 of 2024(Annexure A-5), to permit interim evacuation of power through an idle HPSEBL bay at HPPTCL’s Chambi Sub-station, subject to conditions referred in the said order. The factual matrix of the present case is on all fours with the Kangra Hydro matter in as much as: (i) the Petitioner’s project stands ready and is only awaiting evacuation infrastructure under HPPTCL’s scope; (ii) an otherwise idle bay,

earmarked for HPSEBL, is available at an HPPTCL sub-station; (iii) HPSEBL has expressly stated that it has no objection to temporary utilization of the said bay by the Petitioner, subject to the arrangement being purely temporary; and (iv) the Petitioner is ready and willing to furnish an undertaking and to bear O&M charges etc. on the same lines as in Kangra Hydro matter referred above.

10. According to the Petition, permitting interim connectivity of the Petitioner's Bhang HEP through the spare HPSEBL bay at Palchan Switching Station, pending commissioning of the dedicated bay as per the Connection Agreement, would: (a) prevent a fully completed renewable energy project from remaining idle for want of evacuation infrastructure not under the Petitioner's control;(b) ensure timely commencement of supply of clean hydroelectric power to HPSEBL under the already approved long-term PPA; (c) enable the State Government to start receiving royalty-free power and other fiscal benefits from the project without further delay; and(d) promote optimal utilization of existing transmission assets, since the HPSEBL bay is otherwise lying unutilized till completion of HPSEBL's 33 kV inter-connecting line under RDSS.

11. According to the Petition, the proposed interim connectivity will not in any manner prejudice HPSEBL or HPPTCL, as: **(i)** the bay is not

currently in operational use by HPSEBL; **(ii)** HPSEBL's no-objection is explicitly conditional upon the arrangement being purely temporary and valid only until commissioning of its own line; and **(iii)** the Petitioner has already agreed to immediately vacate/shift the connection as and when directed and to bear applicable bay-related O&M charges during the interim period.

12. According to the Petition, the Petitioner voluntarily undertakes to abide by conditions analogous to those stipulated in Kangra Hydro Power Ventures case supra, including but not limited to: (i) that interim evacuation of power from Bhang HEP (4.80 MW) through the HPSEBL-earmarked 33 kV bay at Palchan Switching Station shall be allowed only till commissioning of the Petitioner's dedicated 33 kV bay or exigency of HPSEBL's requirement, whichever is earlier; (ii) that upon commissioning of the dedicated bay or upon HPSEBL requiring the bay for its own RDSS works, the interim connectivity through HPSEBL's bay shall stand discontinued, and the Petitioner shall promptly shift to its own bay or disconnect as directed, without any claim of deemed generation on account of such shifting; (iii) that no deemed generation or compensation shall be claimed by the Petitioner for any outages or curtailments specifically attributable to the interim arrangement or to the requirement of vacating the HPSEBL bay; (iv)

that the Petitioner shall pay the bay-related O&M charges for the interim period of utilization, as raised by HPPTCL upon HPSEBL/ directly billed for the said bay, from the date of first interconnection till the date of disconnection; and (v) that the Petitioner shall furnish a detailed undertaking/affidavit incorporating the above conditions and any additional stipulations that this Hon'ble Commission, HPSEBL and HPPTCL may consider appropriate in the interest of grid security and system operation.

RESPONSE OF THE RESPONDENTS

13. The Petition has been resisted and contested by the Respondents by filing reply.

REPLY OF THE RESPONDENT No. 1/ HPPTCL

14. The Respondent No.1/ HPPTCL has not filed its reply and Sh. Ravi Gupta, Sr. Manager for the Respondent No. 1 submitted that the Respondent No. 1 is not averse to the proposal of the Petitioner.

REPLY OF THE RESPONDENT No. 2/ HPSEBL

15. In reply to the present Petition, the Respondent No. 2/ HPSEBL has submitted that the Petitioner vide dated 07.04.2026 approach the Respondent No. 2/ HPSEBL to permit temporary use of the 33 kV bay earmarked for the HPSEBL at 33 kV Palchan Switching Station of the HPPTCL for evacuation of power from Bhang HEP (4.80 MW), pending

commissioning of the dedicated bay contemplated under the Connection Agreement dated 26.12.2025. After examination of the matter and keeping in view the requirement for timely power evacuation, the Respondent No. 2/ HPSEBL has conveyed a conditional no-objection vide letter dated 20.07.2026. The Respondent No. 2 has further averred that the interim evacuation arrangement is permissible only till the earliest of:-

(a) Commissioning of HPSEBL's 33 kV interconnecting line between the 33 kV Palchan Switching Station and the 33 kV Prini-Palchan line under the Revamped Distribution Sector Scheme (RDSS);
(b) Commissioning of the dedicated 33 kV bay of Bhang HEP (4.80 MW): or
(c) Any operational exigency or requirement of the HPSEBL. The arrangement shall stand discontinued upon any subsequent decision of the competent authority. The Applicant shall immediately vacate the HPSEBL earmarked bay whenever required by the HPSEBL, without objection.

16. It is further averred that the no-objection is strictly temporary and confers no permanent or continuing right upon the Petition over the said bay and the interim connectivity should expressly protect the HPSEBL's priority and unhindered right to use the bay for its intended RDSS interconnection and other operational requirements. Further, the Respondent No. 2/ HPSEBL has averred that no deemed generation, compensation, damages or any other claim whatsoever shall be

admissible to the Applicant against the Respondent No. 2/ HPSEBL on account of discontinuance or withdrawal of interim connectivity arrangement and the Petitioner shall be required to furnish unconditional undertaking expressly accepting all the conditions stipulated in the letter dated 20.07.2026 including immediate vacation of the bay and waiver of the aforesaid claims before energization/ interconnection. It is also averred that the Petitioner shall bear the O&M charges of the said 33 kV bay for the entire period from interconnection to disconnection and the Respondent No. 1/ HPPTCL shall raise its bills upon the Respondent No. 2/ HPSEBL and the amount so billed shall be recoverable from the Petitioner and that the recovery/ payment of applicable O&M charges is subject to approval of the Commission.

17. It is further averred that the actual interconnection and charging of the line shall take place only after obtaining all statutory approvals. Executing the requisite arrangements, submitting the unconditional undertaking and satisfying the technical, protection, metering, communication, safety, operational and commercial requirements prescribed by the HPSEBL and the HPPTCL and the conditional no-objection cannot be treated as authorization for immediate or unconditional synchronization. Also averred that the proposed interim use of the HPSEBL earmarked bay is without prejudice to the separate

obligation for establishment and commissioning of the dedicated 33 kV bay for the Petitioner's approved evacuation arrangement.

18. Heard, Sh. Vikas Chauhan, Ld. Counsel for the Petitioner, Sh. Ravi Gupta, Sr. Manager for the Respondent No. 1 and Sh. Rajesh Kashyap, Ld. Counsel with Sh. Kamlesh Saklani, Authorised Representative for the Respondent No. 2 and perused the case file carefully.

POINTS FOR DETERMINATION

19. I have gone through the submissions of the Petitioner and perused the record carefully. On the basis of the pleadings and submissions, the following points arise for determination:-

Point No. 1: Whether the Petitioner can be granted interim connectivity and evacuation of power for the Petitioner's Bhang HEP (4.80 MW) through 33 kV bay earmarked for the Respondent No. 2/ HPSEBL at 33 kV Palchan Switching Station of the Respondent No. 1/ HPPTCL pending commissioning of the dedicated bay as per the approved connection agreement dated 26.12.2025 ?

Point No. 2: Final Order.

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

HPERC

Point No. 1: Yes.

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

REASONS FOR FINDINGS

Point No. 1:

21. It is not disputed by the parties that the Project stands completed and the Petitioner has already undertaken and completed all pre-commissioning tests possible without physical grid connectivity and the Project is now awaiting only grid-interface activities, synchronization and commercial commissioning. It is also not disputed that the Commission has already accorded approval of the PPA to be executed between the Petitioner and the Respondent No. 2/ HPSEBL in respect of the Project under the generic levellized tariff vide Order dated 29.05.2026 passed in Petition No. 84 of 2026 subject to the conditions specified therein. The Petitioner and the Respondent No. 2 in terms of the said Order have executed the PPA on 06.06.2026 for long term sale of power to the Respondent No. 2.

22. It is admitted case of the parties that the Connection Agreement dated 26.12.2025 (Annexure A-1) has been executed by the HPPTCL/ Respondent No. 1, the Petitioner and M/s Palchan Bhang Pvt. Ltd. whereby the Respondent No. 1 has agreed to connect the Petitioner's Project in joint mode with Palchan Bhang HEP (9.0 MW) at 33 kV Switching Station Palchan and to construct the dedicated 33 kV bay at

said station for joint evacuation of power and the Petitioner has agreed and undertaken to bear the entire bay cost and O&M charges for the 33 kV bay as lead generator and has already deposited the requisite interconnection bay charges with the Respondent No. 1.

23. Further, it is also not disputed that one 33 kV bay at 33 kV Palchan Switching Station of the Respondent No. 1 has been earmarked for the Respondent No. 2 under the RDSS for providing alternate connectivity to 33 kV Sub-station Palchan and to strengthen the distribution system. However, the concerned 33 kV interconnecting line of the Respondent No. 2/ HPSEBL under the RDSS is yet to be executed and the works have only been awarded and field survey completed and the bay presently remains idle and not in use by the Respondent No. 2/ HPSEBL. It is also admitted case of the parties that the Respondent No. 2/ HPSEBL has issued conditional no-objection vide letter dated 20.07.2026 on the request of the Petitioner for using available spare 33 kV bay at Palchan Sub-station on a temporary basis. Further, the Petitioner vide letter dated 13.07.2026 (Annexure A-4) has sought immediate permission from the Respondent No. 1/ HPPTCL for interfacing and synchronization of Bhang HEP through the available HPSEBL bay at 33 kV Palchan Sub-station under the operational control and supervision of the Respondent No. 1 wherein, the Petitioner

has undertaken that the interim arrangement will not create any permanent right and that the Project shall be disconnected/ shifted immediately whenever the bay is required by the Respondent No. 2 or whenever the Respondent No. 1 so directs. It is also not disputed that the Palchan Switching Station is not presently in use and may be temporarily utilized by the Petitioner for evacuation of power from the Project without prejudice to the Respondent No. 2 right's to require the bay for its own RDSS works once the 33 kV line is commissioned and their exists no dispute for adverse stand inter-se the Petitioner, the Respondent No. 1 and the Respondent No. 2 for such temporary arrangement which only requires formal approval and appropriate directions of the Commission.

24. Sh. Vikas Chauhan, Ld. Counsel for the Petitioner argued and submitted that the interim connectivity will not in any manner prejudice the Respondent No. 1 or the Respondent No. 2 as the bay is not currently in operational use by the Respondent No. 2 and the Respondent No. 2 has issued no-objection subject to certain conditions and the arrangement being purely temporary and valid only until the commissioning of its own line. He further argued that the Petitioner has already agreed to immediately vacate/ shift the connection when directed and to bear applicable bay related O&M charges during the

interim period. The Ld. Counsel for the Petitioner also submitted that the Petitioner voluntarily undertakes to abide by the conditions stipulated in the no-objection letter dated 20.07.2026 issued by the Respondent No. 2/ HPSEBL including that the interim evacuation of power from the Project through the earmarked 33 kV bay at Palchan Switching Station shall be allowed only till the commissioning of the Petitioner's dedicated 33 kV bay and exigency of the Respondent No. 2, whichever is earlier and that upon commissioning of the dedicated bay or upon Respondent No. 2 requiring the bay on its own RDSS works, the interim connectivity through HPSEBL's bay shall stand disconnected and the Petitioner shall promptly shift to its own bay or disconnect as directed without any claim or deemed generation on account of such shifting. He further submitted that no deemed generation or compensation shall be claimed by the Petitioner for any outages or curtailments specifically attributable to the interim arrangement or to the requirement of vacating the HPSEBL bay and that the Petitioner shall pay the bay related O&M charges for the interim period of utilization as raised by the HPPTCL upon HPSEBL/ directly billed for the said bay from the date of first interconnection till the date of disconnection and that the Petitioner shall furnish a detailed undertaking/ affidavit incorporating the above conditions and any

additional stipulations that this Commission, the Respondent No. 1 and the Respondent No. 2 may consider appropriate in the interest of grid security and system operation. The Ld. Counsel for the Petitioner submitted that the Commission may accord formal approval and issue necessary directions as it may consider appropriate for interim connectivity of the Project as per conditional no-objection issued by the Respondent No. 2 vide letter dated 20.07.2026.

25. Sh. Vikas Chauhan, Ld. Counsel for the Petitioner also submitted that in compliance of interim order of the Commission dated 22.07.2026, the interim connectivity for evacuation of power to the Project of the Petitioner has already been granted and now the Petition may be disposed off.

26. Sh. Ravi Gupta, Sr. Manager for the Respondent No. 1/ HPPTCL submitted that the HPPTCL is not averse to the proposal of the Petitioner and no reply is to be filed by the Respondent No. 1.

27. Sh. Rajesh Kashyap, Ld. Counsel for the Respondent No. 2/ HPSEBL has argued that the Respondent No. 2/ HPSEBL has already conveyed a conditional no-objection vide letter dated 20.07.2026 for temporary use of 33 kV bay earmarked for the HPSEBL at 33 kV Palchan Switching Station of the HPSEBL for evacuation of power from the Project pending commissioning of the dedicated bay contemplated

under the Connection Agreement dated 26.12.2025. Para 3 of the reply of the Respondent No. 2 is also reproduced as under for the sake of clarity:-

> *"3. That the interim evacuation arrangement is permissible only til the earliest of (a) commissioning of HPSEBL's 33 kV interconnecting line between the 33 kV Palchan Switching Station and the 33 kV Prini-Palchan line under the Revamped Distribution Sector Scheme (RDSS); (b) commissioning of the dedicated 33 kV bay of Bhang HEP (4.80 MW): or any operational exigency or requirement of the HPSEBL. The arrangement shall stand discontinued upon any subsequent decision of the competent authority. The Applicant shall immediately vacate the HPSEBL earmarked bay whenever required by the HPSEBL, without objection."*

From the above it is clear that the Respondent No. 2 has issued no-objection subject to certain conditions which shall be required to be complied with by the Petitioner.

28. The Ld. Counsel for the Respondent No. 2 argued that the no-objection is strictly temporary and confers no permanent or continuing right upon the Petitioner over the said bay and that the approval should protect the HPSEBL's priority and unhindered right to use the bay for its intended RDSS interconnection and other operational requirements. He further argued that the Petitioner should bear O&M charges of the said 33 kV bay for the entire period from interconnection to disconnection and the amount so billed by the HPPTCL upon the HPSEBL shall be recoverable from the Petitioner. He further argued that actual interconnection and charging of the line shall take place only after

obtaining all statutory approvals and the conditional no objection should not be treated as authorization for immediate or unconditional synchronization. He further submitted that the Commission while granting the approval for interim connectivity for the Project of the Petitioner may take due cognizance of the NOC issued by the Respondent No. 2/ HPSEBL.

29. In view of the aforesaid submissions, pleadings and the reply filed by the Respondent No. 2 it is considered that the interim connectivity for evacuation of power to the Project of the Petitioner has already been granted in terms of interim order of the Commission passed on 22.07.2026 and conditional No Objection letter dated 20.07.2026 of the Respondent No. 2/ HPSEBL. Since, the Petitioner has agreed and willing to furnish an undertaking to bear O&M charges, etc. and the Respondent No. 2/ HPSEBL has granted conditional No Objection to the Project of the Petitioner and also the Respondent No. 1/ HPPTCL is not averse to the prayer of the Petitioner. Therefore, the Commission is of the considered view that the Petitioner has succeeded to make out a case in his favour, thus, the Point No. 1 is accordingly decided in favour of the Petitioner.

FINAL ORDER

30. In view of the aforesaid discussions and findings on Point No. 1, the Petition succeeds and allowed. The parties shall be bound by the terms and conditions of connection agreement dated 26.12.2025 and Conditional No Objection issued by the Respondent No. 2/ HPSEBL vide letter dated 20.07.2026.

31. Let a copy of this Order be supplied to the parties forthwith.

The Petition is disposed off accordingly.

The file after needful be consigned to records.

Announced
12.11.2026

-sd-
(Shashi Kant Joshi)
Member-cum-Chairman

HPERC