



याचिका संख्या/Petition No. 312/AT/2024

कोरम/ Coram:

श्री जिशु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson
श्री रमेश बाबू व., सदस्य / Shri Ramesh Babu V., Member
श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member

आदेश Date of Order: 3rd March, 2025

In the matter of

Petition under Section 63 of the Electricity Act, 2003 for adoption of tariff for 630 MW Firm and Dispatchable Power from ISTS- connected Renewable Energy Power Projects (SECI-FDRE-IV) and selected through competitive bidding process as per the guidelines dated 09.06.2023 issued by the Ministry of Power, Government of India.

And in the matter of:

Solar Energy Corporation of India Limited
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar New Delhi-110023

...Petitioner

Vs.

1. Hero Solar Energy Private Limited
Plot No. 201, Ground Floor,
Okhla Industrial Estate
Phase III, New Delhi – 110020
2. Vena Energy Aura Private Limited
No. 3, 5th Floor, Embassy Icon, Infantry Road,
Bengaluru, Karnataka – 560001
3. JSW Neo Energy Limited
JSW Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400051



4. Hexa Climate Solutions Private Limited
14th Floor, Tower-2,Vatika Business Park,
Sonha Road,
Sector – 49, Gurugram, Haryana- 122018
5. Serentica Renewables India 11 Private Limited
[Successful Bidder]
DLF Cyber Park, Block B, 9th Floor,
Udyog Vihar, Phase III
Sector 20, Gurugram, Haryana - 122008
6. BSES Rajdhani Power Limited
2nd Floor, B- Block, BSEB Bhawan,
Nehru Place, New Delhi -110019
7. BSES Yamuna Power Limited
Shakti Kiran Building
Karkardooma, New Delhi – 110032
8. GIFT City (International Financial Services Centre)
EPS – Building No. 49A, Block 49,
Zone -04, Gyan Marg,
GIFT City, Gandhi Nagar, 382355, Gujarat

...Respondents

Parties present:

1. Ms. Anusha Nagarajan, Advocate, SECI
2. Shri Rahul Ranjan, Advocate, SECI

ORDER

The petitioner Solar Energy Corporation of India Limited (hereinafter referred to as 'SECI') has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for the adoption of tariff for supply of the 630 MW Firm and Dispatchable Power from ISTS - Connected Renewable Energy (RE) Power Projects with Energy Storage Systems on Build-Own-Operate (BOO) basis and selected through the Competitive Bidding Process as per the "Guidelines for Tariff Based Competitive Bidding Process for



Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems” dated 09.06.2023 notified by the Ministry of Power, Government of India vide Gazette Resolution No. 23/03/2023-R&R dated 9.6.2023 (Competitive Bidding guidelines, 2023).

2. The Petitioner has made the following prayers:

a. *“Adopt the tariff discovered in the tariff based competitive bidding process for 630 MW ISTS connected Firm and Dispatchable Power from Renewable Power Projects with Energy Storage System (SECI-FDRE-IV) based on e-Reverse Auction (e-RA);*

b. *Approve Trading Margin of Rs.0.07/kWh to be paid by the Distribution Companies/Buying Entity(ies) as specified in the Guidelines;*

c. *Pass any other or further order which this Hon’ble Commission may deem fit and proper in the facts and circumstances of this case.”*

Submission of the Petitioner

3. The Petitioner, Solar Energy Corporation of India Limited (**SECI**), has been designated as the Renewable Energy Implementing Agency (REIA) for the implementation of MNRE schemes for setting up of grid-connected Inter-State Transmission System (**ISTS**) connected/State Specific Solar Power/ Wind/Wind-Solar Hybrid/Renewable Power Projects.

4. The Ministry of Power (**MoP**), Government of India notified “*Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems*” vide Gazette Resolution No. 23/03/2023-R&R dated 09.06.2023 (hereinafter ‘**Guidelines dated 09.06.2023**’). SECI, acting as the Renewable Energy Implementing Agency (REIA), has invited proposals for



setting up ISTS-connected 1260 MW Firm and Dispatchable Power from Renewable Power Projects with Energy Storage System under tariff-based competitive bidding (SECI-FDRE-IV) in India.

5. The Petitioner issued a Request for Selection ('RfS') on 09.06.2023 for the selection of the Renewable Energy Power Developers to supply the 1260 MW of Firm and Dispatchable Power from ISTS-Connected Renewable Energy (RE) Power Projects with Energy Storage System under Tariff-based Competitive Bidding. The said RfS was further amended vide Amendment No. 4 dated 14.05.2024 and reduced the capacity up to 630 MW and also informed the Commission accordingly. RfS Document issued by SECI outlines that the renewable power would be allocated for sale to BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) in Delhi and GIFT Power Company Limited (GIFT PCL) in Gujarat.

6. The Petitioner has submitted that in response to the RfS, a total of 5 nos. of bids of aggregate capacity 780 MW were found eligible for e-Reverse Auction (e-RA) against the tendered capacity of 630 MW, and a total of 5 bidders have been found eligible for issuing the Letter of Award (LoA) with a total aggregate capacity of 630 MW. On 25.07.2024, e-Reverse Auction (**e-RA**) was conducted on the ISN ETS e-bidding portal. After the conclusion of the e-Reverse Auction process, on 07.08.2024, SECI issued a Letter of Award (LoAs) to the Selected Bidders for a total awarded capacity of 630 MW.

7. In view of the above, the Petitioner has prayed for the adoption of a tariff



for the procurement of the 630 MW ISTS-connected Firm and Dispatchable Power from Renewable Power Projects with Energy Storage System (SECI-FDRE-IV) discovered through a competitive bidding process carried out by the Petitioner. The Petitioner has further prayed to approve a trading margin of Rs. 0.07/kWh to be recovered from the distribution companies as specified in the Guidelines

Hearing on 10.10.2024

8. Following the arguments presented by the learned counsel for the Petitioner, the Commission admitted the petition, and notices were issued to the Respondents to file their replies. The Petitioner was directed to submit the specified information/details on an affidavit within a two-week period. The Petitioner was also directed to submit current progress on the execution of the PPAs and PSAs, along with the expected timeline for finalising the complete awarded capacity.

9. The Petitioner, vide its affidavit dated 11.11.2024, has submitted that the whole process was carried out transparently and that all essential compliance was achieved in accordance with the requirements for competitive bidding in 2023 while bearing in mind the mandate of Section 63 of the Act. The Petitioner has adhered to all of the dates in a very precise manner.

10. As per Clause 11.2 of the Guidelines dated 09.06.2023, the Petitioner has furnished and filed copies of Conformity Certificates to the effect that no deviations were made from the Guidelines in the Request for Selection (RfS) Documents and



to the effect that Bid Evaluation Committee has conducted the Bid Evaluation in conformity with provisions of RfS Document dated 15.09.2023 and Guidelines dated 09.06.2023.

11. The Petitioner also submitted that the evaluation authority satisfied itself that the price of the selected offer is reasonable and consistent with the requirement. In regard to the reasonableness of the price discovered under the Scheme, it is pertinent to mention that the Bid Evaluation Committee evaluated the bids and prices discovered in the e-reverse auction as per the requirement of Clause 11.2 of the Guidelines and recommended the issuance of the LoAs to the successful bidders. The Committee constituted for evaluation and review of the bids has found that the prices discovered under the subject tender are reasonable and consistent with the requirements specified in the Request for Selection (RfS) documents dated 15.09.2023. In any event, the Petitioner has issued a certificate stating that the tariff discovered in the present tender appears to be reasonable and consistent with the requirements of the tender.

Hearing Dated 12.11.2024

12. During the course of the hearing, the learned counsel for the Petitioner submitted that as per the Record of Proceedings from the hearing on 10.10.2024, a notice was issued to the Respondents allowing them to submit their reply, if applicable, and no replies have been submitted by any of the Respondents regarding the issue at hand.

13. In response to a specific query about the status of PPA/PSA, the Petitioner has submitted that the RfS Document issued by SECI on 15.09.2023 outlines that



625 MW of renewable power has been allocated for sale to BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL), while the remaining 5 MW is designated for sale to M/s GIFT Power Company Limited (GIFT PCL) in Gujarat. Subsequent to the E-reverse auction on 25.07.2024, the Petitioner informed BRPL, BYPL, and GIFT PCL of the result of the e-reverse auction and the discovered tariff on 26.07.2024, seeking their consent. The buying entities, BRPL, BYPL, and GIFT PCL, communicated their acceptance of the discovered tariff on 05.08.2024 and 06.08.2024. Consequently, the Letters of Award (LoAs) were issued by the Petitioner on 07.08.2024 to the successful bidders after receiving the consent from these utilities. However, it has been informed that the BRPL and BYPL have not executed the Power Sale Agreement (PSA), upon which the Petitioner has offered 625 MW of power to other distribution utilities and is awaiting their consent.

14. No response from any respondents has been filed despite the direction of the Commission.

Analysis and Decision

15. In view of the above, we now proceed to consider the prayer of the Petitioner as regards the adoption of tariff under Section 63 of the Act in respect of the supply of 630 MW Firm and Dispatchable Power from ISTS- Connected Renewable Energy (RE) Power Projects with Energy Storage Systems on Build-Own-Operate (BOO) basis for adoption of tariff discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India under Section 63 of the Act.



Section 63 of the Act provides as under:

“Section 63: Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

16. Thus, in terms of Section 63 of the Act, the Commission is required to adopt the tariff upon being satisfied that a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act has been followed in determining such tariff.

17. The Ministry of Power, Government of India, has notified the Guidelines under Section 63 of the Act vide Resolution No. 23/03/2023-R&R on 09.06.2023 for the procurement of firm and dispatchable power from grid-connected renewable energy power projects with energy storage systems. The salient features of the Guidelines are as under:

i) The specific objectives of the guidelines are: a) to provide firm and dispatchable power to distribution companies (DISCOMs) from renewable energy sources, b) facilitate renewable capacity addition and fulfilment of Renewable Purchase Obligation (RPO)/ Storage Power obligations (SPO) requirements, provide a transparent, fair, c) to provide standardized procurement framework based on open competitive bidding with appropriate risk-sharing between various stakeholders, and d) to provide a framework for the inter-State/ intra-State, long-term, sale-purchase of power as a further measure to derisk the sector. The guidelines require the bid documents to be prepared in accordance with the guidelines and seek approval from the Government for deviations in the draft RfS, draft PPA, and draft PSA (if applicable) from these Guidelines and/or SBDs.

ii) The Renewable Energy Supply (RfS) outlines the requirements for a project's commencement of supply, including land acquisition, connectivity, and regular reporting requirements. The generator must supply firm and dispatchable renewable energy power, with peak hours declared by the DISCOM as specified in the RfS. The generator must offer 100% renewable energy but can source up to 5% from green market sources/bilateral agreements.

iii) The developer must combine the renewable energy generating system with energy storage to achieve the required availability against demand profile and performance criteria. A single tariff for supply of firm and dispatchable renewable energy power is quoted by the bidders at the CTUIL interconnection point. Bids are invited in Power Capacity (MW) terms, with a minimum quantum of 50MW for economies of scale. A maximum of 50% of bid capacity can be allocated to a single bidder in a tender.

iv) The bidding evaluation parameter is the tariff per unit supply of firm and dispatchable renewable energy power, fixed for the entire term of the PPA. The bidder must submit separate technical and price bids, provide an Earnest Money Deposit (EMD), and meet eligibility criteria set out in the RfS document. The minimum number of qualified bidders is two, and any deviation from the tender conditions is rejected. The detailed procedure for evaluation of bids and selection of bidders is provided in the RfS document.

v) The Power Purchase Agreement (PPA) is a document involving the purchase of power from a generator. It outlines the PPA period, which can be 20 years or 25 years, and the power procurement terms. The generator must ensure supply meets specified conditions, such as RTC, load profile, and number of hours. The summation of generation schedules from multiple sources cannot exceed the contracted capacity. The generator can supply power beyond the contracted capacity to third

parties or power exchanges without a No-Objection Certificate (NOC). Developers with untied capacity may participate in the bid and receive a longer PPA period. If there is a shortfall in project availability due to the generator, the generator must pay a penalty, which is equal to one and a half times the tariff for the number of units not supplied. The generator is responsible for scheduling and punching at different Regional Load Dispatch Centers. The Deviation Settlement Mechanism (DSM) applies for deviations from the schedule, and charges are settled by the generator.

vi) The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, outline the provisions for payment security and force majeure. The generator must inform the procurer of a force majeure within 15 days and respond within 15 days. The Procurer may be constrained from scheduling power due to transmission infrastructure or grid unavailability. Compensation for offtake constraints is provided for generators who fail to meet the forecasting and scheduling process.

vii) For claiming compensation, generators must sell their power in the power exchange as a price taker, with compensation limited to the difference of actual generation up to declared capacity. If a generator defaults, the procurer may terminate the PPA and pay damages equivalent to 24 months or the balance PPA period whichever is less. If the generator assigns or innovates rights or obligations contrary to the terms of the PPA, the procurer may recover the damages through forfeiture of bank guarantee.

viii) The lenders may exercise their rights of substitution in the event of a generator's default, but if lenders cannot substitute the defaulting generator within the stipulated period, the procurer may terminate the PPA. If the procurer/intermediary procurer is in default due to failure in timely payment or repudiation of the PPA, the generator may terminate the PPA at its discretion.

ix) The Electricity (Timely Recovery of Costs due to Change in Law)



Rules, 2021, have been notified by the Ministry of Power. The bidding process for the project will adopt a single stage, two-part (Technical Bid & Financial Bid) electronic mode. The Procurer will invite the generators to participate in the RfS for installation of the Renewable Energy Power Plants and supply of the RE Power with Energy Storage System. The developers, who have already set up capacity or have spare untied capacity, may also participate in the bid.

x) The procurer will prepare bidding documents, including the RfS and draft PPA, in accordance with these guidelines and any SBDs. The RfS notice will be published in at least two national newspapers and its own website for wide publicity. Pre-bid conferences and written interpretation of the tender documents will be provided to the bidders.

xi) The Request for Selection (RFS) document will include bid responsiveness, technical criteria, financial criteria, liquidity, and the Quantum of the Earnest Money Deposit (EMD). The net worth requirement should be at least 20% of the estimated 'RE Project' cost or other criteria specified in the RfS. If a foreign company is selected as the successful bidder, it must comply with all the laws and provisions related to Foreign Direct Investment in India.

xii) The Power Purchase Agreement (PPA) between the RE Project and procurer/intermediate procurer must clearly indicate the SCSD and quantum of supply. The procurement committee will evaluate the RfS bids and certify that the bidding process is conducted in conformity with the provisions of the RfS document. The evaluation authority has the right to reject all price bids if the rates quoted are not aligned with the prevailing market prices.

xiii) For transparency, the Procurer shall publicly disclose the names of the successful bidder(s) and the tariff quoted by them, along with their breakup into components, for at least 30 days. If the distribution licensee or Intermediary Procurer does not decide on the adoption of tariffs within



60 days of submission or 120 days from the date of Power Sale Agreement (PSA), the procurer(s) may grant appropriate extension of time in SCSD to the generators.

xiv) Generators must provide bank guarantees/corporate guarantees/letters of undertaking to pay to the procurer in terms of the RfS. These include Earnest Money Deposit (EMD) and "Payment on Order instrument"/ Letter of Undertaking. The damages/dues recovered by the intermediary procurer by encashment of the PBG upon default will be credited to the Payment Security Fund maintained by the Intermediary Procurer.

xv) The successful bidder must ensure that its shareholding in the SPV/project company executing the PPA does not fall below 51% at any time prior to one year from the SCSD, except with the prior approval of the Procurer. In case of generator default, the lenders are entitled to undertake "Substitution of Promoter" in concurrence with the Procurers.

xvi) The Renewable Energy (RE) Power Generation Scheme aims to ensure fairness and transparency in procurement by promoting standardization and uniformity in processes. Delays in power supply beyond the Supply Cycle Support System (SCSD) can result in penalties for the generator, such as encashment of the Performance Bank Guarantee (PBG) or alternate instruments. For delays beyond six months, the contracted capacity will be reduced to the project capacity that has commenced supply within the SCSD plus six months, and the PPA for the balance contracted capacity will stand terminated.

xvii) Part Commencement of supply of power is accepted by the Procurer subject to the minimum capacity of 50 MW. However, the SCSD will not be altered due to the part-commencement of supply of power. If a component is ready for injection but the remaining component is unable to commence supply, the generator may commence supply from the component outside the PPA, with the first right of refusal vested with the End Procurer.



xviii) The Procurers must promote commercially established and operational technologies to minimize technology risk and achieve timely commencement of supply. Technical specifications for Solar PV/Wind/Hybrid Power Projects are specified by the Ministry of New & Renewable Energy.

xix) Dispute resolution is subject to the Appropriate Commission, CERC, or SERC/JERC. If difficulties arise in giving effect to any provision of these Guidelines or interpretation of the Guidelines, the Ministry of Power is empowered to do so with the approval of the Minister, New & Renewable Energy. Renewable energy components, including Energy Storage System (ESS) components charged with RE sources, are eligible for RPO compliance.

18. The Guidelines provide a framework for the long-term procurement of firm and dispatchable RE power at a tariff to be determined through a transparent process of bidding by the procurer(s) from the RE power projects having a size of 50 MW and above. The Guidelines provide that the generator shall supply firm and dispatchable RE power, with the prescribed availability against the demand profile by the procurer, so that 100% of the annual energy corresponds to RE power. However, generators can source up to 5% of power (on energy terms) on an annual basis from green market sources. The Guidelines further provide that the developer shall combine the RE generating system with energy storage to ensure that it achieves the required availability against the demand profile. .

19. In terms of the provisions of Section 63 of the Act, we have to examine whether the process as per provisions of the Guidelines has been followed in the present case for arriving at the lowest tariff and for selection of the successful

bidder(s).

20. The Petitioner has been designated as the Renewable Energy Implementing Agency (REIA) for setting up the inter-State ISTS connected Firm and Dispatchable Power from Renewable Power Projects with Energy Storage System (SECI-FDRE-IV) and selected through the competitive bidding process as per the Guidelines dated 09.06.2023

21. The Petitioner invites bids under tariff based competitive bidding process, entering into the PPAs with developers at the tariff discovered in the competitive bid process, and enter into the PSAs with the distribution licensees to enable them to procure a firm and dispatchable RE Power. The Petitioner acts as an intermediary agency in the purchase and sale of power under the PPAs and PSAs on a back-to- back basis.

22. The key milestones in the bidding process were as under:

Sr. No.	Milestone	Date
1.	RfS issued by SECI.	15.09.2023
2.	Corrigendum -01 to the RfS documents	27.09.2023
3.	Pre-Bid Meeting held.	18.10.2023
4.	Corrigendum -02 to the RfS documents	02.11.2023
5.	Clarification -01 to the RfS documents	29.11.2023
6.	Corrigendum -03 to the RfS documents	01.12.2023
7.	Corrigendum -04 to the RfS documents	14.12.2023
8.	Amendment -01 to RfS documents	14.12.2023
9.	Corrigendum -05 to the RfS documents	20.12.2023
10.	Amendment -02 to RfS documents	08.01.2024
11.	Corrigendum -06 to the RfS documents	09.01.2024
12.	Corrigendum -07 to the RfS documents	16.01.2024
13.	Corrigendum -08 to the RfS documents	26.01.2024
14.	Amendment -03 to RfS documents	06.02.2024



15.	Corrigendum -09 to the RfS documents	06.02.2024
16.	Corrigendum -10 to the RfS documents	08.02.2024
17.	Corrigendum -11 to the RfS documents	15.02.2024
18.	Corrigendum -12 to the RfS documents	29.02.2024
19.	Corrigendum -13 to the RfS documents	22.03.2024
20.	Corrigendum -14 to the RfS documents	01.04.2024
21.	2 nd Pre-Bid Meeting held.	09.04.2024
22.	Corrigendum -15 to the RfS documents	02.05.2024
23.	Amendment -04 to RfS documents	14.05.2024
24.	Corrigendum -16 to the RfS documents	31.05.2024
25.	Amendment -05 to RfS documents	03.06.2024
26.	Corrigendum -17 to the RfS documents	18.06.2024
27.	Last date of Bid Submissions.	03.07.2024
28.	Opening of Techno-Commercial Bids.	08.07.2024
29.	Opening of Financial Bids.	25.07.2024
30.	E-Reverse Auction Conducted	25.07.2024
31.	Issuance of Letter of Award (LoA) to the Successful Bidder.	07.08.2024

23. For the execution of the project, the SECI constituted a Bid Evaluation Committee (BEC), vide Rfs-No.SECI/C&P/IPP/13/006/23-24 on 15.09.2023 after obtaining necessary approvals from the competent authority for the purpose of preparation of Request for Selection (RfS) document, evaluation of bids and submission of award recommendation report, etc., comprising the following:

Tender	Department	Offline and Online Techno Commercial and Financial Bid Opening	Techno Commercial and Financial Evaluation and post e-RA recommendation
630 MW Firm and Dispatchable Power from ISTS-Connected RE Power Projects (SECI-FDRE-IV)	PS	Aalok Singh, Manager	Aalok Singh, Manager
	Contracts	Jayansh Gaur, Deputy Manager	Jayansh Gaur, Deputy Manager
	Finance	Mohit Singhal, Dy. Manager	Mohit Singhal, Dy. Manager



24. On 15.09.2023, SECI issued the Request for Selection (RfS) document along with Standard draft of PPA and PSA documents for setting up of ISTS-connected 1260 MW Firm and Dispatchable Power from Renewable Power Projects with Energy Storage System (ESS) under tariff based competitive bidding (SECI-FDRE-IV) as per the Guidelines and floated the same on ISN Electronic Tender System (ISN ETS) e-bidding portal, for "Selection of RE Power Developers for supply of 1260 MW Firm. The RfS Document has been prepared in accordance with the Guidelines dated 09.06.2023 released by the Ministry of Power, Government of India, including any subsequent revisions and clarifications given up to the final date of bid submission for this RfS. It is mentioned that the RfS Document published by SECI states that renewable power will be sold to BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) in Delhi, and GIFT Power Company Limited (GIFT PCL) in Gujarat.

25. Subsequently, SECI, vide its Amendment No. 4 to the RfS dated 14.05.2024, reduced the Projects' capacity to 630 MW as "Request for Selection (RfS) Document for Selection of RE Power Developers for Supply of 630 MW ISTS-Connected Renewable Energy (RE) Power Projects in India, under Tariff-based Competitive Bidding (SECI-FDRE-IV)".

26. Last date of submission of the bid was 3.7.2024, and the techno-commercial part of the bid was opened on 8.7.2024. Response to RfS was received from the five bidders, and all of them fully met the techno-commercial criteria and consequently, were found to be qualified for opening of the financial



bid on 25.7.2024, financial bids of five technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of a member of the Bid Evaluation Committee. As per the eligibility criteria mentioned in the RfS document, all qualified bidders aggregating 630 MW were shortlisted for the e-reverse auction.

27. On 25.07.2024, e-Reverse Auction (**e-RA**) was conducted on the ISN ETS e-bidding portal. After completion of e-Reverse auction, the following bidders declared as successful bidder, in terms of the RfS:

S. No.	Name of Successful Bidder	Bid Capacity (MW)	Tariff (INR/kWh)	Allotted Capacity (MW)
1.	Vena Energy Aura Private Limited	100	4.98	100
2.	Hero Solar Energy Private Limited	100	4.98	100
3.	JSW Neo Energy Limited	230	4.98	230
4.	Hexa Climate Solutions Private Limited	100	4.99	100
5.	Serentica Renewables India 11 Private Limited	250	4.99	100
Total awarded capacity				630 MW

30. SECI issued a Letter of Award dated 24.11.2023 to the successful bidders. The relevant portion of the letter of award issued to one of the successful bidders, namely M/s Vena Energy Aura Private Limited, is as under:

“Sub: Selection of RE Power Projects under RfS for Supply of 630 MW Firm and Dispatchable Power from ISTS-connected Renewable Energy (RE) Power Projects in India (SECI-FDRE-IV): Letter of Award for RE Power Project of 100 MW Contracted Capacity (Project ID: RPD-ISTS-FDRE-4-VEAPL-P1-100MW)”

Dear Sir,

Ref: This has reference to the following:



- A. The “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems” issued by the Ministry of Power vide Resolution dated 09.06.2023 including subsequent amendments and clarifications thereto, if any, issued until the last date of bid submission of the RfS (herein referred to as “Guidelines”);
- B. The Request for Selection (RfS) document vide RfS No. SECI/C&P/IPP/13/0006/23-24 dated 15.09.2023 including draft Power Purchase Agreement (PPA), draft Power Sale Agreement (PSA) and subsequent amendments/clarifications/ revisions/ notifications issued by Solar Energy Corporation of India Limited (SECI) and uploaded during the process of RfS on ETS portal (<https://www.bharat-elcctronicstendcr.com>);
- C. Your response to the RfS document uploaded on ETS portal vide Organization ID (ETS-IN- 2024-RS0000287) against RfS for Supply of 630 MW Firm and Dispatchable Power ISTS-Connected Renewable Energy (RE) Power Projects (SECI-FDRE-IV);
- D. Yow Bank Guarantee(s) towards Earnest Money Deposit (EMD) submitted along with RfS vide BG No. 316020970762-GX issued by Standard Chartered Bank, 1st Floor, Express Building, 910, Bahadur Shah Zafar Marg, New Delhi-110002, for an amount of Rs. 16,07,00,000/- (Rupees Sixteen Crore Seven Lakh Only);
- E. Your Final tariff (INR/kWh) at the end of the e-Reverse Auction conducted on ETS portal on 25.07.2024 for the referred RfS for selection of ISTS-connected RE Power Projects.

In reference to above and subject to the provisions of RfS. we confirm having accepted your final offer concluded as a result of e-RA and issue this letter of award as per the following details:

Allotted Project ID	Project Capacity (MW)	Interconnection Point(s) Details	Applicable Tariff (INR/kWh) in figures	Applicable Tariff (INR/kWh) in words
RPD-ISTS-FDRE-4-VEAPL-P1-100MW	100 (Solar- 52.8 MW; Wind-125.4 MW; ESS-1.1 MW/ 2.2 MWh)	Solar component: 220 kV Gadag s/s; Wind component: 220 kV Koppal-II PS; ESS component: 220 kV Koppal-II PS	Rs 4.98/-	Rupees Four and Ninety-Eight Paise Only

It is to be noted that the RPD is allowed to change the project location and interconnection point for the awarded project subsequent to issuance of LoA, up to the deadline for Financial Closure, as per Clause 22 of the RfS.

SECI shall purchase the power generated from the proposed ISTS-Connected RE Power Project under the above scheme subject to the following terms and conditions as stated in various documents referred above and briefly brought out hereinafter.



- 1.0 *The applicable tariff as mentioned above for power generated from the proposed RE Power Project for the term of Power Purchase Agreement (PPA) to be entered into between Project Company or the RE Power Developer (RPD) and M/s SECI, for the Project, shall be firm for the entire term of the PPA.*
- 1.1 *Energy Storage Systems (ESS) shall mandatorily constitute part of the Project. It is clarified that ESS charged using a source other than RE power would not qualify as RE power. ESS may be owned by the RPD or may be tied up separately with a third party by the RPD.*
- 1.2 *The RPD will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Customs and Excise Duties, Tax Holidays, etc. as available for such projects. No claim shall arise on SECT for any liability if the RPD is not able to avail fiscal incentives and this will not have any bearing on the applicable tariff.*
- 1.3 *The award of the above Project is subject to the Guidelines including amendments/ clarifications issued by Government of India and terms and conditions of the RfS document including its clarifications/ amendments/ elaborations/ notifications issued by SECI.*
- 1.4 *No change in the controlling shareholding of the Bidding Company or Bidding Consortium shall be permitted from the date of submission of response to RfS till the execution of the PPA. However, in case the Project is being set up by a listed Company, this condition will not be applicable.*
- 1.5 *In case of the Successful Bidder itself executing the PPA, it shall ensure that its promoters shall not cede control (Control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Bidding Company/Consortium until 01 (one) year after the SCSD, except with the prior approval of SECI.*
- 1.6 *In case of companies having multiple promoters (but none of the shareholders having more than 50% of voting rights and paid up share capital), it shall be considered as a company under joint control. In such cases, the shareholding pattern in the company as submitted at the time of bidding, shall be maintained for a period of 01 (one) year after SCSD*
- 1.7 *In case of Project being executed through SPVs, the Selected Bidder executing the project, if being a single company, shall ensure that its shareholding in the SPV/ Project Company executing the PPA shall not fall below 51% at any time prior to 01 (one) year after the SCSD, except with the prior approval of SECI. In the event the selected Bidder is a consortium, then the combined shareholding of the consortium members in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after SCSD, except with the prior approval of SECI. Further, the Successful Bidder shall ensure that its promoters shall not cede control of the bidding company till 01 (one) year from the SCSD, except with the prior approval of SECI.*
- 1.8 *The Selected Bidder shall pay to SECI, Success Charges @ INR 1,00,000/MW (Indian Rupees One Lakh/MW) + 18% GST, corresponding to the Installed Capacity committed as per the PPA to be signed, to SECI towards administrative overheads, project monitoring activities, coordination with State Authorities and*

others including the DISCOM/STU/CTU, etc. 1st installment of the Success Charges, i.e. 50% of the above amount shall be paid to SECI within 30 days after issuance of LoA, and remaining 50% amount (i.e. the 2nd installment of the Success Charges) shall be paid prior to signing of PPA (PPA signing date to be intimated by SECI), in line with Clause 19.1 of the RfS. For the second installment, the due date shall be the date as intimated by SECI, which shall be at most 7 days prior to signing of PPA. In case of modification in Installed Capacity prior to signing of PPA, the 2nd installment of Success Charges will be calculated based on the revised value of the total Success Charges calculated @Rs. 1,00,000/MW + 18% GST of the revised Installed Capacity.

- 1.9 *Performance Bank Guarantee(s)/ Payment on Order Instrument (POI) for a value determined as per the formula specified in Clause 18.1 of the RfS shall be submitted by the RPD prior to signing of PPA, in line with Clause 18 of the RfS.*
- 1.10 *PPA will be executed between SECI and the RPD as per the breakup of the cumulative Contracted Capacity awarded to the Bidder. This LoA is being issued in line with the Project breakup of the cumulative capacity quoted in the Covering Letter as part of your response to RfS and amended subsequently, as applicable.*
- 1.11 *The project breakup for the cumulative contracted capacity quoted by the Bidder in the Covering Letter may be changed by the RPD subsequent to issuance of LoA up to the date as on 30 days from issuance of LoA. Further, the RPD is allowed to change the Project configuration, i.e. the Installed Capacity until the SCSD of the Project. Delay in meeting the PPA timelines on account of such changes in the Installed Capacity, which differ from the details provided in the Covering letter, shall be at the risk and cost of the Successful Bidder. The PPAs shall be valid for a period of 25 years from the Scheduled Commencement of Supply Date (SCSD).*
- 1.12 *The RPD will have to submit the required documents as mentioned below to SECI within 40 days from the issue of this LoA. In case of delay in submission of documents beyond the period as mentioned above, SECI shall not be liable for delay in verification of documents and subsequent delay in signing of PPA:*
 - 1) *In line with Clause 38.3 of the RfS, in the case of submission of letter from CEO/Managing Director of the respective Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees/POI in case the Bidder fails to do so, at the time of bid submission, the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of PPA. [Not required if requisite documents already submitted at the bidding stage]*
 - 2) *Copy of the Certificate of Incorporation of the RPD.*
 - 3) *The details of promoters and their shareholding in the RPD, duly certified by the practicing Chartered Accountant/ Company Secretary in original at least 7 (seven) days prior to date of their document submission (certificate date should be after the date of LoA) along with latest documents filed with ROC.*
 - 4) *Copy of the Memorandum of Association (MoA) of the RPD highlighting the object clause related to generation of Power/ Energy/ Renewable*

Energy/ Solar/ Wind/ Wind-Solar Hybrid Power plant development.

- 5) *In case the project being executed by a Special Purpose Vehicle (SPV) especially incorporated/ acquired by successful bidder, such SPV shall be at least 51% shareholding subsidiary, in line with provisions of the RfS. Further, the Successful Bidder shall submit a Board Resolution prior to signing of PPA with SECI, committing total equity infusion in the SPV as per the provisions of RfS. Also, the SPV shall submit a Board Resolution for execution of the Project.*
- 6) *Copy of Board Resolution of RPD for authorization of signing of PPA and subsequent relevant documents.*

Further, the PPA shall be signed with RPDs subsequent to the signing of Power Sale Agreements with the Buying Entities for the cumulative awarded capacity and upon submission of the Success Charges along with total Performance Guarantees/ Payment on Order Instrument of requisite value.

- 1.13 *SECI shall have the right to verify original documents of the RPD for which copies have been submitted from the date of submission of response to RfS till date, if required. Effective Date of the PPA shall be the date as on 60 days from the date of issue of LoA. Subsequent to expiry of the 60-day period after the issuance of LoA, in case SECI intimates to the Successful Bidder, a particular date as the date for signing of PPA, the date as specified by SECI shall become the Effective Date of the PPA, irrespective of the date of signing of PPA.*
- 1.14 *In case, the SECI offers to execute the PPA with the RPD and the selected Bidder refuses to execute the PPA within the stipulated time period, then the Bank Guarantee equivalent to the amount of the EMD shall be encashed by SECI from the Bank Guarantee available with SECI (i.e. EMD or PBG) as penalty, the selected Project shall stand cancelled, and the selected Bidder expressly waives off its rights and objections, if any, in that respect.*
- 1.15 *The RPD shall meet financial closure requirements for the Project in line with clause 22 of the RfS document, by the date as on 6 months prior to the SCSD/extended SCSD. Accordingly, the RPD shall furnish the documents pertaining to compliance of financial closure as per the above provisions.*
- 1.16 *The RPD/Project Company shall commence supply of power from full Project Capacity within 24 months from the Effective Date of the PPA, as per the conditions stipulated in Clause 9 of the RfS and relevant articles of PPA. In case of failure to achieve this milestone, penalty for delay in commencement of supply shall be levied on the RPD as per the above provisions.*
- 1.17 *You are requested to make it convenient for signing of Power Purchase Agreement (PPA) as per clause 21 of RfS, failing which, provisions as per Clause 17, 18 and 21 of the RfS shall be applicable.*
- 1.18 *All disputes arising out of and/ or in connection with the selection of RE Power Projects under the said RfS and execution of PPA thereto shall be governed by laws of India and shall be subject to the jurisdiction of Courts of New Delhi.*
- 1.19 *Project implementation will be governed in line with the provisions of the PPA.*

This LoA is being issued in duplicate and you are requested to kindly acknowledge receipt and acceptance of this LoA by sending the duly stamped and signed duplicate copy of LoA to SECI within 07 days from date of this LoA.”

31. As per the Guidelines, the Evaluation Committee is required to certify that the bidding process and the evaluation have been conducted in conformity with



the provisions of the RfS. Accordingly, SECI has submitted a Conformity Certificate-I certifying that after the conclusion of the submission of the bid, the BEC constituted for the bid evaluation had conducted the techno-commercial as well as financial bid evaluation in conformity with the provisions of the RfS. Additionally, SECI has also furnished a Conformity Certificate-II to the effect that the applicable Guidelines and amendments /clarification thereof, if any, issued by the Government of India, were followed for the bidding process in the above tender and no deviation was taken from the Guidelines in the RfS Documents for the above tender. The relevant extract of the aforesaid Conformity Certificates reads as under:

“CONFORMITY CERTIFICATE – 1

“With respect to the RfS no. SECI/C&P/IPP/13/0006/23-24 dated 15.09.2023, it is hereby declared as follows:

1. *Applicable Guidelines and amendments/clarifications thereof, if any, issued by Government of India were followed for the bidding process in the above tender and no deviation was taken from the Guidelines in the RfS documents for the above tender.”*

CONFORMITY CERTIFICATE - 2

“With respect to the RfS no. SECI/C&P/IPP/13/0006/23 -24 dated 15.09.2023, it is hereby declared as follows:

1. *After the conclusion of bid submission, the Evaluation Committee constituted for evaluation of bid5 has conducted the techno-commercial as well as financial bid evaluation in conformity to the provisions of the RfS.”*

32. The Petitioner has further submitted that the Petitioner had informed BRPL, BYPL, and GIFT PCL of the result arrived at the e-reverse auction and the discovered tariff on 26.07.2024, seeking their consent. Furthermore, SECI presented the draft Power Sale Agreement (PSA) to ensure its swift execution, enabling SECI to move forward with the issuance of the Letters of Award to the



Successful Bidders. The purchasing parties, BRPL, BYPL, and GIFT PCL, conveyed their consent to the established tariff on 05.08.2024 and 06.08.2024. As a result, the Letters of Award (LoAs) were granted by SECI on 07.08.2024 to the successful bidders, following the approval from these utilities. Immediately thereafter, the Petitioner acted to file the petition for adoption of the tariff with the Hon'ble Commission. In light of the circumstances described above, the Petitioner could not submit the petition within the designated time frame as specified in the guidelines. The postponement was not purposeful or planned.

33. Further, as updated by the Petitioner, the Commission notes that the Petitioner has offered 625MW of the power to other distribution utilities and is waiting for their consent, in view of the fact that despite assurances from BRPL and BYPL regarding the discovered tariff, the Power Sale Agreement has not been executed as on date.

34. In view of the aforesaid discussions, it emerges that the selection of the successful bidders has been done, and the tariff of the Renewable Energy Power Projects (SECI-FDRE-IV) has been discovered by the Petitioner, SECI, through a transparent process of competitive bidding in accordance with the Guideline dated 9.6.2023 issued by the Ministry of Power, Government of India under Section 63 of the Act. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the Firm and Dispatchable Power from ISTS- connected Renewable Energy Power Projects (SECI-FDRE-IV), as agreed to by the successful bidders, subject to the Petitioner tying up the awarded capacities under the PPAs and PSAs and which shall remain valid throughout the period covered in the PPAs and the PSAs as under:



S. No.	Name of Successful Bidder	Bid Capacity (MW)	Tariff (INR/kWh)	Allotted Capacity (MW)
1.	Vena Energy Aura Private Limited	100	4.98	100
2.	Hero Solar Energy Private Limited	100	4.98	100
3.	JSW Neo Energy Limited	230	4.98	230
4.	Hexa Climate Solutions Private Limited	100	4.99	100
5.	Serentica Renewables India 11 Private Limited	250	4.99	100
	Total awarded capacity			630 MW

35. Prayer (a) of the Petitioner is answered in terms of paragraph 23 above. Moreover, as soon as the awarded capacity is tied-up under the PPAs and PSAs, the Petitioner shall place on record the copies of such PPAs and PSAs. Also, in the event that the awarded capacity does not fructify into the PPAs and PSAs, the Petitioner shall also place on record such development(s) on the file of the present case.

36. Article 10.3 of the PPA provides as under:

"10.3 Payment of Monthly Bills

10.3.1 SECI shall pay the amount payable under the Monthly Bill/Supplementary Bill by the Due Date to such account of the HPD, as shall have been previously notified by the HPD as below.

10.3.2 All payments required to be made under this Agreement shall also include any deduction or set off for:

i) deductions required by the Law; and

ii) amount claimed by SECI, if any, from the HPD, will be adjusted from the monthly energy payment. In case of any excess payment adjustment, the interest applicable will be same as rate of Late Payment surcharge will be applicable on day to day basis.

The HPD shall open a bank account (the "HPD's Designated Account") for all Tariff Payments (including



Supplementary Bills) to be made by SECI to the HPD, and notify SECI of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. SECI shall also designate a bank account at New Delhi ("SECI Designated Account") for payments to be made by the HPD to SECI, if any, and notify the HPD of the details of such account ninety (90) Days before the SCSD. SECI and the HPD shall instruct their respective bankers to make all payments under this Agreement to the HPD's Designated Account or SECI's Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.

37. Article 10.4 of the PPA provides as under:

*"10.4 Payment
Security Mechanism
Letter of Credit (LC):*

10.4.1 SECI shall provide to the HPD, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by the HPD in accordance with this Article.

10.4.2 Before the start of supply, SECI shall, through a scheduled bank, open a Letter of Credit in favour of the HPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually, for an amount equal to:

- i) for the first Contract Year, equal to 110% of the estimated average monthly billing;*
- ii) for each subsequent Contract Year, equal to 110% of the average of the monthly billing of the previous Contract Year.*

10.4.3 Provided that the HPD shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a Month.

10.4.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, SECI shall restore such shortfall before next drawl.

10.4.5 SECI shall cause the scheduled bank issuing the Letter of Credit to intimate the HPD, in writing regarding establishing of such irrevocable Letter of Credit.

10.4.6 SECI shall ensure that the Letter of Credit shall be renewed not later than its expiry.

10.4.8 If SECI fails to pay undisputed Monthly Bill or Supplementary Bill or a part thereof within and including the Due Date, then, subject to Article 10.4.6 & 10.5.2, the HPD may draw upon the Letter of Credit, and accordingly the bank shall pay, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, in accordance with Article 10.4.3 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- i) a copy of the Monthly Bill or Supplementary Bill (only for energy related*



bills) which has remained unpaid to HPD and;

ii) a certificate from the HPD to the effect that the bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date;”

38. Clause (10) of Regulation 9 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 (hereinafter referred to as “the Trading Licence Regulations”) provides as under:

“9. (10) The Trading Licensee shall make payment of dues by the agreed due date to the seller for purchase of the agreed quantum of electricity through an escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller. Such escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller shall be equivalent to:

a. one point one (1.1) times the average monthly bill amount (estimated average of monthly billing amounts for three months or actual monthly billing amount for preceding three months as the case may be) with a validity of one year for long term contracts;

b. one point zero five (1.05) times of contract value for short term contracts.”

39. The above provisions provide for the payment security mechanism to be complied with by the parties to the present petition. Accordingly, the provisions of Articles 10.3 and 10.4 of the PPAs and Clause (10) of Regulation 9 of the Trading Licence Regulations shall be complied with by the concerned parties to the present petition.

40. The Petitioner, SECI, has also prayed to approve the trading margin of Rs.0.07/kWh to be charged to the End Procurer/Discoms or any other entity over & above the PPA tariff on the sale of power as specified depicted in the RfS document and specified in the Firm and Dispatchable Power Guidelines.



41. In this regard, Clause (1)(d) of Regulation 8 of the Trading Licence Regulations provides as under:

“For transaction under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller.”

42. The above provision gives the choice to the contracting parties to mutually agree on trading margin for long term transactions. However, proviso to Regulation 8(1)(d) of the Trading Licence Regulations provides as under:

*“8(1) (d) * * * * **

Provided that in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.”

43. Regulation 8(1)(f) of the Trading Licence Regulations provides as under:

“For transactions under Back to Back contracts, where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.”

44. The above two provisions are exceptions to the main provision as regards trading margin. In the present case, PSAs have not yet been signed by the distribution licensees. Once the PSAs are signed with distribution utilities, the trading margin shall be as per the provisions of such PSAs to be entered into between SECI and the respective distribution licensee. However, in case of failure by SECI to provide an escrow arrangement or irrevocable, unconditional, and revolving letter of credit to the wind-solar hybrid power generators, the trading margin shall be subject to a ceiling of Rs.0.02/kWh specified in Regulation 8(1)(d)

and Regulation 8(1)(f) of the Trading Licence Regulations.

45. In view of the above, the prayer (b) of the Petitioner is answered accordingly.

46. The Petition No. 312/AT/2024 is disposed of in terms of the above.

Sd/-
(श्री हरीश दुदानी)
सदस्य

Sd/-
(श्री रमेश बाबू व.)
सदस्य

Sd/-
(श्री जिश्रु बरुआ)
अध्यक्ष

