

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 274/AT/2024**

**Coram:**

**Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member**

**Date of order: 25<sup>th</sup> October, 2024**

**In the matter of:**

Petition under Section 63 of the Electricity Act, 2003 for Adoption of Tariff discovered through Competitive Bidding Process for Setting up of 1500 MW ISTS connected Solar PV Power Projects (Solar-1) Anywhere in India under Tariff- Based Competitive Bidding.

**And**

**In the matter of**

**SJVN Limited**

6<sup>th</sup> Floor, Tower-1, Office Block,  
NBCC Complex,  
East Kidwai Nagar,  
New Delhi -110023

**...Petitioner**

Vs.

**1. M/s Solarcraft Power India 8 Private Limited**

109, First Floor, Rishabh IPEX Mall,  
IP Extension, Patparganj, Delhi-110092

**2. M/s GRT Jewellers (India) Private Limited**

138, Usman Raod, T.Nagar, Chennai,  
Tamil Nadu – 600017

**3. M/s Furies Solren Private Limited**

6<sup>th</sup> Floor, B Block, Embassy 247 Park,



Lal Bahadur Shastri Marg. Ghandi Nagar,  
Vikhroli West, Mumbai, Maharashtra – 400083

**4. M/s JSW Neo Energy Limited.**

JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051

**5. Punjab State Power Corporation Limited**

OSEB, Head Office,  
The Mall,  
Patiala – 147001

...Respondents

**Present Parties:**

Shri Adarsh Tripathi, Advocate, SJVNL  
Shri Ajitesh Garg, Advocate, SJVNL  
Shri Pramod Behra, SJVNL  
Shri Manoj Charan, SJVNL  
Shri Vikram Singh Baid, Advocate, SJVNL  
Shri Nitish Gupta, Advocate, FSPL  
Ms. Nipun Sharma, Advocate, FSPL  
Shri Deepak Thakur, Advocate, FSPL

**ORDER**

The Petitioner, SJVN Limited (hereinafter referred to as 'the SJVN') has filed the present Petition under section 63 of the Electricity Act, 2003 (hereinafter referred to as the 'Act') for the Adoption of the tariff of the 1500 MW Solar PV Power Projects (Solar-I) connected with the Inter-State Transmission System (ISTS) and selected through Competitive Bidding Process as per the "*Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects*" dated 28.7.2023 ('the Solar Guidelines') issued by the Ministry of Power, Government of India, as amended from time to time and interpreted and modified by the Central Government vide subsequent communications/ notifications. The Petitioner has made the following prayers:



*“A. Admit the present Petition*

*B. Adopt the tariff discovered in the tariff based competitive bid process for the individual power projects as stated in the Table at Para 13 as mentioned hereinabove; and*

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

*D. Pass such other order (s) as may be deemed fit and proper in the facts and circumstances of the present case.”*

### **Submission of the petitioner**

2. The Petitioner, SJVN, has submitted that it issued a Request for Selection ('RfS') along with the draft Power Purchase Agreement ('PPA') and the draft Power Supply Agreement ('PSA') for the selection of 1500 MW ISTS-connected Solar PV Power Projects (Solar-1) as per the Guidelines and floated the same on ISN Electronic Tender System (ETS) e-bidding portal on 31.10.2024. In response, ten bids were received and all were found to fully meet the technical criteria. As per the eligibility criteria mentioned in the RfS, nine bidders were shortlisted for participating in the e-reverse auction. The e-reverse auction was conducted on 8.2.2024, and pursuant thereto, five bidders offering an aggregate capacity of 1500 MW were selected and issued the Letters of Award on 26.6.2024. Subsequently, one of the successful bidders, namely NTPC Renewable Energy Limited (NREL), who had been awarded 50 MW capacity pursuant to the bidding process has vide letter dated 01.03.2024 informed its refusal towards the said awarded capacity of 50MW in terms of Clause 5.5.3 of the RfS. The said refusal of the NREL towards the awarded capacity of 50 MW was accepted by the Petitioner, and thus, the total capacity under the bidding was restricted to 1450 MW. The Petitioner has submitted that the Petitioner has entered into a Power Sale Agreement (PSA) dated 27.6.2024 with



the Respondent No.5, i.e., Punjab State Power Corporation Limited (PSPCL) for the entire 1450 MW of Power awarded to the successful bidders under the bidding process on back to back basis. Thereafter, the Petitioner has entered into the PPAs with the successful bidders, namely (a) JSW Neo Energy Limited (for 700 MW capacity), (b) Furies Solren Private Limited (for 300 MW capacity), (c) Solarcraft Power India 8 Private Limited (for 300 MW capacity) and (d) GRT Jewellers (India) Private Limited (for 150 MW capacity). In view of the above, the Petitioner has prayed for the adoption of a tariff for the procurement of 1500 MW Solar PV Power Projects as discovered through a competitive bidding process carried out by SJVN. It has been further submitted that in addition to the tariff, there will be a trading margin of Rs. 0.07/kWh to be recovered from the distribution companies, which has been duly agreed to by the distribution company in the PSA.

**Hearing on 5.09.2024**

3. The matter was heard on 5.9.2024. Learned counsel for the Petitioner, SJVN, reiterated the submissions made in the pleadings and requested the Commission for the adoption of the tariff of the 1450 MW Solar PV Power Projects connected with the Inter State Transmission System and selected through the competitive bidding process as per the Solar Guidelines. Learned counsel further submitted that the entire awarded capacity has already been tied up under the Power Supply Agreement and Power Purchase Agreements, and the copies thereof have also been placed on record.

4. After hearing the learned counsel for the Petitioner, notices were issued to the Respondents to file their respective replies. The Petitioner was directed to file certain



details/ information namely (a) Details of constitution of Bid Evaluation Committee and its report in connection with the RfS in the present matter, (b) Details of publication of RfS Notice as per Clause 7.5 of the Solar Guidelines, (c) Conformity certificate certifying that no deviation has taken from the Solar Guidelines in the Bid Documents, and (d) Conformity certificate certifying that the Bid Evaluation Committee has conducted the bid evaluation in line with provisions of the RfS as per Clause 10.2 of the Guidelines. Also, document/certification indicating that the Bid Evaluation Committee satisfied itself that the price of the selected offer is reasonable and consistent with the requirement as per the said clause of the Solar Guidelines.

5. In response, the Petitioner, SJVN, vide affidavit dated 20.09.2024, has furnished the above requisite details/ information.

6. Pursuant to the liberty granted by the Commission, Respondent No.2, Furies Solren Pravite Limited ('FSPL') vide affidavit dated 23.9.2024 has indicated its 'No Objection' towards the adoption of the tariff in the present petition.

#### **Hearing Dated 23.10.2024**

7. During the course of the hearing, the learned counsel for the Petitioner, SJVN, submitted that an affidavit had been filed by the Petitioner furnishing requisite information in compliance with the directions of the Commission vide Record of Proceedings for the hearing dated 5.9.2024. Learned counsel further submitted that the Petitioner had filed its rejoinder on 5.10.2024 to the reply filed by Respondent No. 3, Furies Solren Private Limited (FSPL). Learned counsel highlighted an urgency in the matter as the time limit of the 120 days for the adoption of the tariff, as prescribed under the Solar Guidelines dated 28.7.2023 issued by the Ministry of Power, is about to expire on 26.10.2024.



Therefore, the learned counsel requested the Commission to expedite the proceedings in the matter.

8. Learned counsel for Respondent, Furies Solren Private Limited (FSPL), submitted that the Respondent has filed the reply to the Petition on 27.9.2024 and the written note of submissions on 23.10.2024. Learned counsel further submitted that FSPL has no objection to the adoption of tariff in the matter. However, the learned counsel pointed out the discrepancy between the start date of the connectivity and the scheduled commissioning date of its solar project. In light of the same, the learned counsel sought liberty to file an appropriate Petition / initiate a proceeding at an appropriate stage or as and when directed by the Commission for the adjudication of the aforesaid dispute, bringing on record the relevant facts and documents in this regard.

9. Considering the submissions made by the learned counsels for the parties, the Commission reserved the matter for order.

### **Analysis and Decision**

10. 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 individual wind projects as discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India.

11. 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.”*

12. Thus, in terms of Section 63 of the Act, the Commission is required to adopt the tariff on being satisfied that the transparent process of bidding is in accordance with the



guidelines issued by the Government of India under Section 63 of the Act has been followed in the determination of such tariff.

13. Ministry of Power, Government of India has notified the Solar Guidelines under Section 63 of the Act vide Resolution No.27/01/2023-RCM on 28.7.2023. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for the procurement of power from grid connected solar PV power projects, with or without Energy Storage, through tariff based competitive bidding to be conducted by 'Procurer', which includes distribution licensees, or the Authorized Representative(s), or Intermediary procurers.

(b) The procurer shall prepare the bid documents in accordance with the Guidelines. The principles outlined in the Guidelines may be suitable expanded and made exhaustive in the Standard Bid Documents. In case of any deviation from the provisions of the Guidelines and/or Standard Bid Documents, approval of the Appropriate Government would be necessary prior to initiation of bid process.

(c) Bids shall be invited in Power Capacity (MW) terms specifying the total quantum to be contracted by procurer. The minimum quantum of power that can be offered by the bidder should be 50 MW for projects connected to inter-state transmission system. The bidder can quote for a part of the total quantum to be procured by the procurer. A maximum of 50 percent of total capacity as specified in the RfS can be allocated to a single bidder. The bid evaluation parameter shall be the tariff per unit supply of solar power fixed for entire term of the PPA.

(d) The procurement of power - shall be in power (MW) terms. The range of Capacity Utilisation Factor (CUF) will be indicated in the bidding documents. Calculation of CUF will be on yearly basis.



(e) Draft PPA proposed to be entered into with the successful bidder and draft PSA, if applicable, shall be issued along with the RfS. Standard provisions to be incorporated as part of the PPA shall include, *inter-alia*, PPA Period, Power Procurement, Payment Security Mechanism (PSM), Force Majeure, Generation Compensation for off-take Constraints, Event of default and consequences thereof and Change in Law and shall be provided for, on back-to-back basis, in the PSA.

(f) Adequate payment security shall be provided as per Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 including amendments and clarification, if any, thereof, issued from time to time. In addition, the Intermediary Procurer may maintain a payment security fund. To be eligible for coverage from the fund, the developer will undertake to pay PSM charges at the rate of 2 paise per unit.

(g) The Procurer/intermediate procurer shall call for the bids adopting a single stage, two part (Technical Bid & Financial Bid), bidding process to be conducted through electronic mode (e-bidding). The technical bid shall be opened first. The financial bids of only those bidders who qualify in the technical bid shall be opened. E-procurement platforms with a successful track record and with adequate safety, security and confidentiality features will be used.

(h) RfS notice shall be issued in at least two national newspapers and on the websites of the procurer to provide wide publicity. Standard provisions to be provided by the Procurer in the RfS document shall include Bid Responsiveness, Technical Criteria, Financial Criteria, Quantum of the Earnest Money Deposit (EMD) and Compliance of FDI Laws by foreign bidders etc.

(i) The bidders shall be required to submit separate technical and price bids. The bidders shall also be required to furnish necessary bid-guarantee in the form of an Earnest Money Deposit (EMD) along with the bids. The technical bids shall be evaluated to ensure that the bids submitted meet the eligibility criteria set out in the RfS document on all evaluation parameters. Only the bids that meet the





evaluation criteria set out in the RfS document shall be considered for further evaluation on the price bids. To ensure competitiveness, the minimum number of qualified bidders should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, and the Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.

(j) The procurer shall constitute a committee for evaluation of the bids (Evaluation Committee), with at least three members, including at least one member with expertise in financial matters / bid evaluation. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS document. The Evaluation Authority should also satisfy itself that the price of the selected offer is reasonable and consistent with the requirement.

(k) The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.

(l) After the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.

(m) The distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for adoption of tariffs discovered, in terms of Section 63 of the Act, within 15 (fifteen) days of the discovery of the tariffs through e-reverse auction or otherwise, in the transparent competitive bidding process conducted in accordance with these Guidelines. In case the Appropriate Commission does not decide upon the same within 60 (sixty) days of such submission or within 120 (one hundred and twenty) days from the date of PSA, whichever is more, the procurer shall grant the appropriate extension of time in Scheduled Commencement of Supply Date (SCSD) to the generators corresponding to the delay (beyond 60 days of submission or 120 days of PSA,



whichever is more) in adoption/ approval by the Appropriate Commission till the date of adoption/ approval by the Appropriate Commission.

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

15. The Petitioner has been designated as the nodal agency for the implementation of the MNRE Schemes for setting up the inter-State Transmission System connected/ State specific wind/ solar power/ wind-solar hybrid power projects to invite bidding under tariff based competitive bidding process to enter into PPAs with developers at the tariff discovered in the competitive bid process; and to enter into PSAs with the distribution licensees to enable them to fulfil their Renewable Purchase Obligations under Section 86(1)(e) of the Act. SJVN acts as an intermediary agency in the purchase and sale of power under PPAs and PSAs on a back-to-back basis.

16. The Guidelines provide for the procurement of solar power at a tariff to be determined through a transparent process of bidding by the procurer(s) from the grid connected solar power projects having a size of 5 MW and above. As per the Guidelines, SJVN, in the capacity of intermediary procurer, invited proposals for the selection of solar power developers for setting up 1500 MW from ISTS- Connected Solar PV Power Projects anywhere in India. As per the arrangements, SJVN is to procure the power by entering into PPAs with the successful bidder with back-to-back PSAs for the sale of power to the distribution licensees.



17. On 31.10.2023, SJVN issued the RfS documents, along with the draft PPA and PSA, for the selection of the Solar Power Developers for setting up the 1500 MW ISTS connected Solar PV Power Projects under tariff based competitive bidding. As per Clause 7.5 of the Guidelines, RfS notice is required to be published in at least two national newspapers and the website of the procurer to accord wide publicity. According to SJVN, it published the notice regarding the issuance of RfS on its website, www.sjvn.nic.in as well as in the various editions of newspapers, namely (a) The Times of India, (b) Business Standards, and (c) Dainik Bhaskar, published across the Country including the cities such as New Delhi, Hyderabad, Mumbai, Chandigarh, Lucknow, Kolkata, etc.

18. The Bid Evaluation Committee (BEC) comprising the following was constituted for the opening and evaluation of bids under RfS No. SJVN/CC-Delhi/REIA/2023/Solar-1 dated 31.10.2023:

<b>S. No.</b>	<b>Name &amp; Designation</b>
(i)	Sh. Manish Kumar Kanth, DGM(C&P), Delhi
(ii)	Sh. V K Chandravanshi, DGM(F&A), Delhi
(iii)	Sh. Pramod Behera, Sr. Manager (REIA), Delhi

19. The last date of submission of the bid was 10.1.2024, and the technical part of the bid was opened on the same date, i.e.,10.1.2024. Response to RfS was received from ten bidders, and all of them met the technical criteria and, consequently, were found to be qualified for the opening of the financial bid. On 7.2.2024, financial bids of ten technically qualified bidders were opened on the e-bidding portal, i.e., <https://www.bharat-electronictender.com>, in the presence of a member of the Bid



Evaluation Committee. As per the eligibility criteria mentioned in the RfS document, out of ten, nine bidders were shortlisted for e-reverse auction.

20. The e-reverse auction was carried out on 8.2.2024 in the presence of the members of BEC. After completion of the e-reverse auction, the following were declared as successful bidders:

<b>Sr. No.</b>	<b>Name of Successful Bidder</b>	<b>Allotted Capacity</b>	<b>Tariff</b>
1.	M/s JSW Neo Energy Limited.	700 MW	INR 2.53/kWh
2.	M/s Furies Solren Private Limited	300 MW	INR 2.53/kWh
3.	M/s Solarcraft Power India 8 Private Limited	300 MW	INR 2.52/kWh
4.	M/s GRT Jewellers (India) Private Limited	150 MW	INR 2.52/kWh
5.	NTPC Renewable Energy Limited (NREL)	50 MW	INR 2.54/kWh
	<b>Total</b>	<b>1500 MW</b>	

21. Accordingly, on 26.2.2024, SJVN issued the Letters of Award (LoAs) to the above successful bidders in the following manner:

<b>S. No.</b>	<b>Name of the successful Bidder</b>	<b>LoA Ref. No.</b>	<b>Contracted Capacity</b>	<b>Applicable Tariff (INR/kWh)</b>
1.	M/s Solarcraft Power India 8 Private Limited	SJVN/CC-Delhi/REIA/2023/SOLAR-1/Solarcraft/ 120 dated 26.02.2024	300 MW	<b>2.52/-</b>
2.	M/s GRT Jewellers (India) Private Limited	SJVN/CC-Delhi/REIA/2023/SOLAR-I/GRT /121 dated 26.02.2024	150 MW	<b>2.52/-</b>
3.	M/s Furies Solren Private Limited	SJVN/CC-Delhi/REIA/2023/SOLAR-1/Furies Solren/ 122 dated 26.02.2024	300 MW	<b>2.53</b>
4.	M/s JSW Neo Energy Limited.	SJVN/CC-Delhi/REIA/2023/SOLAR-1/JSW /123 dated 26.02.2024	700 MW	<b>2.53</b>
5.	NTPC Renewable Energy Limited (NREL)	SJVN/CC-Delhi/REIA/2023/SOLAR-I/NTPC /124 dated 26.02.2024	50 MW	<b>2.54</b>

22. The Petitioner, SJVN, has submitted that NTPC Renewable Energy Limited



(NREL) had applied for a capacity of 300 MW, whereas the capacity offered pursuant to the bidding process was 50 MW. Subsequently, NREL vide letter dated 01.03.2024 informed its refusal of 50MW awarded capacity in terms of Clause 5.5.3 of the RfS. The Petitioner thereafter, vide letter dated 04.04.2024, accepted the refusal made by NREL, and accordingly, the EMD submitted by NREL has also been returned by the Petitioner.

23. Further, Respondent No.1 (JSW Neo Energy Limited), as the successful bidder, was awarded 700 MW at a tariff of INR 2.53/kWh; however, JSW Neo Energy Limited has suo-motu reduced the tariff from Rs. 2.53/kWh (as discovered in the e-RA) to Rs. 2.52/kWh for 700 MW solar project capacity by its undertaking dated 18.6.2024.

24. Thereafter, the Petitioner and Respondent No.5, i.e., Punjab State Power Corporation Limited (PSPCL), executed a Power Sale Agreement (PSA) dated 27.06.2024, thereby tied up the entire 1450 MW of Power awarded to the successful bidders under the present bidding process on a back-to-back basis.

25. On the above basis, PPAs have been signed with the following successful bidder/ Project Company formed by the successful bidder:

<b>S. No.</b>	<b>Name of the successful Bidder</b>	<b>Date of signing of PPA</b>	<b>Capacity of Project (MW)</b>
1.	JSW Neo Energy Limited	28.06.2024	700 MW
2.	Furies Solren Private Limited	28.06.2024	300 MW
3.	Solarcraft Power India 8 Private Limited	29.06.2024	300 MW
4.	GRT Jewellers (India) Private Limited	28.06.2024	150 MW
	<b>Total</b>		<b>1450 MW</b>



26. As per Clause 10.2 of the Solar 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 document. Also, the Evaluation Authority should satisfy itself that the price of the selected offer is reasonable and consistent with the requirement. Pursuant to the direction of the Commission vide Record of the Proceedings for the hearing dated 5.9.2024, the Petitioner filed a conformity certificate dated 17.9.2024 indicating that the bidding process and evaluation criteria as specified in the RfS document has been strictly complied with and the tariff discovered in the tender as mentioned above appears to be reasonable and consistent with the requirement of the tender. The relevant extract of the said conformity certificate is as under:

**“CERTIFICATE BY BID EVALUATION COMMITTEE**

*Subject: Selection of Solar Power Developers for Setting up of 1500 MW ISTS connected Solar PV Power Projects Anywhere in India under Tariff-Based Competitive Bidding: RfS No. SJVN/CC-Delhi/REIA/2023/Solar-1*

*It is certified that:*

- A. It is hereby certified that the bidding process and evaluation criteria as specified in the RfS document has been strictly complied with and the entire process of evaluation has been transparent.*
  
- B. The tariffs (INR/kWh) quoted by the bidders for supply of Solar power for 25 years have been discovered through Tariff Based Competitive Bidding process under Open Tender mode followed by e-Reverse Auction. Total number of bidders who have participated in the tender was Ten (10) with cumulative quoted contracted capacity of 2860 MW against the total bid capacity of 1500 MW, from which it can be considered that there has been adequate participation of the bidders in the aforesaid tender. Considering above, the tariff discovered in the tender as mentioned above appears to be reasonable and consistent with the requirement of the tender.”*

27. In view of the aforesaid discussions, it emerges that the selection of the successful bidders has been made, and the tariff of the solar power projects has been discovered by the Petitioner, SJVN, through a transparent process of competitive bidding in accordance with the Guidelines issued by the Ministry of Power, Government of India.



Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the solar power project, as agreed to by the successful bidder(s), and for which PPAs have been entered into by SJVN on the basis of the PSA with the distribution licensees, i.e., PSPCL, which shall remain valid throughout the period covered in the PPA and PSAs as under:

S. No.	Name of the successful Bidder	Date of signing of PPA	Capacity of Project (MW)	Applicable Tariff (Rs./kWh)
1.	JSW Neo Energy Limited	28.06.2024	700 MW	2.52/-
2.	Furies Solren Private Limited	28.06.2024	300 MW	2.53/-
3.	Solarcraft Power India 8 Private Limited	29.06.2024	300 MW	2.52/-
4.	GRT Jewellers (India) Private Limited	28.06.2024	150 MW	2.52/-
	<b>Total</b>		<b>1450 MW</b>	

28. Prayer (b) of the Petitioner is answered in terms of paragraph 27 above.

29. The Petitioner, SJVN, has also prayed to approve the trading margin of Rs.0.07/kWh to be charged to the End Procurer 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 Solar Guidelines.

30. 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.”*

31. The above provision gives the choice to the contracting parties to mutually agree on trading margin for long term transactions. However, the 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.”*

32. 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.”*

33. The above two provisions are exceptions to the main provision as regards trading margin. The distribution licensee has agreed to a trading margin of Rs.0.07/kWh as agreed in the PSA, which is in consonance with Regulation 8(1)(d) of the Trading Licence Regulations. However, in case of failure by SJVN to provide an escrow arrangement or irrevocable, unconditional, and revolving letter of credit to the solar generators, the trading margin shall be limited to Rs.0.02/kWh specified in Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

34. Prayer (c) of the Petitioner is answered accordingly.

35. Petition No 274/AT/2024 is disposed of in terms of the above.

sd/-

**(Harish Dudani)**  
**Member**

sd/-

**(Ramesh Babu V.)**  
**Member**

sd/-

**(Jishnu Barua)**  
**Chairperson**

