

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 243/AT/2025

Coram:

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

Date of Order: 30th May, 2025

In the matter of:

Petition under Section 63 of the Electricity Act, 2003 for the adoption of tariff of 550 MW Solar Power Projects (Tranche XVIII) connected with the Inter-State Transmission System and selected through competitive bidding process as per the Guidelines dated 28.7.2023 of 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

Versus

1. ReNew Solar Power Private Limited,
ReNew Hub, Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase-V,
Gurugram-122009

2. ACME Solar Holdings Limited,
Plot No. 152, Sector-44,
Gurugram – 122002

3. Himachal Pradesh State Electricity Board Limited,
Vidyut Bhawan, Shimla- 171004,
Himachal Pradesh

...Respondents

The following were present:

Shri M. G. Ramachandran, Sr. Advocate, SECI
Ms. Shikha Ohri, Advocate, SECI



Shri Kartik Sharma, Advocate, SECI
Ms. Srishti Khindaria, Advocate, SECI
Ms. Ritika Singh, Advocate, SECI
Ms. Anushree Bardhan, Advocate, SECI
Shri Shibasish Das, SECI
Shri Tarun, SECI
Shri Mudit Jain, SECI
Shri Basava Prabhu Patil, Sr. Advocate, ReNew Solar
Shri Gopal Jain, Sr. Advocate, ASHL
Shri Aniket Prasoon, Advocate, ReNew Solar & ASHL
Ms. Pratiksha Chaturvedi, Advocate, ReNew Solar & ASHL
Shri Shubham Singh, Advocate, ReNew Solar & ASHL

ORDER

The Petitioner, Solar Energy Corporation of India Limited ('SECI'), has filed the present Petition for the adoption of tariff of the 550 MW Solar Power Projects (Tranche XVIII) 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) Adopt the tariff discovered in the tariff based competitive bid process for the 550 MW Solar PV Power Projects;

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

(c) Pass any other or further order which this Commission may deem fit and proper in the facts and circumstances of the case."

Submissions of the Petitioner

2. The Petitioner, SECI, has submitted that on 12.9.2024, it issued the Request for Selection (RfS) along with the Standard Power Purchase Agreement (PPA) and the Power

Sale Agreement (PSA) documents for setting up the 1000 MW ISTS connected Solar PV Power Project(s) (Tranche XVIII), under Competitive Bidding as per the Solar Guidelines dated 28.7.2023 on the ISN Electronic Tender System (ETS) e-bidding portal. As per the RfS conditions, Bidders who had already been granted connectivity at any existing ISTS-substation with Start Date of Connectivity/Operationalization of Connectivity on or before 30.06.2025 only were allowed to participate in this RfS. The Scheduled Commencement of Supply Date (SCSD) for supplying power from the full Project Capacity was kept as 30.6.2025. In response, four bids were received, offering an aggregate capacity of 800 MW, and three were found to fully meet the techno-commercial criteria. On 24.12.2024, as per the prescribed procedure in the RfS, the financial bids of the three technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of the Bid Opening Committee. As per the eligibility criteria mentioned in the RfS, all three bidders, i.e., ReNew Solar Power Private Limited, ACME Solar Holdings Limited, and Adani Renewable Energy Holding Twelve Limited, were shortlisted for participating in the e-reverse auction. The e-reverse auction was conducted on 24.12.2024 on the ISN ETS e-bidding portal, on the basis of which the final tariff was discovered. Pursuant thereto, SECI, on 9.1.2025, issued a Letter of Award to the successful bidders, namely, ReNew Solar Power Private Limited (250 MW @ Rs.3.06/kWh), ACME Solar Holdings Limited (300 MW @ Rs. 3.07/kWh) and Adani Renewable Energy Holding Twelve Limited (50 MW @ Rs. 3.15/kWh). The Petitioner, vide additional affidavit dated 11.2.2025, has submitted that on 16.1.2025, Adani Renewable Energy Holding Twelve Limited refused to accept the awarded capacity of 50 MW as per Clause 41.4 of the RfS and requested to release the original Bank Guarantee. Further, Adani Renewable Energy Holding Twelve Limited on 29.1.2025, withdrew its earlier letter dated 16.1.2025 and accepted the awarded capacity of 50 MW under the LoA dated 9.1.2025. The

Petitioner on 31.1.2025, informed to Adani Renewable Energy Holding Twelve Limited that the deadline to accept/reject the offered capacity was till 16.1.2025 as per the RfS conditions and based on rejection of offered capacity on 16.1.2025, further process was carried out by SECI, therefore, the acceptance of LoA by Adani Renewable Energy Holding Twelve Limited cannot be considered at this stage. The Petitioner has submitted that Himachal Pradesh Electricity Regulatory Commission ('HPERC') vide order dated 10.2.2025 granted approval to Himachal Pradesh State Electricity Board Limited ('HPSEBL') for procurement of the 600 MW solar power under Tranche XVIII and pursuant to that, on 21.2.2025, SECI has executed Power Sale Agreement for 550 MW capacity with Himachal Pradesh State Electricity Board Limited. Accordingly, the Petitioner has placed on record a copy of the PSA for the 550 MW capacity executed with HPSEBL and also filed an amended memo of parties along with an Affidavit. In view of the above, the Petitioner has prayed for the adoption of a tariff for the procurement of the 550 MW Solar Power Projects (Tranche XVIII) discovered through a competitive bidding process carried out by the SECI.

Hearing dated 27.2.2025:

3. During the course of the hearing, notices were issued to the Respondents to file their respective replies. Learned counsel for Respondent No. 2, ACME Solar Holdings Limited, accepted the notice and requested the adoption of the tariff as prayed for by the Petitioner. Vide Record of Proceedings for the hearing dated 27.2.2025, the Petitioner was directed to submit an explanation regarding the reasons for the higher tariff discovered as compared to the previous plain solar ISTS-XVI tender of 2.48/kWh.

4. In pursuance of the directions of the Commission, the Petitioner, SECI, vide affidavit dated 11.3.2025, has submitted as under:



(a) The BEC noted that as per Clause 9.2.a of the RfS, SCSD for Projects to be awarded under this RfS is 30.06.2025, making it different from the routine Solar tenders (with SCSD 24 months from the effective date of PPA). Further, Clause 9.2.e of the RfS states that *"In all the cases, if due to any reason whatsoever (including extension in SCSD by SECI or any other agency beyond 30.06.2025) the commencement of supply of power is delayed beyond 30.06.2025, transmission charges/ISTS charges applicable on the power supplied from the Project up to the CTU-STU periphery of Buying Entity(ies) shall be borne by the SPD"*. Therefore, in the absence of any past experience of tenders similar to the subject tender, wherein such specific conditions (i.e., Clause 9.2.a) are there, it may not be justifiable to find out the reasonability of the tariff. However, to enhance the installation of renewable energy capacity across the country, so that the Government of India's target of 500 GW non-fossil energy capacity by 2030 can be accomplished, a firm commitment from Buying Entities at the discovered tariff is received.

(b) The recent tariff discovered in case of various solar tenders floated by other REIAs are in the range of Rs 2.50-2.60/kWh having SCSD as 24 months from the effective date of the PPA/Connectivity start date, whichever is later, while in case of SECI's ISTS Solar Tranche XVIII tender, the SCSD is 30.6.2025. Therefore, the comparison with only SECI's ISTS Solar Tranche XVI tender is not justified to check the reasonability of the tariff.

(c) From the discussion with the industry stakeholders, it has been observed that the fresh connectivity for solar locations is expected to start from FY 2027-28, and therefore, these projects would attract the ISTS transmission charges, thereby leading to an increase in the overall tariff for DISCOMs. From the DISCOMs' perspective, to get the true picture, the rate under the ISTS Solar Tranche XVIII tender should be compared with the projects having relatively low tariffs but involving the implications of transmission charges in the range of Rs 0.65-0.70/kWh. Further, the actual ISTS transmission charges may be in the range of Rs 1.25-1.5/kWh, considering the 25% CUF of solar power projects.

(d) In the Solar Tranche XVI tender, the SCSD of the projects was 24 months from the effective date of the PPA, unlike the Solar Tranche XVIII tender, wherein the SCSD is 30.6.2025. As per Clause 7.5 in the RfS under Tranche XVIII, "Bidders who have already been granted connectivity at any existing ISTS-substation with Start Date of Connectivity on or before 30th June, 2025 only were allowed to participate in this RfS". Therefore, the supply of power from these projects will come under the 100% ISTS transmission charges waiver period as per the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, and subsequent amendments. But, in the Tranche XVI tender, considering the expected start date of connectivity for the solar power projects, transmission charges would be applicable and to be borne by DISCOMs.

(e) The MNRE, through its OM No. 283/59/2024-GRID SOLAR dated 9.12.2024, has mandated that solar projects having the last date of bid submission after 9.12.2024 would have to use even solar cells manufactured and approved by the MNRE under ALMM List II. Therefore, mandating the use of domestically manufactured solar cells. Looking at the current manufacturing capacity of solar cells in the country and from the discussion with the Solar Power Developers, it has come out that approximately Rs 0.15-0.20/kWh increase in tariff is likely to occur, thereby pushing the solar tariff in the range of Rs 2.70-2.75/kWh. Further, if the implications of ISTS transmission charges are added, then the cost of solar power to States would be in the range of Rs 3.40-3.50/kWh.

(f) Many States are falling short of statutory RPO targets, and solar power tied up from new projects would be available after 3-4 years. In the meantime, DISCOMs might have to pay a penalty for the shortfall in RPOs. Many States are bringing their own floating solar tenders also, despite having higher tariffs, but due to overall cost effectiveness after considering the implications of the ISTS Transmission charges. The whole purpose of this tender (i.e., ISTS Solar Tranche XVIII) was to bring any merchant capacity into the bilateral agreement's regime, meet RPOs of the States, and procure power with full ISTS Transmission Charges waiver w.r.t. these projects.

(g) HPSEBL has considered the above aspects while comparing the tariffs in other tenders and decided to procure the 550 MW solar power from the ISTS Solar Tranche

XVIII tender. Further, in Tranche XVIII, HPERC has granted approval for the procurement of the energy from SECI, and PSA has been signed for the total quantum of 550 MW with HPSEBL considering SCSD as 30.06.2025. But, in Tranche XVI or other REIAs tenders, the PSA is yet to be signed due to longer timelines and the implication of transmission charges on account of delayed connectivity. Further, more demands from the State of West Bengal and Jharkhand have been received to supply solar power before 30.6.2025 on this discovered tariff due to its cheaper rate after factoring in the implication of ISTS transmission charges, and SECI has floated fresh tenders to cater to such demand.

(h) The tariff has been discovered through transparent, competitive bidding as being done in other tenders, and many factors, such as immediate requirement, demand-supply gap, and RPO requirements, etc., lead to the discovery of the tariff.

Hearing dated 13.3.2025:

5. During the course of the hearing on 13.3.2025, learned counsel for the Petitioner, SECI, submitted that HPERC has already accorded the approval for the procurement of energy from SECI, and a Power Sale Agreement (PSA) has been executed for a total capacity of 550 MW with HPSEBL, considering the Scheduled Commencement of Supply Date (SCSD) of 30.6.2025. In response to the query of the Commission regarding the reason for the higher tariff discovered as compared to the previous plain solar ISTS tender, the learned counsel for the Petitioner submitted that the recent tariff discovered in the case of various solar tenders floated by other REIAs are in the range of Rs 2.50-2.60/kWh having SCSD as 24 months from the effective date of the PPA/Connectivity start date, whichever is later. However, in the present case, the SCSD is 30.6.2025, and the PPA and PSA have already been signed. Therefore, comparing the tariff solely with SECI's previous ISTS Solar tender is not a valid basis for assessing the reasonableness of the tariff. Learned counsel further pointed out that in the Solar Tranche XVI tender, the SCSD for the projects was set

at 24 months from the effective date of the PPA, meaning the expected start date for the connectivity would be after November 2026. As a result, transmission charges would apply and must be borne by the Discoms; that is why, as on this date, no PSA has been signed with the Discoms under the Solar Tranche XVI tender.

6. In response to a further query of the Commission regarding the status of the project, the learned counsel for Respondent No.2, ACME Solar Holdings Limited ('ASHL'), submitted that ASHL aims to complete the commissioning of its project by 31.5.2025. Further, regarding the reasonability of the higher tariff, the learned counsel for the Respondent No. 2, ASHL, submitted that Clause 3.2 of the Solar Guidelines allows the procurer to specify additional milestones for the project with respect to land acquisition, connectivity, etc., and further to specify penalties with respect to non-compliance with such milestones/requirements. Accordingly, in the present tender, there is a requirement for the generators to have pre-existing connectivity, which can be used to commence power supply by 30.6.2025, and in case of failure to do so, applicable transmission charges are to be borne by the generator. The learned counsel further submitted that projects in the context of which bids have been received under the present tender are akin to Case 1 bid out thermal power projects where all the obligations, such as procuring land, initial consent, fuel supply, etc., are to be arranged by the developer without a firm signed PPA which inevitably results into the higher tariff. Similarly, in the present case, in the absence of a firm PPA, the generator was required to infuse higher equity as well as bear higher interest when financing becomes available at a later stage. Learned counsel added that the present tender is meant for projects that carry a risk factor of putting the investment without any probability of signing the PPA. The risks associated with developing such projects entail a higher cost of development, resulting in a higher tariff. In addition, the learned counsel further pointed out

that the higher tariff also accounts for the risk associated with the specific conditions outlined in Clause 9.2 of the RfS.

7. Considering the submissions made by the learned counsel for the parties, the Commission noted that SECI's affidavit dated 11.03.2025 did not address the reasonableness of the higher tariff/bid and directed the Petitioner and the Respondents to submit on an affidavit giving an explanation regarding the reasonability for the higher tariff/bid discovered in the present tender along with a calculation of per unit ISTS charges if the waiver of ISTS charges is not available to the beneficiary. The Commission further directed the Petitioner to submit on an affidavit giving the details regarding the status of the projects after ascertaining the same from the selected bidders.

Affidavit dated 24.3.2025 of Respondent No. 3, HPSEBL:

8. In pursuance of the directions of the Commission, Respondent No. 3, HPSEBL vide Affidavit dated 24.3.2025 has submitted that the HPERC vide its order dated 10.2.2025 in Petition No. 17 of 2025 had approved 600 MW solar power procurement from SECI under the ISTS-connected Tranche XVIII scheme keeping in view the power supply and demand situation within the state of Himachal Pradesh, subject to the adoption of the discovered tariff by CERC under Section 63 of the Electricity Act, 2003. The Respondent No. 3, HPSEBL, in compliance with the HPERC order dated 10.2.2025, has signed a PSA with SECI on 21.02.2025, which is subject to the final adoption of the tariff by this Commission under Section 63 of the Act. Respondent No. 3, HPSEBL, has further submitted that HPSEBL agrees with the observation of this Commission that the rates discovered are higher than the previous plain solar ISTS-XVI tender of Rs. 2.48/kWh. The Hon'ble Supreme Court in Civil Appeal No. 6503 of 2022 decided on 8.01.2024 in Jaipur Vidyut Vataran Nigam

Ltd. and Others vs. MB Power (Madhya Pradesh) Ltd. and others that it would not be permissible to take a lop-sided view to protect the interest only of the generators, ignoring the consumers and public interest. HPSEBL has submitted that the rates to be adopted should be aligned with the prevailing market rates for the reason that ultimately the consumers of the State have to bear the cost.

Affidavit dated 24.3.2025 of Respondent No. 1, ReNew Solar Power Private Limited:

9. In pursuance of the directions of the Commission, Respondent No. 1, ReNew Solar Power Private Limited ('RSPPL') vide affidavit dated 24.3.2025 has mainly submitted as under:

(a) There are specific parameters such as requirement of ISTS connectivity with start date on or before 30.6.2025 for participation in the bid; the shorter Scheduled Commencement of Supply Date ('SCSD') for Projects (i.e. 30.6.2025); transmission charges/ISTS charges to be borne by the Project Developers in case of delay in commencement of power supply beyond 3.6.2025, which are peculiar to the present Solar Tranche XVIII tender. The aforesaid provisions in the present tender have been included based on Clause 3.2 of the Solar Guidelines, which categorically states that the RfS may specify additional milestones for the project with respect to land acquisition, connectivity, etc., and shall specify penalties for non-compliance with such milestones/requirements. In view of the above, the present RfS is in consonance with the Solar Guidelines and tariff in the present bid tender has been discovered through transparent, competitive bidding as being done in other tenders.

(b) The tender was issued on 12.9.2024, and the last date of the bid submission was on 14.11.2024, more than 60 days from the tender release. The developers had sufficient time to participate in the tender, and 4 developers participated in the tender, probably on account of the specific conditions set out under the said tender, particularly, the requirement that the projects are to be commissioned by 30.6.2025. The nature of the present tender, with specific conditions related to connectivity and supply of power,

coupled with the issuance of the Letter of Award only on 9.1.2025, effectively provided developers with less than six months for the project execution. Such a constrained timeline, along with associated financial and logistical challenges, has had a direct impact on the tariff discovered in the present tender. The instant tender was issued with such requirements based on the procurer's demand only, who wanted to avoid any ISTS charges, Change in Law event(s) ("CIL"), immediate supply of power fulfilling the State's power as well as RPO requirements. For a generic tender published in similar timelines with no such requirements, projects are required to be commissioned within 24 months of the PPA, i.e., in Q1 FY 28, and will benefit from a downward price trajectory, including that of modules. Any statutory changes in between will also be passed through to the developer as CIL. Keeping with the aforesaid commercial considerations, the bid price submitted and awarded to Respondent No. 1 is justified.

(c) The reasonability of the tariff discovered in the present tender is further substantiated by the unique challenges and financial constraints faced by the projects in the context in which the bid has been submitted pursuant to the present tender. Respondent No. 1 is developing the awarded 250 MW capacity Projects across two locations:

- a. 150 MW solar project at Bikaner, Rajasthan ("Project 1")
- b. 100 MW solar project at Solapur, Maharashtra ("Project 2")

Justification for higher tariff (Project 1)

(d) Project 1 was financed using internal resources, which resulted in a substantially higher carrying cost in comparison to the projects that are financed with a standard 75% debt structure. Additionally, the debt secured for merchant projects is typically subject to more stringent financial terms, including higher interest rates and stricter repayment conditions such as cash sweep mechanisms, which further increase the financial burden on the project.

(e) Project 1 was originally commissioned as a merchant project and is connected with the ISTS substation at Bikaner at 400 kV. The said project was developed within a compressed timeline to capitalise on merchant market opportunities and, as a result, was executed at a higher cost. In particular, the module prices at the time of commissioning were significantly higher, leading to an overall increase in project costs compared to solar projects expected to be commissioned in the Financial Year 2027-2028. Respondent No.

1 is delivering Project 1 in short timelines, and any project that would be delivered in FY 2027 – 2028 would have time-related costs attached to it. In contrast to a regular tender, wherein connectivity can be secured basis Letter of Award (“LOA”) or Power Purchase Agreement (“PPA”), connectivity for the Project 1 was secured basis land, while the land for connectivity application was procured in FY 19, the Project 1 was commissioned in FY 23, which indicates that company carried cost of the land and related infrastructure for four years, further adding to cost of the such projects.

(f) Since Project-1 has already been commissioned, Respondent No. 1 has borne the full financial impact of duties and Goods and Services Tax (“GST”), which has significantly increased the capital expenditure incurred by it. Pertinently, given that these statutory costs have already been settled, the Procurers are insulated from any risk associated with a CIL event(s) during the construction phase that might otherwise lead to additional cost implications. The Notification No. 13/2017- Central Tax (Rate) was amended vide Notification No. 09/2024- Central Tax (Rate) dated 8.10.2024, where renting of non-residential property by an unregistered person to a registered person has been included in categories liable to payment of reverse charge for GST. By virtue of the above amendment of the Central Goods and Services Tax Act, Respondent No. 1 is now liable to pay the GST as a reverse charge on rented property. This has led to an increase in land cost, thereby increasing project expenditure. Additionally, as per Notification No. 16/2024- Customs (ADD) dated 27.9.2024, anti-dumping duty on Anodized Aluminium Frames for Solar Panels/Modules was levied for five years with effect from 27.9.2024. The corresponding increase in the cost of solar panels and modules has led to an increase in the total project capex.

(g) Any delay in the project timelines results in the developer, i.e., Respondent No. 1, bearing Inter-State Transmission System (“ISTS”) charges to the tune of 25 paisa/unit. This effectively reduces the realized net tariff to Rs. 2.80/kWh, underscoring the financial exposure borne by the developer due to the unique conditions of this tender.

(h) Project 1 has historically realized yearly average tariffs ranging from more than Rs 3.1/kWh and upto Rs 4.18/kWh in the merchant market, which further validates the reasonableness of the tariff discovered in the present tender. The prevailing market conditions and financial realities of merchant projects substantiate that the tariff secured

under the present tender is neither excessive nor unreasonable but rather reflective of the commercial and operational realities associated with Project 1. The solar radiation levels at Bikaner are comparatively lower than those in high-radiation zones such as Jaisalmer and Jodhpur. This directly impacts the energy generation efficiency, thereby affecting the project's viability and necessitating a tariff structure that accounts for the lower yield.

Justification for higher tariff (Project 2)

(i) Project 2 is currently under commissioning and is scheduled to be connected with the Solapur ISTS at 400 kV. The capital expenditure associated with this project is comparatively higher due to the certain factors, namely, the relatively smaller project size (100 MW), limiting economies of scale, thereby increasing per unit capital costs; higher land acquisition costs in Maharashtra as compared to Rajasthan, significantly contributing to the overall project expenditure; and the project being divided across two separate parcels of 50 MW each, necessitating a more complex project design and execution strategy, leading to additional logistical and operational expenses.

(j) The connectivity for Project 2 was secured basis land, while the land for connectivity application was procured before connectivity application, Project 2 is to be commissioned in Q 1 FY 26, which indicates that company carried cost of the land and related infrastructure for multiple years, further adding to cost of the such projects.

(k) The Notification No. 13/2017- Central Tax (Rate) was amended vide Notification No. 09/2024- Central Tax (Rate) dated 8.10.2024, where renting of non-residential property by an unregistered person to a registered person has been included in categories liable to payment of reverse charge for GST. By virtue of the above amendment of the Central Goods and Services Tax Act, Respondent No. 1 is now liable to pay the GST as a reverse charge on rented property. This has led to an increase in land cost, thereby increasing Project 2's expenditure. Further, as per the Notification No. 16/2024- Customs (ADD) dated 27.09.2024, anti-dumping duty on Anodized Aluminium Frames for Solar Panels/Modules was levied for five years with effect from 27.09.2024. The corresponding increase in the cost of solar panels and modules has led to an increase in the total project capex.

(l) The risks associated with developing projects without a firm PPA entail a higher cost of development, which ultimately results in a higher tariff. Further, Project 2 is being implemented entirely through internal resource financing, which results in a substantially higher financial burden in comparison to projects funded through structured debt mechanisms. The absence of a structured debt facility further escalates capital costs due to increased reliance on internal accruals and associated opportunity costs.

(m) Similar to Project 1, Respondent No. 1 has already incurred costs towards duties and Goods and Services Tax ("GST") for Project 2, given that it must be commissioned by 30.06.2025. This has led to an increase in capital expenditure borne solely by Respondent No. 1. However, due to the fact that these statutory costs have already been settled, the procurers remain insulated from any risk of CIL claims by Respondent No. 1, thereby offering financial certainty to the procurers. Any delay in the execution of Project 2 will result in Inter-State Transmission System ("ISTS") charges of 25 paisa/unit being borne entirely by Respondent No. 1, thereby further reducing the effective realized tariff and increasing financial strain on the project.

(n) The market realizations for comparable merchant solar projects have historically ranged between Rs 3.0 to Rs 3.5/kWh, thereby reinforcing the reasonableness of the tariff discovered under the present tender. The prevailing market conditions, coupled with the unique constraints of Project 2, substantiate that the tariff secured is both justifiable and reflective of the actual costs and risks borne by the developer.

(o) The Solapur has lower solar radiation levels compared to high-radiation zones such as Jaisalmer and Jodhpur. This impacts energy generation efficiency, thereby necessitating a compensatory tariff structure to account for the lower yield and ensure financial viability.

(p) The tariff of the last concluded solar tenders by Maharashtra State Electricity Distribution Limited ("MSEDCL") is in the range of Rs 2.87-2.90 for the development of the project located in Maharashtra.

(q) A detailed calculation of per unit ISTS charges if the waiver of ISTS charges is not available to the beneficiary is provided in the table below:

Month	GNA QUANTUM (MW)	Total Transmission Charges in Rs. (Without Waiver)	Transmission charge impact (Rs/kWh) @ 50% CUF
01-Apr-24	1130	432364398	1.06
01-May-24	1130	416969229	0.99
01-Jun-24	1130	337944019	0.83
01-Jul-24	1130	367723481	0.87
01-Aug-24	1130	337867480	0.80
01-Sep-24	1130	347693538	0.85
01-Oct-24	1130	347693538	0.83
01-Nov-24	1181	346368027	0.81
01-Dec-24	1181	353104956	0.80
01-Jan-25	1181	345212729	0.79
01-Feb-25	1181	514449664	1.30
01-Mar-25	1181	510343280	1.16
		Note: If the Transmission charges are calculated at 30% CUF, which is the ideal percentage- the transmission charges impact/kWh will increase.	

Affidavit dated 24.3.2025 of Respondent No. 2:

10. Respondent No. 2, ASHL, vide affidavit dated 24.3.2025, has mainly submitted as under:

(a) There are specific parameters such as requirement of ISTS connectivity with start date on or before 30.6.2025 for participation in the bid; the shorter Scheduled Commencement of Supply Date ('SCSD') for Projects (i.e. 30.06.2025); transmission charges/ISTS charges to be borne by the Project Developers in case of delay in commencement of power supply beyond 30.6.2025, which are peculiar to the present Solar Tranche XVIII tender. The aforesaid provisions in the present tender have been included based on Clause 3.2 of the Solar Guidelines, which categorically states that the RfS may specify additional milestones for the project with respect to land acquisition, connectivity, etc., and shall specify penalties for non-compliance with such milestones/requirements. In view of the above, the present RfS is in consonance with the

Solar Guidelines and tariff in the present bid tender has been discovered through transparent, competitive bidding as being done in other tenders.

(b) The present tender requires developers to commission the project by 30.6.2025 i.e. in less than 06 months from the issuance of Letter of Award or less than 03 months from signing of PPA, therefore, the projects that began construction activities 1.5-02 years as merchant project have been able to participate in the tender process. In the absence of any firm SECI PPA, the developer has to infuse higher equity and arrange funds from internal resources. Further, the rate of debt for such projects is typically higher than the projects that have a firm PPA with agencies like SECI, which are AAA-rated companies under the Government of India. Due to higher requirement of equity/funds from internal resources for merchant projects, the carrying cost and Interest During Construction (IDC) for such merchant projects (i.e., those without a firm SECI PPA) are significantly higher than they would be for projects with a firm SECI PPA, which are typically financed up to 75-80% by government financial institutions like REC, PFC, or IREDA at a cheaper rate of interest. The debt for merchant projects is typically provided at higher interest rates due to the increased risk associated with not being able to secure a firm levelized tariff over the project's useful life. In contrast, projects with a firm SECI PPA have a fixed tariff for the entire 25-year period, eliminating cash flow uncertainty throughout the useful life of the project. Typically, projects with a firm SECI PPA, having a 24-month commissioning timeline, are financed at a 75:25 debt-equity ratio. However, for merchant projects without a firm SECI PPA, financing is typically structured with higher equity and lower debt, unlike SECI PPA projects, as the developer has to infuse more equity in the case of Merchant projects on account of the higher risk of the PPA and uncertainty of the tariff over a 25-year tenure. Since the cost of equity is significantly higher than the cost of debt, the overall cost of merchant projects is always higher. In this regard, reliance has been placed on the judgment passed by the Appellate Tribunal for Electricity in "*G.M.R Energy Limited versus Karnataka Electricity Regulatory Commission and Ors.*" being Appeal No. 37 of 2013 and Appeal No. 303 of 2013 on 23.05.2014 wherein at Para 42 of the Judgment the APTEL has elaborated on the operation of a merchant power plant and its distinction from a power plant operating under a long term PPA.

(c) Since merchant projects do not have a LOA from REIA or DISCOM at the time of making connectivity application, developers have to submit either 50% land documents or a Bank Guarantee (BG) of Rs. 10 lakh / MW at the time of submitting application in order to secure connectivity unlike projects which have a LOA from SECI at the time of making connectivity application. Additionally, the BG is typically provided on a 100% cash margin basis. This upfront land acquisition cost or BG requirement also attributes to the higher overall project cost for merchant projects. The interest rates and rupee have worsened over the past one year, resulting in a justified project cost. The costs of modules are higher on account of such short timelines of SCOD under the present tender, leading to procurement of modules at comparatively higher cost based on market availability of modules which are compliant with ALMM List-1.

(d) The projects awarded under the present tender are not eligible to claim any change in law event during the construction period that impacts project costs, as the tender was issued, and bids were submitted at the end of the construction activity. In contrast, in other SECI tenders having a 24-month construction timelines, any change in law event is eligible for reimbursement under the PPA, thereby protecting those projects from any cost escalation or any other such risk. The Ministry of Finance vide Notification dated 04.12.2024 has imposed Anti-Dumping Duty ("ADD") on Textured Tempered Coated and Uncoated Glass originating in or exported from China PR and Vietnam and are imported into India. This has resulted in increased project costs, but the same is not eligible for change in law under the present tender.

(e) The following are the average prices of short-term transactions in India:

Market	Average Price (Rs/kWh)	Source
IEX (Average GDAM price from 0600 to 1800 hours)	~3.50	IEX website
Avg Bilateral Market (through traders)	7.11	Market Monitoring report 2024 available on CERC website (Avg taken for the period Jan'24 to Nov'24)
Avg IEX DAM	4.50	
Avg PXIL DAM	8.78	
Avg HPX DAM	10	
Avg IEX GDAM	4.12	
Avg PXIL GDAM	3.40	
Avg IEX HPDAM	10.73	

Market	Average Price (Rs/kWh)	Source
Avg IEX RTM	4.26	
Avg PXIL RTM	9.80	
HPX RTM	9.84	

(f) The Merchant Projects, therefore, realize a tariff in the range of up to Rs. 3.50-4.0 per unit, reflecting the higher project cost and the higher risks associated with such projects. Therefore, the tariff for projects awarded under the present tender, which have been developed as merchant projects with justified project cost and risk, remains competitive. Additionally, this benefits the end consumers of the State of Himachal Pradesh, as HPSEBL will get a benefit of approximately 70 paise per unit on account of savings in ISTS transmission charges.

(g) A direct comparison between the tariff discovered under the present tender and the tariffs discovered under other SECI tenders would not be appropriate. In this regard, it is a well-established principle of law that the unequal cannot be treated as equal, nor can they be subjected to the same standard of evaluation. In this regard, the reliance has been placed on the judgments of the Hon'ble Supreme Court in the case of Janhit Abhiyan v. Union of India (EWS Reservation), [(2023) 5 SCC 1- Para 84] and U.P Power Corporation Limited versus Ayodhya Prasad Mishra, [(2008) 10 SCC 139- Para 36, Para 40] wherein the principles of equality as enshrined in Article 14 of the Constitution of India has been dealt with.

(h) A detailed calculation of per unit ISTS charges if the waiver of ISTS charges is not available to the beneficiary is provided in the table below:

Month	GNA Quantum (MA)	Total Transmission Charges in Rs. (Without Waiver)	Transmission Charges (Rs/kWh) @ 100% CUF	Transmission Charges (Rs/kWh) @ 30% CUF
Apr-24	1130	43,23,64,398	0.53	1.77
May-24	1130	41,69,69,229	0.50	1.65
Jun-24	1130	33,79,44,019	0.42	1.38
Jul-24	1130	36,77,23,481	0.44	1.46
Aug-24	1130	33,78,67,480	0.40	1.34
Sep-24	1130	34,76,93,538	0.43	1.42
Oct-24	1130	35,04,77,527	0.42	1.39

Nov-24	1181	34,63,68,027	0.41	1.36
Dec-24	1181	35,31,23,905	0.40	1.34
Jan-25	1181	34,52,12,729	0.39	1.31
Feb-25	1181	51,44,49,664	0.65	2.16
Mar-25	1181	51,03,43,280	0.58	1.94
Average Transmission Charges paid by HP			0.46	1.54
Impact of transmission charges with 50% Waiver			0.23	0.77
Source: NLDC Website>Transmission Pricing>Notification of Transmission Charges for the DICs				

Hearing dated 25.3.2025:

11. During the course of the hearing on 25.3.2025, the learned counsel for the Petitioner, SECI, submitted that the Petitioner has sought certain data from the NLDC regarding the calculation of per unit ISTS Charges, which is still awaited. Learned counsel also added that the Petitioner has *inter alia* also requested NLDC to provide the month-wise data of generation from various sources, including thermal, renewable, hydro, hydrogen, and nuclear, which is also yet to be received. Learned counsel, accordingly, urged the Commission to issue an appropriate direction to NLDC, if deemed fit, to provide such data expeditiously. Learned counsel also pointed out that the Record of Proceedings dated 13.3.2025 inadvertently records that the Power Purchase Agreements (PPAs) have been signed, whereas the PPAs are yet to be executed, and PSAs have been executed.

12. Learned senior counsel for Respondent No. 2 submitted that as per the present Tranche XVIII tender, the Scheduled Commencement of Supply Date (SCSD) for the Projects is 30.6.2025, and it is, therefore, not comparable with the other regular solar tenders, wherein SCSD of the projects typically remains 24 months from the effective date of the PPA. Learned senior counsel also submitted that in the present tender, only the bidders who have been granted connectivity at existing S/s with a Start Date of connectivity

on or before 30.6.2025 were allowed to participate, and thus, the Projects awarded thereunder are the Projects that have been set up as Merchant Projects without any firm PPA.

13. Learned senior counsel for Respondent No. 1 also reiterated that the tariff under the present tender, which stipulated the SCSD for the Projects as 30.6.2025 (approx. 6 months), cannot be compared with the tariff discovered under the generic solar tenders, which typically provides 24 months for the implementation of the Projects and tariff in the present case is, essentially, the price of a 'finished product'. It was further submitted that ISTS charges will not be borne by the distribution licensees, and any delay in the commencement of supply beyond 30.06.2025 would result in the liability of ISTS charges being shifted to the developers. Learned counsel emphasized that the applicability of ISTS charges (in the range of 65–70 Paise/kWh) is also a crucial factor in considering the reasonability of the tariff under the present tender. Learned counsel also pointed out that the Himachal Pradesh Electricity Regulatory Commission (HPERC) has already approved the procurement of power by HPSEBL, and the Power Supply Agreement (PSA) to this extent has also been executed.

14. Considering the submissions made by the parties, NLDC was directed to provide the requisite data to the Petitioner. The Petitioner was directed to justify the relevance of ISTS charges in the assessment of reasonability of tariff, given that generators are not required to pay ISTS charges under the GNA/Sharing Regulations of CERC. The Petitioner was also directed to file its compliance affidavit, as per the RoP dated 13.03.2025. Additionally, HPSEBL was directed to confirm through an affidavit whether it had raised any objection regarding the higher tariff before HPERC, and if not, to state the reasons for the same.

Affidavit dated 4.4.2025 of Respondent No. 3:



15. In pursuance of the directions of the Commission, Respondent No. 3, HPSEBL vide affidavit dated 4.4.2025 has submitted that HPSEBL would be in power deficit of around 1565 MU during FY 2025-26, around 1280 MU during 2026-27 and around 1135 MU during FY 2027-28 and accordingly, the offer of SECI has been accepted subject to adoption/determination of Tariff by this Commission. HPERC has accorded the approval for the procurement of power from SECI with the condition that the said approval is subject to adoption of the discovered tariff under Section 63 of the Act by this Commission, plus trading margin @ Rs. 0.07/kWh. In case the tariff is reduced by this Commission, the same shall be applicable. The adoption/determination of rates is under the ambit of this Commission and hence was not discussed/pleaded before HPERC. The averments/submissions by the Petitioner, Respondent No.1 & Respondent No. 2 about costing, along with other components governing the costing, were not available to HPSEBL for deliberations/analysis. This Commission may issue appropriate orders protecting the interest of HPSEBL to avoid the loading of unnecessary charges, which would, in turn, burden the consumer.

Affidavit dated 7.4.2025 of the Petitioner:

16. In pursuance of the directions of the Commission, the Petitioner, SECI, vide affidavit dated 7.4.2025, has mainly submitted as under:

(a) During discussions with the CMD, SECI, and other officials of SECI, some States had inquired whether power could be made available before 30.6.2025. This indicated a clear demand for earlier availability of power. The immediate availability of power was not only to ensure timely access to energy for the beneficiary States but also to help avoid costly power purchases from the exchange. Additionally, early power supply was to aid in meeting Renewable Purchase Obligation (RPO) targets, thereby helping beneficiary states avoid potential penalties and ensuring smoother regulatory compliance with an added advantage of waiver of the transmission charges for the beneficiary states.

(b) The objective of initiating the above bidding process to procure power is to enable certainty in regard to the landed cost of the power at the periphery of the State lines of the buying utility, i.e., that there is no implication of the inter-State transmission charges over the entire duration of the PPA. This would avoid any fluctuations in the landed cost of power purchase of the buying utilities on account of fluctuations in the transmission charges during the entire period of 25 years (duration of the PPA and PSA) for the generation and supply of electricity.

(c) The timeline available to the bidder for implementing the power project is limited and consistent with the timeline specified in the regulation for waiver of the inter-State transmission charges, i.e., up to 30.6.2025.

(d) In the absence of applicability in waiver of transmission charges, in addition to the tariff for generation and supply of electricity by the successful bidder, there will be an implication of inter-State transmission charges to be computed in terms of the applicable Regulations, namely the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, ("GNA Regulations") and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020. The transmission charges under the said Regulations are capacity-based and are not based on per unit energy conveyed and transmitted from the generating stations to the periphery of the State lines of the buying utility.

(e) The privilege of the waiver of the transmission charges is to be valued qua the capacity for which the buying utilities need not have to pay the transmission charges.

(f) Though under the applicable regulations, the ISTS charges are generally payable by the Procurer of electricity, i.e., in the present case, the buying utilities, there is nothing in law which prohibits such obligation to pay transmission charges to be paid by the generator. The generator can always agree to deliver the electricity at the periphery of the state (at the interconnection points of the state lines where the buying utility is connected), and therefore, the transmission charges would be payable by the generator. In any event of any imposition of transmission charges after 30.6.2025, SECI and the buying utilities will be entitled to enforce such obligation to pay the transmission charges

on the generator and in case the generator does not pay the transmission charges SECI/ buying utility will be entitled to directly pay the transmission charges to the concerned agencies and adjust the same in the tariff payable to the generator. In other words, the landed cost of the electricity procured by the utilities shall not exceed the tariff of Rs. 3.04/3.05 per kWh plus the trading margin of 0.07/kwh inclusive of ISTS transmission charges. In contrast, if the buying entities are required to enter into a PSA with SECI and SECI in turn enters into a PPA with the generator when there is no waiver of the transmission charges, the buying entities will pay the tariff applicable to the generator plus the trading margin and additionally the transmission charges.

(g) The recent tariff discovered in case of various solar tenders floated by other REIAs have gone upto 2.60/kWh also having scheduled commissioning date as 24 months from the effective date of the PPA/Connectivity start date, whichever is later, while in the present case, the scheduled commissioning date is 30.6.2025. Therefore, the comparison with only SECI's ISTS Solar Tranche XVI tender, as indicated by this Commission in the ROP dated 27.02.2025, is not justified to check the reasonability of the tariff.

(h) From the discussion with industry stakeholders, it has been observed that the fresh connectivity for solar locations is expected to start from FY 2027-28, and therefore, these projects would attract the ISTS transmission charges, thereby leading to an increase in the overall tariff for DISCOMs. From the DISCOMs' perspective, to get the true picture, the rate under the present case should be compared with the projects having relatively low tariffs but involving the implications of transmission charges. The implications of ISTS charges with particular reference to solar projects are considerably high as of now, and there could be other variations in the future, making an impact of much higher transmission charges. The objective of entering the agreement is to give certainty of Rs. 3.04/3.05 per kWh plus the trading margin of Rs. 0.07/kWh without any implication of such ISTS transmission charges.

(i) The implication of the solar power project being set up by indigenous manufactured solar cells, etc., may affect the future competitive bidding process. There is also the uncertainty about the transmission charges in the future, and there could be financial implications if such charges are more than the current level of transmission charges. In view of this, SECI considered it to be conducive to procure the power from the two selected

bidders, subject to the terms and conditions contained in the RfS documents and the draft PPA, and further subject to the adoption and approval of this commission.

(j) SECI has received similar requests from other buying utilities such as West Bengal, Jharkhand, etc., in case such a quantum of power is available for the commencement of supply before 30.06.2025, considering the certainty of the tariff and the facility of waiver of transmission charges.

(k) This power is immediately available, unlike other solar tenders, which, though they have a 2-year time period for completion, in effect get extended on account of either non-availability of connectivity or delayed arrival of connectivity. In fact, it has come out from the discussion with stakeholders that in Renewable Rich states, fresh connectivity is not available before 2028. Other solar tenders, which will make power available after 3-4 years, would not be able to help the States in meeting their RPO requirements immediately, whereas the power under this tender would help them meet their power and RPO requirements from June 2025 onwards, helping them avoid a penalty for RPO non-compliance.

(l) The average all-India level transmission charges levied during the year from March 2024 to February 2025 are Rs 0.63/kWh. The transmission cost for solar power comes out to be Rs 1.62/kWh. The waiver calculations involve intricate computations that are determined based on the General Network Access (GNA) framework. However, generally, in the case of a 100% waiver, whatever the transmission charges per unit for that state would be available as a waiver. On an all-India level basis, GNA utilization is about 75%, considering average total GNA from March 2024 to February 2025 as 119058 MW and ISTS drawl energy from March 2024 to February 2025 as 786 BUs. The waiver calculations are based on % of solar energy drawl of the notional GNA utilization (i.e., 75%). Taking these calculations at the all-India level, total transmission charges for the whole year are Rs 49,657 crores and total GNA drawl is 786 BUs. At 75% of GNA utilization, the total energy drawl comes to 782 BUs, which is equivalent to the actual drawl of 786 BUs. Therefore, the solar power waiver would be total solar units drawn (48.64 BUs) divided by total units drawn (786 BUs) multiplied by transmission Charges (Rs 49,657 crores) which comes out to be Rs 3072.92 crores and if computed in per unit terms by dividing total solar units drawn (48.64 BUs) it comes out to be Rs 0.63/kWh.

(m) When the present tender was brought out, the MNRE decision of ALMM on cells had not been issued. Now, ALMM on the cell has also become applicable for solar plants. From the discussion with Solar Power Developers, it has come out that approximately a Rs 0.15-0.20/kWh increase in tariff is likely to occur, considering the impact of ALMM on the cell. Looking at the overall scenario and considering the last concluded solar bid as the base at Rs 2.60/kWh and adding the benefit of Rs 0.63/kWh of transmission waiver for the current year, the total for this year itself comes out to be Rs 3.23/kWh. This is even without considering the transmission charges, which would further increase in the future, the avoidance of RPO non-compliance penalty, and the certainty of power becoming available by June 2025, helping the state to avoid costly power from exchange.

(n) On 20.3.2025 and 28.3.2025, SECI wrote to the Grid Controller of India Limited seeking 'Monthly ISTS Transmission Charges payable for the Himachal State and across the nation' and 'Monthly Data of Generation along with per unit ISTS Transmission Charges for Power Plants connected to ISTS network'. The Grid Controller of India Limited, in its response dated 3.4.2025, has given data for only one month, i.e., February 2025, for the queries put forth by SECI in a letter dated 20.3.2025. The calculation put forth by SECI is for the period from March 2024 to February 2025, and on the basis of actual GNA utilization across the country. If the ISTS charges for February 2025 are calculated on the actual all-India level ISTS drawl, then it comes out to be Rs 0.67/kWh.

(o) On a specific issue to calculate the effect on transmission charge waiver for renewable power purchase by HPSEBL from the 550 MW solar power projects awarded under the present scheme, the response of the Grid Controller of India indicates that the %waiver for HPSEBL would increase from 0.617%-0.930% to 13.082%-18.148%. An analysis of the data provided by Grid Controller of India shows that on account of 550 MW of solar power procurement under the present scheme there is a benefit for the State of Himachal Pradesh by way of waiver of the transmission charges which may be in the range of 13% (low generation period) to 18% (high generation period). This, when calculated in rupee terms, shows that the transmission charges savings for the State of Himachal Pradesh due to the above 550 MW would vary between Rs. 0.56/kWh and Rs. 0.78/kWh.

(p) The reasonability of the price at which the electricity will be available to the buying utilities is being considered based on the landed cost to the buying utilities and the certainty

of such landed cost for a period of 25 years, namely not being varied on account of the implication of the ISTS transmission charges. Under this bid, the generator having a start date of connectivity to the grid before 30.06.2025 are the bidders who had bid for the projects, considering the timeline available from the submission of the bid on 14.11.2024 till 30.06.2025 to be only 9 Months. These factors, being considered with reference to other bids received in the recent past which are likely to culminate in the commercial operation after 30.06.2025 would show that the bid received is competitive and rather more beneficial to the buying entities and therefore, considered by SECI as reasonable for being considered under Section 63 of the Act. As far as HPSEBL is concerned, they have signed the PSA after considering all the relevant factors and the cost to them.

(q) The status of the projects of Renew Solar Power Pvt Limited and Acme Solar Holdings Limited is as under:

	Name of Bidder	Acme Solar Holdings Limited
	Project ID	SPD-ISTS-T18-ASHL-P1-300MW
	Project Location (Vill, Tehsil, Dist., State)	Village - Jaimalsar and Nokha Daiya, Tehsil-Bikaner, District - Bikaner, Rajasthan
	Project Capacity (MW)	300
	Interconnection Point (SS & Voltage level)	220 KV Bikaner-II PS
Land Arrangement Status	Total Land Requirement (Hectare)	493 Hectare
	Land Acquired (Hectare)	493 Hectare
	Target date of complete Land Acquisition	Completed
Connectivity Status	Date of application of Connectivity	01-02-2022
	Status of Connectivity operationalization	31-03-2025
V Modules Supply Status	Make, Model Number, Rating & Quantity	GREW (580 WP) RAYZON (580 WP) VIKRAM (580 WP, 575 WP, 585 WP) SATVIK (580 WP) INSOLATION (545WP, 550 WP) ACME (585 WP, 590 WP) Navitas (585 WP)
	Total Module requirement (MWp)	300
	Order Status with date of placing the order	Order Placed for 300 MW
	Supply Status (quantity received at Site & Expected date of balance supply)	Quantity Received at Site - 182.35 Mwp Expected date of Balance Supply - Modules are being delivered to the site continuously, and full delivery will be completed by Apr'25

Inverter Supply Status	Make, Model Number, Rating & Quantity	Make- Sungrow Model Number- SG4400UD-MV-20 Rating - 4400 KW Quantity – 80
	Order Status with the date of placing the order	Ordered & Delivered
	Supply Status (quantity received at Site & Expected date of balance supply)	100% - Delivered
Power Transformer Supply Status	Make, Model Number, Rating & Quantity	Make - TBEA Energy Pvt Ltd Rating - 220/33kv, 150 MVA Quantity - 2 Nos
	Order Status with the date of placing the order	Ordered (03-01-2024) & Delivered
	Supply Status (quantity received at Site & Expected date of balance supply)	Delivered and Installed
WMS, SCADA & DC Cable	Make & Supplier details	WMS - Energy Meteo Control Solutions Pvt Ltd SCADA- Adaptive Engg Pvt Ltd DC Cable - Dynamic Cables Ltd, SPM Power & Telecom Pvt Ltd
	Order Status with the date of placing the order	WMS - 10-10-2024 SCADA - 06-06-2024 DC Cable - 16-01-2025,30-08-2024
	Supply Status	SCADA-100% Delivered & Installed WMS - 64% Delivered DC Cable -92% Delivered
Plant Installation	MMS installation (% completed/ Expected timeline for 100 % completion)	% Completed - 35% Full Table Expected timeline for 100% completion - By Apr'25
	Module installation (% completed/ Expected timeline for 100 % completion)	% Completed - 35% Expected timeline for 100% completion - By Apr'25
	Inverter installation (% completed/ Expected timeline for 100 % completion)	% Completed - 65% Expected timeline for 100% completion - By Apr'25
	Main Control Room civil works (% completed/ Expected timeline for 100 % completion)	100% Completed
	Pooling Substation (% completed/ Expected timeline for 100 % completion)	100% Completed
Transmission line Polling SSN to Delivery Point	Tower Foundation (% completed/ Expected timeline for 100 % completion)	100% Completed

	Tower Erection (% completed/ Expected timeline for 100 % completion)	100% Completed
	Tower Stringing (% completed/ Expected timeline for 100 % completion)	100% Completed
	Delivery End Bay (% completed/ Expected timeline for 100 % completion)	100% Completed
	Targeted Commissioning Date of Transmission Line (Pooling SSN to Delivery Point)	31-03-2025
CEIG Inspection & Approval	Inspection and Approval status of PSS and transmission line (SSN to Delivery point)	•220kV Transmission Line: Approved on 20-02-2025 •PSS: CEA Approval received on 17-03-2025
	Inspection and Approval status of the Plant	CEA inspected the plant for 90 MW on 09-03-25, and the balance capacity will be inspected by Apr'25
Commissioning Plan	Targeted Project Readiness Date	Apr'25
	Targeted CEIG Certification Date	Apr'25
	Targeted Synchronization Date	Apr'25
	Targeted Commissioning Date	The project will be fully commissioned in phases, starting from the end of Mar'25 till Apr'25 (Tentatively)

	Name of Bidder	ReNew Solar Power Private Limited SPV- ReNew Surya Ravi Private Limited	ReNew Solar Power Private Limited SPV-ReNew Green (TN Three) Private Limited
	Project ID	SPD-ISTS-T18-RSPPL-P1-150MW	SPD-ISTS-T18-RSPPL-P2-100MW
	Project Location (Vill, Tehsil, Dist., State)	Village: Jaalwali and Noor Mohammad Ki Dhani; Tehsil: Bikaner; State: Rajasthan	Village: Kadabgaon and Jeurwadi; Tehsil: Akkalkot; Distr.: Solapur; State: Maharashtra
	Project Capacity (MW)	150 MW	100 MW
	Interconnection Point (SS & Voltage level)	400kV and above	400kV and above
	Total Land Requirement (Hectare)	222	134
Land Arrangement Status	Land Acquired (Hectare)	222	134

	Target date of complete Land Acquisition	Completed	Completed
Connectivity Status	Date of application of Connectivity	07.06.2021 (Stage-II for 300 MW)	331400014 dtd 31.3.23
	Status of Connectivity operationalization	Yet to be operationalized	Yet to be operationalized
PV Modules Supply Status	Make, Model Number, Rating & Quantity	JA Mono:163.24 MWp JA Bi Facial- 44.75 MWp	Renew Topcon 580 Wp and Renew Perc 545 Wp
	Total Module requirement (MWp)	207.99 MWp	137.34 MWp
	Order Status with the date of placing the order	Closed	Closed
	Supply Status (quantity received at Site & Expected date of balance supply)	Completed	Completed
Inverter Supply Status	Make, Model Number, Rating & Quantity	Sungrow 200KW SINENG 200KW	TBEA 300 KW
	Order Status with the date of placing the order	Commissioned	Closed
	Supply Status (quantity received at Site & Expected date of balance supply)	Commissioned	50 MW completed, Expected balance supply by 31st Mar'25
Power Transformer Supply Status	Make, Model Number, Rating & Quantity	GE	TBEA
	Order Status with date of placing the order	Commissioned	Closed
	Supply Status (quantity received at Site & Expected date of balance supply)	Commissioned	Supplied
WMS, SCADA & DC Cable	Make & Supplier details	Adaptive	ABB
	Order Status with date of placing the order	Closed	Closed
	Supply Status	Completed	Completed
Plant Installation	MMS installation (% completed/ Expected timeline for 100 % completion)	100%	50%
	Module installation (% completed/ Expected timeline for 100 % completion)	100%	50%
	Inverter installation (% completed/ Expected timeline for 100 % completion)	100%	50%
	Main Control Room civil works (% completed/	100%	100%

	Expected timeline for 100 % completion)		
	Pooling Substation (% completed/ Expected timeline for 100 % completion)	100%	100%
Transmission line Polling SSN to Delivery Point	Tower Foundation (% completed/ Expected timeline for 100 % completion)	100%	100%
	Tower Erection (% completed/ Expected timeline for 100 % completion)	100%	100%
	Tower Stringing (% completed/ Expected timeline for 100 % completion)	100%	100%
	Delivery End Bay (% completed/ Expected timeline for 100 % completion)	100%	100%
	Targeted Commissioning Date of Transmission Line (Pooling SSN to Delivery Point)	100%	100%
CEIG Inspection & Approval	Inspection and Approval status of PSS and transmission line (SSN to Delivery point)	100%	50%
	Inspection and Approval status of the Plant	100%	50%
Commissioning Plan	Targeted Project Readiness Date	Operational	SCOD 50 MW by Mar'25 and 50 MW by Jun'25
	Targeted CEIG Certification Date	Operational	April End
	Targeted Synchronization Date	Operational	SCOD 50 MW by Mar'25 and 50 MW by Jun'25
	Targeted Commissioning Date	Operational	SCOD 50 MW by Mar'25 and 50 MW by Jun'25

Hearing dated 8.4.2025:

17. During the course of the hearing, the learned senior counsel and learned counsel for the Petitioner and the Respondents made detailed submissions on the matter, particularly on the aspect of the reasonability of the tariff discovered in the bid process (Tranche XVIII). Considering the submissions made by the learned senior counsel for the parties, the Commission permitted both sides to file their respective written submissions. Further, the Commission directed Respondents No. 1 and 2 to file, on affidavit, the following information: (i) Application for Stage-II Connectivity under the 2009 Connectivity Regulations or Connectivity under the GNA Regulations submitted by the Respondents to CTUIL; (ii) Copy of the grant of connectivity issued by CTUIL to each of the Respondents; (iii) Details of any change in the route of application, including a shift from the LOA route to land or BG route, subsequent to the issuance of the grant of connectivity by CTUIL; and (iv) The original commissioning schedule as submitted in the application for Stage-II Connectivity. Subject to the above, the Commission reserved the matter for order.

Affidavit dated 15.4.2025 of Respondent No. 2:

18. In pursuance of the directions of the Commission, Respondent No. 2, ASHL vide affidavit dated 15.4.2025, has mainly submitted as under:

(a) On 1.2.2022, ASHL submitted its Stage-II Application bearing no. 1200003683 to Central Transmission Utility of India Ltd. (“**CTUIL**”) in terms of the Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009 (“**Connectivity Regulations, 2009**”) for Stage-II Connectivity.

(b) On 10.5.2022, CTUIL issued a letter bearing no. C/CTU/N/05/1200003683 to Respondent No. 2, granting Stage-II Connectivity for its 300 MW solar power Project located at Nokhadhaya, Kolya, Bikaner, Rajasthan.

(c) Thereafter, a letter dated 14.6.2022 was issued by Respondent No. 2 requesting CTUIL to consider the change in coordinates of the location of the generating station. Further, it was also communicated to CTUIL that 220kV Bay details at Bikaner-II Pooling Station will be informed upon finalization of the same. Subsequently, CTUIL, by way of its letter dated 12.7.2022, amended the Stage-II Connectivity in view of the requests made by Respondent No. 2.

(d) In addition, after the promulgation of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("**GNA Regulations**"), the Connectivity and Long Term Access ("**LTA**") granted to Respondent No. 2 under the Connectivity Regulations, 2009 were considered as deemed GNA under Regulation 37.3 of the GNA Regulations.

(e) This Commission vide Order dated 21.4.2024 in Petition No. 283/MP/2023 has allowed conversion of Connectivity from LoA route to land route by observing that the termination of the Power Purchase Agreement dated 4.4.2022 ("PPA") between the project SPV of Respondent No. 2 i.e., ACME Sikar Solar Private Limited ("ASSPL") and Maharashtra State Electricity Distribution Company Limited ("MSEDCL") was on account of the Force Majeure event and is not attributable to Respondent No. 2 which was upheld by the Maharashtra Electricity Regulatory Commission vide Order 27.12.2023 in Petition No. 56/AD/2023.

(f) The PPA dated 4.4.2022 signed with MSEDCL was impacted by a Force Majeure event at the very initial stage, i.e., August 2022 (within 4 months), and was subsequently terminated in less than 10 months (on 21.2.2023) on account of the continuous Force Majeure event. Therefore, and thereafter, Respondent No. 2 has been developing the Project as a merchant project in the absence of any PPA. The financing of this Project was also completed in the month of February 2024, as a merchant project, which is much after the PPA termination and the MERC Order in Petition No. 56/AD/2023.

(g) This Commission, in its Order dated 21.04.2024 in Petition No. 283/MP/2023, also directed Respondent No. 2 to submit 'land documents' within 4 weeks, in terms of Regulation 5.8(xi) of the GNA Regulations. Further, Respondent No. 2, in its Petition No. 283/MP/2023, had submitted that it intended to develop the Project under the land route, as there was no PPA in place. Based on this, this Commission allowed the conversion of

connectivity from LoA route to land route. Respondent No.2 has been developing this Project as a merchant project, as it did not have any PPA in place. The Financial Closure, i.e., the sanction of loans from Power Finance Corporation, was also completed considering the Project as a 'merchant project'. The factum that the Project is being developed as a 'merchant project' has been taken note of/recorded in the Order dated 21.04.2024 in Petition No. 283/MP/2023.

(h) The start date of connectivity as per the application for the Stage-II Connectivity is 30.9.2023. However, CTUIL extended the effectiveness of the connectivity from time to time. As informed during the 32nd Joint Coordination Committee meeting ("**JCC Meeting**") dated 24.12.2024, the GNA's effectiveness was extended to 31.3.2025. Further, CTUIL in the 33rd JCC Meeting held on 26.3.2025 has informed Respondent No. 2 that the said GNA will be made effective by 31.5.2025. However, the minutes of the said meeting are not yet uploaded.

Affidavit dated 16.4.2025 of Respondent No. 1:

19. In pursuance of the directions of the Commission, Respondent No. 1, RSPPL vide affidavit dated 16.4.2025 has mainly submitted as under:

(a) On 7.6.2021, Respondent No.1 submitted its Stage-II Application bearing no. 1200003301 to CTUIL in terms of the Connectivity Regulations, 2009, for Stage-II Connectivity for Project 1.

(b) On 31.3.2023, Respondent No.1 submitted its Stage-II Application bearing no. 03331400014 to CTUIL in terms of the Connectivity Regulations, 2009, for Stage-II Connectivity for Project 2.

(c) On 2.9.2021, CTUIL issued a letter bearing no. C/CTU/N/05/1200003301 to Respondent No. 1, granting Stage-II Connectivity for Project 1. Thereafter, on 13.10.2023, CTUIL issued a letter bearing no. CTU/NR/GNA-INT-4/37.6(1)/Renew to Respondent No. 1 granting GNA in accordance with Regulations 37.6 of the GNA Regulations for Project 1.

(d) On 13.11.2023, CTUIL issued a letter bearing no. CTU/W/5/37.1/331400014 to the Respondent No. 1 issuing in-principle grant of connectivity in accordance with Regulations 37.1 of the GNA Regulations for Project 2.

(e) There has been no change in the route of application from the land to the LOA or the BG route subsequent to issuance of the grant of connectivity by CTUIL for Project 1 and Project 2.

(f) The original commissioning schedule as per the application for Stage-II Connectivity for Project 1 and Project 2 is as under:

PROJECTS	COMMISSIONING SCHEDULE AS PER APPLICATION FOR STAGE-II CONNECTIVITY
Project 1	30.09.2022
Project 2	31.03.2025

20. Pursuant to the liberty granted by the Commission during the hearing dated 8.4.2025, Petitioner, SECI, has filed its Written Submissions on 16.4.2025 and has urged the Commission to adopt the tariff considering the reasonability of the landed tariff to Buying Entities. Further, the Respondent Nos. 1 and 2 vide their Written Submissions dated 22.4.2025 have prayed for expeditious adoption of the discovered tariff, as prayed for by SECI, in terms of Section 63 of the Act, in view of the fact that the SCSD, i.e., 30.6.2025, is approaching.

Analysis and Decision

21. We now proceed to consider the prayer of the Petitioner as regards adoption of tariff under Section 63 of the Act in respect of the solar power projects as discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India.

22. 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.”

23. 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 in accordance with the Guidelines issued by the Central Government has been followed in the determination of such tariff. In other words, while adopting the tariff determined through a bidding under Section 63 of the Act, the Commission needs to ensure *inter alia* that (i) the bidding process was transparent, and (ii) such a process has been held in accordance with the Guidelines issued by the Central Government.

24. The 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 to be 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 the bid process.

(c) Bids shall be invited in Power Capacity (MW) terms specifying the total quantum to be contracted by the Procurer. The minimum quantum of power that can be offered by the bidder should be 50 MW for projects connected to interState

transmission systems. The bidder can quote for a part of the total quantum to be procured by the Procurer. A maximum of 50 percent of the 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 the entire term of the PPA.

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

(e) The Draft PPA proposed to be entered into with the successful bidder, and the 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, the 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) The adequate payment security shall be provided as per the 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 the coverage from the fund, the developer will undertake to pay the 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) The 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 with 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 the 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 of 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 at 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 the bidding process, the Evaluation Committee constituted for the evaluation of RfS bids shall critically evaluate the bids and certify, as appropriate, that the bidding process and the evaluation have been conducted in conformity with 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 the 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 the adoption of the 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 the 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 the adoption/ approval by the Appropriate Commission till the date of the adoption/ approval by the Appropriate Commission.

25. In terms of the provisions of Section 63 of the Act, we have to examine whether the process as per the 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).

26. The Petitioner, SECI, has been designated as the implementing agency for the implementation of the scheme for setting up of the ISTS connected/ State specific solar/ wind power projects with the mandate to invite bids under the Tariff Based Competitive Bidding process to enter into the PPAs at the tariff discovered in the competitive bid process and enter into the PSAs with the distribution licensees to enable them to fulfil their Renewable Purchase Obligations under Section 86(1)(e) of the Act.

27. The Solar 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 with or without energy storage. As per the Guidelines, SECI, in the capacity of intermediary procurer, invited proposals for the selection of Solar Power Developers for setting up the 1000 MW ISTS connected Solar Power Projects (Tranche XVIII). As per the arrangements, SECI is to procure the power by entering into the PPAs with the successful bidder with back-to-back PSAs for the sale of power to the distribution licensees.

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

S. No.	Event	Date
1.	RfS issued by SECI	12.09.2024
2.	Corrigendum-01 to the RfS documents	12.09.2024
3.	Pre-bid meeting held	18.09.2024
4.	Corrigendum-02 to the RfS documents	04.10.2024
5.	Corrigendum-03 to the RfS documents	17.10.2024
6.	Amendment-01 to the RfS documents	17.10.2024
7.	Corrigendum-04 to the RfS documents	30.10.2024
8.	Last date of Bid Submissions	14.11.2024
9.	Opening of Techno-Commercial Bids	20.11.2024
10.	Opening of Financial Bids	24.12.2024
11.	e-Reverse Auction conducted	24.12.2024
12.	Issuance of Letter of Award	09.01.2025

29. On 12.9.2024, SECI issued the RfS documents, along with the draft PPA and PSA, for the selection of the Solar Power Developers for setting up the 1000 MW ISTS connected Solar Power Projects (Tranche XVIII) under tariff based competitive bidding. As per the RfS conditions, only the bidders who were already been granted connectivity at any existing ISTS-substation with Start Date of Connectivity/ Operationalization of Connectivity on or before 30.6.2025 were allowed to participate in this RfS and the Scheduled Commencement of Supply Date (SCSD) for supplying power from the Solar Power Projects was kept as 30.6.2025. The said tender/ RfS document was floated on the ISN Electronic Tender System (ISN ETS) e-Tender portal. As per Clause 7.5 of the Guidelines, the RfS notice is required to be published in at least two national newspapers and on its own website to accord wide publicity. In this regard, SECI has placed on record the documents demonstrating the publication of the RfS on the e-publishing system, Government of India, and its own website. SECI has further submitted that as per the advisory of the Ministry of Information and Broadcasting, Government of India, dated 17.5.2017, mandating the e-publishing of advertisements on the relevant portal, on 3.7.2018, it issued a notification in

the newspapers indicating that tenders of the SECI will henceforth be published on its website and the Government Portal but not in the newspapers.

30. The Bid Opening Committee and Bid Evaluation Committee (BEC) comprising the following, was constituted for the opening and evaluation of bids under RfS No. SECI/C&P/IPP/11/0014/24-25 dated 12.09.2024:

Tender	Department	Offline and Online Techno- commercial and Financial Bid Opening	Techno- commercial and Financial Evaluation and post e-RA recommendation
1000 MW ISTS-connected Solar PV Power Projects (SECI- ISTS- XVIII)	Solar	Sunil, Manager	Sunil, Manager
	Contracts	Jayansh Gaur, Dy. Manager	Jayansh Gaur, Dy. Manager
	Finance	Nidhi Jain, Sr. Manager	Nidhi Jain, Sr. Manager

31. The last date of submission of the bid was 14.11.2024, and the techno-commercial part of the bid was opened on 20.11.2024. Response to RfS was received from four bidders, and three were found to fully meet the technical criteria and, consequently, were found to be qualified for the opening of the financial bid. On 24.12.2024, financial bids of three technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of members of the Bid Opening Committee. As per the eligibility criteria mentioned in the RfS document, three bidders for aggregating the 750 MW were shortlisted for the e-reverse auction.

32. The e-reverse auction was carried out on 24.12.2024 in the presence of the members of BEC. After completion of the e-reverse auction, the following were declared as successful bidders:

S. No	Name of the Successful Bidder	Bid Capacity (MW)	Final Tariff (INR/kWh)	Allotted Capacity (MW)
1.	ReNew Solar Power Private Limited	250	3.04	250
2.	ACME Solar Holdings Limited	300	3.05	300
3.	Adani Renewable Energy Holding Twelve Limited	200	3.10	50
Total awarded capacity				600

33. Accordingly, on 9.1.2025, SECI issued the Letter of Award (LoAs) to the above successful bidders. Relevant extract of the Letter of Award issued to one of the successful bidders, namely, ACME Solar Holdings Limited (300 MW), is as under:

"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:

<i>Allotted Project ID</i>	<i>Project Capacity (MW)</i>	<i>Interconnection Point Details</i>	<i>Applicable Tariff (INR/kWh) in figures</i>	<i>Applicable Tariff (INR/kWh) in words</i>
<i>SPD-ISTS-T18-ASHL-P1-300MW</i>	<i>300</i>	<i>Bikaner 2 S/s</i>	<i>₹3.05/-</i>	<i>Rupees Three and Five Paise only</i>

It is to be noted that the SPD is allowed to change the project location and/or interconnection point for the awarded project subsequent to issuance of LoA, until SCSD, subject to Clause 6.3 of the RfS.

SECI shall purchase the power generated from the proposed ISTS-Connected Solar 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 Solar Power Project for the term of Power Purchase Agreement (PPA) to be entered into between Project Company or the Solar Power Developer (SPD) and M/s SECI, for the Project, shall be firm for the entire term of the PPA.

1.1 The SPD 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 SECI for any liability if the SPD is not able to avail fiscal incentives and this will not have any bearing on the applicable tariff.

1.2 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.

1.3 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.

1.4 In case of the Selected 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.

1.5 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.

1.6 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.

1.7 The Selected Bidder shall pay to SECI, Success Charges @ INR 1,00,000/MW (Indian Rupees One Lakh/MW) + applicable taxes, corresponding to the capacity awarded as per the LoA within 20 days of issuance of this LoA, towards administrative overheads, project monitoring activities, coordination with State Authorities and others including the DISCOM/STU/CTU, etc., in line with Clause 18.1 of the RfS.

1.8 Performance Bank Guarantee(s)/ Payment on Order Instrument (POI)/ Insurance Surety Bond for a value of @ INR 23.55 Lakh/MW/Project shall be submitted by the SPD within 20 days of issuance of this LoA, In line with Clause 17 of the RfS.

1.9 PPA will be executed between SECI and the SPD 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.

1.10 The project breakup for the cumulative contracted capacity quoted by the Bidder in the Covering Letter may be changed by the SPD subsequent to issuance of LoA up to the date as on 20 days from issuance of LoA. Delay in meeting the PPA timelines on account of such changes in Project parameters, 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).

1.11 The SPD will have to submit the required documents as mentioned below to SECI within 20 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 36.3 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 SPD.*
- 3) The details of promoters and their shareholding in the SPD, 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 SPD highlighting the object clause related to generation of Power/ Energy/ Renewable Energy/ Solar Power plant development.*
- 5) In case the project being executed by a Special Purpose Vehicle (SPV) incorporated 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 SPD for authorization of signing of PPA and subsequent relevant documents.*

Further, the PPA shall be signed with SPDs 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/ Insurance Surety Bond of requisite value.

1.12 SECI shall have the right to verify original documents of the SPD 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 30 days from the date of issue of LoA. Subsequent to the expiry of 30 day period after the date of 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.

1.13 In case, the SECI offers to execute the PPA with the SPD 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.

1.14 The SPD/ Project Company shall commence supply of power from full Project Capacity by 30.06.2025, 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 SPD as per the above provisions.

34. On 16.1.2025, Adani Renewable Energy Holding Twelve Limited refused to accept the awarded capacity of 50 MW as per Clause 41.4 of the RfS and requested to release the original Bank Guarantee. Further, Adani Renewable Energy Holding Twelve Limited on

29.1.2025, withdrew its earlier letter dated 16.1.2025 and accepted the awarded capacity of 50 MW under the LoA dated 9.1.2025. The Petitioner on 31.1.2025, informed to Adani Renewable Energy Holding Twelve Limited that the deadline to accept/reject the offered capacity, as per the RfS conditions, was till 16.1.2025 and based on rejection of offered capacity on 16.1.2025, further process had been carried out by SECI, therefore, the acceptance of the LoA by Adani Renewable Energy Holding Twelve Limited cannot be considered at this stage. The Petitioner has further submitted that consequent to approval from the Himachal Pradesh Electricity Regulatory Commission on 10.2.2025 for procurement of the solar power under Tranche XVIII, HPSEBL has executed a Power Sale Agreement for 550 MW capacity with SECI on 21.2.2025. The Petitioner has placed on record a copy of the PSA for the 550 MW capacity executed with Respondent No. 3, HPSEBL.

35. 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. In compliance with the above, the Petitioner has furnished the various conformity certificates on record. *Vide* conformity certificate-1 dated 9.1.2025, the Petitioner has certified that applicable Guidelines and amendments/clarifications 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 certificate is as under:

“CONFORMITY CERTIFICATE – 1

With respect to the RfS no. SECI/C&P/IPP/11/0014/24-25 dated 12.09.2024, 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.”

36. Moreover, *vide* conformity certificate-2, the Petitioner has stated that after the conclusion of the bid submission, the Evaluation Committee constituted for evaluation of the bids has conducted the techno-commercial as well as financial bid evaluation in conformity with the provisions of the RfS. The relevant extract of the above conformity certificate is as under:

“CONFORMITY CERTIFICATE - 2

With respect to the RfS no. SECI/C&P/IPP/11/0014/24-25 dated 12.09.2024, it is hereby declared as follows:

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

37. The Bid Evaluation Committee (BEC) further in its report dated 3.1.2025 has observed that the L1 tariff discovered in this RfS (Rs. 3.04/kWh) is higher than the L1 tariff discovered in the last concluded plain Solar ISTS-XVI tender (Rs. 2.48/kWh) in August 2024. The BEC noted that as per Clause 9.2.a of the RfS of this tender, SCSD for Projects to be awarded under this RfS is 30.06.2025, making it different from the routine Solar tenders (with SCSD 24 months from the effective date of the PPA). Further, Clause 9.2.e of the RfS states that *"In all the cases, if due to any reason whatsoever (including extension in SCSD by SECI or any other agency beyond 30.06.2025) the commencement of supply of power is delayed beyond 30.06.2025, transmission charges/ISTS charges applicable on the power*

supplied from the Project up to the CTU-STU periphery of Buying Entity(ies) shall be borne by the SPD". The BEC has stated that in the absence of any past experience of tenders similar to the subject tender, wherein such specific conditions (i.e., Clause 9.2.a) are present, it may not be justifiable to find out the reasonability of the tariff. However, to enhance the installation of renewable energy capacity across the country so that the Government of India's target of 500 GW non-fossil energy capacity by 2030 can be accomplished, it is important that firm commitment from the Buying Entities at the discovered tariff is received. Accordingly, the BEC recommended issuance of the LoA.

38. As per Clause 10.4 of the Solar Guidelines, the distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for the adoption of the 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 the Solar Guidelines. In the present case, the e-RA was held on 24.12.2024, whereas the present Petition, even on the e-filing portal of the Commission, was filed only on 17.1.2025. In this regard, SECI has submitted that pursuant to the e-RA held on 24.12.2024, the LoAs were issued to successful bidders on 9.1.2025. After the issuance of LoAs, SECI has completed all the activities involved in filing the Petition, i.e., engagement of legal counsel, preparation of the Petition, compilation of relevant documents, and processing of the filing fees, etc., in the best possible time. As per SECI, the delay is neither deliberate nor intentional. Keeping in view that the Commission has already issued suitable directions to the Petitioner in its order dated 1.6.2024 in Petition No. 68/AT/2024 in regard to approaching the Appropriate Commission

for the adoption of tariff within the timelines specified in the relevant Guidelines in future, we are not repeating such directions in the present case.

39. Pertinently, the aspect on which the present RfS differed from the other tenders of the past is that only those Bidders, who have already been granted connectivity at any existing ISTS sub-station with start date of Connectivity/Operationalisation of Connectivity on or before 30.6.2025, were allowed to participate in the bid. The RfS further prescribed the scheduled commencement of supply date to be 30.6.2025. The RfS also puts the onus of payment of transmission charges/ISTS charges on the Solar Power Developer if, in all cases, the commencement of supply of power is delayed beyond 30.6.2025 due to any reason whatsoever. The relevant provisions of the RfS are extracted as under:

7.5 Bidders who have already been granted connectivity at any existing ISTS-substation with Start Date of Connectivity on or before 30th June, 2025 only are allowed to participate in this RfS. In this regard, the bidders are required to furnish the proof of grant of connectivity to the Bidding Company along with Format-7.1 Covering Letter.

XXXXX

9.2 Commencement of Supply schedule and Penalty for Delay in Commencement of Power Supply

a. The Scheduled Commencement of Supply Date (SCSD) for supplying power from the full Project Capacity shall be 30.06.2025.

XXXXX

e. In all the cases, if due to any reason whatsoever (including extension in SCSD by SECI or any other agency beyond 30.06.2025) the commencement of supply of power is delayed beyond 30.06.2025, transmission charges/ISTS charges applicable on the power supplied from the Project up to the CTU-STU periphery of Buying Entity(ies) shall be borne by the SPD.

40. As regards the reason to incorporate the above conditions in the RfS, the Petitioner has submitted that some States had inquired from SECI and its officials if power could be

made available before the expiry of the deadline for waiver of the ISTS transmission charges, i.e., 30.6.2025. As per the Petitioner, the objective of initiating such a bid for the States was to avoid implication of transmission charges/ISTS charges, thereby ensuring certainty in respect of the landed cost of power at the periphery of the States for the entire duration of the PPA/PSA, i.e., 25 years. Early availability of power would also allow the states to avoid costly power purchase from the power exchanges and aid in meeting Renewable Purchase Obligation (RPO) targets, thereby helping the beneficiary States avoid potential penalties.

41. It has been further submitted by the Petitioner that this power is immediately available, unlike other solar tenders where the completion time frame is 2 years, which may get extended on account of either non-availability of connectivity or delayed arrival of connectivity. As per the Petitioner, it has been informed during various discussions with stakeholders that, in Renewable Rich States, fresh connectivity is not available before 2028. Vide its affidavit dated 7.4.2025, the Petitioner has submitted that it has subsequently received similar requests from other buying utilities of West Bengal, Jharkhand, etc., in case such quantum of power is available for commencement of supply before 30.6.2025.

42. Both the sides have submitted that incorporation of such conditions relating to the connectivity and SCSD in the RfS are not in any way contrary to the provisions of the Solar Guidelines and Clause 3.2 of the Solar Guidelines which categorically provides that the RfS may specify additional milestones for the project with respect to land acquisition, and connectivity, etc., and shall specify penalties for non-compliance with such milestones / requirements. The relevant extract of the Guidelines for Tariff Based Competitive Bidding

Process for Procurement of Power from Grid Connected Solar PV Power Projects is as under.

“3. PREPARATION FOR INVITING BID AND PROJECT PREPAREDNESS

3.1 Conditions to be met by the Procurer

The Procurer shall meet the following conditions:

3.1.1 Bid Documentation

(a) Prepare the bid documents in accordance with these Guidelines.

(b) Seek approval of the Government for deviations, if any, in the draft RfS, draft PPA, draft PSA (if applicable) from these Guidelines and/or SBDs in accordance with the process described in Clause 16 of these Guidelines.

However, for purpose of clarity, if the Procurer while preparing the draft RfS, draft PPA, draft PSA and other Project agreements provides detailed provisions that are consistent with the Guidelines, such detailing will not be considered as deviations from these Guidelines even through such details are not provided in the Guidelines.

3.2 Arrangements related to Commencement of Supply

The RfS may specify additional milestones for the project with respect to land acquisition, connectivity etc as well as regular reporting requirements by the Generator and shall specify penalties with respect to non-compliance with such milestones/requirements. Obtaining all clearances, permits, licenses including arrangement of land and connectivity to the Grid and access (if applicable) prior to scheduled date of commencement of supply of power shall be the responsibility of the Generator and the Procurer shall not be responsible in case of delay in obtaining such clearances, permits, licenses etc. ”

13.2. Commencement of Supply Schedule

(a). The Developer/Solar Power Generator shall generally commence supply of power, within a period of:

(i). 24 (twenty-four) months from the date of execution of the Power Purchase Agreement, where the quantum allotted to the Developer/ Solar Power Generator is not more than 1000 MW;

(ii). 30 (thirty) months from the date of execution of the Power Purchase Agreement, where the quantum allotted to the Developer/Solar Power Generator is more than 1000 MW.

(b). However, if for some reason, the SCSD period needs to be kept shorter or longer than that provided in these Guidelines, the Procurer can do the same.

43. In terms of Clause 3.1.1, the Procurer is required to prepare bid documents in accordance with the Solar Guidelines and seek approval of the Government for deviations, if any, in the draft RfS, draft PPA, and draft PSA. Clause 3.1.1 further clarifies that the detailed provisions that are consistent with the Guidelines, incorporated by the Procurer while preparing draft RfS/PPA/PSA, will not be considered as deviations from the Guidelines, even if such details are not provided in the Guidelines. Clause 13.2(a) of the Solar Guidelines provides that generally the SCSD of the Solar Project(s) shall be 24 months (where the allotted quantum $\leq$ 1000 MW) and 30 months (where the allotted quantum $>$ 1000 MW) respectively from the date of execution of the Power Purchase Agreement. However, Clause 13(2)(b) also provides that the Procurer/Intermediary Procurer to keep the SCSD period shorter or longer than that provided in the Guidelines for the given reasons. Thus, the Solar Guidelines themselves provide for incorporating the shorter SCSD period in the RfS, and in the given case, SCSD for the Projects to be awarded under the RfS was kept as 30.6.2025, and the reason is the waiver of inter-state transmission charges for a period of 25 years on the transmission of the electricity generated from renewable energy projects commissioned up to 30.6.2025. Further, Clause 3.2 of the Solar Guidelines allows the Procurer to specify the additional milestones for the project with respect to land acquisition, connectivity, etc., and penalties for non-compliance with such milestones. Given the RfS provided the stringent SCSD of 30.6.2025, it also incorporated the additional requirement/milestone for the prospective bidders, i.e., having obtained the grant of

connectivity with the start date of connectivity on or before 30.6.2025. This appears to be aimed towards ensuring participation only from the serious bidders, who are in a position to achieve the SCSD on or before 30.6.2025, and to avoid any uncertainty relating to the operationalisation of the connectivity. As regards the penalty for the non-compliance of the requirement/ milestone is concerned, it has been pointed out that in terms of Clause 9.2.e of the RfS, in the event the commencement of supply by the developer is delayed beyond 30.6.2025 due to any reason whatsoever (including the extension of SCSD by SECI or other agency), the transmission charges / ISTS charges applicable on the power supplied from the project up to CTU-STU periphery of the Buying Entity shall be borne by the developer. Thus, in our view, the incorporation of these additional stipulations relating to the shorter SCSD and milestone in relation to the connectivity in the RfS is not inconsistent with the provisions of the Solar Guidelines.

44. We note that HPSEB filed a Petition before HPERC under Section 86 (i) (b) & (e) of the Act and Regulations 56 & 57 of the HPERC (Conduct of Business) Regulations, 2024 for approval of procurement of 600 MW Power from SECI. HPSEB, after examining offers from REIAs, i.e., SJVNL & SECI, for long-term procurement of Solar Power, which is getting commissioned before 30.6.2025, found the offer of SECI most suitable on the terms and conditions contained in the draft PSA from sources and at tariffs specified. HPERC, vide order dated 10.2.2025, granted the permission under Section 86 (1) (b) and Section 63 of the Act to the Petitioner for procurement of the 600MW ISTS connected solar Power for a period of 25 years from the Respondents at discovered tariffs, subject to the adoption of the tariff by CERC.

45. We note that the functions of the State Commission, as per Section 86 of the Act, are as under:

“86 (1) (b) -Regulate the electricity purchase and procurement process of distribution licensees, including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreement for purchase of power for distribution and supply within the State;

86 (1) (e) - Promote cogeneration and generation of electricity form renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify for purchase of electricity from such sources a percentage of the total consumption of electricity in the area of a distribution licensee.”

Therefore, HPERC has approved the electricity purchase and procurement process of the distribution licensees under Section 86(1)(b), considering the need for fulfillment of its RPO obligations and bridging the demand supply gap, and also to achieve the 1st Green Energy State in the country. Thus, in our view, the incorporation of these additional stipulations relating to the shorter SCSD and milestone in relation to the connectivity in the RfS are not against the provisions of the Solar Guidelines.

46. At this juncture, we may also examine whether the incorporation of such additional stipulations/requirements has in any way affected the transparency of the bid process. Admittedly, these stipulations were incorporated in the RfS at the time of its issuance, and thereby, the prospective bidders were fully made aware of the requirements under the RfS as well as the consequences in the event of failing to meet such requirements. Also, as noted above, the incorporation of such stipulations was not in any way contrary to the provisions of the Solar Guidelines, and in fact, the Solar Guidelines enable the Procurer /

Intermediary Procurer to have a shorter SCSD period and provide for the specific milestones regarding the connectivity. In response to the RfS, four bidders had submitted their bids for an aggregate capacity of 800 MW. However, keeping in view the certain ambiguity associated with the start date of connectivity of one of the bidders, it was held to be techno-commercially ineligible. Resultantly, three bidders, offering an aggregate capacity of 750 MW, were held eligible for the opening of the financial bid. Since the said capacity was less than the total offered capacity under the RfS, the total capacity eligible for award as per the RfS came to be 600 MW, and all three bidders had participated in the e-RA. Pursuant to the e-RA, the LoAs were also issued to the three bidders, namely, ReNew Solar Power Private Limited, ACME Solar Holdings Limited, and Adani Renewable Energy Holding Twelve Limited. However, given the offered capacity to Adani Renewable Energy Holding Twelve Limited (50 MW) was lower than 50% of the total quoted capacity by it (200 MW), it did not accept the offered capacity. To ensure competitiveness, the Solar Guidelines envisage that the minimum number of qualified bidders should be at least two. In the present case, the minimum number of qualified bidders was more than two, and given the overall response received from the bidders as noted above, it does not appear to us that incorporation of such requirements/stipulations affected the transparency of the bid process.

47. In light of the aforesaid discussion, it emerges that the present case satisfies the twin conditions of selection of successful bidder (s) through a transparent process of competitive bidding and in accordance with the Guidelines issued by the Ministry of Power, Government of India.

48. However, we want to emphasise here that not only should the beneficiary discoms plan their procurement in advance, but SECI should also ensure that participation by the

bidders is maximised to ensure competition. The Commission also observes that the bidding guidelines allow wide power to the procurer (distribution licensee or intermediary procurer) under Clause 3 of the bidding guidelines for the preparation of the RfS, PPA, PSA, and other project agreements. We feel that the Renewable bids ought to have Standard Bidding Guidelines with draft Standard Bidding Documents as is the case with thermal power and transmission bids, where, the standard bidding documents like RFP, PPA, TSA, etc, are issued by the Government of India in advance and the procurer is required to take approval for deviation from the Commission. The staff is directed to analyse the present bidding Guidelines and bidding documents issued by SECI and other intermediary procurers in various tenders. A report in this regard will be submitted to the Commission for necessary direction for bringing in more certainty, uniformity, and standardisation in future transactions. However, we also want to add a note of caution for the intermediary procurers so that they ensure that while initiating the bids, the qualifying criteria are not restrictive in nature and always encourage wider competition. Even when States raise specific demands, the intermediary procurer must engage with such States so as to encourage wider competition.

49. During the hearings held in the matter, the Commission had sought an explanation from the Petitioner regarding the reasonability for the higher tariff/bid discovered in the present tender as compared to the previous plain solar ISTS-XVI tender of 2.48/kWh along with a calculation of per unit ISTS charges if the waiver of ISTS charges is not available to the beneficiary.

50. In this regard, the Petitioner's submissions are briefly summarised as under:

- (a) The objective of initiating the above bidding process is to procure power so that there is no implication of the inter-State transmission charges over the entire duration of the PPA.

(b) Though under the applicable regulations, the ISTS charges are generally payable by the Procurer of electricity, i.e., in the present case, the buying utilities, there is nothing in law which prohibits such obligation to pay transmission charges to be paid by the generator.

(c) In any event of any imposition of transmission charges after 30.6.2025, SECI and the buying utilities will be entitled to enforce such obligation to pay the transmission charges on the generator and in case the generator does not pay the transmission charges SECI/ buying utility will be entitled to directly pay the transmission charges to the concerned agencies and adjust the same in the tariff payable to the generator. In other words, the landed cost of the electricity procured by the utilities shall not exceed the tariff of Rs. 3.04/3.05 per kWh plus the trading margin of 0.07/kwh inclusive of ISTS transmission charges.

(d) The recent tariff discovered in case of various solar tenders floated by other REIAs have gone upto 2.60/kWh also having scheduled commissioning date as 24 months from the effective date of the PPA/Connectivity start date, whichever is later, while in the present case, the scheduled commissioning date is 30.6.2025. From the DISCOMs' perspective, to get the true picture, the rate under the present case should be compared with the projects having relatively low tariffs but involving the implications of transmission charges.

(e) The average all-India level transmission charges levied during the year March 2024 to February 2025 are Rs 0.63/kWh. The transmission cost for solar power comes out to be Rs 1.62/kWh due to lower CUF.

(f) When the present tender was brought out, the MNRE decision of ALMM on cells had not been issued. Now, ALMM on the cell has also become applicable for solar plants. From the discussion with Solar Power Developers, it has come out that approximately Rs. 0.15-0.20/kWh increase in tariff is likely to occur, considering the impact of ALMM on the cell. Looking at the overall scenario and considering the last concluded solar bid as the base at Rs 2.60/kWh and adding the benefit of Rs 0.63/kWh of transmission waiver for the current year, the total for this year itself comes out to be Rs 3.23/kWh. This is even without considering the transmission charges, which would further increase in the future, the avoidance of RPO non-compliance penalty, and the certainty of power becoming available by June 2025, helping the state to avoid costly power from exchange.

(g) On the request of the Petitioner seeking 20.3.2025 and 28.3.2025, SECI wrote to Grid Controller of India Limited seeking 'Monthly ISTS Transmission Charges payable for the Himachal State and across the nation' and 'Monthly Data of Generation along with per unit ISTS Transmission Charges for Power Plants connected to ISTS network'. The Grid Controller of India Limited, in its response dated 3.4.2025, has given data for only one month, i.e., February 2025, for the queries put forth by SECI in a letter dated 20.3.2025. The calculation put forth by SECI is for the period from March 2024 to February 2025, and on the basis of actual GNA utilization across the country. If the ISTS charges for February 2025 are

calculated on the actual all-India level ISTS drawl, then it comes out to be Rs 0.67/kWh.

(h) On a specific issue to calculate the effect on transmission charge waiver for renewable power purchase by HPSEBL from the 550 MW solar power projects awarded under the present scheme, the response of the Grid Controller of India indicates that the %waiver for HPSEBL would increase from 0.617%-0.930% to 13.082%-18.148%. An analysis of the data provided by Grid Controller of India shows that on account of 550 MW of solar power procurement under the present scheme there is a benefit for the State of Himachal Pradesh by way of waiver of the transmission charges which may be in the range of 13% (low generation period) to 18% (high generation period). This, when calculated in rupee terms, shows that the transmission charges savings for the State of Himachal Pradesh due to the above 550 MW would vary between Rs. 0.56/kWh to Rs. 0.78/kWh.

51. Respondents 1 and 2 - Solar Power Developers, have also sought to justify the reasonableness of the tariff on the following grounds:

(a) Given the RfS required the developers to commission the Project by 30.6.2025, the Projects awarded thereunder began the construction activities as merchant projects, which required infusing the higher equity and arranging the funds from internal resources. The rate of debt for such projects is typically higher than for projects that have a firm PPA with agencies like SECI. Similarly, due to higher requirements of equity/funds from internal resources, the carrying cost & IDC for such projects are significantly higher.

(b) Since the merchant projects do not have LoA at the time of making connectivity applications, the developers have to submit either 50% of land documents or BG of Rs. 10 lakh/MW at the time of making an application for securing the connectivity unlike the projects which have LoA from SECI at the time of making connectivity application. This upfront land acquisition cost or BG requirement also attributes to the higher overall project cost for merchant projects.

(c) The projects awarded under the present tender are not entitled to claim the benefit of any Change in Law event during the construction period that may impact the project cost. This is for the reason that the tender was issued and the bids were submitted at a stage when the construction activities were already underway. Also, the quoted tariff is not entitled to further increase in the Project costs due to the recent events viz. (i) Notification No.9/2024-Central Tax (Rate) dated 8.10.2024, whereby the renting of non-residential property by an unregistered person to a registered person has been included in the categories liable to payment of reverse charge for GST, and (ii) Notification No. 16/2024-Customs (ADD) dated 27.9.2024 levying the anti-dumping duty on anodized aluminium frames for solar panels/modules for five years w.e.f. 27.9.2024, and (iii) Ministry of Finance's Notification dated 4.12.2024 imposing the anti-dumping duty on textured tempered coated and uncoated glass originating in or exported from China PR and Vietnam and imported into India. In

addition, MNRE by its OM No.283/59/2024-GRID Solar dated 9.12.2024 has mandated that all solar projects with bid submission deadline falling after 9.12.2024 to utilise the solar cells that are domestically manufactured and approved under ALMM List II, which is likely to have an impact of Rs.0.15-0.20 per unit on the tariff.

(d) The average prices of short-term transactions indicate that the merchant projects realise a tariff in the range of up to Rs. 3.50-4.0 per unit, reflecting the higher project cost and higher risk associated with such projects. Since the projects awarded under the present tender have been developed as merchant projects, the tariff discovered is competitive.

(e) The projects having relatively low tariffs (e.g., tranche XVI) will be applying for fresh connectivity for solar locations, which are expected to commence the supply only from FY 2027-28, thereby leading to an increase in the overall tariff for the Discoms. These projects would, thus, attract the ISTS transmission charges in the range of Rs. 0.65 – 0.70/kWh, and the actual ISTS transmission charges may be in the range of Rs. 1.25-1.5/kWh, considering the 25% CUF of the solar power projects.

52. Considering the peculiarity of the bid and demand from the States for procurement of such power before 30.6.2025, we observe that the Ministry of Power vide its letter dated 28.8.2006 has clarified that the SERCs may determine whether a distribution licensee in the State should enter into PPA with the generating companies at the tariff so determined by this Commission. The MoP letter dated 28.8.2006 is extracted as under

“DO No. 23/23/05-R&R

28th August 2006

Dear Dr. Aditi,

Please refer to your DO letter dated 16.5.06 in which you have sought clarification as to which Regulatory Commission should approved the PPA in case of inter-State projects.

2. Your attention is drawn to Rule 8 of Electricity Rules 2005 which prescribes that the tariff determined by CERC for generating companies under clause (a) or (b) of sub-section 1 section 79 of the Act shall not be subject to re-determination by SERC and with this condition, the State Commission may determine whether a distribution licensee in the State should enter into PPA or procurement process with such generating companies based on the tariff determined by CERC.

3. Therefore, the concerned SERC has the jurisdiction to regulate electricity purchase and procurement process of a distribution licensee under section 86(1)(b) of the Act except the tariff and tariff related matters of the PPA.

4. It is further clarified that the PPA, in cases where tariff has been determined through competitive bidding process under section 63 of the Act and in accordance

with the relevant guidelines issues by the Central Government, is finalised within the bidding process and the Appropriate Commission is required to adopt the tariff in accordance with the provisions of the law.

With regards,

*Yours sincerely,
(Alok Kumar) ”*

53. In the present case, considering the demand – supply situation of the State, HPERC has granted its approval under Section 86 (1) (b) of the Act for procurement of power by HPSEBL from SECI under tranche- XVIII at the tariff discovered through competitive bidding process vide order dated 10.2.2005, subject to adoption of tariff by this Commission.

54. In light of the above discussions, in terms of Section 63 of the Act, the Commission adopts the individual tariff in terms of the LoAs dated 9.1.2025 for the Solar Power Projects (Tranche XVIII), as agreed to by the following successful bidders, subject to the Petitioner tying up the awarded capacity of 550 MW under the PPAs:

S. No.	Name of the Successful Bidder	Allotted Capacity (MW)	Final Tariff (INR/kWh)
1.	ReNew Solar Power Private Limited	150	3.04
2.	ReNew Solar Power Private Limited	100	3.04
3.	ACME Solar Holdings Limited	300	3.05
	Total	550	

55. Further, as per the developers of the instant project, they are not entitled to claim the benefit of any Change in Law event during the construction period that may impact the project cost. Needless to say, if any of the generators delays commencement of supply beyond 30.6.2025 for any reason whatsoever, such generator shall be liable to pay the transmission charges or bill the HPSEBL at the reduced tariff after deducting the

transmission charge computed by the generator and submitted as an affidavit in this petition. Pertinently, the generators have stated that *“in any event of any imposition of transmission charges after 30.6.2025, SECI and the buying utilities will be entitled to enforce such obligation to pay the transmission charges on the generator and in case the generator does not pay the transmission charges SECI/ buying utility will be entitled to directly pay the transmission charges to the concerned agencies and adjust the same in the tariff payable to the generator”*. The aforesaid direction shall ensure that HPSEBL receives the benefit of the additional milestones incorporated in the bid.

56. Prayer (a) of the Petitioner is answered in terms of paragraph 50 above. Moreover, as soon as the PPAs are executed, the Petitioner shall place on record the copies of such PPAs in the present case.

57. The Petitioner, SECI, 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 in the RfS document and specified in the Solar Guidelines.

58. 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.”

59. The above provision gives the choice to the contracting parties to mutually agree on a 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.”

60. 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.”

61. The above two provisions are exceptions to the main provision as regards trading margin. In the present case, the distribution licensee, Himachal Pradesh State Electricity Board Limited, 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 the SECI 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.

62. Prayer (b) of the Petitioner is answered accordingly.

63. Petition No. 243/AT/2025 is disposed of in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson

