

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 932/MP/2025 along with IA No. 122/2025

Subject : Petition under Section 79 read with Section 158 of the Electricity Act, 2003 seeking referral to arbitration of the present dispute between the Petitioner and Respondent arising out of the claim for liquidated damages of Rs. 57.37 Crores levied by Respondent under Article 4.4.1 of the Power Purchase Agreement dated 23.05.2018.

Petitioner : ReNew Wind Energy (AP2) Pvt. Ltd. (RWEPL)

Respondent : Solar Energy Corporation of India

Date of Hearing : **5.2.2026**

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

Parties Present : Shri Basava Prabhu Patil, Sr. Advocate, RWEPL
Shri Vishrov Mukerjee, Advocate, RWEPL
Shri Girik Bhalla, Advocate, RWEPL
Ms. Anumeha Smiti, Advocate, RWEPL
Shri M. G. Ramachandran, Sr. Advocate, SECI
Ms. Anushree Bardhan, Advocate, SECI
Ms. Ritika Singh, Advocate, SECI
Ms. Somya Sahni, Advocate, SECI
Ms. Rashmi Vaish, Advocate, SECI
Shri Aneesh Bajaj, Advocate, SECI

Record of Proceedings

At the outset, the learned senior counsel for the Petitioner submitted that the Petitioner has filed its rejoinder dated 4.2.2026 to the reply filed by the Respondent SECI, in the matter. Learned senior counsel mainly submitted as under:

(a) SECI has already started deducting liquidated damages from the monthly invoices of October and November 2025. As on date, SECI has recovered Rs 23.36 crore out of Rs 57.37 crore, i.e. approximately 40% of the total amount of liquidated damages from the Petitioner. Owing to SECI's unilateral deductions by, the Petitioner has been constrained from raising further invoices and is facing severe financial difficulties.

(b) The issue involved in the present matter between the Petitioner and SECI pertains to an alleged breach of contract for shortfall in generation during FY 2024-25, and therefore, is purely a contractual dispute with no impact on tariff. Therefore, the same ought to be referred to arbitration under Article 16.3.2 of the PPA. Further, the dispute is confined to the contractual relationship between SECI and the Petitioner and not the Buying Utilities, i.e. GRIDCO Limited and HPPC, which have a separate agreement with SECI. Therefore, the Buying Utilities are not necessary parties to the adjudication of the present dispute.

(c) Even otherwise, Article 16.3.2(vi) of the PPA expressly provides that SECI, as the Buyer under the PPA, is entitled to co-opt the Buying Utilities as parties in the arbitration proceedings, should it deem such joinder to be necessary. Therefore, even assuming that the present dispute involves the interest of the Buying Utilities and their participation becomes necessary at a later stage, the PPA itself envisages a mechanism through which they may be made parties to the arbitration.

(d) In the above circumstances, SECI ought to be restrained from making any further recovery/deductions from the monthly invoices of the Petitioner till the Arbitral Tribunal is constituted and adjudicates the Petitioner's application for interim protection. In support of the above submissions, the reliance was also placed on the orders passed by the Commission in Petition No. 496/MP/2024 (BALCO v. TANGEDCO and Ors.)

2. Learned senior counsel for the Respondent, SECI, submitted that the Petition is liable to be rejected on account of non-joinder of necessary parties, i.e., the Buying Utilities, namely, GRIDCO Limited and HPPC. In fact, the Commission has, in the past, given directions in several cases for impleading the Buying Utilities. The learned senior counsel also added that the PPA and PSAs are on a back-to-back basis, and the compensation payable by the Petitioner under the PPA is to the benefit of the Buying Utilities. The learned senior counsel also confirmed that SECI has recovered approx. 40% of the total compensation payable by the Petitioner towards shortfall in generation during a Contract Year in terms of Article 4.4.1 of the PPA. He further submitted that the issue involved in the present Petition arises out of the invocation of force majeure events and therefore, constitutes a tariff dispute in terms of the DVC Judgment dated 28.8.2024 passed by the APTEL. Even otherwise, the force majeure events claimed by the Petitioner do not constitute force majeure events under the PPA. He also sought liberty to file his comprehensive written note of submissions.

3. Considering the submissions of learned senior counsels for both sides, the Commission directed as under:

(a) The Petitioner to implead the Buying Utilities, i.e. HPPC and GRIDCO, as parties to the Petition and file a revised memo of parties within two days.

(b) Issue notice to these impleaded Respondents.

(c) These impleaded Respondents are to file a comprehensive reply on the IA as well as the main Petition, if any, within two weeks, with a copy to the Petitioner, who may file its rejoinder(s), if any, within one week thereafter.

(d) SECI to file its written note of submissions as above, within one week with a copy to the Petitioner, who may also file its written note of submissions, if any, within one week thereafter.

4. The Petition, along with IA, will be listed for hearing on **17.3.2026**.

By order of the Commission

Sd/-

(T.D. Pant)

Joint Chief (Law)