



NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

Ref: - NSEFI/Punjab/2020-21/9

Date: 9th July, 2020

Pranav R Mehta
Chairman

To
Shri Amarinder Singh
Hon'ble Chief Minister of Punjab

Subject: In matter of PSPCL letter to various Solar Power Developers (SPDs) regarding discount of Energy tariff

Dear Sir,

The National Solar Energy Federation of India (NSEFI) is an umbrella organization of all solar energy stakeholders of India. This apex solar organization works in the area of policy advocacy and is a national platform for addressing all issues connected with solar energy growth in India. It consists of leading International, National and regional companies and includes Solar Developers, Manufacturers, EPC Contractors, Rooftop Installers, System Integrators, and Balance of plant suppliers and manufacturers, Small and Medium Enterprises (MSME) and works in a complementary manner with the Central and State Governments for achieving India's national solar target of 100 GW by 2022.

This is with reference to PSPCL letter communicated with various NSEFI members having Solar Power Projects in the state of Punjab, wherein PSPCL requested to give at least 10% discount on tariff for energy to be belated w.e.f. 01.07.2020. PSPCL mentioned that due to unprecedented situation caused by Covid-19 pandemic, which is likely to continue for some time, the consumers are unable to fully pay their dues to the PSPCL. This has affected the liquidity position of the PSPCL, consequently, impairing their ability to pay to the Generating Companies.

We wish to highlight the fact that the tariff specified under the PPA was discovered through a transparent bidding process and adopted and approved by the appropriate commission in accordance with applicable legal provisions. Additionally, at the time of reverse auction, the tariff was calculated considering all the applicable factors for a life span of the project, so that it becomes easy for the tariff to sustain throughout the entire project cycle and should be in a position to maintain a healthy cash flow. Since, the developers have already signed PPA, a contractual agreement, any change will not only make a project economic unviable but also contributes to a negative impact on upcoming investments.



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It is to inform you that such request for discount on tariff for the project cycle is not maintainable in the eyes of law and is premised on misconstrued understanding of the provisions enshrined under the Electricity Act, 2003 as well as PPAs and settled legal principles. It is undisputed that tariff under the PPA, especially that being adopted under section 63 of the Electricity Act 2003, cannot be changed.

Hence, such request of discount on energy tariff and any other kind of assertions on to the SPDs are illegal and unsustainable. In this regard, we call upon you to continue with the procurement of power under the PPA as per the agreed Tariff. We expect your continued support for the Solar Projects to regular payments towards electricity generation in the state.

During these difficult times; we assure you that Solar Projects thrives to contribute towards the growth of electricity sector in Punjab and meet the demand generated as per the terms of the PPA.

Thanking you and assuring you of our best attentions at all times

With Best Regards



Pranav R Mehta

Chairman, National Solar Energy Federation of India

Cc:

**Shri R K Singh, Hon'ble Minister(I/C), Power, New and Renewable Energy,
Government of India**