

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 549/AT/2020

Coram:

Shri P. K. Pujari, Chairperson

Shri I.S.Jha, Member

Shri Arun Goyal, Member

Date of Order: 1st March, 2021

In the matter of

Petition under Section 63 of the Electricity Act, 2003 for adoption of tariff for 3000 MW Grid connected Solar PV Power Projects selected through competitive bidding process as per the Guidelines issued by Ministry of New and Renewable Energy on 10.3.2015.

And

In the matter of

NTPC Limited
SCOPE Complex,
Core-7, Institutional Area,
Lodhi Road, New Delhi - 110 003

.....**Petitioner**

Vs.

1. Ministry of New and Renewable Energy
Block-14, CGO Complex,
Lodhi Road, New Delhi- 110003

2. Divyesh Solar Private Limited
[Selected Bidder - SunE Solar B.V.]
11th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

3. SEI Baskara Power Private Limited
[Selected Bidder - SunE Solar B.V.]
19th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai – 600018

4. Shreyas Renewable Energy Private Limited
[Selected Bidder - SunE Solar B.V.]
16th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai – 600018

5. Zuvan Energy Private Limited
[Selected Bidder - SunE Solar B.V.]
15th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

6. Aarish Solar Power Private Limited
[Selected Bidder - SunE Solar B.V.]
14th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

7. Pratyash Renewable Private Limited
[Selected Bidder - SunE Solar B.V.]
13th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

8. Elena Renewable Energy Pvt. Ltd.
[Selected Bidder - SunE Solar B.V.]
10th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

9. Aashman Energy Private Limited
[Selected Bidder - SunE Solar B.V.]
10th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai - 600018

10. SEI Mihir Energy Pvt. Ltd.
[Selected Bidder - SunE Solar B.V.]
18th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai – 600018

11. SEI Ener Star Renewable Energy Pvt. Ltd.
[Selected Bidder - SunE Solar B.V.]
17th Floor, Menon Eternity, Old No. 110,
New No. 165, St. Marys Road, Alwarpet,
Chennai – 600018

12. SBG Cleantech Project Co.Pvt. Ltd.
[Selected Bidder - SBG Cleantech Two Ltd.]
Plot No. 1, Vasant Kunj,
Phase II, New Delhi – 110070

13. Azure Power India Pvt. Ltd.

No. 8, Local Shopping Complex,
Madangir, Pushp Vihar,
New Delhi - 110062

14. Azure Power Jupiter Private Limited,
No. 8, Local Shopping Complex,
Madangir, Pushp Vihar,
New Delhi – 110062

15. Prayatna Developers Pvt. Ltd.
F-6, Birju Appt., Near Shabri Appt.,
Opp. Azad Society, Ambawadi, Navrangpura,
Ahmedabad, Gujarat - 380015

16. Rising Bhadla1 Private Limited
[Selected Bidder – Rising Sun India Pvt. Ltd.]
Flat No. 281, Block D, Mayur Vihar Phase-II,
New Delhi-110091

17. Rising Bhadla 2 Private Limited
[Selected Bidder – Rising Sun India Pvt. Ltd.]
Flat No. 281, Block D, Mayur Vihar Phase-II,
New Delhi-110091

18. Solaire Surya Urja Private Limited,
Office No. #203, Pentagon P3, 2nd Floor,
Magarpatta City, Hadapsar,
Pune 411013

19. Solairepro Urja Private Limited
[Selected Bidder – Solaire direct Energy India Pvt. Ltd.]
Office # 203, Level-2,
Pentagon-3, Magarpatta City,
Hadapsar, Pune - 411013

20. ACME Rewari Solar Power Limited
[Selected Bidder-Acme Solar Holdings Limited]
Plot No. 152, Sector-44,
Gurugram-122002, Haryana

21. ACME Kurukshetra Solar Energy Private Limited
[Selected Bidder- Acme Solar Holdings Limited]
Plot No. 152, Sector-44,
Gurugram- 122002, Haryana

22. Fortum Finn Surya Energy Pvt. Ltd.
1A, Vandana Building, 11, Tolstoy Marg,
New Delhi- 110001

23. Parampujya Solar Energy Pvt. Ltd.
7B, Sambhav House, Judges Bungalow Road,
Bodakdev Ahmedabad,
Gujarat - 380015
24. ReNew Wind Energy (TN 2) Private Limited
[Selected Bidder - Renew Solar Power Pvt. Ltd.]
138, Ansal Chamber-II, Bikaji Cama Place,
New Delhi – 110066
25. Tata Power Renewable Energy Limited.
Corporate Centre A,
34, Sant Tukaram Road,
Carnac Bunder, Mumbai – 400009
26. Yarrow Infrastructure Limited
5th Floor, Tower-B, Worldmark-1,
Aerocity, New Delhi – 110037
27. Janardan Wind Energy Pvt. Ltd.
7, Munshi Premchand Sarani,
Hastings, Kolkata - 700022
28. Maharashtra Seamless Ltd.
Pipe Nagar, Village Sukeli,
N.H. 17, B.K.G. Road Taluka- Roha,
Raigad, Maharashtra – 402126
29. AalokSolarforms Pvt. Ltd.
[Selected Bidder – Suzlon Energy Pvt. Ltd.]
Suzlon 5, Shrimali Society, Near Shri Krishna Complex,
Navrangpura, Ahmedabad,
Gujarat – 380009
30. Abha Solarforms Pvt. Ltd.
[Selected Bidder – Suzlon Energy Pvt. Ltd.]
Suzlon 5, Shrimali Society, Near Shri Krishna Complex,
Navrangpura, Ahmedabad,
Gujarat – 380009
31. Heramba Renewables Ltd.
[Selected Bidder – Suzlon Energy Pvt. Ltd.]
Suzlon 5, Shrimali Society, Near Shri Krishna Complex,
Navrangpura, Ahmedabad,
Gujarat – 380009
32. Shreyas Solarforms Pvt. Ltd.
[Selected Bidder – Suzlon Energy Pvt. Ltd.]

Suzlon 5, Shrimali Society, Near Shri Krishna Complex,
Navrangpura, Ahmedabad,
Gujarat – 380009

33. Mahindra Susten Pvt. Ltd.
Mahindra Towers, Dr. G.M. Bhosale Marg,
P.K. Kurne Chowk, Worli,
Mumbai – 400018

34. SPRNG Photovoltaic Pvt. Ltd.
(Erstwhile SP Photovoltaic Pvt. Ltd.)
[Selected Bidder – Shapoorji Pallonji]
70 Nagindas Master Road, Fort Mumbai
Maharashtra - 400023

35. ACME Mahbubnagar Solar Energy Pvt. Ltd.
[Selected Bidder – Acme Solar Holdings Pvt. Ltd.]
Plot No. 152, Sector-44,
Gurugram - 122002, Haryana

36. ACME Yamunanagar Solar Power Pvt. Ltd.
[Selected Bidder – Acme Solar Holdings Pvt. Ltd.]
Plot No. 152, Sector-44,
Gurugram - 122002, Haryana

37. Azure Power Thirty Seven Pvt. Ltd.
No. 8, Local Shopping Complex,
Madangir, Pushp Vihar,
New Delhi - 110062

38. Achintya Solar Power Ltd.
[Selected Bidder - Karvy Consultants Ltd.]
#46, Karvy House, Avenue 4,
Street 1, Road No. 10,
Banjara Hills, Hyderabad - 500034

39. Grinibhrit Solar Power Ltd.
[Selected Bidder - Karvy Consultants Ltd.]
Through its Managing Director
#46, Karvy House, Avenue 4,
Street 1, Road No. 10,
Banjara Hills, Hyderabad - 500034

40. Suvarchas Solar Power Ltd.
[Selected Bidder - Karvy Consultants Ltd.]
#46, Karvy House, Avenue 4,
Street 1, Road No. 10,
Banjara Hills, Hyderabad - 500034

41. Vishvarupa Solar Power Ltd.
Through its Managing Director
#46, Karvy House, Avenue 4,
Street 1, Road No. 10,
Banjara Hills, Hyderabad - 500034
42. Andhra Pradesh Eastern Power Distribution Company Limited
Through its Managing Director
Visakhapatnam, Andhra Pradesh
43. Andhra Pradesh Southern Power Distribution Company Limited
Kesavayanagunta, Tiruchnoor Road,
Tirupathi, Andhra Pradesh
44. Bangalore Electricity Supply Company Limited
K.R. Circle, Bangalore,
Karnataka - 560001
45. Mangalore Electricity Supply Company Limited
Paradigm Plaza,
A.B. Shetty Circle, Pandeshwar,
Mangalore, Karnataka - 575004
46. Chamundeshwari Electricity Supply Corporation Limited
No. 29 CESC Corporate Office,
Hinkal, Vijaynagar 2nd Stage,
Mysuru - 570017
47. Gulbarga Electricity Supply Company Limited
Main Road Gulbarga,
Gulbarga - 585102
48. Hubli Electricity Supply Company Limited
P.B. Road Navannagar,
Hubli - 580025
49. Rajasthan Urja Vikas Nigam Limited
Vidyut Bhawan, Janpath Jyoti Nagar,
Jaipur, Rajasthan - 302005
50. Jaipur Vidyut Vitaran Nigam Limited
Vidyut Bhawan, Janpath Jyoti Nagar,
Jaipur, Rajasthan – 302005
51. Ajmer Vidyut Vitaran Nigam Limited
Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer,
Rajashthan– 305004

52. Jodhpur Vidyut Vitaran Nigam Limited
New Power House,
Jodhpur, Rajasthan - 342003

53. Southern Power Distribution Company of Telangana Limited
6-1-50, Corporate Office,
Mint Compund, Hyderabad – 500063

54. Northern Power Company of Telangana Limited
H. No. 2-5-31/2, Corporate Office,
Vidyut Bhavan, Nkkalgutta,
Hanamkonda, Warangal – 506001

55. Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14 Ashok Marg,
Lucknow, Uttar Pradesh

.....**Respondents**

The following were present:

Shri M. G. Ramachandran, Sr. Advocate, NTPC
Ms. Tanya Sareen, Advocate, NTPC
Ms. Poorva Saigal, Advocate, NTPC
Shri Shyam Kumar, NTPC
Shri Ishpaul Uppal, NTPC

ORDER

The Petitioner, NTPC Limited (NTPC), has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as the 'Act') for adoption of tariff for 3000 MW grid connected solar PV power projects selected through competitive bidding process as per the 'Guidelines for Selection of 3000 MW Grid- Connected Solar-PV Power Projects Under Batch-II State Specific Bundling Scheme' (hereinafter referred to as 'the Guidelines') dated 10.3.2015 issued by the Ministry of New and Renewable Energy, Government of India. The Petitioner has made the following prayers:

"(a) Admit the present Petition;

(b) Adopt the tariff discovered in the competitive bid process for the Grid Connected Solar PV Projects having cumulative capacity of 3000 MW established by Respondent Nos. 02 to 41 as stated as per Table No. 4 to 14 at Paragraph 9(XII) above on the terms and conditions contained in the respective PPAs. In addition, there will be the trading margin of Rs. 0.07 /kWh (as mutually agreed

between the parties) to be recovered from the Buying Utilities/Distribution Licensees i.e. Respondent Nos. 42 to 55 in terms of the PSA with the Respondent Nos. 42 to 55 herein;

(c) Exempt NTPC from filing hard copies of the RfS and the executed PPA and PSAs on account of the voluminous record. NTPC undertakes to file the hard copies of the same, if so directed by this Commission..."

Submissions of the Petitioner

2. The Petitioner has submitted that first phase of National Solar Mission launched in 2010 provided for a mechanism of 'bundling' of then relatively expensive solar power with thermal power (from the unallocated quota of the Government of India as regards power generated at NTPC coal based generating station), which was relatively cheaper, in the ratio of 2:1 basis (2 MW of solar power with 1 MW of thermal power) for onward sale of the bundled power to the Distribution Licensees at an affordable price. Accordingly, in terms of the Guidelines dated 10.3.2015, issued to provide necessary policy and operational framework for development of projects under the 'State Specific Bundling Scheme', NTPC in its capacity of intermediary agency, issued Request for Selection (RfS) along with draft Power Purchase Agreement (PPA) and Power Sale Agreement (PSA) documents for setting up of grid connected solar PV power projects in the States of Andhra Pradesh, Karnataka, Rajasthan, Telangana and Uttar Pradesh for an aggregate capacity of 3000 MW and procurement of solar power from the projects being set-up in relation thereto on various dates from 29.4.2015 to 27.10.2016. The Petitioner has submitted that after following single-stage two envelope bid process followed by e-Reverse auction in respect of the aforesaid RfS, the successful bidders were selected and the final tariff was arrived at between Rs.3.15/kWh to Rs.5.19/kWh. The Petitioner has agreed to sell the cumulative of 3000 MW of solar power through various projects to the Respondents 42 to 55 i.e. Distribution Licensees at the rate between Rs.3.15/kWh to Rs.5.19/kWh plus trading

margin of Rs. 0.07/kWh. The Petitioner has submitted that solar power projects with cumulative capacity of 3000 MW have already achieved their respective commissioning and are helping the Distribution Licensees to meet their Renewable Purchase Obligations requirements in addition to providing power at economical rates. According to the Petitioner, the price discovered for procurement of power from the solar power developers under the competitive bidding process was highly competitive at the relevant time and was beneficial to the Distribution Licensees as well as the consumers of the Distribution Licensees.

3. The matter was heard on 30.7.2020 wherein senior counsel for the Petitioner briefly explained the reasons for filing the Petition in 2020 while bidding was carried out in 2015-16. The Petition was admitted upon hearing the senior counsel for the Petitioner and the Respondents were directed to file their reply. However, no reply has been filed by the Respondents despite notice.

Analysis and Decision

4. It is noted that Ministry of New and Renewable Energy, Government of India notified Guidelines for Batch-II State Specific Bundling Scheme on 10.3.2015 under National Solar Mission. Bid process was concluded during 2015-16. However, the Petitioner has filed the instant Petition for adoption of tariff only on 26.05.2020.

5. Vide Record of Proceedings for the hearing dated 30.7.2020, the Petitioner was directed to provide the reason for delay in approaching the Commission for adoption of tariff, details of extension, if any, given to the solar power developers with respect to SCOD along with grounds for such extension and status of approval of PSAs/ Procurement Process by the respective SERCs along with status of scheduling and

payment from such projects, etc. The Petitioner vide its affidavit dated 14.8.2020 has submitted the details/ information called for.

6. During the course of hearing on 27.8.2020, learned senior counsel for the Petitioner, NTPC admitted that there has been a delay in approaching the Commission as there was certain ambiguity/ confusion with respect to the jurisdiction of this Commission vis-à-vis State Electricity Regulatory Commissions (SERCs) over adoption of tariff/ approval of procurement process. It was submitted that the while the tariff for such projects is required to be adopted by this Commission by virtue of the 'bundling' of such power with the thermal power of NTPC, a company controlled by Central Government as per Section 79(1)(a) of the Act, the Power Supply Agreement/ procurement process for the Distribution Licensees is also required to be approved by the concerned State Electricity Regulatory Commissions (SERCs) as per Section 86(1)(b) of the Act read with Rule 8 of the Electricity Rules, 2005. Learned senior counsel submitted that neither the Guidelines nor the bidding documents (including the PPA/PSA) prescribed/ defined the Appropriate Commission from which approval was to be sought and in such circumstances, the Distribution Licensees approached the respective SERCs and obtained the power procurement approval, either by way of specific orders or under the ARR orders passed by the SERCs. He further added that the projects selected pursuant to bid process under the Guidelines have already commenced power supply under PPAs/PSAs to the Distribution Licensees and are being paid towards such supply.

7. We have heard the learned senior counsel for the Petitioner and perused the details/ information furnished by NTPC in compliance with Record of Proceedings for hearing dated 30.7.2020. According to the Petitioner, the Guidelines issued by the Ministry of New and Renewable Energy governs the procurement of 3000 MW power. The

competitive bidding process was carried out in pursuance to these Guidelines, which envisaged execution of Power Purchase Agreements by NTPC with the Solar Power Developers and Power Sale Agreements with the Distribution Licensees. The purchase of power by the distribution licensees is for fulfilment of the Renewable Purchase Obligations under Section 86(1)(e) of the Act. The Petitioner has pleaded that since neither the Guidelines nor the bidding documents (including the PPA/PSA) prescribed/ defined the Appropriate Commission from which approval was to be sought, the State Utilities approached the respective SERCs and obtained the power procurement approval, either by way of specific orders or under the ARR orders passed by SERCs and the details of approvals granted by the various SERCs have already been placed on record of the Commission.

8. The Petitioner has submitted that commencement of procurement under the Guidelines continued till 1.3.2020 when the last project (50 MW by Solairepro Urja Private Limited out of the 3000 MW) was commissioned and the power started flowing into the grid. Under the Guidelines, coal-based thermal power from generating stations of NTPC is to be bundled with solar power as per the tariff, terms and conditions determined by the CERC in terms of the Tariff Regulations and the tariff orders passed from time to time. Thus, there was no issue as regards jurisdiction of the Commission on the aspect of determination of tariff or its adoption for the coal-based thermal power of generating stations of the Petitioner.

9. The Petitioner has further stated that jurisdiction of the Commission with regard to sale of solar power to the Distribution Licensees in case solar project is located in the same State as the Distribution Licensee and where NTPC is acting as a trading licensee was not clear earlier. The issue of jurisdiction in case of composite scheme and

applicability of Section 64(5) of the Act got clarity after decision of the Hon'ble Supreme Court in Energy Watchdog case {(2017) 14 SCC 80}. Bundling of coal-based thermal power from generating stations of the Petitioner with solar power is a composite scheme since it involves NTPC, a Central Government generating company. In regard to the solar power to be bundled, the approval of the SERC to the procurement of such power by the distribution licensees at the price discovered through the competitive bid process was required in terms of Section 86(1)(b) of the Act and the SERC was required to take a decision on the above, considering the implications under Section 86(1)(e) of the Act.

10. Admittedly, there is a considerable delay in the approaching the Commission for adoption of tariff by the Petitioner under Section 63 of the Act and the Commission has taken a serious note of such delay. The Petitioner being the intermediary agency, which conducted the bid process ought to have approached the Commission for adoption of tariff immediately. The Petitioner has submitted that clarity as regards jurisdiction emerged only after the aforesaid judgement of the Hon'ble Supreme Court. However, we note that there is also a considerable delay in filing this Petition even after the cited judgement of the Hon'ble Supreme Court was delivered. The said judgement was delivered on 11.4.2017, while the Petition was filed only on 26.05.2020, after a gap of almost three years. While justifying the delay, the Petitioner has also submitted that the Guidelines as well as the bidding documents (including the PPA/PSA) did not prescribe/ define the Appropriate Commission from which approval was to be sought for. The Petitioner, however, has not submitted what efforts were made by it to get the issue clarified. Any way, it only shows that during the entire period, the Petitioner was fully aware of the fact that there was a need for adoption of tariff by an Appropriate Commission and that no such adoption has been done by any Commission. In our view, the Petitioner has displayed utter negligence

and lack of diligence by procuring the power and making the related financial transactions over the years in spite of being fully aware of the fact that the tariff of such power has not been adopted as required under Section 63 of the Act.

11. The Petitioner has submitted that there has been no adverse claim by the Solar Power Developers or by the Distribution Licensees in regard to the status of the procurement being not valid in view of the delay in filing the present Petition. However, the Commission is of the view that merely because the interested parties have no objections, that cannot be the ground for justifying the action of the Petitioner.

12. 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 individual solar projects as discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India. The matter was heard after notice to the Solar Power Developers and Distribution Licensees that are respondents in the Petition. However, no response was received from them.

13. 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.”

14. 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 determination of such tariff.

15. On 5.3.2015, Ministry of New and Renewable Energy (MNRE), Government of India sanctioned the implementation of Scheme for setting up of 15,000 MW grid-connected solar PV power projects through NTPC Limited/ NTPC Vidyut Vyapar Nigam Limited (NVVN) under the National Solar Mission. In terms of said Scheme, under Tranche-I i.e. Batch II Phase II of National Solar Mission, 3000 MW capacity of solar PV power projects was envisaged based on bundling of solar power with unallocated thermal power in the ratio of 2:1 (in MW terms). In furtherance to the said Scheme, on 10.3.2015, MNRE issued 'the Guidelines for selection of 3000 MW Grid – Connected Solar-PV Power Projects under Batch II State Specific Bundling Scheme'. The salient features of the Guidelines are as under:

(a) The scope of the guidelines is limited to providing necessary policy and operational framework for development of projects under the Phase-II, Batch-II - State Specific Bundling Scheme.

(b) The guidelines are for 3000 MW. MNRE will indicate the total quantity for various States based on response received from the States. NVVN may then procure that quantity through one or more State specific tenders.

(c) The 3000 MW solar PV projects to be selected under Batch-II of NSM Phase-II will be implemented by NVVN on Solar Parks to be developed through association of Central and State Agencies on land provided by State Governments or land identified and arranged by solar power developers in the respective States. Thus, there could be three situation: (A) entire tendered quantity can be located in the Solar Park in the State, (B) part of tendered quantity can be located in Solar Park and part outside Solar Park, and (C) entire tendered quantity can be located outside the Solar Park.

(d) The 3000 MW solar PV capacity will be set-up based on model of bundling of solar power with unallocated thermal power and fixed levellised tariffs. NVVN will purchase the solar power generated from the selected solar PV plants at the quoted

tariffs and thermal power at tariff as determined by the Central Electricity Regulatory Commission as per the Tariff Regulations. NVVN will bundle the solar power with unallocated thermal power from coal based stations of NTPC on 2:1 basis (2 MW of solar with 1 MW of thermal) and sell the bundled power to willing State utilities under 25 years Power Sale Agreement at weighted average tariff of the solar and thermal components plus trading margin of seven (7) paise per kWh. The weighted average of tariff will be separately calculated for each State for the solar power.

(e) Minimum project size will be 10 MW. NVVN will divide the entire quantum of projects of uniform size as far as possible. NVVN may also divide the bid lot into different sized projects also to match plot sizes in solar park or to provide fair participation.

(f) Bidding will be State specific and conducted through e-bidding. It will be based on fixed levelised tariff. The developers will submit bids quoting a fixed levelised tariff for the entire project duration of 25 years. Selection of bid will be done based on lowest quoted levelised tariffs.

(g) MNRE will fix the lot size for each State out of 3000 MW and define the 'Domestic Content Requirement' (DCR) quantity. Thereafter, NVVN will tender out the lot in one bid or in more than one bid depending on the preparedness in the solar park in the State, requirement of the States and expected responses.

(h) NVVN shall invite project developers to participate in the RfS for installation of solar photovoltaic power plants on Build, Own and Operate (BOO) basis under this Scheme. The project developer shall submit the RfS to NVVN as per the schedule notified by it.

(i) For selection of projects, NVVN shall evaluate only those applications which are received by the appointed date and time at the head office of NVVN. NVVN will evaluate the projects for short listing projects/ developers based on the qualification criteria specified under the guidelines and all the projects meeting the criteria shall be listed short-listed by NVVN.

(j) For scenario- (A) entire tendered quantity to be set-up in Solar Park - the total quantity in MW will be divided into projects of same or different sizes and the bidders will give technical as well as financial bids together electronically. After technical bids are evaluated, financial bids will be opened for the bidders who qualify on the bid opening date. The bidders can bid for any number of projects subject to fulfilment of net worth requirement. The detailed procedure for evaluation of the bid and selection of the bidder shall be developed by NVVN.

(k) For scenarios - (B) part of tendered quantity can be located in Solar Park and part outside Solar Park, and (C) entire tendered quantity can be located outside the Solar Park - the bids will be arranged in ascending order of tariff bids received. The bid with lowest tariff will be marked L1. The details procedure for evaluation of the bid and selection of the bidder shall be developed by NVVN.

(l) Draft Power Purchase Agreement to be executed between NVVN and the project developer shall be provided by NVVN along with invitation for submission of RfS. Within one month of the date of issuance of Letter of Intent (LoI), the Power Purchase Agreement between NVVN and the project developer for purchase of power from the project will be executed. The PPA shall be for a period of 25 years from the date of CoD. NVVN will also execute Power Sale Agreement with State utilities/Discoms of the buying States for sale of power to them valid for 25 years. Also, State utilities/Discoms will have to maintain LC and Escrow Arrangement as may be defined in the PSA.

16. Therefore, we have to examine whether the process as per the Guidelines has been followed in the present case for arriving at the lowest tariff and for selection of the successful bidders.

17. The Commission in its order dated 14.10.2016 in Petition No. 2/TDL/2016 had permitted NTPC to utilize trading licence granted to NTPC Vidyut Vypar Nigam Limited (NVVN) in order to fulfil its obligations under the National Solar Mission. Accordingly, in terms of the Guidelines, the Petitioner, NTPC in its capacity of an intermediary agency

using trading licence granted to NRVN, invited proposals for setting up of grid-connected solar PV power projects in the States of Andhra Pradesh, Karnataka, Rajasthan, Telangana and Uttar Pradesh on “Build Own Operate” basis for an aggregate capacity of 3000 MW and procurement of solar power from the projects being set up in relation thereto. As per the arrangements and the scheme, the solar power generated by the selected Solar Power Developers from their respective Solar PV Power Projects will be purchased by NTPC and would be sold to the State utilities after bundling with cheaper power from unallocated quota of Government of India out of the capacity of the NTPC coal based generating stations. To enable such arrangement, NTPC is required to procure the solar power by entering into PPAs with the successful bidders with back-to-back PSAs for sale of the power to the Distribution Licensees.

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

Tender	Key Milestones			
	Issuance of RfS	Last date of submission of bid	e-Reverse auction conducted	Issuance of Letter of Award to the successful bidders
RfS for 500 MW (50 MW x 10 Projects), Andhra Pradesh	29.4.2015	10.9.2015	3.11.2015	9.1.2016
RfS for 500 MW (350MW x 1 project under Open Category and 50MW x 3 Projects under DCR category) Andhra Pradesh	21.5.2015	17.9.2015	14.12.2015 & 15.12.2015	9.1.2016
RfS for 250 MW (250 MW x 1 Project) Kadapa Ultra Mega Solar Park under OPEN category, Andhra Pradesh	27.10.2016	16.12.2016	11.4.2017	11.12.2017
RfS for 500 MW (50 MW x 10 Projects) Pavagada Solar Park under OPEN category, Karnataka	1.9.2015	26.2.2016	12.4.2016	17.5.2016
RfS for 100 MW (50 MW x 2 Projects) Pavagada Solar Park under DCR category, Karnataka	16.6.2016	24.8.2016	21.9.2016	4.11.2016
RfS for 420 MW (6 Projects of 70 MW each) Bhadla under OPEN category, Rajasthan	21.5.2015	23.9.2015	18.1.2016	29.2.2016
RfS for 100 MW (10 Projects of 10 MW each) under DCR category, Rajasthan	3.7.2015	24.12.2015	14.3.2016	13.5.2016
RfS for 130 MW (13 Projects of 10 MW each) under OPEN category, Rajasthan	3.7.2015	24.12.2015	12.7.2016	28.7.2016

Tender	Key Milestones			
	Issuance of RfS	Last date of submission of bid	e-Reverse auction conducted	Issuance of Letter of Award to the successful bidders
RfS for 50 MW (10 MW X 5 Projects) capacity under DCR category - Non Solar Park, Telangana	9.10.2015	11.2.2016	29.3.2016	20.6.2016
RfS for 350 MW (10 MW x 35 Projects) under OPEN category, Telangana	9.10.2015	10.2.2016	2.5.2016	20.6.2016
RfS for 100 MW (10 MW x 10 Projects) under OPEN category Uttar Pradesh	12.11.2015	26.11.2015	25.1.2016	15.3.2016

19. NTPC issued the Request for Selection documents along with draft PPA and PSA documents for setting up of grid-connected solar PV power projects in the States of Andhra Pradesh (three), Karnataka (two), Rajasthan (three), Telangana (two) and Uttar Pradesh (one) for an aggregate capacity of 3000 MW on various dates from 29.4.2015 to 27.10.2016. NTPC had also issued the public notices regarding issuance of the above RfS in the various newspapers along with posting on its website.

20. A separate Evaluation Committee and Apex Committee were constituted for opening and evaluation of bids received in response to the RfS documents. For sake of brevity, the details of these committees are not reproduced here. However, as an example, the notification for constitution of Evaluation Committee and Apex Committee for selection of solar power developers in response to RfS for 500 MW (350MW x 1 project under Open Category and 50MW x 3 Projects under DCR category) in case of one State i.e. Andhra Pradesh is reproduced below:

"Sub: Evaluation Committee for Selection of Solar Power Developers for 500 MW (350 MW x 1 Project + 50MW x 3 Projects) of Grid-Connected Solar PV Power Projects at Ghani Sakunala Solar Park Phase II in Kurnool District of Andhra Pradesh under National Solar Mission Phase-II, Batch-II, Tranche-I

The competent authority has approved the constitution of following inter disciplinary Evaluation Committee for scrutiny, evaluation of technical bids (Envelop-1), short listing of qualified bidders and submission of evaluation report to Apex Committee for subject tender:

Sl No.	Department	Name & Designation of Evaluation Committee Member
Evaluation Committee -1		
1	RE-CS	S. K. Das, AGM (RE-CS)
2	Corporate Commercial	I. Uppal, AGM (Comml.)
3	Corporate Finance Concurrence	J. Sridevi, Sr. Mr. (Fin.)
Evaluation Committee -2		
1	RE-CS	Pranay Sharma, Mgr. (RE-CS)
2	Corporate Commercial	M.K. Malviya, DGM (Comml.)
3	Corporate Finance Concurrence	Sumit Goyal, Dy. Mgr. (Fin.)

The Evaluation Committee-1 as mentioned above will conduct the tender opening event at TCIL website. Evaluation Committee -2 will also remain associated with Evaluation Committee- 1 for “ checking the documents received offline before opening the technical bid...”

"Sub: Apex Committees for Selection of Solar Power Developers for 500 MW (350 MW x 1 Project + 50MW x 3 Projects) of Grid-Connected Solar PV Power Projects at Ghani Sakunala Solar Park Phase II in Kurnool District of Andhra Pradesh under National Solar Mission Phase-II, Batch-II, Tranche-I

The competent authority has approved the constitution of following inter disciplinary Apex Committee for consolidating reports received from tender evaluation committees for short listing of bidders after opening of technical bids, opening of financial bids of shortlisted qualified bidders, short-listing of bidders for Reverse Auction, conducting Reverse Auction and putting up final recommendation for selection of SPDs for subject tender:

Sl. No.	Department	Name & Designation of Apex Committee Member
1	RE-CS	Neeraj Mittal, AGM (RE-CS)
2	Corporate Commercial	S. K. Mandal, AGM (Comml.)
3	Corporate Finance	G. Novahu, AGM (Fin.)

..."

21. The details of total bids received in respect of various RfS documents and the bidders qualified for participation in the e-Reverse auction are as under:

Sr. No.	Tender	Total No. Bids received	Bidders qualified to participate in e-RA
1	RfS for 500 MW (50 MW x 10 Projects) Andhra Pradesh	31	28
2	RfS for 500 MW (350MW x 1 project under Open Category and 50MW x 3 Projects under DCR category), Andhra Pradesh	19	7
3	RfS for 250 MW (250 MW x 1 Project) Kadapa Ultra Mega Solar Park under OPEN category, Andhra Pradesh	13	7

Sr. No.	Tender	Total No. Bids received	Bidders qualified to participate in e-RA
4	RfS for 500 MW (50 MW x 10 Projects) Pavagada Solar Park under OPEN category, Karnataka	15	13
5	RfS for 100 MW (50 MW x 2 Projects) Pavagada Solar Park under DCR category, Karnataka	5	4
6	RfS for 420 MW (6 Projects of 70 MW each) Bhadla under OPEN category, Rajasthan	26	22
7	RfS for 100 MW (10 Projects of 10 MW each) under DCR category, Rajasthan	11	8
8	RfS for 130 MW (13 Projects of 10 MW each) under OPEN category, Rajasthan	28	21
9	RfS for 50 MW (10 MW X 5 Projects) capacity under DCR category - Non Solar Park, Telangana	5	4
10	RfS for 350 MW (10 MW x 35 Projects) under OPEN category, Telangana	13	12
11	RfS for 100 MW (10 MW x 10 Projects) under OPEN category, Uttar Pradesh	10	7

22. After completion of e-Reverse auction, the following were declared as successful bidders:

Sl. No.	SPD Name	Project capacity (MW)	Final Quoted Tariff Rs./kWh
RfS for 500 MW (50 MW x 10 Projects) Andhra Pradesh			
1	SunE Solar B.V.	500	4.63
RfS for 500 MW (350MW x 1 project under Open Category and 50MW x 3 Projects under DCR category) Andhra Pradesh			
1	SBG Cleantech Two Ltd.	350	4.63
2	Azure Power India Ltd.	100	5.12
3	Prayatna Developers Pvt. Ltd.	50	5.13
RfS for 250 MW (250 MW x 1 Project) Kadapa Ultra Mega Solar Park under OPEN category, Andhra Pradesh			
1	Solairedirect Energy India Pvt. Ltd.	250	3.15
RfS for 500 MW (50 MW x 10 Projects) Pavagada Solar Park under OPEN category, Karnataka			
1	ACME Solar Holdings Ltd.	50 x 2	4.79
2	Fortum FinnSurya Energy Pvt. Ltd.	50 x 2	4.79
3	Parampujya Solar Energy Pvt. Ltd.	50 x 2	4.79
4	Renew Solar Power Pvt. Ltd.	50	4.80
5	Tata Power Renewable Energy Ltd.	50 x 2	4.79
6	Yarrow Infrastructure Ltd.	50	4.78

Sl. No.	SPD Name	Project capacity (MW)	Final Quoted Tariff Rs./kWh
RfS for 100 MW (50 MW x 2 Projects) Pavagada Solar Park under DCR category Karnataka			
1	Tata Power Renewable Energy Ltd.	50	4.84
2	Parampujya Solar Energy Pvt. Ltd.	50	4.86
RfS for 420 MW (6 Projects of 70 MW each) Bhadla, Rajasthan under OPEN category.			
1	Fortum Finn Surya Energy Pvt. Ltd.	70	4.34
2	Rising Sun Energy Pvt. Ltd.	70 x 2	4.35
3	Solairedirect Energy India Pvt. Ltd.	70 x 2	4.35
4	Yarrow Infrastructure Ltd.	70	4.36
RfS for 100 MW (10 Projects of 10 MW each) Rajasthan under DCR category			
1	Janardan Wind Energy Pvt. Ltd.	10 x 2	5.06
2	Suzlon Energy Ltd.	10 x 6	5.07
3	Maharashtra Seamless Ltd.	10 x 2	5.07
RfS for 130 MW (13 Projects of 10 MW each) Rajasthan under OPEN category			
1	Mahindra Susten Pvt. Ltd.	10 x 6	4.35
2	Prayatna Developers Pvt. Ltd.	10 x 2	4.36
3	Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd.	10 x 5	4.35
RfS for 50 MW (10 MW X 5 Projects) capacity under DCR category - Non Solar Park, Telangana			
1	Parampujya Solar Energy Pvt. Ltd.	50	5.19
RfS for 350 MW (10 MW x 35 Projects) under OPEN category in Telangana			
1	ACME Solar Holdings Pvt. Ltd.	10 x 5	4.67
2	Azure Power India Pvt. Ltd.	10 x 10	4.67
3	Karvy Consultants Ltd.	10 x 5	4.67
4	Parampujya Solar Energy Pvt. Ltd.	10 x 5	4.67
5	ReNew Solar Power Pvt. Ltd.	10 x 10	4.66
RfS for 100 MW (10 MW x 10 Projects) under OPEN category Uttar Pradesh			
1	Prayatna Developers Pvt. Ltd.	10 x 5	4.78
2	Azure Power India Ltd.	10 x 5	4.78

23. Pursuant to the selection of the successful bidders, NTPC issued Letters of Intent to the above Project developers. Relevant portion of Letter of Intent issued to one of the SPV/project company is extracted as under:

"

2.0 NTPC is pleased to confirm its intent of accepting your Response to RfS mentioned at para 1.0 (C), (D) and (G) above for development of Six (06) number of Grid Connected Solar

Photo Voltaic Projects of 10 MW capacity each in Rajasthan and Supply of Solar Power from these projects under National Solar Mission Phase-II Batch-II Tranche-I State Specific Bundling Scheme subject to the term and conditions contained in MNRE Guidelines and RfS mentioned at para 1.0 above and briefly brought out as hereunder.

3.0 In line with the terms and conditions of RfS, before signing of PPA, you have the option to form Special Purpose Vehicle (SPV) under Indian Companies Act, 2013 and you or the aforesaid SPV, if formed, (hereinafter called 'Project Company' or 'Solar Power Developer') shall enter into Power Purchase Agreement (PPA) as per the format given along with RfS within 30 days of issue of this Letter of Intent (LoI). All documents referred to at para 1.0 above shall form integral part of the Power Purchase Agreement to be entered into between Project Company and NTPC so far these are not repugnant to the term and conditions contained in the MNRE Guidelines and RfS referred to in para 1.0 above respectively.

4.0 As per clause 3.26 of RfS documents, no change in the shareholding of your Company shall be permitted from the date of response to the RfS till the execution of the PPA. Further, after execution of PPA, the Controlling Shareholding as informed at the stage of RfS in your Company shall be maintained for a period of (1) one year after Commercial Operation Date (COD). In case a SPV is formed as mentioned at para 3.0 above, the Controlling Shareholding of your Company in the SPV shall be maintained for a period of (1) one year after Commercial Operation Date (COD).

5.0 The Tariff for electricity generated from the Solar Power Projects to be developed by the Project Company for the entire period of twenty five (25) years of Power Purchase Agreement (PPA) to be entered into between the Project Company and NTPC for these projects shall be Rs.5.07/kWh (Rupees Five and seven paise only per kilo Watt hour). You have confirmed in your Response to RfS that the above mentioned Tariff is without Accelerated Rate of Depreciation i.e. with normal rate of Depreciation as per CERC Tariff Order dated 31st March 2015 for Solar PV Project. However, if at any stage after Commercial Operation date (COD) of Projects it is found that instead of Normal Rate of Depreciation, the Project Company is claiming Accelerated Rate of Depreciation as per Income Tax Act 1961 while filing the Income Tax returns for the Project Company, the provision of Clause 3.12.4.4 of RfS shall be applicable.

6.0 You along with your Project Company are required to submit the following documents along with originals for verification within 15 days of issuance of LOI:

- i) Original Response to RfS referred to in para 1.0 (C) above.*
- ii) Copy of your Audited Balance Sheet up to Previous Month end i.e. 30th April, 2016 along with documents submitted by your Company with Registrar of Companies which became due after submission of RfS till date, duly certified to be True copy by your Company Secretary.*
- iii) Bank Statement of your Company duly certified by your Banker starting from the date of submission of RfS till date.*
- iv) Board Resolution from your Company and your Parent and/or Affiliates duly certified by the Company Secretary or the Director, as applicable, regarding use of their net worth for financial qualification and fulfilment of equity investment obligations of Project Company in the same manner as provided by you and your Affiliates in your favour at the time of submission of RfS.*

v) Copy of the Certificate of Incorporation of the Project Company along with Memorandum & Article of Association (MOA) highlighting the relevant provision of Power /Energy/Renewable energy/Solar Power Plant development as per clause 3.15 (A 11) of RfS duly certified to be True copy by Company Secretary.

vi) Details of promoters and their shareholding in the Project Company developing the project duly certified by the Company Secretary in original along with a copy of Return filed with Registrar of Companies (ROC) for registering the shareholding and its terms and conditions which became due for filing during this period.

vii) Present Net worth of the Project Company as on any date after issuance of Letter of Intent, duly certified by a Chartered Accountant and countersigned by the authorised signatory of Board/Company Secretary. In support of Capital Infusion, as per Clause 3.8 (c) of RfS, minimum paid up share capital of the project company will be Rs. 1.2 crore per MW. 20% of the paid up share capital shall be infused at the time of signing of PPA and 50% at the time of Financial Closure. Remaining will have to be infused before commissioning. Infusion of Paid Up Share Capital shall be supported with the relevant bank statements. The Net Worth of the Project Company must meet this requirement Net Worth shall be calculated as per Clause 3.8 (B) (i) of the RfS document.

viii) Bank Statement of the Project Company duly certified by its Banker Stating from the date of incorporation of the Project Company till date at the time of signing of PPA.

7.0 In line with the provisions of Clause 3.24 of RfS document, the Project Company shall submit Performance Bank Guarantee to NTPC for these Solar PV Projects before signing of PPA as per the Performa available in RfS document from any bank listed in the RfS for this purpose. The total value of the Performance Bank Guarantee (PBG) for each project of 10 MW capacity shall be split into three Performance Bank Guarantee as detailed hereunder:

Project Sl. No.	Capacity (MW)	Total Value of PBG (in Rs. Cr.)	PBG-I (20% value to be provided in Rs. Cr.)	PBG-II (40% value to be provided in Rs. Cr.)	PBG-III (40% value to be provided in Rs. Cr.)
1	10	3.00	0.60	1.20	1.20
2	10	3.00	0.60	1.20	1.20
3	10	3.00	0.60	1.20	1.20
4	10	3.00	0.60	1.20	1.20
5	10	3.00	0.60	1.20	1.20
6	10	3.00	0.60	1.20	1.20

These Bank Guarantees shall be valid for a period of 19 months from the Effective Date of PPA. Further, the PPA shall be signed only upon receipt of the total Performance Bank Guarantee of requisite value. The Bank Guarantee submitted by you towards Earned Money Deposit along with your Response to Rfs shall be released only after receipt & verification of all Performance Bank Guarantees.

8.0 The Project Company shall report financial closure within 210 days from the Effective date of Power Purchase Agreement and shall submit relevant documents to NTPC as per the terms and conditions of RfS.

9.0 As per clause 5.5 of RfS documents, Performance Guarantee Deposit (PGD) of Rs. 1.00Crore for each project of 10 MW (i.e. total PGD of Rs. 6.00 Crore for 06 projects of 10 MW capacity each) worked out @ Rs. 10 lakh per MW shall be raised in 2 years by deducting from payments to Solar Power Developer in 24 equal installments. The PGD shall be refunded to SPD without interest within three months after expiry of the 25 Years terms of PPA subject to satisfactory performance of the Project(s). In case the Project Company winds up his Project(s) or terminates the PPA prior to the completion of 25 Years term of PPA, the PGD shall be forfeited.
...."

24. Based on request of Distribution Licensees, the capacity was allocated to them.

The details of the capacity allocated to the Distribution Licensees, PPAs entered into with the successful bidders/ SPVs and the PSAs entered into with the Distribution Licensees are as under:

Sr.	Name of the Successful Bidder	SPV with which PPA signed	Project Capacity (MW)	Date of signing of PPA	Corresponding Buying Utilities	Date of signing PSA
RfS for 500 MW (50 MW x 10 Projects) Andhra Pradesh						
1	SunE Solar B.V	Divyesh Solar Pvt. Ltd.	50	22.3.2016	Andhra Pradesh Eastern Power Distribution Company Limited	08.01.2016
2		SEI Baskara Power Pvt. Ltd.	50	22.3.2016		
3		Shreyas Renewable Energy Pvt. Ltd.	50	22.3.2016		
4		Zuvan Energy Pvt. Ltd.	50	22.3.2016		
5		Aarish Solar Power Pvt. Ltd.	50	22.3.2016		
6		Pratyash Renewable Pvt. Ltd.	50	22.3.2016		
7		Elena Renewable Energy Pvt. Ltd.	50	22.3.2016		
8		Aashman Energy Pvt. Ltd.	50	22.3.2016		
9		SEI Mihir Energy Pvt. Ltd.	50	22.3.2016		
10		SEI EnerStar Renewable Energy Pvt. Ltd.	50	22.3.2016		
RfS for 500 MW (350MW x 1 project under Open Category and 50MW x 3 Projects under DCR category) Andhra Pradesh						
1	SBG Cleantech Two Ltd.	SBG Cleantech Project Co Pvt. Ltd.	350	21.3.2016	Andhra Pradesh Eastern Power Distribution Co. Ltd.	08.01.2016
2	Azure Power India Ltd.	Azure Power India Pvt. Ltd.	50 x 2	19.4.2016		
3	Prayatna Developers Pvt. Ltd.	Prayatna Power Pvt. Ltd.	50	21.3.2016		

Sr.	Name of the Successful Bidder	SPV with which PPA signed	Project Capacity (MW)	Date of signing of PPA	Corresponding Buying Utilities	Date of signing PSA
RfS for 250 MW (250 MW x 1 Project) Kadapa Ultra Mega Solar Park under OPEN category, Andhra Pradesh						
1	Solairedirect Energy India Pvt. Ltd.	SolaireproUrja Private Limited	250	7.2.2018	Andhra Pradesh Eastern Power Distribution Co. Ltd. & Andhra Pradesh Southern Power Distribution Co. Ltd.	11.12.2017
RfS for 500 MW (50 MW x 10 Projects) Pavagada Solar Park under OPEN category, Karnataka						
1	ACME Solar Holdings Limited	ACME Rewari Solar Power Pvt. Ltd.	50	24.6.2016	BESCOM, MESCOM, CESC, GESCOM and HESCOM	17.05.2016
2		ACME Kurukshetra Solar Energy Pvt. Ltd.	50	24.6.2016		
3	Fortum FinnSurya Energy Pvt. Ltd.	Fortum FinnSurya Energy Pvt. Ltd.	50 x 2	21.6.2016		
4	Parampujya Solar Energy Pvt. Ltd.	Parampujya Solar Energy Pvt. Ltd.	50 x 2	27.7.2016		
5	Renew Solar Power Pvt. Ltd.	ReNew Wind Energy (TN 2) Private Limited	50	23.6.2016		
6	Tata Power Renewable Energy Ltd.	Tata Power Renewable Energy Ltd.	50 x 2	28.6.2016		
7	Yarrow Infrastructure Pvt. Ltd.	Yarrow Infrastructure Pvt. Ltd.	50	22.6.2016		
RfS for 100 MW (50 MW x 2 Projects) Pavagada Solar Park under DCR category Karnataka						
1	Tata Power Renewable Energy Ltd.	Tata Power Renewable Energy Ltd.	50	4.1.2017	BESCOM, MESCOM, CESC, GESCOM and HESCOM	04.11.2016
2	Parampujya Solar Energy Pvt. Ltd.	Parampujya Solar Energy Pvt. Ltd.	50	26.12.2016		
RfS for 420 MW (6 Projects of 70 MW each) Bhadla, Rajasthan under OPEN category						
1	Fortum FinnSurya Energy Pvt. Ltd.	Fortum FinnSurya Energy Pvt. Ltd.	70	26.4.2016	Jaipur Vidyut Vitran Nigam Ltd., Ajmer Vidyut Vitran Nigam Ltd. & Jodhpur Vidyut Vitran Nigam Ltd.	26.02.2016
2	Rising Sun Energy Pvt. Ltd.	Rising Bhadla1 Pvt. Ltd.	70	12.5.2016		
3		Rising Bhadla2 Pvt. Ltd.	70	12.5.2016		
4	Solaire direct Energy India	Solaire Surya Urja Pvt. Ltd.	70 x 2	2.5.2016		

Sr.	Name of the Successful Bidder	SPV with which PPA signed	Project Capacity (MW)	Date of signing of PPA	Corresponding Buying Utilities	Date of signing PSA
	Pvt. Ltd.					
5	Yarrow Infrastructure Ltd.	Yarrow Infrastructure Pvt. Ltd.	70	27.4.2016		
RfS for 100 MW (10 Projects of 10 MW each) Rajasthan under DCR category						
1	Janardan Wind Energy Pvt. Ltd.	Janrdan Wind Energy Pvt. Ltd.	10 x 2	16.6.2016	Jaipur Vidyut Vitran Nigam Ltd., Ajmer Vidyut Vitran Nigam Ltd. & Jodhpur Vidyut Vitran Nigam Ltd.	11.05.2016
2	Maharashtra Seamless Ltd.	Maharashtra Seamless Ltd.	10 x 2	17.6.2016		
3	Suzlon Energy Limited	Aalok Solarforms Pvt. Ltd.	10	2.8.2016		
4		Abha Solarforms Pvt. Ltd.	10	2.8.2016		
5		Heramba Renewables Ltd.	10 x 2	2.8.2016		
6		Shreyas Solarforms Pvt. Ltd.	10 x 2	2.8.2016		
RfS for 130 MW (13 Projects of 10 MW each) Rajasthan under OPEN category						
1	Mahindra Susten Pvt. Ltd.	Mahindra Susten Pvt. Ltd.	10 x 6	2.9.2016	Jaipur Vidyut Vitran Nigam Ltd., Ajmer Vidyut Vitran Nigam Ltd. & Jodhpur Vidyut Vitran Nigam Ltd.	28.07.2016
2	Prayatna Developers Pvt. Ltd.	Prayatna Developers Pvt. Ltd.	10 x 2	16.9.2016		
3	Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd.	SP Photovoltaic Pvt. Ltd. Now -- SPRNG Photovoltaic Pvt. Ltd.	10 x 5	6.9.2016		
RfS for 50 MW (10 MW X 5 Projects) capacity under DCR category - Non Solar Park, Telangana						
1	Parampujya Solar Energy Pvt. Ltd.	Prayatna Developers Private Limited	10 x 5	4.8.2016	Southern Power Distribution Co. of Telangana Ltd. & Northern Power Co. of Telangana Ltd.	18.06.2016
RfS for 350 MW (10 MW x 35 Projects) under OPEN category in Telangana						
1	ACME Solar Holding Pvt. Ltd.	ACME Mahbubnagar Solar Energy Pvt. Ltd.	10 x 3	8.8.2016	Southern Power Distribution Co. of Telangana Ltd. & Northern Power Co. of Telangana Ltd.	18.06.2016
2		ACME Yamunanagar Solar Power Pvt. Ltd.	10 x 2	8.8.2016		
3	Azure Power India Pvt. Ltd.	Azure Power Thirty Seven Pvt. Ltd.	10 x 10	10.8.2016		
4	Karvey Consultants Ltd.	Achintya Solar Power Ltd.	10 x 2	7.9.2016		
5		Grinibhrit Solar Power Ltd.	10	7.9.2016		
6		Suvarchas Solar Power Ltd.	10	7.9.2016		
7		Vishwarupa Solar Power Ltd.	10	7.9.2016		

Sr.	Name of the Successful Bidder	SPV with which PPA signed	Project Capacity (MW)	Date of signing of PPA	Corresponding Buying Utilities	Date of signing PSA
8	Parampujya Solar Energy Pvt. Ltd.	Parampujya Solar Energy Pvt. Ltd.	10 x 5	23.8.2016		
9	ReNew Solar Power Pvt. Ltd.	ReNew Wind Energy (TN 2) Private Limited	10 x 10	30.8.2016		
RfS for 100 MW (10 MW x 10 Projects) under OPEN category Uttar Pradesh						
1	Prayatna Developers Pvt. Ltd.	Prayatna Developers Pvt. Ltd.	10 x 5	18.5.2016	Uttar Pradesh Power Corporation Ltd.	15.03.2016
2	Azure Power India Ltd.	Azure Power Jupiter Pvt. Ltd.	10 x 5	29.4.2016		

25. In the light of the discussions as above, it emerges that selection of the successful bidders has been done and the tariff of the projects has been discovered by NTPC through a transparent process of competitive bidding in accordance with Guidelines issued by the Ministry of New and Renewable Energy. NTPC has also certified that the Bid Evaluation Committee has carried out the bidding process as well as techno-commercial and financial bid evaluation in conformity with the provisions of the RfS. Relevant portion of one of such certificate is extracted as under:

“With respect to the RfS no. NTPC/2015-16/NSM/T1/AP/01 dated 29.4.2015, it is hereby declared as follows:

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

26. The Petitioner has prayed to adopt the tariff discovered in the competitive bid process for the power projects established by the Solar Power Developers. In the light of the observations in paragraphs 10 and 11 above and the above discussions, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the power projects mentioned in paragraph 22 above as discovered through the competitive bidding process with effect from 26.05.2020, the date on which the instant Petition for adoption of tariff was

filed. Thus, this tariff shall remain valid with effect from 26.05.2020 till the PPAs signed with the successful bidders remain valid.

27. Article 10.3 of the PPA provides as under:

"10.3 Payment of Monthly Bills

10.3.1 NTPC shall pay the amount payable under the Monthly Bill/Supplementary Bill by the (fifth) 5th day of the immediately succeeding Month (the Due Date) in which the Monthly Bill/Supplementary Bill is issued by the SPD to the NTPC to such account of the SPD, as shall have been previously notified by the SPD in accordance with Article 10.3.2(iii) below. In case of the Monthly Bill or any other bill, including a Supplementary Bill is issued after the (fifteenth) 15th day of the next month, the Due Date for payment would be (fifth) 5th day of the next month to the succeeding Month.

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

i) deductions required by the Law; and

ii) amounts claimed by NTPC, if any, from the SPD, through an invoice to be payable by the SPD, and not disputed by the SPD within fifteen (15) days of receipt of the said Invoice and such deduction or set-off shall be made to the extent of the amount not disputed. It is clarified that NTPC shall be entitled to claim any set off or deduction under this Article, after expiry of the said fifteen (15) Days period.

iii) The SPD shall open a bank account at Mumbai (the "SPD's Designated Account") for all Tariff Payments (including Supplementary Bills) to be made by NTPC to the SPD, and notify NTPC of the details of such account at least ninety (90) Days before the despatch of the first Monthly Bill. NTPC shall also designate a bank account at New Delhi ("NTPC's Designated Account") for payments to be made by the SPD to NTPC, if any, and notify the SPD of the details of such account ninety (90) Days before the Scheduled Commissioning Date. NTPC and the SPD shall instruct their respective bankers to make all payments under this Agreement to the SPD's Designated Account or NTPC's Designated Account as the case may be and shall notify either Party of such instructions on the same day.

iv) Performance Guarantee Deposit (PGD) @ 10 lakh/MW shall be raised in two years by deducting from payments to SPDs in 24 equal instalments. It will stay with NTPC for 25 years. PGD shall be refunded to SPDs without interest within three (3) months after expiry of 25 year term of PPA subject to satisfactory performance of the project. In case the SPD winds up his project or terminates PPA prior to completion of 25 year term of PPA the PGD shall be forfeited."

28. Further, Article 10.4 of the PPA provides as under:

"10.4 Payment Security Mechanism

Letter of Credit (LC):

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

10.4.2 Not later than one (1) Month before the start of supply, NTPC through a scheduled bank at New Delhi open a Letter of Credit in favour of the SPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually, for an amount equal to:

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

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

10.4.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, NTPC shall restore such shortfall within seven (7) days.

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

10.4.6 NTPC shall ensure that the Letter of Credit shall be renewed not later than thirty (30) days prior to its expiry.

10.4.7 All costs relating to opening, maintenance of the Letter of Credit shall be borne by NTPC.

10.4.8 If NTPC fails to pay Monthly Bill or Supplementary Bill or a part thereof within and including the Due Date, then, subject to Article 10.4.6, the SPD may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from NTPC, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, if applicable, in accordance with Article 10.3.3 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- i) a copy of the Monthly Bill or Supplementary Bill which has remained unpaid to SPD and;
- ii) a certificate from the SPD to the effect that the bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date;”

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

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

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

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

30. The above provisions provide for payment security mechanism and the same is required to be complied with by the parties to the present Petition. Accordingly, the provisions of Articles 10.3 and 10.4 of the PPAs and Regulation 9(10) of the Trading Licence Regulations shall be abided by all the concerned parties to the present Petition.

31. The Petitioner has further submitted that in addition to the tariff, there will be the trading margin of Rs. 0.07/kWh (as mutually agreed between the parties) to be recovered from the Distribution Licensees in terms of the PSAs with the Distribution Licensees. In this regard, Regulation 8(1)(d) of the Trading Licence Regulations dealing with trading margin provides as under:

“For transactions under long term contracts, the trading margin shall be as mutually decided between the Trading licensee and the seller:...”

The above provision gives choice to the contracting parties to mutually agree on trading margin for long-term transaction.

32. Proviso to Regulation 8(1)(d) of the Trading Licence Regulations provides as under:

“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.”

33. 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.”

34. Thus, the Petitioner, NTPC shall also be governed by the provisions of Regulation 8(1)(d), the proviso to Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

35. Summary of decisions are as follows:

(i) In terms of Section 63 of the Act, the Commission adopts the individual tariff for the power projects mentioned in paragraph 22 above as discovered through the competitive bidding process with effect from 26.5.2020, the date on which the instant Petition for adoption of tariff was filed.

(ii) The tariff shall remain valid with effect from 26.5.2020 till the PPAs signed with the successful bidders remain valid.

(iii) The provisions of Articles 10.3 and 10.4 of the PPAs and Regulation 9(10) of the Trading Licence Regulations shall be abided by all the concerned parties to the present Petition.

(iv) The Petitioner, NTPC shall be governed by the provisions of Regulation 8(1)(d), the proviso to Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

36. The Petition No. 549/AT/2020 is disposed of in terms of the above.

**Sd/-
(Arun Goyal)
Member**

**sd/-
(I.S.Jha)
Member**

**sd/-
(P. K. Pujari)
Chairperson**