



PETITION NO. 1629/2020

BEFORE  
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,  
LUCKNOW

DATE OF ORDER 30.07.2021

**PRESENT:**

Hon'ble Shri Raj Pratap Singh, Chairman  
Hon'ble Shri Kaushal Kishore Sharma, Member  
Hon'ble Shri Vinod Kumar Srivastava, Member (Law)

**IN THE MATTER OF:** Petition under Section 63, Section 86 (1) (b) and (e) of the Electricity Act read with Rule 8 of the Electricity Rules, 2005 and The Uttar Pradesh Electricity Regulatory Commission (Captive and Renewable Energy Generating Plants) Regulations 2019 and other applicable provisions of the Regulations notified by the Hon'ble Uttar Pradesh Electricity Regulatory Commission for the Development of 150 MW of Solar Power Plants at Rihand Dam Reservoir, Uttar Pradesh

1. Solar Energy Corporation of India Limited  
6th Floor, Plate-B, NBCC Office Block Tower-2,  
East Kidwai Nagar, New Delhi-110023

**-Petitioner No.1**

2. Uttar Pradesh Power Corporation Limited  
Shakti Bhawan, 14, Ashok Marg, Lucknow, Uttar Pradesh-226001

**-Petitioner No. 2**

1. Uttar Pradesh Jal Vidyut Nigam Limited  
12<sup>th</sup> Floor, Sahkati Bhawan Extn., 14- Ashok Marg, Lucknow  
Uttar Pradesh- 226001
2. Rihand Floating Solar Private Limited  
SP Centre, 41/44, Minoo Desai Marg, Colaba,  
Mumbai, Maharashtra- 400005
3. Renew Sun Power Private Limited  
138, Ansal Chambers-II, Bhikaji Cama Place, New Delhi-110066
4. Auxo Sunlight Private Limited  
138, Ansal Chambers-II, Bhikaji Cama Place, New Delhi-110066

**-Respondents**

*Cham*

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## ORDER

Date Of hearing (20.04.2021)

1. The Petitioner No.1, Solar Energy Corporation of India Limited (**SECI**) and Petitioner No.2, Uttar Pradesh Power Corporation Limited (**UPPCL**) have filed this Petition for approval of the procurement of 150 MW Solar power at the tariff discovered in the competitive bid process and terms and conditions contained in the Power Purchase Agreements dated 17.12.2019 and 20.12.2019 & Power Sale Agreement dated 04.09.2019 including the trading margin of Rs.0.07/kWh payable to Solar Energy Corporation of India Limited.
2. The following prayers are made in the Petition:
  - (a) Admit the present Petition.
  - (b) Approve the procurement of power by UPPCL from the Grid Connected Floating Solar PV Power Projects of 150 MW cumulative capacity being established at Rihand Dam, Sonbhadra District in the State of Uttar Pradesh at the tariff discovered in the competitive bid process for the individual power projects as stated in Table-4 at paragraph 12 Petition on the terms and conditions contained in the Power Purchase Agreements dated 17.12.2019 and 20.12.2019 with Solar Power Developers being Respondent Nos. 2 to 4 read with the Power Sale Agreement dated 04.09.2019 including the trading margin of Rs.0.07/kWh payable to Solar Energy Corporation of India Limited.
  - (c) Pass any such further Order or Orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.

### Brief Facts in Petition:

3. SECI, as an intermediary, has been designated as the Nodal Agency for implementation of Ministry of New and Renewable Energy's schemes for setting up of Solar and Wind Power Projects through Tariff Based Competitive bidding process, to enter into Power Purchase Agreements (PPAs) at the tariff discovered in the competitive bid process and enter into Power Sale Agreements (PSAs) with the Distribution licensees/Buying Utilities, inter alia, to enable them to fulfil the Renewable Purchase Obligations (**RPO**) under section 86 (1) (e) of the Electricity Act 2003.



4. Respondent No.1, Uttar Pradesh Jal Vidyut Nigam Limited (**UPJVNL**) has agreed to give water body surface situated at Rihand reservoir, district Sonbhadra, Uttar Pradesh, on lease for the purpose of the Solar Power Developers establishing Floating Solar PV Projects of 150 MW capacity.

**Bidding Process:**

5. The Ministry of Power (**MoP**), Government of India had issued "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects" (**Guidelines**) vide Gazette Resolution dated 03.08.2017 as mandated under Section 63 of Electricity Act 2003. These Guidelines have been formulated for long term procurement of solar power at a tariff to be determined through transparent process of bidding under Section 63 of the Electricity Act, 2003 by the 'Procurer(s)', from grid- connected Solar Power Projects having (a) individual size of 5 MW and above at one site with minimum bid capacity of 25 MW for intra-state projects; and (b) individual size of 50 MW and above at one site with minimum bid capacity of 50 MW for inter-state projects.
6. SECI in the capacity of intermediary agency, invited proposals for setting up of Grid Connected Floating Solar Power Projects, at Rihand Dam, Sonbhadra District, Uttar Pradesh on "Build, Own, Operate and Transfer" basis for an aggregate capacity of 150 MW (50 MW X 3 packages A, B, C) and procurement of solar power thereof from such projects.
7. SECI has stated that it issued the Request for Selection (**RfS**) document, along with Standard PPA and PSA documents and has accordingly floated the same on 06.09.2018 on Telecommunication Consultants India Limited (**TCIL**) e-bidding portal. In this regard, the RfS document states as under:  
"INVITATION FOR BIDS (IFB)  
.....  
2.0.....  
  
*This Request for Selection document (hereinafter called RfS) has been prepared in line with the above guidelines dated 03.08.2017 including its amendment dated 15.06.2018 issued by MoP."*
8. The process adopted by SECI is detailed hereunder:
  - (i) The last date of bid submission was 28.09.2018 which was further extended till 25.10.2018 with revised bid opening date on 26.10.2018 with approval of competent authority. Technical part



of Bid was opened on 26.10.2018 (submitted in both offline and online modes) was completed in the presence of a Bid Evaluation Committee constituted by SECI.

- (ii) In pursuance of the above, 2 Nos. of bids were received in respect of Package B and only one bid was received against Packages A and C. Both the bidders were found to have met techno-commercial criteria. The details are as under:

**TABLE-1**

Sl. No.	Bidder Name	No. of Projects	Project Capacity (MW)
1.	Re New Solar Power Private Limited	3	150 (Package A, B, C)
2.	Shapoorji Pallonji Infrastructure Capital Company Private Limited	1	50 (Package B)
<b>TOTAL</b>			<b>200 MW</b>

- (iii) The financial Bids of technically qualified bidders (2) were opened in the presence of Bid Evaluation Committee, referred above.

- (iv) The e-Reverse Auction (e-RA) was conducted w.e.f. 12:00 Noon on 27.11.2018 on TCIL e-bidding portal for only one Package i.e. Package B in respect of which two (2) Nos. of bidders were found to be qualified as per the eligibility criteria mentioned in the RfS. The summary of e-RA is given below:

**TABLE-2**

S. No.	Name of Bidder	Initial Tariff (Prior to e-RA)	Final Tariff (Post e-RA)	Ranking	Bid Capacity (MW)
1.	Re New Solar Power Private Limited	3.30/Kwh	3.30/kWh	L2	50
2.	Shapoorji Pallonji Infrastructure Capital Private Limited	3.31/kWh	3.29/kWh	L1	50



- (v) In terms of the e-Reverse auction, M/s. Shapoorji Pallonji Infrastructure Capital Company Private Limited was awarded capacity of 50 MW under Package-B at the tariff of Rs.3.29/kWh.
- (vi) As single bids were received (at Tariff of Rs.3.31/kWh) for Package A and C, e-Reverse Auction for both the Packages could not be conducted.
- (vii) Accordingly, SECI constituted a Negotiation Committee with the approval of the competent authority for negotiation with Renew Solar Power Private Limited for reduction in the quoted price. The following is the outcome of the price negotiation (reduction in tariff below the quoted price of Rs.3.31/kWh) in respect of the said packages:

**TABLE-3**

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Quoted Tariff in the Bid (in INR)</b>	<b>Final Discounted Tariff after negotiation</b>
1.	ReNew Solar Power Private Limited (Package-A)	3.31/kWh	3.29/kWh
2.	ReNew Solar Power Private Limited (Package-B)	3.31/kWh	3.29/kWh

- (viii) The Commission passed order dated 10.04.2019 in Petition No. 1420/2018 filed by UPJVNL for seeking consent of the Commission for opening single bids as required under Clause 8.6 of the Guidelines. The extracts of Commission's order are as follows:

*2. Cause No.8.6 of these guidelines read as under:*

*8.6 To ensure competitiveness, the minimum number of qualified Bidders should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, and the Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.*

.....



12. .... However keeping in view the large interest of the State of Uttar Pradesh and development of solar project the Commission allows consideration and finalization of rates received for Package 'A' and 'C' from the single bidder.

13. Since this petition has been filed only to seek consent from of this Commission for opening and finalization of single bids in terms of Clause 8.6 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid connected Solar PV Power Projects of Ministry of Power, Govt. of India. The Commission grants consent only for opening and finalization of bid. This shall not be treated as adoption of tariff under Section 63 of the Electricity Act 2003. For adoption of tariff the Petitioner will have to file a separate Petition.

9. Thereafter, a PSA was executed by UPPCL with SECI on 04.09.2019 for purchase of 150 MW solar power from SECI. On 05.09.2019, SECI issued Letter of Award (LOAs) to the selected bidders as under:

**TABLE-4**

Sl. No.	Bidder Name	Allotted Capacity (MW)	Applicable Tariff (Rs.)
1.	Re New Solar Power  Private Limited	50 (Package A)  50 (Package C)	3.29/kWh  3.29/kWh
2.	Shapoorji Pallonji Infrastructure Capital Company Private Limited	50 (Package B)	3.29/kWh

10. The PPAs were signed with the Project Companies formed by successful bidders as under:



TABLE-5

S. No.	Name of the Successful Bidder	SPV formed by the successful bidder for executing the PPA	Date of PPA signing between SPV and SECI	Capacity of Project (MW)
1.	Re New Solar Power Private Limited	Auxo Sunlight Private Limited	20.12.2019	50 MW
2.	Re New Solar Power Private Limited	Renew Sun Power Private Limited	20.12.2019	50 MW
3.	Shapoorji Pallonji Infrastructure Capital Company Private Limited	Rihand Floating Solar Private Limited	17.12.2019	50 MW

11. UPPCL has agreed to purchase the 150 MW of solar power from SECI at the tariff of Rs.3.29/kWh plus the trading margin of Rs.0.07/kWh upon commissioning of the said capacities. In case of early-commissioning or part commissioning of individual projects, UPPCL is stated to pay the tariff as per the terms of PPA and the PSA plus the trading margin of Rs.0.07/kWh.
12. The Solar Power Developers are required to pay Rs.0.05/kWh of power generated as lease charges to UPJVNL for the required water body for the entire life of the project (i.e., 25 years from the date of SCD). In addition, amount of Rs.0.02/kWh of the power generated will have to be paid by the SPDs to UPJVNL on monthly basis as a kitty for the contingency of dismantling the project after the period of 25 years.

**APPROVAL FOR THE PROCUREMENT OF POWER BY UPPCL FROM 150 MW FLOATING SOLAR POWER PROJECT**

13. The following has been stated in the Petition:
  - a. In terms of Section 63, 86(1) (b) of the Electricity Act, 2003 and Rule 8 of the Electricity Rules 2005, the procurement of power at the price discovered through the competitive bidding process is required to be approved by this Commission in addition to the order to be passed by the Hon'ble Central Commission in the case of Generation/Purchases falling within



the scope of Section 79 (1) (a) and (b) of the Electricity Act, 2003.

- b. In terms of section 86 (1) (b), the Commission has the jurisdiction to regulate the electricity purchase and procurement process of the distribution licensees in the State under the Power Purchase Agreement to be entered into by the distribution licensees.
- c. The Generation and sale of electricity by the SPDs to SECI and resale of the procured power by SECI to the Buying Utility, UPPCL, plus the Trading Margin of Rs.0.07/kWh has to be approved individually for each of the SPDs. The terms and conditions of the PPAs with the SPDs and the PSA with the UPPCL would govern the sale of power by SECI to the UPPCL.
- d. After the decision of the Commission in the matter, the Petitioners will place the order of the Commission along with necessary documents for the adoption of tariff by the Central Commission in accordance with law.

#### **Record of Proceedings**

- 14. The Commission held the hearing on 15.12.2020, wherein Petitioner's Counsel submitted that the petition has filed u/s 86 (1) (b) for procurement of 150 MW power by UPPCL at the tariff discovered in the competitive bid process for the individual power projects. It was also submitted that upon approval of the Commission, CERC would be approached for adoption of tariff along with the order of this Commission and necessary documents.
- 15. The Commission observed that the Projects and Procurer both are in Uttar Pradesh, therefore, appropriate Commission as per bidding guidelines would adopt the tariff. However, without adoption of tariff, tariff being an integral part of power purchase price in the PPA, the procurement of power is not tenable. The Commission directed SECI to place on record the reason for delay in filing of Petition, divergence between bidding guidelines and bidding documents with respect to trading margin and carry out necessary amendment to the Petition in case CERC is to be approached for tariff adoption.
- 16. The next hearing was held on 4<sup>th</sup> Feb 21, wherein Sr. Counsel on behalf of SECI submitted that this Commission is to determine the price of power procurement, approve the PSA under section 86(1)(b) of the EA, 2003 and the Central Commission is to adopt tariff discovered





through competitive bidding by SECI under Rule 8 of Electricity Rule, 2005. He further added that SECI has already filed petition before CERC for adoption of tariff. He also requested the Commission that once the tariff is adopted by CERC (CERC office likely to be open in about 15 days), this Commission may further exercise its jurisdiction under 86(1)(b). SECI submitted its reply dated 01.01.2021 with reference to the Commission's order dated 18.12.20.

17. The Commission, on the request of Sr. Counsel, Sh. Ramachandra, decided to take up the matter after CERC order in the matter of tariff adoption. The next hearing scheduled on 16.03.21 was adjourned vide order dated 17.03.21 on request of Petitioner's Counsel that the matter was listed before CERC on 19.03.21.
18. The Commission concluded the hearing on 20<sup>th</sup> April 21 with direction to Secretary, UPERC to intimate SECI regarding shortcomings in the Petition documentation and Petition filing fee. During the hearing, Sr. Counsel of Petitioner informed the Commission that CERC vide its order dated 15<sup>th</sup> April 21 has rejected the plea of tariff adoption holding that CERC does not have the jurisdiction within the meaning of the Act. The Counsel also mentioned that Petition filed by SPV of one of the SPD for return of Performance bank Guarantee on termination of PPA would also be required to be filed before this Commission.

#### **Commission's Analysis and Decision**

19. The Commission, based on pleadings during hearings and documents available on record has framed the following issues and discussed them in the following paragraphs:

#### **Issue 1: Delay in filing of the Petition**

#### **Issue 2: Trading Margin in the PSA dated 04.09.2019**

#### **Issue 3: Tariff Adoption under the bidding conducted by SECI**

#### **Issue 4: Approval of Power procurement vide PSA dated 04.09.2019**

#### **21. Issue 1: Delay in filing of the Petition:**

The Commission has analyzed the following reasons towards delay in filing of Petition:

- (i) Single bid for package A and C



- 21.1 SECI is the intermediary between developers and UPPCL for developing a 150 MW grid connected solar project on the water surface of Rihand reservoir which is owned U.P. Jal Vidyut Nigam Ltd. The Project has been divided in three packages "A", "B" and "C" each of 50 MW. SECI conducted the competitive bidding and issued RFS document dated 06.09.2018 and 26.10.2018 was the revised date of bid opening. Two bids were received against Package "B" and single bid was received against Package "A" and "C". For Package "B" in which two bids were received @ Rs. 3.31 per unit, e-reverse auction was conducted and Shapoor ji Pallon Ji Infrastructure Capital Company Limited was successful @ Rs. 3.29/unit. For package "A" and "C", with approval of competent authority of SECI, the bids were opened and found techno-commercially responsive. Thereafter, SECI constituted a negotiation committee for negotiation with single bidder and negotiated the price to Rs. 3.29/unit on 07.01.2019.
- 21.2 However, as per clause 8.6 of the guidelines dated 03.08.2017, approval of the appropriate Commission is required to consider the single bid. UPJVNL, thus filed Petition No. 1420/2019 with the Commission for approval of the same. The Commission, in the larger interest of the State, allowed consideration and finalization of rates received for Package A and C.
- 21.3 On 04.09.2019, the PSA was signed between SECI and UPPCL for procurement and sale of 150 MW power and on 05.09.2019, LOA were issued to Shapoorji Pallonji Infrastructure Capital Company Private Limited Shapoorji Pallonji Infrastructure Capital Company Private Limited for Package B and Renew Solar Power Private Limited for Package A and C. On 17.12.2019, Power Purchase Agreement ('PPA') was entered into between SECI and Rihand Floating Solar Private Limited, the designated Project Company of Shapoorji Pallonji Infrastructure Capital Company Private Limited. On 20.12.2019, the two PPAs were entered into with the designated Project Companies formed by Renew Solar Power Private Limited; namely Auxo Sunlight Private Limited and Re New Sun Power Private Limited.
- (ii) **Deciding on Onus of filing Petition for (a) approval of PSA and (b) tariff adoption**
- 21.4 UPPCL filed the Petition (Jan 2020) for approval of PSA dated 04.09.2019 but subsequently withdrew it as the tariff was yet



to be adopted. Subsequently, there has been lot of communication between SECI and UPPCL on the issue of filing of tariff for tariff adoption. UPPCL was of the view that, it is required to get approval of PSA from the Commission under Section 86(1)(b), and SECI, as per the past practice, having conducted the bid process is required to get the tariff adopted under Section 63 of the Electricity Act'03 by the appropriate Commission, UPERC in the present case. SECI, on the other hand has taken the stand that per PSA, UPPCL is to get the tariff adopted by the Commission.

- 21.5 Now the present Petition has been filed (Oct 2020) jointly by UPPCL and SECI combining both the Sections; Section 63 and 86(1) (b) of the Electricity Act, 03 stating that after approval of the Commission on Power procurement i.e. approval of the PSA dated 04.09.2019, the Central Commission shall be approached for tariff adoption. After filing of the instant Petition, SECI has approached CERC for tariff adoption, wherein, CERC vide order dated 19.03.2021 has held that since the Power Project and the Procurer were located in the state of U.P., CERC was not the Appropriate Commission.

#### **Commission's View**

- 21.6 The Commission is of the view that though the bidding was initiated in October 2018, the present Petition has been filed in October 2020. The delay has been majorly on account of delay in approaching the Commission for approval of opening of single bid, time taken for signing of PSA and PPA, decision on the issue of filing Petition of tariff adoption & power procurement before the appropriate Commission and subsequently approaching CERC for tariff adoption.

The Commission during the proceedings has held that PPA(s) are integral part of the PSA and contain the tariff discovered under section 63 of the EA 2003, therefore, unless the tariff gets adopted by appropriate Commission, how the approval of PPA is justified. The two activities of tariff adoption and approval of power procurement through PSA(s) & PPA(s) are distinct and covered under Section 63 and 86(1)(b) of the Electricity Act, 03, respectively. While the tariff adoption petition is to be filed before Appropriate Commission, the power procurement approval is necessarily entrusted with the State Commission, where the procurer is located. The Appropriate Commission being UPERC, in the instant matter,



**SECI would have filed the tariff adoption Petition and UPPCL, the power procurement approval Petition before UPERC.**

**22. Issue 2: Trading Margin in PSA dated 04.09.2019**

- 22.1 SECI has submitted that as per the Guidelines dated 03.08.2017 notified by the Government of India, SECI is entitled to charge Trading Margin as notified by the Appropriate Commission or in the absence of such notification, as mutually agreed with distribution licensee i.e., UPPCL. SECI, being an inter-state trading licensee, the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 are applicable to the transactions with UPPCL undertaken by it. UPPCL and SECI have mutually agreed to a trading margin of 7 paise per unit in terms of PSA dated 04.09.2019.
- 22.2 SECI has also submitted that Renewable Developers demand energy payment from SECI in respect of the generation and supply of electricity under the PPA independent of SECI receiving the same from the Buying Entities. SECI has to constantly take steps to recover such payment from the Buying Utilities in regard to the power supplied under the PSA and payment security mechanisms such as letter of credit with Developers are to be administered by SECI.
- 22.3 It was further submitted that above position of Trading Margin has also been clarified by an amendment dated 22.10.2019 to the Guidelines dated 03.08.2017 notified by Government of India. In this regard, the Guidelines, inter-alia reads as under:

**"2.1.1 (c) Intermediary Procurer & End Procurer**

*ii.....*

*(b) The trading Margin of Rs. 0.07/kWh, shall be payable by the End Procurer to the intermediary Procurer"*

- 22.4 Further, the Central Commission on 02.01.2020, notified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 [Trading License Regulations, 2020], repealing the Trading Margin Regulations, 2010. Chapter-IV of the Trading License Regulations, 2020 deals with Trading Margin. The relevant provisions are as under:

**"7. Applicability of Trading Margin:**

*Trading margin shall be applicable to the following transactions undertaken by the Trading Licensee:*

.....



(b) Transactions under long term contracts (where period of the contract of the Trading Licensee with either the seller or the buyer or both is more than one year);

**8. Trading Margin:**

(1) Trading Licensee shall comply with the trading margin as given below:

**(d) For transactions under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller:**

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."

**Commission's View**

**22.5 The Commission is of the view that for intra state trading of electricity, the State Commission is to decide the trading margin. However, the Petitioner has referred to the above Inter-state trading Regulations, 2020 of CERC which provide that Inter state trading margin shall be applicable on intra state trading and any margin fixed by the State Commission shall be in addition to and not in derogation to the CERC inter state trading license regulations 2020. Since the Commission has not framed any regulations of intra state trading, CERC Trading margin regulations 2020, notified after amendment dated 22.10.2019 to the bidding guidelines, shall be applicable as the Regulations are statutory in nature and intrude into the contracts.**

**The Commission also opines 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. Therefore, SECI would be required to file an affidavit to the effect that it has provided payment security mechanism in terms of the PPA signed to the respective seller and confirm that it would be maintained during the tenure of the PSA/PPA,**



before undertaking transaction under the PSA dated 04.09.2019.

### 23. Issue 3: Tariff Adoption

- 23.1 For package A and C, in which single bid was received, with approval of competent authority of SECI, the bids were opened and found techno-commercially responsive. Thereafter, SECI constituted a negotiation committee for negotiation with single bidder and negotiated the price to Rs. 3.29/unit on 07.01.2019. Subsequently, the Commission has been approached for approval for allowing opening of single bid and rates received in the bids. **The Commission had vide order dated 10.04.2019 held that SECI would have approached the Commission before opening of the single bid for Package A and C and not for post facto approval of the Commission against regulatory norms.**
- 23.2 The details of e-reverse auction conducted by SECI has been submitted. However, the bidding has been conducted in a transparent manner, certificate is yet to be submitted by the Petitioner. The Commission vide its communication dated 21.05.2021 has directed to submit necessary documents for adopting the tariff. SECI has referred to conformity certificate dated 19.11.2019, annexed to the Petition.
- 23.4 On perusing the documents available on record, it is seen that minimum capacity for part commissioning of 50 MW has been amended in the bid document as 25 MW. The Commission's approval of the same, if any, is not placed on record. However, it has been stated that the approval of deviation in bidding document was taken from the Board of Directors of SECI.

#### Commission's View

- 23.5 Therefore, the Commission once again cautions SECI to follow statutory norms and obtain prior approval of the appropriate Commission in such cases in future.

With the above caution to SECI, the Commission adopts the following tariff in the Table 6:

Table -6



Sl. No.	Bidder Name	Allotted Capacity (MW)	Applicable Tariff (Rs.)
1.	Re New Solar Power Private Limited	50 (Package A)	3.29/kWh
		50 (Package C)	3.29/kWh
2.	Shapoorji Pallonji Infrastructure Capital Company Private Limited	50 (Package B)	3.29/kWh

23.6 Further, The SPD, in terms of clause 9.3 & 9.4 of the PPA dated 17<sup>th</sup> /20<sup>th</sup> December 2019 shall make a Payment of 5 paisa per unit of electricity generated for lease charge and 2 paisa per unit of electricity generated towards dismantling the project after 25 years to UPJVNL. These payments are to be made by Solar Power Developer (SPD) out of the project tariff. The PPA clauses referred herein also authorize SECI to deduct these payments from the SPD payments in case SPD does not make payment to UPJVNL.

#### 24. Issue 4: Approval of Power procurement

The details of PSA/ PPA(s) are as follows:

Table -7

S. No.	Name of the Successful Bidder	SPV formed by the successful bidder for executing the PPA	Date of PSA signing between UPPCL and SECI	Date of PPA signing between SPV(s) and SECI	Capacity of Project (MW)
1.	Re New Solar Power Private Limited	Auxo Sunlight Private Limited	04.09.2019	20.12.2019	50 MW
2.	Re New Solar Power Private Limited	Renew Sun Power Private Limited		20.12.2019	50 MW
3.	Shapoorji Pallonji Infrastructure Capital	Rihand Floating Solar Private Limited		17.12.2019	50 MW



	Company Private Limited				
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24.1 The Commission, vide its communication dated 21.05.2021, has directed to submit necessary documents viz; no deviation certificate for PPA and PSA w.r.t. standard bidding document for approval of power procurement. The Petitioner vide letter dated 23.06.2021 / 28.06.21 has placed on record the "No Deviation Certificate" dated 14.06.2021 that in respect of the PPAs for 3X50 MW signed with Auxo Sunlight Pvt. Ltd. (50MW), ReNew Sun Power Pvt. Ltd. (50MW) & Rihand Floating Solar Pvt. Ltd. (50MW) on dated 20.12.2019, 20.12.2019 & 17.12.2019 respectively, are in accordance with the RfS No. SECI/C&P/SPD/RfS/150MW FLOATING/UP/R1/092018 dated 06.09.2018, prepared as per the guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects issued by Ministry of Power, Government of India, published on 03.08.2017 (No. 23/27/2017-R&R) and subsequent amendments till the last date of submission of bids. Therefore, there is no deviation in the PPA from the above-mentioned Guidelines.

24.2 Further, the "No Deviation certificate" dated 15.06.2021 that in respect of 150 MW Solar Power PSA signed with Uttar Pradesh Power Corporation Limited (UPPCL) on dated 04.09.2019 is in accordance (excluding normal consequential addition/deletion) with RfS No. SECI/C&P/SPD/RfS/150MWFLOATING/UP/R1/092018 dated 06.09.2018, and as per the guidelines of Tariff based Competitive Bidding Process issued by Ministry of Power, Government of India on 03.08.2017 for procurement of power from grid connected Solar Power Projects. Therefore, there is no deviation from the above-mentioned guidelines of Government of India.

**In view of the above, the Commission approves the above PSA and PPAs tabulated at para 7 above along with trading margin of 7 paise per unit subject to condition laid out in above para no 22.5.**

24.3 The above procurement of power will enable UPPCL to effectively meet the Renewable Purchase Obligation (RPO) targets, instead of relying on purchase of Renewable Energy Certificates (RECs), and therefore is beneficial for the public interest and the interest for the consumers. The procurement cost of such solar power is competitive





and more economical as the forms of conventional energy generation such as thermal, gas, diesel etc. involves substantially higher cost besides serious adverse impact on the environment.

**25. Summary of our findings:**

- (a) Both SECI and UPPCL to timely file Petition in terms of directions contained at Para 21.6.
- (b) The Commission adopts the tariff of Rs. 3.29 per unit as tabulated in Table-6 at Para 23.5. The Solar Power Developer shall make payment towards lease charges and dismantling of Project out of the Project tariff in terms of Para 23.6.
- (c) Trading margin of 7 paise per unit over and above tariff adopted of Rs. 3.29 per unit shall be payable to SECI subject to condition(s) enumerated at Para 22.5.
- (d) The Commission approves the PSA / PPA in Table -7 at Para 24.

The Petition is disposed of in terms of directions as above.

(Vinod Kumar Srivastava)

Member

(Kaushal Kishore Sharma)

Member

(Raj Pratap Singh)

Chairman

Place: Lucknow

Dated: 30.07.2021

