

**JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES**

CORAM

Ms. Jyoti Prasad, Member (Law)

Petition No. 98/2023

Date of Hearing: 08.02.2023

Date of Order: 15.03.2023

In the matter of

Miscellaneous Petition under Clause 3.1.1(b) and Clause 19 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The-Clock Power from Grid Connected Renewable Energy Power Projects, complemented with Power from any other source or storage notified by Ministry of Power on 22nd July 2020, as amended from time to time for approval of deviations from the said Guidelines.

And

In the matter of

Dadra and Nagar Haveli and Daman and Diu
Power Distribution Corporation Limited
1st and 2nd Floor, Vidyut Bhavan,
Next to Secretariat Building, 66 kV Road,
Dadra and Nagar Haveli and Daman and Diu
396230

... Petitioner

The following were present:

1. Mr. Chetan Bundela, Vice President
2. Mr. Jignesh Langalia, GM
3. Ms. Luna Pal, GM

ORDER

1. The Petitioner, Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited ("**Petitioner**"), has filed the present Petition seeking approval

of the Commission for deviations in the draft RfS under Clause 3.1.1(b) and Clause 19 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The-Clock Power from Grid Connected Renewable Energy Power Projects, complemented with Power from any other source or storage notified by Ministry of Power ("MOP") on 22nd July 2020, as amended from time to time ("Guidelines").

2. Petitioner has made the following prayers:

- 1. Admit the Petition as submitted.*
- 2. Approve the deviations from MoP Guidelines as set out in this Petition for future tenders for procurement of Round-The-Clock Power from Grid Connected Wind and/or Solar Power Projects, contemplated with Power from any other source or storage for fulfilment of RPO of its license areas.*
- 3. Allow additions/alterations/changes/modification to the submissions.*
- 4. Condone any inadvertent omissions/errors/shortcomings.*
- 5. Grant any other relief/s as it deems fit and appropriate under the circumstances of the case and in the interest of justice."*

3. The Petition was filed on 10.12.2023 and hearing of the matter was held on 08.02.2023 wherein the Petitioner was directed to file Written Submissions within a week's time in support of its submissions. The Written Submissions were filed on 13.02.2023. Submissions made by the Petitioner are recorded below.

PETITIONER'S SUBMISSIONS

4. Petitioner started operations as a distribution licensee from 1st April 2022 as per the Transfer Scheme 2022, notified by Hon'ble Administrator of the UT of Dadra and Nagar Haveli and Daman and Diu.
5. *Vide* Joint Electricity Regulatory Commission (Procurement of Renewable Energy) (Fourth Amendment), Regulations 2022, the trajectory for Renewable Power Purchase Obligation for FY 22-23 to FY 26-27 was specified.
6. As per the RPO trajectory, Petitioner needs to fulfil the Renewable Power Purchase Obligation (RPO) of about 1740 MUs for FY 22-23 and onwards. However, as per the available records, there is pendency of RPO as on 31st March, 2022 of ~2,600

MUs (corresponds to ~27% of yearly demand – 1,245 MUs Solar & 1,341 MUs – non-solar) which is in addition to the current year RPO of ~1,740 MUs (at 18.35% RPO).

7. Considering the existing tie-up and shortfall, Petitioner is also procuring renewable power from G-TAM/G-DAM markets. However, there is still huge shortfall.
8. In turn, DNHDDPDCL has decided to procure RE Power (wind and/or solar) on Round-The-Clock (RTC) basis through competitive bidding process under section 63 of The Electricity Act, 2003.
9. The Ministry of Power has notified the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The-Clock Power from Grid Connected Renewable Energy Power Projects, complemented with Power from any other source or storage, on 22nd July 2020, as amended from time to time ("**MOP Bidding Guidelines**").
10. Deviations proposed: -

S.n.	Clause as per Guidelines	Proposed Modified Clause	Rationale
i.	Cl.2.1 These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long term procurement of electricity by the 'Procurers', on Round-The Clock (RTC) basis, from Grid Connected Renewable Energy (RE) Power Projects (RE Projects), complemented/balanced with firm power from any other source through competitive bidding.	Cl.1.2.1(RFS) The Projects selected under this RFS shall, deploy Solar PV Technology and/or Wind Power Technology with or without Energy Storage System (ESS) in accordance with the provisions of this RFS document and Draft Power Purchase Agreement (PPA) which shall also be read as an integral part of this RFS.	Currently at the UT level, there is huge deficit of both Solar & Wind RPO. Additionally, considering the requirement of wind & solar power w.r.t even the approved RPO trajectory, the Petitioner proposes to specify wind and/or solar for procurement of power.
ii.	Cl.4.1	Cl.2.1(RFS)/1.1(PPA)	In order to optimize power purchase cost

<p>The Generator shall supply dispatchable RE Power complemented with power from any other source, in Round-The-Clock manner, keeping at least 90% availability annually, along with maintaining at least 90% availability during the peak hours. Peak hours will be four hours out of 24 hours as declared by RLDCs as per the relevant CERC regulation. Penalty for not meeting the stipulated availability shall be equal to the fixed tariff for the number of units not supplied.</p> <p>Cl.4.2 The Generator has to offer power such that at least 51% of the annual energy offered corresponds to RE Power, and the balance energy is offered from other sources.</p> <p>Clause 4.3 The Generator can combine storage for ensuring that it achieves the required minimum annual availability of 90% along with maintaining at least 90% availability on a monthly basis for at least eleven months in a year. However, annual minimum 51% of energy shall be offered from renewable energy sources. This 51% shall also include offer from the storage system,</p>	<p>Inserted definition of Peak Hour "Peak Hours" shall mean any six hours duration, not necessarily continuous, out of 24 hours day period as declared by DNHDPDCL on day-ahead basis. For the purpose of scheduling, a 'day' shall commence from 00:00 hrs and end at 24:00 hrs.</p> <p>Cl.3.9.4(a)(RFS)/3.2.1(PA) Successful Bidder(s) shall maintain generation so as to achieve annual CUF of 90% of the Contracted Capacity in AC terms till the end of the PPA duration of 25 years. The annual CUF will be calculated every year from 1st April of the year to 31st March next year.</p> <p>Cl.3.9.4(b)(RFS)/3.2.2(PA) Successful Bidder shall supply energy corresponding to a minimum 90% CUF of the Contracted Capacity in AC terms during each Peak Hour. The requirement of electricity supplied during Peak Hours is to be mandatorily met for each Peak Hour on a day-to-day basis and shall be monitored on a monthly basis.</p> <p>Cl.3.9.4(c)(RFS)/3.2.3(PA) However, one Year stabilisation period will be provided to Successful Bidder from SCOD. During</p>	<p>given huge variation in power purchase rates on power exchange during different time slots of a day, it is suggested to keep flexibility of defining peak hour with Discom.</p> <p>DNHDDPDCL is having nearly flat demand profile throughout the day.</p> <p>Accordingly, it is requested for 90% CUF annually and 90% during each peak hour which will help to cater the flat load of the License area and avoid peaks as typically observed in normal RE tenders.</p> <p>One-year stabilisation period having marginally lower CUF is proposed to be allowed to the bidders given higher overall CUF requirement to be met through wind and/or solar.</p>
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	<p>provided RE sources were used to store energy in the storage system.</p>	<p>this stabilisation period, Successful Bidder should be required to meet minimum 80% Annual CUF as well as 85% CUF during peak hours. It is clarified that in case of delay in actual commissioning of Project/Unit/ capacity, then also stabilisation period will end 12 months from the SCOD. After the end of the stabilisation period, Successful Bidder shall supply energy corresponding to minimum 90% CUF on annual as well as for each Peak Hour.</p>	
iii.	<p>CL.15.4 Delay in commissioning and commencement of supply of power, beyond the Scheduled Commissioning Period shall involve penalties on the Generator, as detailed below:</p> <p>For Delay in commissioning upto 6 (six) months from SCD, encashment of Performance Bank Guarantee (PBG), or alternate instruments, on per day basis and proportionate to the capacity not commissioned.</p> <p>For Delay in commissioning beyond six months from SCD, Generator Event of Default, as per clause 7.6.1 of these Guidelines, shall be considered to</p>	<p>CL.3.11.3(RFS)/3.17.1(PA) Penalty for Delay in Commissioning: Delay in commissioning and commencement of supply of power, beyond the Scheduled Commissioning Period shall involve penalties on the Generator, as detailed below:</p> <p>For Delay in commissioning upto 6 (six) months from SCOD, encashment of Performance Bank Guarantee (PBG), or alternate instruments, on per day basis and proportionate to the capacity not commissioned. For example, in case of a Project of 150 MW capacity, if commissioning of 50 MW capacity is delayed by 18 days beyond</p>	<p>Carrying out long term competitive bidding is a long drawn and time-consuming process. Having discovered the competitive rates for supply of wind and/or solar power to meet renewable power obligation of the licensee, it would be counter-productive to terminate un-commissioned capacity as the Petitioner would have to once again repeat the entire process.</p> <p>Accordingly, in order to take rational view of various uncertainties impacting the project and in the interest of the licensee and its consumers, it would not be appropriate to</p>

	<p>have occurred and the contracted capacity shall stand reduced to the project capacity commissioned upto SCD + 6 (six) months. The PPA for the balance capacity not commissioned shall be terminated.</p>	<p>the SCOD, then the liquidated damages shall be: $PBG \text{ amount } \times (50/150) \times (18/180)$. For the purpose of calculations of the liquidated damages, 'month' shall be considered consisting of 30 days.</p> <p>For Delay in commissioning beyond six months from SCOD, Generator Event of Default, shall be considered to have occurred. DNHDDPDCL will have sole discretion of reducing the project capacity commissioned upto SCOD + 6 (six) months and terminate the PPA for the balance capacity. However, DNHDDPDCL may allow the further extension subjected to mutual discussion & bidder's concurrence to comply with the appropriate commercial mechanism as may be required by DNHDDPDCL.</p> <p>In addition, if the Commissioning of the Project or part thereof is delayed beyond the start date of grant of transmission open access, then transmission charges should be borne by Successful Bidder till COD of the Contracted Capacity. In case SCOD of the project is extended due to force majeure events, successful bidder shall not be liable to bear any transmission</p>	<p>mandatorily terminate the capacity not commissioned by SCOD beyond six months.</p> <p>Acceptance of COD beyond 6 months has been kept open to ensure that option of sourcing of power is not lost merely for delay in project commissioning beyond 6 months post SCOD due to genuine reasons. It will provide flexibility to the Discom to avail power if there is visibility on project commissioning. Further, interest of the Discom has been protected in the event COD of the project is delayed owing to non-force majeure events.</p> <p>Accordingly, Successful Bidder has been sought to bear the transmission open access charges till actual COD.</p>
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		<p>charges till extended SCOD.</p> <p>In the event of termination of PPA or part thereof, any damages or charges payable to the STU/CTU, for the Open Access of the Project, shall be borne by the Successful Bidder(s).</p>	
iv.	<p>Cl.7.2(e) Further, the Generator shall also be liable for penalty for any shortfall in offering energy from RE sources out of total energy in a contract year below the proportion of energy from RE sources, quoted at the time of bidding, for reasons solely attributable to Generator. The penalty corresponding to this shortfall in RE power shall be calculated at 400% (four hundred per cent) of applicable tariff payable during the year for each unit of shortfall.</p>	<p>Cl.3.9.5(RFS)/3.3.1(PPA) If for any Contract Year, it is found that the Successful Bidder has not been able to generate minimum energy corresponding to 90% of annual CUF, such shortfall in performance shall make the Successful Bidder liable to pay the compensation corresponding to the energy shortfall, calculated at 100% of the Tariff mentioned in the Article 5 of the PPA. This compensation shall be applied to the amount of shortfall in generation during the Contract Year. Billing frequency for shortfall in annual CUF will be on yearly basis.</p>	<p>In order to encourage more participation and to ensure discovery of attractive tariff in the interest of end consumers, Petitioner proposes to relax the provision. At the same time, DNHDDPDCL proposes to keep it equal to tariff rate so as to fulfil the requirement from alternate source, if required.</p>
	<p>Cl.15.1 Part Commissioning: Part commissioning of the Project shall be accepted by Procurer subject to the condition that the Minimum Capacity for acceptance of first and subsequent part(s) commissioning shall be 100 MW, without prejudice to the imposition of penalty, in terms of the PPA on the part which is not</p>	<p>Cl.3.11.1(RFS)/4.1.7(PPA) Part Commissioning: Part commissioning of the Project shall be accepted by Procurer subject to the condition that the Minimum Capacity for acceptance of first and subsequent part(s) commissioning shall be 25 MW, without prejudice to the imposition of penalty, in terms of the PPA on the part which is not</p>	<p>The Standard Bidding Guidelines provides 100 MW for part commissioning, irrespective of the tender size. In the instant tender, bidder is allowed to offer minimum 75 MW and hence, applicability of 100 MW is not possible.</p> <p>Further, Discom is having significant RPO</p>

	<p>commissioned. Irrespective of dates of part commissioning or full commissioning, the PPA will remain in force for a period of 25 (twenty-five) years from the SCOD or the date of commissioning of full project capacity, whichever is later.</p>	<p>commissioned. However, the SCOD will not get altered due to part-commissioning, irrespective of dates of part commissioning or full commissioning, the PPA will remain in force for a period of 25 (twenty-five) years from the SCOD or the date of commissioning of full project capacity, whichever is later.</p>	<p>shortfall and allowing part commissioning of 25 MW will only help Discom in fulfilling RPO as soon as the part capacity gets commissioned.</p>
	<p>Cl.6.4 Weighted Average Levelized Tariff as the Bidding Parameter</p> <p>The bidding evaluation parameter shall be the weighted average levelized tariff per unit supply of RTC power. The Procurer shall invite bids wherein the bidder shall quote the first year weighted average levelized Tariff in Rs./kWh. The quoted tariff shall comprise of four part - Fixed component [RE power (fixed), non-RE power (fixed)] and Variable component [non-RE power (escalable for fuel), and non-RE power (escalable for transporation)]. The Fixed component of tariff of the RE power and non-RE power shall be quoted for each year of the term of PPA. The variable component of the non-RE power shall be quoted as on scheduled date of commissioning. The levelized tariff shall be arrived at using the CERC</p>	<p>Cl.1.1.3(RFS) Project selected under this RFS shall be eligible for Tariff quoted by the Successful Bidder(s) for the energy supplied during Peak Hours and Off-Peak Hours. The bidders shall quote single levelized tariff. The Tariff under the PPA shall be fixed for the entire term of the PPA.</p>	<p>Since DNHDDPDCL has proposed to consider only RE sources, quoted tariff would be single levelized tariff.</p>

	<p>escalation indices for the type of fuel quoted by the bidder and the discount factor to be specified in the bidding document. The bidder shall also quote the proportion of energy from RE sources and non-RE source that he wishes to supply. The weighted average levelized tariff per unit supply shall be arrived at for the term of PPA and proportion of energy from RE sources and non-RE source.</p>		
	<p>No such clause in Guideline</p>	<p>Clause 3.18 (PPA) Subsequent to grant of connectivity, in case there is a delay in grant/operationalisation of LTA by the CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCOD of the Project, and it is established that:</p> <p>The Successful Bidder has complied with the complete application formalities as per the connectivity procedure.</p> <p>The delay in operationalisation of LTA and/or delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network, is a factor solely</p>	<p>This a clarificatory clause purely with the purpose of avoiding any future litigations. It may kindly be noted that the Ministry of Power has recently issued similar amendment in the Guidelines for Grid Connected Wind Solar Hybrid Projects.</p>

		<p>attributable to the CTU/transmission licensee and is beyond the control of the Successful Bidder.</p> <p>The above shall be treated as delay beyond the control of Successful Bidder and such Project shall be eligible for suitable time extension in their SCOD.</p> <p>In case SCOD of the project is extended due to force majeure events, successful bidder shall not be liable to bear any transmission charges till extended SCOD.</p>	
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A. Declaration of Peak Hours:

11. In the Bid Documents, the Petitioner has proposed to define peak hours instead of adopting the **Peak Hours** notified by RLDC as specified in the Guidelines. In this regard, the Petitioner has submitted that: -
 - a. The Electricity Act, 2003 provides for two routes for power procurement i.e., under Section 62, which is the cost-plus tariff mechanism, and Section 63, which is the competitive bidding mechanism.
 - b. With reference to Section 62 of the Act, Central Electricity Regulatory Commission has notified the CERC (Terms and Conditions of Tariff) Regulations, 2019 ("**CERC Tariff Regulations**") for determination of tariff wherein Regulation 42(3) pertains to computation and payment of capacity charge for thermal generating stations where tariff of the Generating station is determined by CERC under Section 62 of the Act based on plant availability factor. In turn, the plant availability is determined on the basis of peak and off-peak hours, as under:

*“42(1) The capacity charge shall be recovered under two segments of the year, i.e., High Demand Season (period of three months) and Low Demand Season (period of nine months), and within each season in two parts viz., Capacity Charge for **Peak Hours** of the month and Capacity Charge for Off Peak Hours of the month...”*

*42 (3) Normative Plant Availability Factor for “Peak” and “Off-Peak” Hours in a month shall be equivalent to the NAPAF specified in Clause (A) of Regulation 49 of these regulations. The number of hours of “Peak” and “Off-Peak” periods during a day shall be four and twenty respectively. The hours of Peak and Off-Peak periods during a day **shall be declared by the concerned RLDC** at least a week in advance. The High Demand Season (period of three months, consecutive or otherwise) and Low Demand Season (period of remaining nine months, consecutive or otherwise) in a region shall be declared by the concerned RLDC, at least six months in advance:*

Provided that RLDC, after duly considering the comments of the concerned stakeholders, shall declare Peak Hours and High Demand Season in such a way as to coincide with the majority of the Peak Hours and High Demand Season of the region to the maximum extent possible:

Provided further that in respect of a generating station having beneficiaries across different regions, the High Demand Season and the Peak Hours shall correspond to the High Demand Season and Peak Hours of the region in which majority of its beneficiaries, in terms of percentage of allocation of share, are located.”

- c. Based on above, RLDC has been notifying the peak hours for respective region which is being utilized for the purpose of computation and payment of Capacity Charges which is clear from above and also as indicated in such Notifications. For reference, the Petitioner has enclosed WRLDC Notification dated 30th September 2021 declaring peak and off-peak hours for the months of April 2022 to March 2023, at **Annexure-I**.

- d. The objective of defining Peak Hours is to ensure availability of tied up capacity during Peak Hours and make payment of Capacity Charge accordingly.
- e. However, unlike thermal generating station, there is no concept of two-part tariff or capacity charge in case of Wind and/or Solar power. In the present case, the Petitioner has proposed to tie up Wind and/or Solar power which being a renewable energy has only single part tariff wherein Petitioner is required to ensure availability of Capacity during the Hours which it considers to be the Peak Hours. Accordingly, the Petitioner proposes to define any six hours of the Day as Peak Hours and link the same with availability of RE Power above 90% of Capacity Utilization Factor (CUF) during each of the Peak Hours.
- f. Further, it may kindly be noted that the Petitioner has suggested to keep flexibility of defining the peak hours with Discom in order to optimize the power purchase cost given the huge variation in power purchase rates on power exchange during different time slots of a day. **Accordingly, the Petitioner has inserted the definition of "Peak Hours" which shall mean any six hours duration, not necessarily continuous, out of 24 hours day period as declared by DNHDDPDCL on day-ahead basis.**
- g. Further, it may kindly be noted that Regulation 2(2) of the CERC Regulations amply clarifies that the Regulations shall not apply to the following:
- "(a) Generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines issued by the Central Government and adopted by the Commission under Section 63 of the Act.*
- "(b) Generating stations based on renewable sources of energy whose tariff is determined in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017."*
- h. In the present case, the Petitioner has proposed to carry out competitive bidding under Section 63 of the Act, to procure wind and/or solar power with/without storage on round-the-clock basis. Hence, CERC Regulations referred hereinabove are as such also not applicable.

B. Green Shoe Option

12. The Petitioner has proposed to issue tender for purchase of power up to 150MW with additional 150 MW under Green shoe option through competitive bidding process considering the RPO trajectory specified by the Hon'ble JERC and the prevailing shortfall in fulfilment of RPO. The rationale behind consideration of Green shoe Option is as under:
- a. The provision for Green shoe provides flexibility to the Discom to tie up the additional capacity for procurement of solar/wind power under Green shoe option, if it is found that the rate discovered under e-reverse auction are attractive and beneficial to the Discom to purchase the power at cheaper rate of discovered lowest tariff i.e. L1. For instance, assuming that 3 bidders are selected in the bucket filling process i.e., L1, L2, L3, the additional 150 MW under green shoe will be awarded only at L1 rate thereby benefitting the Discom and in turn its consumers in terms of power purchase rate. The methodology for allotment of Green shoe option is detailed at Para 3.2.1.2 of the RFS.
 - b. Further, awarding additional capacity under green shoe option is a well-accepted and prevalent industry practice with CERC, MERC, GERC and several other Regulatory Commissions having adopted the same.
 - c. Petitioner placed on record RE Tenders; wherein Green shoe option is considered by Utilities and also approved by the respective Regulatory Commission.
 - d. Solar Energy Corporation of India Limited (SECI) as a Nodal Agency floated Tender dated 25.06.2019 for ***Selection of Solar Power Developers for setting up of 7 GW ISTS connected Solar PV Power Plants linked with setting up of 2 GW Solar manufacturing plant under global competitive bidding*** as per the Guidelines dated 3.8.2017 of the Central Government as amended from time to time. Vide addendum dated 11.10.2019, Green shoe option for equivalent capacity won by the successful bidder/ developer was introduced in the Bid Documents. CERC vide order dated 2nd April 2022 in Case no. 286/AT/2021 has adopted tariff for 12 GW of Solar PV Projects under Section 63 of the Electricity Act, 2003 out of which 4 GW was under Green Shoe Option.

- e. MSEDCL floated tender dated 10.08.2022 for 250 MW plus 250 MW under Green shoe option with approval of MERC vide order dated 21.07.2022. in Case no. 86 of 2022 for Procurement of Flexible and Schedulable Power from Renewable Energy Sources with Energy Storage facility on Long Term Basis.
- f. GUVNL issued tender dated 12.07.2022 for 750 MW plus 750 MW under Green shoe option for Procurement of Power from Grid Connected Solar PV Power Projects with approval of GERC vide order dated 19.05.2022 in Case No. 2069 of 2022. Further, GERC vide order dated 3rd January 2023 in Case no. 2157 of 2022 adopted tariff discovered under Competitive Bidding Process for 750 MW Grid connected Solar Photovoltaic Power Projects with Green shoe option of additional 750 MW.
- g. Based on above, it is amply clear that green-shoe option is a prevailing industry practice and is being exercised in the interest of the consumers of the Discom.

C. Extension in case of delay beyond control of Bidder:

13. Regarding force majeure, the Petitioner has proposed as under:

- a. a. Subsequent to grant of connectivity, in case there is a delay in grant/operationalization of LTA by the CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCOD of the Project, and it is established that:
 - b. The Successful Bidder has complied with the complete application formalities as per the connectivity procedure.
 - c. The delay in operationalization of LTA and/or delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network, is a factor solely attributable to the CTU/transmission licensee and is beyond the control of the Successful Bidder.
 - d. The above shall be treated as delay beyond the control of Successful Bidder and such Project shall be eligible for suitable time extension in their SCOD.

e. In case SCOD of the project is extended due to force majeure events, successful bidder shall not be liable to bear any transmission charges till extended SCOD.

14. Petitioner submits that Ministry of Power has recently issued similar amendment in the Guidelines for Grid Connected Wind Solar Hybrid Projects vide Office Memorandum no. 238/78/2017-Wind dated 2nd November 2022. The copy of the above referred MOP Memorandum is enclosed at Annexure-3. The Petitioner also proposes to include similar clarificatory clause with the purpose of avoiding any future litigations.

D. Waiver of inter-state transmission charges:

15. Petitioner has sought deviation towards waiver of ISTS Charges. Petitioner submits that at present, RE projects commissioned upto June 2025 are exempted from payment of Interstate Transmission Charges. Hon'ble CERC, vide its notification dated 7th February 2023, has notified the same vide its amendment CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023; wherein Regulation 13(2) provides for waiver of transmission charges for the use of ISTS in specific cases. The Regulation 13(2)(a) provides as under:

“(a) REGS or RHGS based on wind or solar sources or Hydro PSP ESS which have declared commercial operation upto 30.6.2025 shall be considered for waiver of transmission charges. for a period of 25 years from date of COD.”

16. In this background, considering the gestation period of wind and/or solar plant of around 24 months and time to conclude bidding process (minimum 4 months), the Petitioner submits that it is required to initiate the bidding process for procurement of Round-The-Clock Power from Grid Connected wind and/or solar projects with/without storage, latest by February, 2023, in order to sign the PPA by May, 2023 to ensure commissioning of the project before 30th June, 2025. If signing of PPA and in turn, commissioning of project gets delayed, the landed cost of the power would directly increase to that extent, which would be against consumer interest.

E. Extension of delay in commissioning beyond six months from SCOD: