

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 81 of 2024

MSEDCL's Petition seeking adoption of Tariff for long term procurement of 1475 MW Solar Power from NHPC under Section 63 of the Electricity Act,2003.

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)...

Petitioner

NHPC Limited (NHPC)...

Respondent

Coram

Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

For the Petitioner

: Ms. Deepa Chawan (Adv.)
Mr. Udit Gupta (Adv.)

For the Respondent

: Mr. Rajiv Shankar Divedi (Adv.)

ORDER

Date: 15 September 2025

1. Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) has filed the Present Petition being Case No. 81 of 2024 on 24 April 2024 under Section 63 of the Electricity Act, 2003 read with Regulation 7 of MERC (Renewable Purchase Obligation, its Compliance and implementation of Renewable Certificate Framework,2019 and its First Amendment Regulations, 2024 (referred as RPO Regulations, 2019/2024). In the present Petition, MSEDCL is seeking adoption of tariff for 1475 MW solar power procurement from NHPC Limited.
2. **MSEDCL's main prayers are as under:**

- “
- To admit the Petition as per the provisions under Section 63 of the Electricity Act (EA), 2003.*
 - To accord approval for adoption of tariff for 1475 MW solar power at the tariff rate of Rs. 2.60 per unit (including trading margin of Rs. 0.07 per unit) as discovered in the e-reverse auction conducted by NHPC.*
 - To accord approval to Power Sale Agreement (PSA) with NHPC and Power Purchase Agreement (PPA).*
 - To consider procurement of solar power from NHPC for meeting solar RPO requirement of MSEDCL.*
-”

3. **MSEDCL in its Petition has stated as follows:**

3.1. The chronology of the event is summarized as follows:

Date	Event												
24.04.2023	MNRE, Government of India vide OM No. F.No.283/33/2020-GRID SOLAR, has designated NHPC Ltd as Renewable Energy Implementing Agency.												
19.06.2023	NHPC issued tender for selection of solar power developer for setting up 3000 MW ISTS connected solar power projects located anywhere in India.												
06.11.2023	<p>The reverse auction has been conducted. Total (15) number of bidders participated in E-RA and following rates have been discovered in tender:</p> <table><tr><th>Capacity (MW)</th><th>Rate (Rs/kWh) discovered</th><th>Trading Margin payable by Discoms to NHPC (Rs/kwh)</th><th>Total (Rs/kWh) at Delivery point including Trading Margin.</th></tr><tr><td>250 (1SPD)</td><td>2.52</td><td>0.07</td><td>2.59</td></tr><tr><td>2750 (7 SPD)</td><td>2.53</td><td>0.07</td><td>2.60</td></tr></table> <p>Conditionalities:</p> <ul style="list-style-type: none">NHPC as ‘inter-mediatory Procurer’ shall purchase solar power from SPD and sell to States/DISCOMs shall charge Trading margin of Rs.0.07/kWh in addition to discovered tariff.Scheduled commencement of supply date of project is 24 months from the effective date of PPA. NHPC shall sign PPA with SPDs and back-to-back Power Supply Agreements (PSA) with States/DISCOM for 25 years from COD of project.	Capacity (MW)	Rate (Rs/kWh) discovered	Trading Margin payable by Discoms to NHPC (Rs/kwh)	Total (Rs/kWh) at Delivery point including Trading Margin.	250 (1SPD)	2.52	0.07	2.59	2750 (7 SPD)	2.53	0.07	2.60
Capacity (MW)	Rate (Rs/kWh) discovered	Trading Margin payable by Discoms to NHPC (Rs/kwh)	Total (Rs/kWh) at Delivery point including Trading Margin.										
250 (1SPD)	2.52	0.07	2.59										
2750 (7 SPD)	2.53	0.07	2.60										

	<ul style="list-style-type: none">ISTS charges and losses shall be dealt in line with CERC (sharing of Inter State Transmission Charges and Losses) (First Amendment) Regulations, 2023 dated 07.02.2023 and subsequent amendments and clarifications thereto, as applicable.The DISCOMs shall be responsible for obtaining Grid Access/GNA as per the CERC (Connectivity and General Network Access to the interstate Transmission System) Regulations, 2022 and amendments issued from time to time.																																																
08.11.2023	NHPC vide its letter sought consent from MSEDCL with quantum (MW) for procurement of solar power.																																																
29.12.2023	MSEDCL provided its in-principle consent to NHPC for procurement of solar power at discovered tariff rate and requested them to confirm the quantum available with NHPC under above said tender.																																																
10.01.2024	<ul style="list-style-type: none">NHPC intimated the details of selected bidders along with declared CUFs, project location, Capacity and Tariff including tariff margin of Rs.0.07 per kWh (Rs.2.59 and Rs.2.60 per kWh) and requested consent of MSEDCL.NHPC also informed that as URET (Pooled tariff scheme) is to be notified by Govt. of India shortly during this year and after notification of URET, pooled tariff shall be applicable on all beneficiaries of REIA schemes and it may cost higher compared to their offered rate which is lowest one at present and if PSA is signed with DISCOMs before notification of URET by Ministry of Power, contracted capacity shall be excluded from central pool.The details of bidder selected as informed by NHPC are as under: <table><tr><th>Sr. No.</th><th>SPD</th><th>Capacity</th><th>Tariff Including trading margin (Rs/kWh)</th><th>CUF</th><th>Project Location</th></tr><tr><td>1</td><td>Solairedirect Energy India Pvt. Ltd</td><td>260</td><td>2.59</td><td>32 %</td><td>Barmer, Rajasthan</td></tr><tr><td>2</td><td>Avaada Energy Pvt. Ltd</td><td>1000</td><td>2.60</td><td>26 %</td><td>Bikaner, Rajasthan</td></tr><tr><td>3</td><td>Hazel Hybren Pvt. Ltd</td><td>300</td><td>2.60</td><td>27.5 %</td><td>Rajasthan</td></tr><tr><td>4</td><td>Jakson Ltd</td><td>400</td><td>2.60</td><td>29 %</td><td>Bikaner, Rajasthan</td></tr><tr><td>5</td><td>Sprng Energy Pvt. Ltd</td><td>250</td><td>2.60</td><td>28.4%</td><td>Jaisalmer, Rajasthan</td></tr><tr><td>6</td><td>Green Infra Wind Energy Ltd</td><td>300</td><td>2.60</td><td>31%</td><td>Barmer, Rajasthan</td></tr><tr><td>7</td><td>Apraava Energy Pvt. Ltd</td><td>250</td><td>2.60</td><td>29.24 %</td><td>Barmer, Rajasthan</td></tr></table>	Sr. No.	SPD	Capacity	Tariff Including trading margin (Rs/kWh)	CUF	Project Location	1	Solairedirect Energy India Pvt. Ltd	260	2.59	32 %	Barmer, Rajasthan	2	Avaada Energy Pvt. Ltd	1000	2.60	26 %	Bikaner, Rajasthan	3	Hazel Hybren Pvt. Ltd	300	2.60	27.5 %	Rajasthan	4	Jakson Ltd	400	2.60	29 %	Bikaner, Rajasthan	5	Sprng Energy Pvt. Ltd	250	2.60	28.4%	Jaisalmer, Rajasthan	6	Green Infra Wind Energy Ltd	300	2.60	31%	Barmer, Rajasthan	7	Apraava Energy Pvt. Ltd	250	2.60	29.24 %	Barmer, Rajasthan
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	8	Hinduja Renewables Energy Pvt. Ltd	250	2.60	31 %	Barmer, Rajasthan
12.01.2024	MSEDCL issued in-principle consent for 3000 MW quantum and requested NHPC to share the copies of tender documents viz. draft PSA & PPA.					
15.01.2024	NHPC vide letter, has shared the LOA copies and tender documents.					
05.03.2024	NHPC vide email shared the final draft PSA allocating 1475 MW solar power.					

- 3.2. NHPC vide email dated 05 March 2024 also shared the list of solar generators along with declared CUF. The details of the generators are as under:

SPG	Project Capacity (MW)	Energy (MUs)				Rate (Rs/kWh) including trading margin @7paisa/kWh
		Declared CUF %	Min (-15%) until 10 years from COD	Max. (+10%) from COD till 25 years of PPA	Min (-20%) Thereafter till 25 years of PPA	
Hazel Hybren Pvt. Ltd. (Capacity 300 MW)	25	27.5	51.23	66.29	48.21	2.60
Jakson Ltd. (Capacity 400 MW)	400	29	864.33	1118.54	813.48	2.60
Sprng Energy Pvt. Ltd. (Capacity 250 MW)	250	28.4	529.03	684.62	497.91	2.60
Green Infra Wind Energy Ltd. (Capacity 300 MW)	300	31	692.95	896.76	652.19	2.60
Apraava Energy Pvt. Ltd. (Capacity 250 MW)	250	29.24	544.68	704.87	512.64	2.60
Hinduja Renewables Energy Pvt. Ltd. (Capacity 250 MW)	250	31	577.46	747.30	543.49	2.60
Total	1475		3259.67	4218.40	3067.92	

- 3.3. MSEDCL has signed PSA with NHPC on 07 March 2024. The LOAs are issued by NHPC. However, the PPAs are yet to be executed.
- 3.4. As on 29 February 2024, MSEDCL contracted 14806 MW renewable energy capacity for meeting RPO requirements, out of which 10061 MW has been commissioned. MSEDCL's Solar RPO compliance is as below:

Period	Shortfall in MUs
FY 2020-21	4381 (Cumulative)
FY 2021-22	1177 (standalone)
FY 2022-23 (Provisional)	1174 (standalone)
Total	6732 (Cumulative)

Considering the future Solar RPO targets, MSEDCL needs to procure considerable quantum of Solar power for fulfillment of RPO targets.

- 3.5. The recently discovered tariff in various tenders are as under:

Tender Floated by	Capacity (MW)	Month	Rate (Rs./unit)
SJVN Pan India Solar	1500	Feb.24	2.52-2.54
GUVNL Gujrat Solar Tranche-XXI	600	Jan.24	2.54-2.55
NTPC Pan India Solar Tranche-I	1500	Jan.24	2.60-2.65
GUVNL Gujrat Solar Tranche-XXII	500	Dec.23	2.63-2.65
PFCCI Pan India Solar	1250	Dec.23	2.53-2.54
SECI Pan India Solar Tranche-XII	1000	Dec.23	2.52-2.53

From the above table, it is observed that, the tariff discovered through tendering conducted by NHPC for its 3000 MW solar power project is in consonance with the recent tariff discovered through the bidding process carried out by other agencies/ DISCOMs.

- 3.6. The landed tariff to MSEDCL as per NHPC offer will be around $2.53+0.07$ (trading margin) + 0.09 (transmission loss) = Rs. 2.69 per unit considering no transmission charges at present.
- 3.7. The APPC rate of MSEDCL for FY 2023-24 is Rs. 4.81 per unit.
- 3.8. Considering the above, MSEDCL requested to approve the 1475 MW Solar long term power procurement from NHPC's projects at discovered tariff Rs.2.60 per kWh (i.e. Rs. 2.53 per kWh (discovered tariff) + Rs. 0.07 per kWh (NHPC trading margin)) for a period of 25 years from the Commercial Operation Date for solar power projects.
4. At the e-hearing held on 15 October 2024, Advocate of MSEDCL elaborated the background of the proposed procurement. The Advocate of NHPC stated that for adoption of tariff, it has filed a Petition before CERC. Therefore, the Commission opined that it would be better to

wait for Order of CERC on tariff adoption and directed to submit the copy of CERC Order once it is issued.

5. MSEDCL in its additional submission dated 9 May 2025 stated as below:

- 5.1. CERC on 20 March 2025 passed the Order in Petition No. 366/AT/2024 filed by NHPC Ltd for the adoption of tariff for the ISTS Grid connected solar PV projects of 3000 MW selected through Competitive Bidding Process as per the Guidelines issued by Ministry of Power.
- 5.2. For reference, MSEDCL provided the copy of CERC Order.
6. E-Hearing in this matter was held on 19 August 2025. The Advocate of MSEDCL narrated the sequence of events in proposed procurement process. She asserted that present power procurement is in line with Resource Adequacy Study and the discovered tariff is in the range of Rs.2.59-2.60/kWh, which is market reflective.

Commission's Analysis and Rulings:

7. The Commission notes that in the present Petition MSEDCL is seeking approval to procurement of Solar power of 1475 MW from NHPC Limited at discovered rate of Rs.2.59-2.60 per kWh (includes 7 Paise/Unit Trading Margin).
8. Before delving into merits of the matter, it would be appropriate to highlight following timeline in the proposed procurement:

Date	Event
08.11.2023	NHPC sought consent from MSEDCL with quantum (MW) for procurement of solar power required from its 3 GW Solar Projects.
29.12.2023	MSEDCL provided its in-principle consent to NHPC for procurement of solar power at discovered tariff rate and requested them to confirm the quantum available with NHPC.
12.01.2024	MSEDCL communicated its consent for 3000 MW quantum.
15.01.2024	NHPC has shared the LOA copies and tender documents.
05.03.2024	NHPC vide email shared the final draft PSA with allocation of 1475 MW. It further shared the list of solar generators along with declared CUF.
07.03.2024	PSA executed with NHPC.

9. With above background and submissions made during proceeding, the Commission frames following issues for its consideration:

- a. Quantum of power procurement to be allowed to MSEDCL;
- b. Competitiveness of the rate proposed for approval;
- c. Trading Margin (7 Paise per Unit) in present transaction;
- d. Availability of Inter-State Transmission Corridor for procurement of power.

The Commission's ruling on above issues is provided in the subsequent paragraphs.

10. Issue A: Quantum of Power Procurement to be allowed to MSEDCL

10.1. The Commission notes that MSEDCL has filed the present Petition to meet future demand by accommodating RE sources in power basket and compliance of RPO targets.

10.2. While pleading the matter, an Advocate of MSEDCL made reference to CEA's Resource Adequacy Study, while justifying the procurement. MSEDCL's submission on CEA's Resource Adequacy study has been dealt with by the Commission in its Order dated 26 September 2024 in Case No. 155 of 2024. The relevant paras read as under:

“

5.7 CEA has conducted the Resource Adequacy study for MSEDCL and the capacity projected by CEA considering 'Loss of Load Probability' and 'Expected Energy Not Served' is as under:

	Year	Coal	Gas	Nuclear	Bagasse + Biomass	Hydro	Wind	Solar	Hybrid (wind + Solar)	STOA/ OA	Storage (4 Hours) + PSP	Total
CEA	2033-34	27562	1076	1186	3439	3949	15905	30285	0	1457	2668	87528

The present contracted and consented capacity of MSEDCL is as below:

	Coal	Gas	Nuclear	Bagasse + Biomass	Hydro	Wind	Solar	Hybrid (wind + Solar)	FDRE	Storage (4 Hours) + PSP	Total
MSEDCL	22733	1077	1191	3439	4273	3905	24785	2880	1468	574	66325

Thus, capacity addition required by MSEDCL by FY2033-34 is as under:

	<i>Coal</i>	<i>Gas</i>	<i>Nuclear</i>	<i>Bagasse + Biomass</i>	<i>Hydro</i>	<i>Wind</i>	<i>Solar</i>	<i>Hybrid (wind + Solar)</i>	<i>DRE</i>	<i>Storage (4 Hours) + PSP</i>	<i>Total</i>
MSEDCL	4829	0	0	0	0	12000	5500	0	12693	2094	37116

”

10.3. From above, it is evident that MSEDCL’s proposed procurement of 1475 MW has been factored in to CEA’s Resource Adequacy Study and is justified.

10.4. Apart from above, the Commission notes that MERC RPO (Amendment) Regulations, 2024 stipulates RPO trajectory till FY 2029-30. The notified trajectory is as below:

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

10.5. The quantum proposed to be procured by MSEDCL will supplement its effort to meet RPO targets and fulfil past RPO shortfall.

11. Issue B: Competitiveness of the rate proposed for approval.

11.1. The Commission notes that proposed 1475 MW Solar power procurement is based on competitive bidding process initiated by NHPC Limited.

11.2. As the proposed Solar project is inter-state project, any contractual issues including adoption of tariff is within the jurisdiction of the Central Commission. The scope of present proceedings is governed by Rule 8 of the Electricity Rules, 2005 which is reproduced below:

“

8. Tariffs of generating companies under section 79.- *The tariff determined by the CERC for generating companies under clause (a) or (b) of subsection (1) of section 79 of the Act shall not be subject to re-determination by the State Commission in exercise of functions under clauses (a) or (b) of sub-section (1) of section 86 of the Act and subject to the above the State Commission may determine whether a Distribution Licensee in*

the State should enter into Power Purchase Agreement or procurement process with such generating companies based on the tariff determined by the CERC.” (Emphasis added)

In the present case, the tariff of Rs. 2.59-2.60/kWh (including trading margin) has been discovered through transparent process of competitive bidding and adopted by the CERC. Therefore, scope of present proceeding is granting approval to MSEDCL for procurement of solar energy and execution of PSA.

12. Issue C: Trading Margin (7 Paise per Unit) in present transaction:

12.1. It is pertinent to note that in present power transaction, NHPC Limited is acting as a trader/facilitator for a trading margin of Rs.0.07/kWh. The said Trading Margin in accordance with the Competitive Bidding Guidelines, 2023 as well as Regulation 8 (1) (d) of the CERC Trading License Regulations, 2020.

12.2. The Commission notes that with regards to Trading Margin, Competitive Bidding Guidelines, 2023 stipulates following:

“

h) ‘Intermediary Procure’ & ‘End Procurer’

...

(ii) The Intermediary Procurer shall enter into a Power Purchase Agreement (PPA) with the RE Power developer and also enter into a Power Sale Agreement (PSA) with the End Procurer. The PSA shall contain the relevant provisions of the PPA on a back-to-back basis. Trading margin, of Rs.0.07/kWh shall be payable by the End Procurer to the Intermediary Procurer.”

12.3. As Trading margin of Rs.0.07/kWh is stipulated in the Competitive Bidding Guidelines, 2023, the Commission allows trading margin of Rs.0.07/kWh to be payable by MSEDCL to NHPC.

13. Issue D: Availability of Transmission Corridor:

13.1. The Commission notes that PSA executed between MSEDCL and NHPC contain following clauses:

“

5.1 DISCOMs Event of Default:

5.1.1

(ii) the DISCOM fails to evacuate power from the Delivery Points for a continuous period of one day.”

PSA define ‘Delivery Point’ as the point at 220 kV or above at the CTU Sub Station where the power from the Solar Power Project is injected into the Inter State Transmission System (ISTS).

MSEDCL (being Buying Entity) is responsible for evacuating the power beyond Delivery Point. Considering the above mentioned contractual settings, MSEDCL needs to be vigilant on transmission corridor availability to avoid any consequences as per provisions of the PSA.

- 13.2. Therefore, the Commission directs MSEDCL to coordinate with STU for timely implementation of strengthening and augmentation of planned inter-state transmission transfer capacities schemes on urgent and priority basis. If required, a suitable intervention from various Government Departments may be sought to resolve issues in clearances and Right of Way for timely implementation of such planned schemes.
14. In view of above, the Commission allows MSEDCL’s proposal for procurement of 1475 MW Solar Power from NHPC Limited at competitive bidding tariff of (discovered tariff) + Rs. 0.07 per kWh (NHPC trading margin)) for 25 years of Power Supply Agreement.
15. Hence, the following Order.

ORDER

- 1. Petition in Case No. 81 of 2024 is allowed .**
- 2. The Commission accords its approval to the MSEDCL’s proposal for procurement of 1475 MW Solar Power from NHPC Limited at competitive bidding tariff of (discovered tariff) + Rs. 0.07 per kWh (NHPC trading margin)) for 25 years of Power Supply Agreement.**
- 3. The power procured from NHPC Limited shall be considered for meeting the Renewable Purchase Obligation requirement of MSEDCL.**

4. The Commission approves the Power Supply Agreement executed between MSEDCL and NHPC Limited for procurement of 1475 MW from Solar projects. copy of the same shall be submitted for records of the Commission.

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

