

EXECUTIVE SUMMARY

CERC Adopts Tariff for SECI's 1.2 GW ISTS-Connected Solar PV Power Projects with Energy Storage Systems (Tranche XV)

The Central Electricity Regulatory Commission (CERC) has adopted the tariff for 1,200 MW Inter-State Transmission System (ISTS)-connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) (Tranche XV) under the competitive bidding process conducted by the Solar Energy Corporation of India Limited (SECI).

SECI had filed a petition before CERC under Section 63 of the Electricity Act for the adoption of the tariff discovered through a transparent bidding process. SECI issued the RfS on March 16, 2024, for 1,200 MW of ISTS-connected Solar PV Power Projects with ESS (Tranche XV) under the tariff-based competitive bidding process in accordance with the guidelines of the Ministry of Power (MoP). SECI received ten bids totalling 2,650 MW, of which nine bidders qualified for the e-reverse auction held on July 16, 2024. Following the competitive bidding process, SECI awarded Letters of Award (LoAs) on July 19, 2024, to four successful bidders at tariffs ranging from Rs. 3.41/kWh to Rs. 3.42/kWh as follows:

Bidder	Capacity (MW)	Final Tariff (Rs./kWh)
Pace Digitek Infra Private Limited	100	3.41
Hero Solar Energy Private Limited	250	3.42
ACME Solar Holdings Limited	350	3.42
JSW Neo Energy Limited	500	3.42
Total	1200	-

SECI has signed agreement for 500 MW out of 1200 MW capacity. A Power Sale Agreement (PSA) was executed with Kerala State Electricity Board Limited (KSEBL) for 500 MW on September 12, 2024, while the remaining is yet to be signed. Further, Kerala State Electricity Regulatory Commission has already approved the 500 MW PSA on 17.01.2025. Additionally, SECI has entered into Power Purchase Agreements (PPAs) with Clean Renewable Energy Hybrid Eight Private Limited (SPV of Hero Solar Energy) for 250 MW, ACME Platinum Urja Private Limited (SPV of ACME Solar Holdings) for 150 MW, and Pace Digitek Infra Private Limited for 100 MW.

CERC, in its order dated March 4, 2025, approved the tariff for the 1,200 MW projects, confirming that the bidding process was conducted transparently and in accordance with the competitive bidding guidelines issued by MoP. The approved tariff includes a trading margin of Rs. 0.07/kWh, as mutually agreed in the PSA with KSEBL.

The adoption of the tariff by CERC is a critical regulatory requirement under the Electricity Act and Power Purchase Agreements. It provides regulatory certainty to the entire bidding process and ensures the sanctity of the discovered tariff, paving the way for the successful bidders to proceed with project execution and financial closure.



याचिका संख्या / Petition No. 283/AT/2024

कोरम / Coram:

श्री जिष्णु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson
श्री रमेश बाबू वी., सदस्य / Shri Ramesh Babu V., Member
श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member

Date of Order: 6th March, 2025

In the matter of:

Petition under Section 63 of the Electricity Act, 2003 for the adoption of tariff for 1200 MW Inter-State Transmission System (ISTS) connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) and selected through a competitive bidding process (SECI-ISTS-XV) as per the Guidelines of the Government of India

**And
In the matter of**

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

....Petitioner

Versus

1. Pace Digitek Infra Private Limited

Plot No. V/12 Industrial Estate,
Bangalore-Mysore Highway
Kumbalgodu, Bangalore 560074

2. Hero Solar Energy Private Limited

Plot No. 2-1, Ground Floor,
Okhla Industrial Estate
Phase III, New Delhi – 110020

3. ACME Solar Holdings Limited

Plot No. 152, Sector 44,

Gurugram – 122002, Haryana

4. JSW Neo Energy Limited

JSW Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400051

5. Kerala State Electricity Board Limited

Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram
Kerala – 695004

6. Clean Renewable Energy Hybrid Eight Private Limited

Plot No. 202, Second Floor,
Okhla Industrial Estate
Phase III, New Delhi – 110020

7. ACME Platinum Urja Private Limited

Plot No. 152, Sector 44,
Gurugram – 122002, Haryana

...Respondents

The following were present:

Ms. Mandakini Ghosh, Advocate, SECI
Shri Rahul Ranjan, Advocate, SECI

आदेश / ORDER

The Petitioner, Solar Energy Corporation of India Limited ('SECI') has filed the present Petition for the adoption of the tariff of the 1200 MW Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) (SECI-ISTS-XV) connected with the Inter-State Transmission System (ISTS) and selected through the competitive bidding process as per the *"Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems"* dated 09.06.2023 ('the Guidelines') issued by the Ministry of Power, Government of India as amended from time to time and interpreted

and modified by the Central Government vide subsequent communications/ notifications.

The Petitioner has made the following prayers:

- “(a) Adopt the tariff discovered in the tariff based competitive bidding process for 1200 MW ISTS connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage System based on e-Reverse Auction (e-RA);*
- (b) Approve Trading Margin of Rs. 0.07/kWh to be paid by the Distribution Companies/Buying Entity(ies) as specified in the Guidelines;*
- (c) Pass any other or further order which this Commission may deem fit and proper in the facts and circumstances of the case.”*

Submissions of the Petitioner

2. The Petitioner, SECI, has submitted that it issued the Request for Selection (RfS) along with the Standard Power Purchase Agreement (PPA) and the Power Sale Agreement (PSA) documents on 16.03.2024 for setting up the 1200 MW ISTS connected Solar PV Power Project(s) with 600 MW/1200 MWh Energy Storage Systems (ESS) (SECI-ISTS-XV), under Competitive Bidding Guidelines notified by the Ministry of Power on 09.06.2023 (hereinafter, the Guidelines) and floated the same on the ISN Electronic Tender System (ETS) e-bidding portal. In response, ten bids were received, offering an aggregate capacity of 2650 MW, and all were found to fully meet the techno-commercial criteria. On 16.7.2024, as per the prescribed procedure in the RfS, the financial bids of the ten technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of the Bid Opening Committee. As per the eligibility criteria mentioned in the RfS, nine bidders were shortlisted for participating in the e-reverse auction. The e-reverse auction was conducted on 16.7.2024 on the ISN ETS e-bidding portal, on the basis of which the final tariff was discovered. Pursuant thereto, SECI, on 19.7.2024, issued Letter of Award to the successful bidders, namely, Pace Digitek Infra Private Limited (100 MW), Hero Solar Energy Private Limited

(250 MW), ACME Solar Holdings Limited (350 MW) and JSW Neo Energy Limited (500 MW). In view of the above, the Petitioner has prayed for the adoption of a tariff for the procurement of the 1200 MW Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) (SECI-ISTS-XV) discovered through a competitive bidding process carried out by the Petitioner. The Petitioner has further prayed to approve a trading margin of Rs. 0.07/kWh to be recovered from the distribution companies as specified in the Guidelines.

Hearing dated 19.9.2024:

3. During the course of the hearing on 19.9.2024, learned counsel for the Petitioner, SECI, reiterated the submissions made in the Petition and requested the Commission to adopt the tariff of the 1200 MW Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) (SECI-ISTS-XV) connected with the Inter-State Transmission System and selected through the competitive bidding process as per the Guidelines. After hearing the learned counsel for the Petitioner, notices were issued to the Respondents to file their respective replies, if any.

4. The Petitioner, SECI, vide Affidavit dated 16.10.2024, submitted that the Petitioner has entered into the Power Sale Agreement with Kerala State Electricity Board Limited (KSEBL) for 500 MW on 12.9.2024 and has filed an amended memo of parties to implead KSEBL accordingly. Further, the Petitioner has executed the Power Purchase Agreement with the Clean Renewable Energy Hybrid Eight Private Limited, SPV of Hero Solar Energy Private Limited, for the 250 MW dated 11.10.2024 and the Power Purchase Agreement with ACME Platinum Urja Private Limited, SPV of ACME Solar Holding Limited, for 150 MW capacity dated 15.10.2024.

Hearing dated 17.10.2024:

5. During the course of the hearing on 17.10.2024, considering the submissions made by the learned counsel for the Petitioner and keeping in view that KSEBL has been impleaded only on 16.10.2024, the Commission granted the Respondents, including KSEBL, another opportunity to file their respective replies, if any.

6. The Petitioner, SECI, vide Affidavit dated 2.11.2024, submitted that the Petitioner has further entered into a Power Purchase Agreement dated 24.10.2024 with Pace Digitek Private Limited for the 100 MW capacity.

Hearing dated 8.11.2024:

7. Learned counsel for the Petitioner submitted that vide Record of Proceedings (ROP) dated 17.10.2024, the Respondents were permitted to file their respective replies, if any. However, none of the Respondents has filed any reply, and the matter may be reserved for order. Considering the submission made by the learned counsel for the Petitioner, the Commission reserved the matter for order.

8. Subsequently, the Respondent No. 5, KSEBL, vide Affidavit dated 11.12.2024, submitted that the KSEBL has issued a consent letter to the Petitioner on 07.08.2024 for procuring 500 MW with 250 MW for 2 hours of peak power and have initiated draft Power Sale Agreement (PSA) on 12.09.2024. Further, the Respondent has also filed a petition before KSERC for the approval for entering into a long term power purchase agreement with SECI for procuring 500 MW with 250 MW for 2 hours peak power. KSEBL further submitted that the tariff applicable for the sale of Solar Power by SECI to KSEBL shall be the tariff applicable for payment by SECI to the RE developers under the terms of PPA between SECI

and the RE developers fixed for the entire term of agreement at delivery point and in addition thereto a ceiling trading margin of seven (7) paise/kwh. KSEBL requested the Commission to consider CERC (Procedure, Terms, and Conditions for grant of trading licence and other related matters) Regulations, 2020 in detail before approving the trading margin of seven paise/kwh. KSEB requested the Commission to adopt the tariff discovered in the tariff based competitive bidding process for 1200 MW ISTS connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems based on e-Reverse Auction (e-RA).

Analysis and Decision

9. We now proceed to consider the prayer of the Petitioner as regards the adoption of tariff under Section 63 of the Act in respect of the solar power developers as discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India.

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.”

10. 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 the determination of such tariff.

11. The Ministry of Power, Government of India, has notified the Guidelines under Section 63 of the Act vide Resolution No. 23/03/2023-R&R on 09.06.2023. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for the procurement of firm and dispatchable power from grid connected renewable power projects, through tariff based competitive bidding to be conducted by 'Procurer', which includes distribution licensees, or the Authorized Representative(s), or Intermediary procurers.

(b) The procurer shall prepare the bid documents in accordance with the Guidelines. The principles outlined in the Guidelines may be suitable expanded and made exhaustive in the Standard Bid Documents. In case of any deviation from the provisions of the Guidelines and/or Standard Bid Documents, approval of the Appropriate Commission would be necessary prior to initiation of the bid process.

(c) Bids shall be invited in Power Capacity (MW) terms specifying the total quantum to be contracted by the Procurer. The minimum quantum of power that can be offered by the bidder should be 50 MW for projects connected to Inter-State transmission systems. The bidder can quote for a part of the total quantum to be procured by the Procurer. A maximum of 50 percent of the total capacity as specified in the RfS can be allocated to a single bidder. The bid evaluation parameter shall be the tariff per unit supply of firm and dispatchable power fixed for the entire term of the PPA.

(d) The procurement of power - shall be in power (MW) terms. The specific conditions like RTC/ Load profile/number of peak hours will be clearly indicated in the bidding documents by the Procurer.

(e) The Draft PPA proposed to be entered into with the successful bidder and the draft PSA, if applicable, shall be issued along with the RfS. Standard provisions to be incorporated as part of the PPA shall include, inter-alia, the PPA period, Power Procurement, Payment Security Mechanism (PSM), Force Majeure, Generation Compensation for off-take Constraints, Event of default and consequences thereof, and Change in Law and shall be provided for, on back-to-back basis, in the PSA.

(f) The adequate payment security shall be provided as per the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 including amendments and clarification, if any, thereof, issued from time to time. In addition, the Intermediary

Procurer may maintain a payment security fund. To be eligible for the coverage from the fund, the developer will undertake to pay the PSM charges at the rate of 2 paise per unit.

(g) The Procurer/intermediate procurer shall call for the bids adopting a single stage, two part (Technical Bid & Financial Bid), bidding process to be conducted through electronic mode (e-bidding). The technical bid shall be opened first. The financial bids of only those bidders who qualify in the technical bid shall be opened. E-procurement platforms with a successful track record and with adequate safety, security, and confidentiality features will be used.

(h) The RfS notice shall be issued in at least two national newspapers and on the websites of the procurer to provide wide publicity. Standard provisions to be provided by the Procurer in the RfS document shall include Bid Responsiveness, Technical Criteria, Financial Criteria, Quantum of the Earnest Money Deposit (EMD), and Compliance of FDI Laws by foreign bidders, etc.

(i) The bidders shall be required to submit the separate technical and price bids. The bidders shall also be required to furnish the necessary bid-guarantee in the form of an Earnest Money Deposit (EMD) along with the bids. The technical bids shall be evaluated to ensure that the bids submitted meet the eligibility criteria set out in the RfS document on all evaluation parameters. Only the bids that meet the evaluation criteria set out in the RfS document shall be considered for further evaluation on the price bids. To ensure competitiveness, the minimum number of the qualified bidders should be two. If the number of qualified bidders is less than two, even after three attempts of the bidding, and the Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.

(j) The Procurer shall constitute a committee for evaluation of the bids (Evaluation Committee), with at least three members, including at least one member with expertise in financial matters / bid evaluation. After the conclusion of bidding process, the Evaluation Committee constituted for the evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity with the provisions of the RfS document.

The Evaluation Authority should also satisfy itself that the price of the selected offer is reasonable and consistent with the requirement.

(k) The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.

(l) After the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with the breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.

(m) The distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for the adoption of the tariffs discovered, in terms of Section 63 of the Act, within 15 (fifteen) days of the discovery of the tariffs through e-reverse auction or otherwise, in the transparent competitive bidding process conducted in accordance with these Guidelines. In case, the Appropriate Commission does not decide upon the same within 60 (sixty) days of such submission or within 120 (one hundred and twenty) days from the date of the PSA, whichever is more, the Procurer shall grant the appropriate extension of time in Scheduled Commencement of Supply Date (SCSD) to the generators corresponding to the delay (beyond 60 days of submission or 120 days of PSA, whichever is more) in the adoption/ approval by the Appropriate Commission till the date of the adoption/ approval by the Appropriate Commission.

12. In terms of the provisions of Section 63 of the Act, we have to examine whether the process as per provisions of the Guidelines has been followed in the present case for arriving at the lowest tariff and for the selection of the successful bidder(s).

13. The Petitioner, SECI, has been designated as the renewable energy implementing agency for the implementation of the scheme for setting up of the ISTS connected/ State specific solar/ wind power projects with the mandate to invite bids under the Tariff Based

Competitive Bidding process to enter into the PPAs at the tariff discovered in the competitive bid process and enter into the PSAs with the distribution licensees to enable them to fulfil their Renewable Purchase Obligations under Section 86(1)(e) of the Act.

14. The Guidelines provide for the procurement of firm and dispatchable power at a tariff to be determined through a transparent process of bidding by the procurer(s) from the grid-connected renewable power projects with pre-specified conditions in the Bid Documents. As per the Guidelines, SECI, in the capacity of intermediary procurer, invited proposals for the selection of Solar Power Developers for setting up the 1200 MW ISTS connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (SECI-ISTS-XV). As per the arrangements, SECI is to procure the power by entering into the PPAs with the successful bidder with back-to-back PSAs for the sale of power to the distribution licensees.

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

Sr. No.	Milestone	Date
1.	RfS issued by SECI.	16.03.2024
2.	Corrigendum -01 to the RfS documents	02.04.2024
3.	Corrigendum -02 to the RfS documents	12.04.2024
4.	Corrigendum -03 to the RfS documents	18.04.2024
5.	Corrigendum -04 to the RfS documents	30.04.2024
6.	Pre-Bid Meeting held.	16.05.2024
7.	Corrigendum -05 to the RfS documents	17.05.2024
8.	Amendment -01 to RfS documents	17.05.2024
9.	Amendment -02 to RfS documents	04.06.2024
10.	Clarification -01 to the RfS documents	04.06.2024
11.	Corrigendum -06 to the RfS documents	10.06.2024
12.	Corrigendum -07 to the RfS documents	11.06.2024
13.	Corrigendum -08 to the RfS documents	14.06.2024
14.	Corrigendum -09 to the RfS documents	19.06.2024
15.	Last date of Bid Submissions.	25.06.2024
16.	Opening of Techno-Commercial Bids.	28.06.2024
17.	Opening of Financial Bids.	16.07.2024
18.	E-Reverse Auction Conducted	16.07.2024
19.	Issuance of Letter of Award (LoA) to the Successful Bidder.	19.07.2024

16. On 16.03.2024, SECI issued the RfS documents, along with the draft PPA and PSA, for the selection of the Solar Power Developers for setting up the 1200 MW ISTS connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (SECI-ISTS-XV) under tariff based competitive bidding. The said tender/ RfS document was floated on the ISN Electronic Tender System (ISN ETS) e-Tender portal. As per Clause 8.5 of the Guidelines, RfS notice is required to be published in at least two national newspapers and its own website to accord wide publicity. In this regard, SECI has placed on record the documents demonstrating the publication of the RfS on the e-publishing system, the Government of India, and its own website.

17. The Bid Opening Committee and Bid Evaluation Committee (BEC) comprising of the following was constituted for the opening and evaluation of bids under RfS No. SECI/C&P/IPP/11/0023/23-24 dated 16.03.2024:

Tender	Department	Offline and Online Techno- commercial and Financial Bid Opening	Techno- commercial and Financial Evaluation and post e-RA recommendation
1200 MW ISTS-connected Solar PV Power Projects with 600 MW/1200 MWh ESS (SECI-ISTS-XV)	Solar	Piyush Kr. Gupta, Dy. Manager	Piyush Kr. Gupta, Dy. Manager
	Contracts	Jayansh Gaur, Dy. Manager	Jayansh Gaur, Dy. Manager
	Finance	Nidhi Jain, Manager	Nidhi Jain, Manager

18. Last date of submission of the bid was 25.06.2024, and the techno-commercial part of the bid was opened on 28.6.2024. Response to RfS was received from ten (10) bidders, and all of them fully met the technical criteria and, consequently, were found to be qualified

for the opening of the financial bid. On 16.7.2024, financial bids of ten (10) technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of members of the Bid Opening Committee. As per the eligibility criteria mentioned in the RfS document, nine (9) bidders for aggregating 2350 MW capacity were shortlisted for e-reverse auction.

19. The e-reverse auction was carried out on 16.7.2024 in the presence of the members of BEC. After completion of the e-reverse auction, the following were declared as successful bidders:

S. No	Name of the Successful Bidder	Bid Capacity (MW)	Final Tariff (INR/kWh)	Allotted Capacity (MW)
1.	Pace Digitek Infra Private Limited	100	3.41	100
2.	Hero Solar Energy Private Limited	250	3.42	250
3.	ACME Solar Holdings Limited	350	3.42	350
4.	JSW Neo Energy Limited	600	3.42	500
Total awarded capacity				1200

20. Accordingly, on 19.7.2024, SECI issued the Letter of Award (LoAs) to the above successful bidders. The relevant extract of the Letter of Award issued to one of the successful bidders, namely, Pace Digitek Infra Private Limited (100 MW) is as under:

"In reference to above and subject to the provisions of RfS, we confirm having accepted your final offer concluded as a result of e-RA and issue this letter of award as per the following details:

Allotted Project ID	Project Capacity (MW)	Interconnection Point Details	Applicable (INR/kWh) figures	Tariff in	Applicable Tariff (INR/kWh) in words
SPD-ISTS-T15-PDIPL-P1-100MW	100	220 kV substation at Bijapur, Karnataka	₹3.41/-		Rupees Three and Forty-One paisa only

It is to be noted that the SPD is allowed to change the project location and interconnection point for the awarded project subsequent to issuance of LoA, up to the deadline for Financial Closure, as per Clause 21 of the RfS.

SECI shall purchase the power generated from the proposed ISTS-Connected Solar Power Project with ESS under the above scheme subject to the following terms and conditions as stated in various documents referred above and briefly brought out hereinafter.

1.0 The applicable tariff as mentioned above for power generated from the proposed Solar Power Project with ESS for the term of Power Purchase Agreement (PPA) to be entered into between Project Company or the Solar Power Developer (SPD) and M/s SECI, for the Project, shall be firm for the entire term of the PPA.

1.1 ESS of atleast 0.5 MW/1 MWh capacity for 1 MW Project capacity shall mandatorily be installed as part of the Project.

1.2 The SPD will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Customs and Excise Duties, Tax Holidays, etc. as available for such projects. No claim shall arise on SECI for any liability if the SPD is not able to avail fiscal incentives and this will not have any bearing on the applicable tariff.

1.3 The award of the above Project is subject to the Guidelines including amendments/ clarifications issued by Government of India and terms and conditions of the RfS document including its clarifications/ amendments/ elaborations/ notifications issued by SECI.

1.4 No change in the controlling shareholding of the Bidding Company or Bidding Consortium shall be permitted from the date of submission of response to RfS till the execution of the PPA. However, in case the Project is being set up by a listed Company, this condition will not be applicable.

1.5 In case of the Selected Bidder itself executing the PPA, it shall ensure that its promoters shall not cede control (Control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Bidding Company/Consortium until 01 (one) year after the SCSD, except with the prior approval of SECI.

1.6 In case of companies having multiple promoters (but none of the shareholders having more than 50% of voting rights and paid up share capital), it shall be considered as a company under joint control. In such cases, the shareholding pattern in the company as submitted at the time of bidding, shall be maintained for a period of 01 (one) year after SCSD.

1.7 In case of Project being executed through SPVs, the Selected Bidder executing the project, if being a single company, shall ensure that its shareholding in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after the SCSD, except with the prior approval of SECI. In the event the selected Bidder is a consortium, then the combined shareholding of the consortium members in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after SCSD, except with the prior approval of SECI. Further, the Successful Bidder shall ensure that its promoters shall not cede control of the bidding company till 01 (one) year from the SCSD, except with the prior approval of SECI.

1.8 The Selected Bidder shall pay to SECI, Success Charges @ INR 1,00,000/MW (Indian Rupees One Lakh/MW) + applicable taxes, corresponding to the capacity awarded as per the LoA, towards administrative overheads, project monitoring activities, coordination with State Authorities and others including the DISCOM/STU/CTU, etc. 1st instalment of the Success Charges, i.e. 50% of the above amount shall be paid to SECI within 30 days after issuance of LoA, and remaining 50% amount (i.e. the 2nd instalment of the Success Charges) shall be paid prior to signing of PPA (PPA signing

date to be intimated by SECI), in line with Clause 18.1 and 18.2 of the RfS. For the second instalment, the due date shall be the date as intimated by SECI, which shall be at most 7 days prior to signing of PPA.

1.9 Performance Bank Guarantee(s)/ Payment on Order Instrument (POI) for a value of @ INR 32.075 Lakh/MW/Project shall be submitted by the SPD prior to signing of PPA. in line with Clause 17 of the RfS.

1.10 PPA will be executed between SECI and the SPD as per the breakup of the cumulative Contracted Capacity awarded to the Bidder. This LoA is being issued in line with the Project breakup of the cumulative capacity quoted in the Covering Letter as part of your response to RfS and amended subsequently, as applicable.

1.11 The project breakup for the cumulative contracted capacity quoted by the Bidder in the Covering Letter may be changed by the SPD subsequent to issuance of LoA up to the date as on 30 days from issuance of LoA. Delay in meeting the PPA timelines on account of such changes in Project parameters, which differ from the details provided in the Covering letter, shall be at the risk and cost of the Successful Bidder. The PPAs shall be valid for a period of 25 years from the Scheduled Commencement of Supply Date (SCSD).

1.12 The SPD will have to submit the required documents as mentioned below to SECI within 70 days from the issue of this LoA or 30 days prior to the date of signing of PPA as intimated by SECI, whichever is earlier. In case of delay in submission of documents beyond the period as mentioned above, SECI shall not be liable for delay in verification of documents and subsequent delay in signing of PPA:

- 1) In line with Clause 36.3 of the RfS, in the case of submission of letter from CEO/Managing Director of the respective Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees/POI in case the Bidder fails to do so, at the time of bid submission, the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of PPA. [Not required if requisite documents already submitted at the bidding stage]
- 2) Copy of the Certificate of Incorporation of the SPD.
- 3) The details of promoters and their shareholding in the SPD, duly certified by the practicing Chartered Accountant/ Company Secretary in original at least 7 (seven) days prior to date of their document submission (certificate date should be after the date of LoA) along with latest documents filed with ROC.
- 4) Copy of the Memorandum of Association (MoA) of the SPD highlighting the object clause related to generation of Power/ Energy/ Renewable Energy/ Solar Power plant development.
- 5) In case the project being executed by a Special Purpose Vehicle (SPV) incorporated by a subsidiary/already existing subsidiary utilized by successful bidder, such SPV shall be at least 51% shareholding subsidiary, in line with provisions of the RfS. Further, the Successful Bidder shall submit a Board Resolution prior to signing of PPA with SECI, committing total equity infusion in the SPV as per the provisions of RfS. Also, the SPV shall submit a Board Resolution for execution of the Project.
- 6) Copy of Board Resolution of SPD for authorization of signing of PPA and subsequent relevant documents.

Further, the PPA shall be signed with SPDs subsequent to the signing of Power Sale Agreements with the Buying Entities for the cumulative awarded capacity and upon submission of the Success Charges along with total Performance Guarantees/ Payment on Order Instrument of requisite value.

1.13 SECI shall have the right to verify original documents of the SPD for which copies have been submitted from the date of submission of response to RfS till date, if required. Effective Date of the PPA shall be the date of signing of PPA. In case SECI intimates to the Successful Bidder, a particular date as the date for signing of PPA and the PPA signing gets delayed on account of reasons attributable to the SPD, the date as specified by SECI shall become the Effective Date of the PPA, irrespective of the date of signing of PPA.

1.14 In case, the SECI offers to execute the PPA with the SPD and the selected Bidder refuses to execute the PPA within the stipulated time period, then the Bank Guarantee equivalent to the amount of the EMD shall be encashed by SECI from the Bank Guarantee available with SECI (i.e. EMD or PBG) as penalty, the selected Project shall stand cancelled, and the selected Bidder expressly waives off its rights and objections, if any, in that respect.

1.15 The SPD shall meet financial closure requirements for the Project in line with clause 21 of the RfS document, by the date as on 6 months prior to the SCSD/extended SCSD. Accordingly, the SPD shall furnish the documents pertaining to compliance of financial closure as per the above provisions.

1.16 The SPD/Project Company shall commence supply of power from full Project Capacity within 24 months from the Effective Date of the PPA, as per the conditions stipulated in Clause 9 of the RfS and relevant articles of PPA. In case of failure to achieve this milestone, penalty for delay in commencement of supply shall be levied on the SPD as per the above provisions.”

21. As per Clause 11.2 of the Guidelines, the Evaluation Committee is required to certify that the bidding process and the evaluation have been conducted in conformity with the provisions of the RfS document. Also, the Evaluation Authority should satisfy itself that the price of the selected offer is reasonable and consistent with the requirement. In compliance with the above, the Petitioner has furnished the various conformity certificates on record. *Vide* conformity certificate-1 dated 18.7.2024, the Petitioner has certified that applicable Guidelines and amendments /clarifications thereof, if any, issued by the Government of India were followed for the bidding process in the above tender, and no deviation was taken from the Guidelines in the RfS documents for the above tender. The relevant extract of the aforesaid conformity certificate is as under:

“CONFORMITY CERTIFICATE – 1

With respect to the RfS no. SECI/C&P/IPP/11/0023/23-24 dated 16.03.2024, it is hereby declared as follows:

1. Applicable Guidelines and amendments/clarifications thereof, if any, issued by Government of India were followed for the bidding process in the above tender and no deviation was taken from the Guidelines in the RfS documents for the above tender.”

22. Moreover, *vide* conformity certificate-2 dated 16.7.2024, the Petitioner has stated that after the conclusion of the bid submission, the Evaluation Committee constituted for evaluation of the bids has conducted the techno-commercial as well as financial bid evaluation in conformity with the provisions of the RfS. The relevant extract of the above conformity certificate is as under:

“CONFORMITY CERTIFICATE - 2

With respect to the RfS no. SECI/C&P/IPP/11/0023/23-24 dated 16.03.2024, it is hereby declared as follows:

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

23. We have considered the submissions made by the parties. In the past, the Commission has been proceeding with the adoption of tariffs only to the extent of the awarded capacity having been tied up under the PPAs and PSAs with the successful bidders/developers and the distribution licensees, respectively. In the present case, out of the total awarded capacity of 1200 MW, the Petitioner has so far tied up only 500 MW under the PPAs and PSA. However, keeping in view the overall emphasis of the Guidelines on the expeditious adoption of the tariff, we consider it appropriate to proceed with the adoption of the tariff without waiting tying up of the entire awarded capacity under the PPAs and PSAs,

albeit such adoption shall be subject to the Petitioner tying up the balance awarded capacity under the PPAs and PSAs.

24. In light of the aforesaid discussion, it emerges that the selection of the successful bidders has been made, and the tariff of the Solar PV Power Projects with ESS has been discovered by the Petitioner, SECI, through a transparent process of competitive bidding and in accordance with the Guidelines issued by the Ministry of Power, Government of India. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the Solar Power Projects with ESS (Tranche XV), as agreed to by the following successful bidders, subject to the Petitioner tying up the balance awarded capacity under the PPAs and PSAs:

S. No.	Name of the Successful Bidder	Allotted Capacity (MW)	Final Tariff (INR/kWh)
1.	Pace Digitek Infra Private Limited	100	3.41
2.	Hero Solar Energy Private Limited	250	3.42
3.	ACME Solar Holdings Limited	350	3.42
4.	JSW Neo Energy Limited	500	3.42
	Total	1200	

25. Prayer (a) of the Petitioner is answered in terms of above paragraph 24. Moreover, as soon as the balance awarded capacity is tied-up under the PPAs and PSAs, the Petitioner shall place on record the copies of such PPAs and PSAs in the present case. Also, in the event that the balance awarded capacity does not fructify into PPAs and PSAs, the Petitioner shall also place on record such development(s) on the file of the present case.

26. The Petitioner, SECI, has also prayed to approve the trading margin of Rs.0.07/kWh to be charged to the End Procurer or any other entity over & above the PPA tariff on the sale of power as specified depicted in the RfS document and specified in the Guidelines.

27. In this regard, Clause (1)(d) of Regulation 8 of the Trading Licence Regulations provides as under:

“For transaction under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller.”

28. The above provision gives a choice to the contracting parties to mutually agree on trading margin for long term transactions. However, proviso to Regulation 8(1)(d) of the Trading Licence Regulations provides as under:

*“8(1) (d) * * * * **

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.”

29. 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.”

30. The above two provisions are exceptions to the main provision as regards trading margin. In the present case, the distribution licensee, Kerala State Electricity Board Limited, has agreed to a trading margin of Rs. 0.07/kWh as agreed in the PSA, which is in consonance with Regulation 8(1)(d) of the Trading Licence Regulations. For the balance capacity also, the trading margin shall be as per the provisions of the PSAs to be entered

into between SECI and the distribution licensees and with due regard to the provisions of the PSM in the Guidelines/PPA, and be subject to the provisions of the Trading License Regulations. Further, in case of failure by SECI to provide an escrow arrangement or irrevocable, unconditional, and revolving letter of credit to the solar generators, the trading margin shall not exceed Rs.0.02/kWh as specified in the Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

31. Prayer (b) of the Petitioner is answered accordingly.

32. Petition No. 283/AT/2024 is disposed of in terms of the above.

Sd/-
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