

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION  
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

**HERC/Petition No. 36 of 2025**

**AND**

**IA No. 17 of 2025**

<b>Date of Hearing</b>	<b>:</b>	<b>10.06.2025</b>
<b>Date of Order</b>	<b>:</b>	<b>13.06.2025</b>

**In the Matter of**

Petition under Section 86(1)(b) of the Electricity Act, 2003 read with Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 seeking approval of source and approval of the draft Power Supply Agreement (PSA) to be executed with NHPC for procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects with Energy Storage System to be supplied by NHPC at a tariff of Rs 4.44/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years.

**Petitioner**

Haryana Power Purchase Centre (HPPC), Panchkula

**Respondent**

NHPC Limited

**Present on behalf of the Petitioner**

1. Ms. Sonia Madan, Advocate
2. Mr. Lovepreet Singh, Advocate

**Present on behalf of the Respondent**

Mr. Onkar Yadav, GM (Commercial), NHPC

**Quorum**

**Shri Nand Lal Sharma  
Shri Mukesh Garg**

**Chairman  
Member**

**ORDER**

**Brief background of the case**

1. The present petition has been filed by HPPC seeking approval of source and approval of the draft Power Supply Agreement (PSA) to be executed with NHPC for procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects with Energy Storage System to be supplied by NHPC at a tariff of Rs 4.44/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years.
2. The petitioner has submitted as under:
  - 2.1 That the Government of India has announced the Policy for promotion of the renewable energy in the country and has set an ambitious target to achieve 500 GW of non-fossil-based installed energy capacity by the year 2030. Ministry of Power,

Government of India has issued “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” vide Gazette Resolution no. 23/03/2023-R&R dated 09.06.2023.

2.2 That NHPC had initiated a Tariff Based Competitive Bid Process dated 15.03.2024 for selection of RE Power Developers for Supply of 1200 MW, Firm and Dispatchable RE (FDRE) Power from ISTS- Connected Renewable Energy (RE) Power Projects with Green Shoe Option of additional capacity up to 1200 MW under REIA scheme of MNRE. NHPC as “Intermediary procurer” intended to purchase FDRE power from renewable energy project developers (REPDs) and sell to state DISCOM(s)/ End Procurers on back-to-back basis.

2.3 That NHPC vide letter dated 03.12.2024 sought consent of the Discoms with disclosure of quantum in MW for procurement of power on long term basis for 2.1 GW FDRE Offer of NHPC as REIA. The distinctive feature of power projects through which supply was to be made were detailed in the said letter as under –

- a. Projects shall have Operational life of minimum 25 years and NHPC shall sign Power Sale Agreement (PSA) with State Discoms/ End Procurer and back-to-back Power Purchase Agreements (PPA) with the Developers valid for 25 years from the COD of the project.
- b. 2100 MW including Green Shoe Capacity of 900 MW was discovered in the tender process. CUF and capacity of projects offered by NHPC against selected 5 nos. projects were mentioned as under –

SI No	Developer	Allocation	MW Cap	Tariff incl. Td margin @ 7 paisa/unit (Rs. Per kWh)	CU F%	Solar Capacity (MW)	Wind Capacity (MW)	BESS Capacity (MW/MWh)	Connectivity
1.	Essar Renewables Ltd, Mumbai	Base	300	4.44	57	355MW(AC) (AP)	180 MW (AP)	225MW/ 450MWh	ISTS Connectivity
2.	Serentica Renewables (I) Pvt. Ltd. Gurugram	Base	150	4.44	70	180MW (AC) (Gujarat/Rajasthan)	198 MW Gujarat/Karnataka	37.5/ 75MWh	ISTS Connectivity
3.	Juniper Green Energy Pvt. Ltd. Gurugram	Base	200	4.44	70	160MW (AC) (Rajasthan)	300MW (Rajasthan & Gujarat)	30MW/ 60MWh	ISTS Connectivity
		Green Shoe	50	4.44	70	35 MW (AC) (Rajasthan)	60 MW (Rajasthan & Gujarat)	30MW/ 60MWh	
4.	Hexa Climate Solutions Pvt. Ltd, Gurugram	Base	80	4.45	65	95 MW (AC) (Rajasthan)	100MW (Karnataka)	10MW/ 20MWh	ISTS Connectivity
		Green Shoe	120	4.44	65	143MW (AC) (Rajasthan)	165MW (Karnataka)	15MW/ 30MWh	
5.	Avaada Energy Pvt. Ltd., Noida	Base	470	4.45	62	1000MW (AC) (Rajasthan)	1600 MW (MP, AP & Maharashtra)	150MW/ 300MWh	ISTS Connectivity

- c. Projects shall have scheduled completion period of 24 months from the effective date, i.e. date of signing of PPA with the developer.

- d. If the PPA is signed before June 2025, SCD of the projects shall fall within 50% ISTS waiver regime as per present ISTS trajectory declared by MoP, Government of India.
  - e. PSA/PPA shall have penalty clause against two factors separately, which shall facilitate supply of 90% power of contracted capacity during peak hours for which developer has to install additional capacity of battery in the project but at the same time:-
    - i. If project developer fails to meet the minimum CUF guaranteed in RFS.
    - ii. If project developer fails to supply 90% power for four peaking hours in two tranches. (Morning: 05.00 to 10.00 Hrs. and Evening: 18:00 to 23:00 Hrs.)
  - f. NHPC FDRE tariff is competitive compared to similar bids of other REIAs.
  - g. NHPC have higher wind capacity compared to solar component and it shall compensate the variability of solar power during day and also support evenly during non-solar hours to meet the demand which is the main constraint for DISCOMs.
  - h. Bidders have to submit performance bank guarantee for the total installed capacity instead of contracted capacity and it guarantees more commitment of developers to complete the project.
  - i. The DISCOMs shall be responsible for obtaining Grid Access/GNA as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 and amendments issued from time to time.
  - j. NHPC shall allocate power to State DISCOMs/Buying Entities on First cum First serve Basis (FCFB) on receipt of firm consent for signing of PPA by the buying entity.
- 2.4 That 82<sup>nd</sup> SCPP meeting was held on 07.03.2025 wherein agenda as regards procurement of power from NHPC was deliberated. SCPP accorded consent for *in-principle* approval for procurement of 400 FDRE power through ISTS connected RE power projects at a tariff of Rs. 4.44 kWh including 7 paise trading margin through NHPC under 2100 MW FDRE tender from the following sources –

S. No.	Source	Capacity (MW)	Tariff (including Trading Margin of Rs. 0.07/kWh)	CUF (in %)
1.	Serentica Renewables (I) Pvt Ltd, Gurugram	150 (Base)	Rs. 4.44/kWh	70%
2.	Juniper Green Energy Pvt. Ltd, Gurugram	200 (Base)	Rs. 4.44/kWh	70%
		50 (Green Shoe)		

The consent was subject to the approval of the Hon'ble Commission. It was however, directed that the PSA with NHPC be signed latest by 15 June 2025 in order to get the benefit of waiver of 50% ISTS transmission charges (for 25 years).

2.5 That Petitioner (HPPC) vide letter dated 07.04.2025 provided its consent to NHPC for procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects with Energy Storage System in India under tariff based Competitive Bidding, subject to the following terms and conditions: -

- The levelized tariff shall be kept at Rs.4.44/kWh (including trading margin of NHPC) for a period of 25 years.
- The consent shall be subject to the approval of HERC.

2.6 That the salient features of offered power are summarized hereunder for ready reference -

Name of REIA	MW	Tariff (excluding trading margin)	CUF (%)	Expected SCOD	Salient Features
NHPC (FDRE)	400	4.37	70	24 Months from PPA Date	<ul style="list-style-type: none"> <li>• Peak hours — 4 Hours (CUF-Min 90%) Morning Hours — 05:00 to 10:00 (2 hrs) Evening Hours — 18:00 to 23:00 (2 hrs)</li> <li>• Minimum CUF to be maintained during Peak Hours on monthly basis = 90%.</li> <li>• 1.5 x PPA tariff penalty is applicable for shortfall in peak hour generation.</li> <li>• HPD shall install ESS capacity @ minimum 250 kWh for each 1 MW capacity being contracted under the PPA. However, the generator may install higher capacity of ESS.</li> <li>• Penalty provision of 1.5 times of the extent market rate for third party sale.</li> <li>• Penalty provision of 1.5 times of the applicable tariff in case of shortfall in supply of energy less than annual committed quantum by the supplier.</li> <li>• Power from individual Energy Component shall be purchased @50% of the PPA tariff.</li> </ul>

#### FEASIBILITY OF PROCUREMENT OF RE POWER THROUGH NHPC -

2.7 That the Ministry of Power, Government of India has notified the Guidelines under Section 63 of the Act. NHPC has been designated as the nodal agency for implementation of scheme for setting up of ISTS connected/ State specific solar/ wind power projects with the mandate to invite bids under Tariff Based Competitive Bidding process, enter into Power Purchase Agreements (PPAs) at the tariff discovered in the competitive bid process conducted and enter into Power Sale Agreements (PSAs) with the distribution licensees.

2.8 That in the instant case, the offered tariff has been discovered through transparent competitive bidding process and the trading margin is in terms of the guidelines issued by MoP. The selection of the successful bidder and determination of tariff of the Projects has been carried out by NHPC through a transparent process of competitive bidding in accordance with Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act.

2.9 That the Government of India has set a target of installing 500 GW of renewable energy capacity by the year 2030. Considering the above, Ministry of Power (MoP)

vide its order dated 22.07.2022 specified the RPO trajectory for obligated entities upto FY 2029-30 as 43.33% in order to enable the achievement of the above goal by 2030. From a pure macro-economic perspective, Renewable Energy shall dramatically reduce the coal import bill. Also, there are environmental benefits (less pollution), social benefits (local employment opportunities) and investment inflows, which may need to be monetized to assess the complete range of benefits.

2.10 That the Ministry of Power, Government of India (MoP) in its Order dated 17.04.2020 has proposed an amendment to the Electricity Act, 2003 wherein heavy penalties have been imposed for not purchasing renewable energy as brought out hereunder:-

*“(2) Notwithstanding anything contained in sub-section (1), in case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person, with effect from such date as may be notified by the Central Government, has not purchased power from renewable or hydro sources of energy as specified by it using its powers under the Act, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of fifty paise per kilowatt-hour for the shortfall in purchase in the first year of default, one rupees per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of two rupees per unit for the shortfall in purchase continuing after the second year.”*

2.11 That this Hon’ble Commission, vide Order dated 26.12.2022 issued revised RPO trajectory, which is tabulated as under –

FY	Wind RPO Targets	HPO	Other RPO	Total RPO
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

2.12 That the details of the current tied up contracted RE Power capacity and the additions expected until FY 2026-27 is tabulated as under: -

Date	Solar Ground mounted	Solar Rooftop	Wind	Hybrid FDRE) /Assured Peak	Bioma ss	WtE	Hydro	Total
<b>Capacity in MW</b>								
Current Capacity (as on 12.05.25)	1606.17	983.7	802	144.84	180.6	6.77	3208.67	6932.75
Additions expected in FY 2025-26	618.96	50	264	5.16	3	25	624.39	1590.51
Additions expected in FY 2026-27	2.6	50	0	800	0	0	61.4	914
Total Capacity	2227.73	1083.7	1066	950	183.60	31.77	3894.46	9437.26

addition till FY 2026-27								
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- 2.13 That with the above arrangements/tie-ups, the total installed capacity to the tune of 9437.26 MW RE Power shall be available with Haryana Discoms by the end of FY 2026-2027. The addition of long-term power through NHPC Ltd. shall help Petitioner combat all RPO obligations in future.
- 2.14 That it is worthwhile to highlight here that the Hon'ble Commission vide order dated 06.06.2024 passed in Petition no. 19 of 2024 had allowed procurement of 800 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects with Energy Storage System in India @ Rs 4.45/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years considering that the power procurement from energy storage system will be helpful in meeting the power demand in the State of Haryana during the peak period and can ever serve its base load and will also help meet RPO Obligation.
- 2.15 That the tariff of similarly placed tenders issued by NHPC, HTPC and SECI for FDRE power is higher than the tariff forming subject matter of instant petition i.e. Rs. 4.37/kWh - Rs. 4.38/kWh. The tariff discovered in other tenders is tabulated hereunder for ready reference –

Tender issuing Authority	Tender Date	FDRE Scheme	Tariff Range excluding Trading Margin (in Rs./kWh)
NTPC		3000 MW FDRE scheme	4.64-4.72
NHPC	28.06.2024	2350 MW FDRE scheme	4.48-4.56
SECI	15.09.2023	630 MW Firm and Dispatchable Power from ISTS-connected Renewable Energy (RE) Power Projects (Tranche-IV)	4.98-4.99
	02.11.2022	1200 MW ISTS-connected Wind-Solar Hybrid Power Projects with assured Peak Power Supply (Tranche-VI)	4.64-4.72

Further, even SJVN recently has held an e-Reverse Auction for supply of 1200 MW FDRE RTC power from ISTS – Connected Renewable Energy Power projects and the discovered tariff is in the range of Rs. 4.89 to Rs. 4.98/kWh.

- 2.16 That considering the foregoing, the power procured from NHPC has a competitive tariff, would be considered for meeting the renewable purchase obligations (RPO) and will help provide green and clean electricity to Haryana at economical rates. Firm and dispatchable renewable (FDRE) power will lead to optimum cost utilization and will enable Discom's to fulfil its Renewable Purchase Obligation.
- 2.17 That it is pertinent here to reiterate that with execution of PSA with NHPC by HPPC before 15.06.2025 and with execution of PPA with Renewable Energy Power Developer (REPD) by NHPC before 30.06.2025, HPPC will be able to avail the benefit of waiver of 50% transmission charges (for 25 years) as per prevalent ISTS

trajectory issued vide Ministry of Power, Government of India, vide Order No. F. No. 23/12/2016-R&R dated 23.11.2021. As such, it is imperative that the approval be accorded well before 15.06.2025, so that the PSA may be executed in timely manner. Signing the PSA/PPA beyond this date will result in graded imposition of ISTS charges, escalating to 100%, thereby nullifying the financial advantage over the 25-year contract period. This has been duly acknowledged in NHPC's communication dated 03.12.2024 and the minutes of the 82nd SCPP meeting held on 07.03.2025. A copy of Order of the MoP dated 23.11.2021 is appended herewith marked as Annexure P-5.

- 2.18 That the renewable power offered by NHPC shall be at a minimum CUF of 70% which is equivalent to PLF of a thermal power plant. The NHPC/RPD shall be obligated to supply the Contracted Capacity with the Firm and Dispatchable RE power configuration, keeping at least 90% availability during Peak Hours (04 hours - 2 hours in morning and 2 hours in evening) on monthly basis. In case of shortfall in Peak availability of 90% and annual shortfall in supply of energy corresponding to minimum CUF of 70%, liquidated damages shall be paid by NHPC/RPD to Petitioner at the rate of 1.5 times of the applicable tariff for such shortfall. Considering all the above scenario, procurement of this 400 MW firm and dispatchable power is considered beneficial for Haryana Discoms.
- 2.19 That since the power under the PSA shall be an inter-state supply of power, the appropriate commission for adoption of tariff is Hon'ble Central Electricity Regulatory Commission (CERC). Respondent – NHPC shall file petition before Hon'ble CERC for adoption of tariff.
- 2.20 That the Petitioner-HPPC is making constant efforts to arrange reliable and feasible power supply. Considering the position of power deficit in the State, growing requirement of power over the years, HPPC considers that the sourcing of FDRE power from NHPC will be in the overall interest of all concerned including consumer of Discoms.
- 2.21 The petitioner prayed as under:
- a) Grant source approval for procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects @ Rs 4.44/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years through NHPC;
  - b) Grant approval of the draft Power Supply Agreement (PSA) to be executed with NHPC as mutually agreed between parties; and
  - c) Pass any other order(s) and or direction(s), which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case

### **Interlocutory Application:**

3. The Petitioner had also filed Interlocutory Application i.e. IA 17 of 2025 requesting for urgent listing of petition/ hearing of the petition on the following grounds:
  - 3.1 That the Ministry of Power, Government of India, vide its Order No. F. No. 23/12/2016-R&R dated 23.11.2021, has stipulated that no inter-State transmission charges (ISTS) shall be levied for the Solar, Wind, Hydro PSP & BESS projects commissioned on or before 30.06.2025. If RE Power project is commissioned after 30.06.2025, ISTS charges would be levied as per a graded trajectory, starting from 25% up to 100% of applicable charges for a period of 25 years, which will have a financial impact on the Discoms and, consequently, the consumers of the State.
  - 3.2 That the captioned Petition necessitates an urgent adjudication in view of the prevailing trajectory for inter-State transmission system (ISTS) charges as notified by the Ministry of Power. The FDRE power projects under the current Agreement with NHPC shall be scheduled to be commissioned within 24 months from Effective Date (i.e. date of signing of PPA (s) between NHPC & REPD(s). In view thereof, it is crucial that the Power Sale Agreement (PSA) with NHPC is executed on or before 15.06.2025 by HPPC so as to allow NHPC & REPD (s) for signing of PPA between on or before 30.06.2025. Hence, timely execution of the PSA/PPA is vital to secure 50% ISTS waiver from ISTS charges for the entire term of the agreement.
  - 3.3 That waiver of 100% ISTS charges shall be available only if the Renewable Power Project (Solar, Wind, Hydro PSP and BESS) is commissioned on or before 30.06.2025. Commissioning of the RE Power Project beyond this date will result in graded imposition of ISTS charges, escalating to 100%, thereby nullifying the financial advantage over the 25-year contract period. The delay in securing the necessary regulatory approval would not only disrupt the project timelines but also impose a long-term financial burden on the State Discoms, with a direct pass-through impact on the end consumers.
  - 3.4 That as per settled law, a competent court ought to consider an application seeking urgent hearing and disposal of a matter where the applicant sufficiently highlights the extant urgency and the issues that may arise if no indulgence was provided by the competent court. ***In Aruna wd/o DTS Moorthy & Anr. v. UCO Bank, Nagpur & Anr.*** (reported as 2022 (1) Mh. L.J.), it was observed that a competent court would have to apply its judicial mind and consider the facts and circumstances put forth by the necessary party seeking urgent hearing and disposal of a matter. Importantly, it is required to appreciate the possible implications on the party in case no indulgence for urgent hearing is provided. The relevant extract of order reads as under -

“10. After all, opportunity of hearing is an integral part of our constitutional philosophy and it is well embedded in Articles 14 and 21 of the Constitution of India. **Urgency of hearing is of course determined by 17 the facts and circumstances of a particular case. Therefore, it becomes necessary for a competent judicial authority to judiciously apply its mind to the facts and circumstances of each case to determine as to whether or not there is any case for urgent hearing made out by the parties. Such authority is also required to take into consideration the consequence that may ensue if such hearing is denied to the party.** All these aspects of the matter would only indicate the onerous nature of responsibility of Registrar of the Debts Recovery Tribunal and as said earlier, in the present case, this responsibility required Registrar of the Debts Recovery Tribunal to place request for grant of urgent hearing made by the petitioners before the Presiding Officer of the Debts Recovery Tribunal. The Registrar of the Debts Recovery Tribunal, Nagpur, however, has failed to perform his duty in the matter and, therefore, the order passed by him on 26-07-2021 denying hearing on 28-07-2021 would have to be held as illegal.” (Emphasis added)

3.5 The following prayers have been made:-

- a) Allow the present Application and list and hear the captioned Petition on an urgent and expeditious basis: and
- b) Pass any order and/ or any such orders as this Hon'ble Commission may deem fit and proper under the facts and circumstances of the present case and in the interest of justice.

### **Proceedings of the Case**

4. The case was initially heard on 03.06.2025. The Commission, vide its Interim Order dated 03.06.2025, directed the parties to negotiate the trading margin. The operative part of the order is as under:

“2. Upon hearing the matter, the Commission observes that trading margin of Rs. 0.07/kWh appears to be on the higher side. In this regard, the Commission in its order dated 08.05.2023 (Petition No. 19 of 2023) had observed as under:-

“8.....In the past, while accepting additional 176 MW power from JSW (Karcham Wangtoo) through PTC, the trading margin was negotiated and brought down from 5 paise/unit (1-12 years) and 10 paise/unit (13-35 years) to 3.9 paise/unit for 35 years. Hence, it is not that the trading margin has not been negotiated earlier or cannot be negotiated. Therefore, the Commission directs HPPC to negotiate the

*trading margin, in future, before approaching this Commission for source approval and the same should not be more than 3.5 paise per unit.”*

*Hence, the Commission directs the parties to negotiate the trading margin.*

*Considering the urgency in the matter, the senior level representative of NHPC well conversant with the projects are directed to be present on the next date of hearing.”*

5. Reply filed by Respondent (NHPC):-

In response to the interim order of the Commission dated 04.06.2025, NHPC handed over the copy of its reply dated 05.06.2025, during the hearing held on 10.06.2025, submitting as under:-

i) As per the MoP resolution dated 09th June 2023

*"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" clause Sl. No. 2.2 (h)(i) clearly states that "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".*

Accordingly, NHPC, including other REIAs are charging trading margin of Rs. 0.07/kWh in REIA bid under this petition at Hon'ble HERC.

ii) Petition for adoption of tariff has been filed in the CERC. The tariff & trading margin shall be applicable under the bid/PPA as adopted by the CERC under Section 79 of the Electricity Act 2003.

iii) All REIA's are charging the trading margin of Rs. 0.07/kWh as per MOP guidelines and the same is being approved by the CERC/SERCs for previous bids of REIAS.

iv) Order referred under ROP Petition No 19 of 2023, Hon'ble HERC has approved trading margin of Rs. 0.07/kWh for the medium term of 5 years only while for the instant petition has been filed for 25 years period which is susceptible to larger risks like credit risk, regulatory and policy changes, bank interest rate, technical performance challenges & payment delays etc. & trading margin Rs. 0.07/kWh as allowed in MOP guideline & being charged by NHPC is reasonable.

v) Appellate Tribunal for Electricity (APTEL) in its order dated 06th July 2023 in matter of Solar Energy Corporation of India Limited Vs Uttar Pradesh Electricity

Regulatory Commission & Uttar Pradesh Power Corporation Limited, has reinstated the trading margin of Rs. 0.07/kWh.

- vi) HERC, vide its order dated 06.06.2024 (Petition No. 19 of 2024 HPPC vs SJVN), approved PSA for procurement of 800 MW FDRE power with allowing trading margin Rs. 0.07/kWh.
- vii) Trading margin of Rs 0.07/kWh has been mentioned in RfS issued by NHPC Ltd. The developers have placed their bids keeping in view the trading margin, to offer FDRE power at reasonable rates for the buying entity.

In view of above, Trading Margin Rs. 0.07/kWh is not negotiable by NHPC and shall be as per adoption order of CERC.

### **Commission's Analysis and Order**

6. The case was finally heard on 10.06.2025, wherein the counsel present on behalf of the petitioner, i.e. Ms. Sonia Madan, briefed the contents of the petition and placed on record all the documents and sought approval of source as well as approval of the Power Purchase Agreement (PPA) for the procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects @ Rs 4.44/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years through NHPC power.
7. At the outset, the Commission directed the petitioner and the respondent to adhere to the filing procedure prescribed in HERC (Conduct of Business) Regulations, 2019, as amended from time to time including the filing of the submissions in advance as per the prescribed filing procedure, in future.
8. The Commission heard the arguments of the parties at length as well as perused the written submissions placed on record by them. The Commission has considered the submissions of the petitioner herein that HPPC will be able to avail the benefit of waiver of 50% transmission charges (for 25 years) as per the order dated 23.11.2021 issued by Ministry of Power, Government of India, vide Order No. F. No. 23/12/2016-R&R, in case the project is commissioned upto 30.06.2027. Further, representatives of both HPPC and NHPC have submitted that negotiations in the trading margin are not possible in the present case 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 issued by MoP bids of Renewable Energy Implementing Agencies. The Commission has also considered the order of the Hon'ble Appellate Tribunal for Electricity (APTEL) dated 06th July 2023 in matter of Solar Energy Corporation of India Limited Vs Uttar Pradesh Electricity Regulatory Commission &

Uttar Pradesh Power Corporation Limited, wherein the trading margin of Rs. 0.07/kWh was reinstated.

9. The Commission has further taken note of the Regulation 62 (12) of the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021, (2nd Amendment) 2022, which provides that 2.5% of the energy consumed during the FY 2026-27 (excluding consumption met from RE sources and hydro sources), shall be renewable energy along with/through storage, including pumped storage projects (PSPs) having capacity 25 MW. Thus, HPPC has a mandate to purchase renewable power along with/through storage. The Commission is of the considered view that the power proposed to be procured from NHPC would be considered for meeting the renewable purchase obligations (RPO) and will help to provide green and clean electricity to the electricity consumers of the State of Haryana at @ Rs. 4.44/unit, which is less than the average power purchase cost of the Discoms for the FY 2025-26 and thus, prima-facie appears to be reasonable.
10. The Commission has considered the averments of HPPC that the renewable power offered by NHPC shall be at a minimum CUF of 70% which is equivalent to PLF of a thermal power plant. Further, the NHPC shall be obligated to supply the Contracted Capacity with the Firm and Dispatchable RE power, keeping at least 90% availability during Peak Hours (04 hours – 2 hours in morning and 2 hours in evening) on monthly basis. In case of shortfall in Peak availability of 90% and annual shortfall in supply of energy corresponding to minimum CUF of 70%, liquidated damages shall be paid to Petitioner at the rate of 1.5 times of the applicable tariff for such shortfall. The project is expected to come up within 24 months of the date of signing of PPA with the developer i.e. well before 30.06.2027. The Discoms, in various petitions filed before the Commission, are projecting power deficit ranging from 1183 MW in the year 2027-28 to 3717 MW in the year 2034-35. Further, non-availability of certain intra-state thermal generators due to technical glitches/unforeseen circumstances, cannot be ruled out. Considering the factors such as rise in prices of traded power, rising fuel costs and unavailability of linked coal/gas for generation of thermal and gas-based power, there is a need to procure competitive RE power at a feasible tariff. The power procurement from energy storage system will be helpful in meeting the power demand in the State of Haryana during the peak period and can even serve its base load.
11. In view of the above discussions, the Commission, in larger interest of the electricity consumers as well as to enable Discoms to fulfil their RPO obligation associated

with RE power with energy storage, has considered it appropriate to accord the approvals as sought in the present petition i.e. source approval as well as approval of the draft Power Purchase Agreement (PPA) for the procurement of 400 MW Firm and Dispatchable RE power from ISTS- Connected Renewable Energy (RE) Power Projects @ Rs 4.44/kWh including a trading margin of Rs. 0.07/kWh for a period of 25 years through NHPC power.

12. The present petition along with IA filed in the matter, is disposed of in terms of the above order.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 13.06.2025.

**Date: 13.06.2025**  
**Place: Panchkula**

**(Mukesh Garg)**  
**Member**

**(Nand Lal Sharma)**  
**Chairman**

