



याचिका संख्या / Petition No 310/AT/2025

कोरम/ Coram:

श्री जिश्नु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson
श्री रमेश बाबू व., सदस्य / Shri Ramesh Babu V., Member
श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member
श्री रविन्द्र सिंह ढिल्लो, सदस्य /Shri Ravinder Singh Dhillon, Member

आदेश दिनांक/ Date of Order : 14th of January, 2026

In the matter of

Petition under Section 63 of the Electricity Act,2003 for Adoption of Tariff for the ISTS Grid connected Solar Power projects of 1200 MW with 600 MW / 1200 MWh Energy storage system (ESS) and with additional capacity up to 1200 MW with “Greenshoe Option” selected through Competitive Bidding Process under Tariff Based Competitive Bidding Guidelines issued by Ministry of Power, Govt. of India on 09.06.2023 and its amendments thereof. (NHPC Tranche -VIII, Tender ID: 2024_NHPC_821806_1)

And

In the matter of:

NHPC Limited,
(a Govt. of India Enterprise)
NHPC Office Complex, Sector-33,
Faridabad (Haryana)- 121003

... Petitioner

VERSUS

1. M/s Onix Renewable Limited,
Gate No 2, P/212/B,
Rajkot Kalawad Highway, Lodhika GIDC,
Rajot-360021(Gujarat)
2. M/s Jindal India Renewable Energy Limited,
C-3, Block C, Qutab Institutional Area,
Katwaria Sara, New Delhi-110016
3. M/s NTPC Renewable Energy Limited
E-3, Ecotech-II, Udyog Vihar,
Greater Noida -201306 (Uttar Pradesh)



4. M/s Kolar solar Power Private Limited,
65, Sardar Patel Marg,
C scheme. Ashok Nagar,
Jaipur -302001 (Rajasthan).

5. M/s ReNew Solar Power Private Limited,
Renew Hub Commercial Block-1, Zone-6,
Golf Course Road, DLF City, Phase V,
Gurgram -122009(Haryana)

6. M/s Adani Renewable Energy Holding Nine Limited
Adani corporate House, Shantigram , Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad-382421 (Gujarat)

...Respondents

Parties Present:

Shri Rajiv Shankar Dvivedi, Advocate, NHPC
Shri Sushant Kumar, Advocate, NHPC
Shri Jagpal Singh, Advocate, NHPC

ORDER

The Petitioner, NHPC Limited (hereinafter referred to as 'NHPC'), has filed the present Petition under Section 63 of the Electricity Act 2003 for adoption of Tariff for the ISTS Grid connected Solar Power projects of 1200 MW with 600 MW/1200 MWh Energy storage system (ESS) and with additional capacity up to 1200 MW with "Greenshoe Option" selected through Competitive Bidding Process under Tariff Based Competitive Bidding Guidelines issued by Ministry of Power, Govt. of India on 09.06.2023 and its amendments thereof.

2. The Petitioner has made the following prayers:

- 1) *Admit the present Petition.*
- 2) *Adopt the Tariff discovered in the Competitive Bidding Process for individual Power Projects as listed in Table-1 at paragraph 11 above on terms and conditions contained in the PPA to be signed with Solar Power Generators being Respondent Nos 1 to 6 and a Trading Margin of Rs 0.07/kWh in addition to above Tariff is to be recovered from buying Utilities/ Distribution Licensee/ DISCOM(s) in terms of the PSA to be signed between NHPC & Utilities/ Distribution Licensee.*



3) *Pass such other and further order / orders as are deemed fit and proper in the facts and circumstances of the case.*

Submissions of the Petitioner

3. The Petitioner, NHPC, has been designated as an Intermediary Procurer/Renewable Energy Implementing Agency (REIA) for the Electricity Act, 2003, 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. The Ministry of Power, GOI, vide resolution dated 09.06.2023, issued Guidelines for the Tariff-based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid-connected Renewable Energy Power Projects with Energy Storage Systems.

4. NHPC issued a Request for Selection (RfS) document for selection of Solar Power Generators (SPGs) *“Selection of Solar Power Generators for Setting up of 1200 MW (1.2 GW) ISTS (Inter State Transmission System) Connected Solar Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) on anywhere in India basis under Tariff Based Competitive Bidding with Green Shoe Option”* to be set up anywhere in India vide Tender: 2024_NHPC_ 821806_1 dated 20.09.2024, and the same along with Tender document was uploaded on Central Public Procurement (CPP) e-procurement portal on 20.09.2024 with last date of online submission as 18.10.2024. The online bid submission and opening dates were extended up to 29.11.2024 and 04.12.2024, respectively.

5. Fourteen (14) online bids were received on the CPP Portal. The online and offline bids (Part I: Techno Commercial) were opened by duly constituted Tender Opening Committees (TOC) on 04.12.2024. The evaluation of submitted bids was



done by the Tender Evaluation Committee (TEC) constituted by NHPC Management, and thirteen (13) bidders were found technically successful. The Financial bids were opened on 16.01.2025. Twelve (12) number bidders were declared successful for participating in the E-Reverse Auction (E-RA) stage of bidding. The Reverse Auction of bidding was conducted on 22.01.2025 & 23.01.2025 and the following bidders remained successful bidders along with the capacity allotted & quoted Tariff. Letters of Award (LOA) to successful bidders were issued on 13.03.2025

S. No	Name of SPG	Allocated Capacity (MW)	Tariff (Rs/kWh)
1	Onix Renewable Limited	100	3.09
2	Jindal India Renewable Energy Limited	180	3.09
3	NTPC Renewable Energy Limited	300	3.09
4	Kolar Solar Power Private Limited	150	3.09
5	ReNew Solar Power Private Limited	300	3.10
6	Adani Renewable Energy Holding Nine Limited	170	3.10
Total		1200	

6. The petitioner needs to approach States or Discom(s) for providing “In-Principle” consent for the procurement of 1200 MW Solar power through NHPC as REIA after issuance of LOAs. On receiving consent from DISCOMs/States, the Petitioner shall sign a Power Sale Agreement (PSA) with DISCOMs, and a back-to-back Power Purchase Agreement (PPA) shall be signed with the above SPGs. The commissioning of the Projects is anticipated to take place in 2027-28, following 24 months post the signing of the PPA. The Petitioner intends to impose a trading margin of Rs. 0.07/kWh on DISCOMs.



7. The Petitioner has submitted that the Tariff of Rs 3.09/kWh for 730 MW and the Tariff of Rs 3.10/kWh for 470 MW have been discovered through the Competitive Bidding process. The Petitioner has contended that, even at a Trading Margin of Rs 0.07/kWh, the tariff identified is lower than the cost of conventional power procurement by the Discom(s). The Petitioner has argued that the price discovered for the procurement of power from the Solar Power Generators (SPGs) under the competitive bidding process is highly competitive and shall be beneficial to the Buying Utilities/DISCOM(s) as well as the consumers of the Buying Utilities/DISCOM(s).

Hearing dated 25.03.2025

8. The matter was heard on 25.03.2025. Learned Counsel for the Petitioner reiterated the submissions made in the petition and prayed to the Commission to adopt the tariff.

9. After hearing the learned counsel for the Petitioner, notices were issued to the Respondents to file their respective replies, if any. The Commission also sought information/clarification on the details of additional capacity opted by the successful bidders under the Greenshoe Option, the status of issuance of the Letter of Award to the Successful Bidders, and a copy of the conformity certificate.

Hearing dated 19.05.2025

10. The matter was finally heard on 19.05.2025. Learned counsel further submitted that the Petitioner, vide affidavit dated 17.04.2025, has furnished the additional information/clarification sought by the Commission. Learned counsel for



Respondent No.2, Jindal India Renewable Energy Limited, also submitted its reply in the matter.

11. The Petitioner, in reply to the Commission's query related to details of additional capacity opted by the successful bidders under the Greenshoe Option, provided the following information:

Sr. No.	Name of SPG	Base allocation (MW)	Tariff (Rs./kWh)	Allocated capacity (MW)	Tariff (Rs./kWh)
1.	Onix Renewable Limited	100	3.09	100	3.09
2.	Jindal India Renewable Energy Limited	180	3.09	120	3.09
3.	NTPC Renewable Energy Limited	300	3.09	370	3.09
4.	Kolar Solar Power Private Limited	150	3.09	140	3.09
5.	ReNew Solar Power Private Limited	300	3.10	300	3.09
6.	Adani Renewable Energy Holding Nine Limited	170	3.10	170	3.09
Total Capacity (MW)		1200		1200	

12. The Petitioner submitted that capacity under the Greenshoe Option of 1200 MW has been allotted to the successful bidders as per their eligibility and after their consent for additional capacity in accordance with clause 3.1 of the RfS document. The Petitioner has further submitted that, in the second round of bidding for the Greenshoe option, 70 MW remained unallocated and was allocated to M/s NTPC Renewable Energy Limited upon fulfilment of the financial criteria set out in clause 3.8 of the RfS, under clause 3.1 of the RfS. In response to the status of issuance of the Letter of Award to the Successful Bidders, the Petitioner has stated that LOAs have been issued to all the successful bidders (6 nos.) on 13.03.2025. Considering the submissions made by the Learned counsel for the Petitioner, the Commission reserved the matter for order.



Analysis and Decision

13. In view of the above, we now proceed to consider the prayer of the Petitioner as regards the Petition under Section 63 of the Electricity Act 2003 for Adoption of Tariff for the ISTS Grid connected Solar Power projects of 1200 MW with 600 MW / 1200 MWh Energy storage system (ESS) and with additional capacity up to 1200 MW with “Greenshoe Option” selected through Competitive Bidding Process under Tariff Based Competitive Bidding Guidelines issued by the Ministry of Power, Govt. of India on 09.06.2023 and its amendments thereof.

14. Section 63 of the Act provides as follows:

“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.”

15. 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 determining such tariff.

16. 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 for the procurement of firm and dispatchable power from grid-connected renewable energy power projects with energy storage systems. The salient features of the guidelines are as under:

i) *The specific objectives of the guidelines are: a) to provide firm and dispatchable power to distribution companies (DISCOMs) from renewable energy sources, b) facilitate renewable capacity addition and fulfilment of Renewable Purchase Obligation (RPO)/ Storage Power Obligations (SPO)*



requirements, provide a transparent, fair, c) to provide standardized procurement framework based on open competitive bidding with appropriate risk-sharing between various stakeholders, and d) to provide a framework for the Inter-State/ Intra-State, long-term, sale purchase of power as a further measure to de-risk the sector. The guidelines require the bid documents to be prepared in accordance with the guidelines and seek approval from the Government for deviations in the draft RfS, draft PPA, and draft PSA (if applicable) from these Guidelines and/or SBDs.

- ii) The Renewable Energy Supply (RfS) outlines the requirements for a project's commencement of supply, including land acquisition, connectivity, and regular reporting requirements. The generator must supply firm and dispatchable renewable energy power, with peak hours declared by the DISCOM as specified in the RfS. The generator must offer 100% renewable energy but can source up to 5% from green market sources/bilateral agreements.
- iii) The developer must combine the renewable energy generating system with energy storage to achieve the required availability against demand profile and performance criteria. A single tariff for supply of firm and dispatchable renewable energy power is quoted by the bidders at the CTUIL interconnection point. Bids are invited in Power Capacity (MW) terms, with a minimum quantum of 50MW for economies of scale. A maximum of 50% of bid capacity can be allocated to a single bidder in a tender.
- iv) The bidding evaluation parameter is the tariff per unit supply of firm and dispatchable renewable energy power, fixed for the entire term of the PPA. The bidder must submit separate technical and price bids, provide an Earnest Money Deposit (EMD), and meet eligibility criteria set out in the RfS document. The minimum number of qualified bidders is two, and any deviation from the tender conditions is rejected. The detailed procedure for evaluation of bids and selection of bidders is provided in the RfS document.
- v) The Power Purchase Agreement (PPA) is a document involving the purchase of power from a generator. It outlines the PPA period, which can be 20 years or 25 years, and the power procurement terms. The generator must ensure supply meets specified conditions, such as RTC, load profile, and number of hours. The summation of generation schedules from multiple sources cannot exceed the contracted capacity. The generator can supply power beyond the contracted capacity to third parties or power exchanges without a No-Objection Certificate (NOC). Developers with untied capacity may participate in the bid and receive a longer PPA period. If there is a shortfall in project availability due to the generator, the generator must pay a penalty, which is equal to one and a half times the tariff for the number of units not supplied. The generator is responsible for scheduling and punching at



different Regional Load Dispatch Centers. The Deviation Settlement Mechanism (DSM) applies for deviations from the schedule, and charges are settled by the generator.

vi) The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, outline the provisions for payment security and force majeure. The generator must inform the procurer of a force majeure within 15 days and respond within 15 days. The Procurer may be constrained from scheduling power due to transmission infrastructure or grid unavailability. Compensation for offtake constraints is provided for generators who fail to meet the forecasting and scheduling process.

vii) For claiming compensation, generators must sell their power in the power exchange as a price taker, with compensation limited to the difference of actual generation up to declared capacity. If a generator defaults, the procurer may terminate the PPA and pay damages equivalent to 24 months or the balance PPA period whichever is less. If the generator assigns or innovates rights or obligations contrary to the terms of the PPA, the procurer may recover the damages through forfeiture of bank guarantee.

viii) The lenders may exercise their rights of substitution in the event of a generator's default, but if lenders cannot substitute the defaulting generator within the stipulated period, the procurer may terminate the PPA. If the procurer/intermediary procurer is in default due to failure in timely payment or repudiation of the PPA, the generator may terminate the PPA at its discretion.

ix) The Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, have been notified by the Ministry of Power. The bidding process for the project will adopt a single stage, two-part (Technical Bid & Financial Bid) electronic mode. The Procurer will invite the generators to participate in the RfS for installation of the Renewable Energy Power Plants and supply of the RE Power with Energy Storage System. The developers, who have already set up capacity or have spare untied capacity, may also participate in the bid.

x) The procurer will prepare bidding documents, including the RfS and draft PPA, in accordance with these guidelines and any SBDs. The RfS notice will be published in at least two national newspapers and its own website for wide publicity. Pre-bid conferences and written interpretation of the tender documents will be provided to the bidders.

xi) The Request for Selection (RfS) document will include bid responsiveness, technical criteria, financial criteria, liquidity, and the Quantum of the Earnest Money Deposit (EMD). The net worth requirement should be at least 20% of the estimated 'RE Project' cost or other criteria



specified in the RfS. If a foreign company is selected as the successful bidder, it must comply with all the laws and provisions related to Foreign Direct Investment in India.

xii) The Power Purchase Agreement (PPA) between the RE Project and procurer/intermediate procurer must clearly indicate the SCSD and quantum of supply. The procurement committee will evaluate the RfS bids and certify that the bidding process is conducted in conformity with the provisions of the RfS document. The evaluation authority has the right to reject all price bids if the rates quoted are not aligned with the prevailing market prices.

xiii) For transparency, the Procurer shall publicly disclose the names of the successful bidder(s) and the tariff quoted by them, along with their breakup into components, for at least 30 days. If the distribution licensee or Intermediary Procurer does not decide on the adoption of tariffs within 60 days of submission or 120 days from the date of Power Sale Agreement (PSA), the procurer(s) may grant appropriate extension of time in SCSD to the generators.

xiv) Generators must provide bank guarantees/corporate guarantees/letters of undertaking to pay to the procurer in terms of the RfS. These include Earnest Money Deposit (EMD) and "Payment on Order instrument"/ Letter of Undertaking. The damages/dues recovered by the intermediary procurer by encashment of the PBG upon default will be credited to the Payment Security Fund maintained by the Intermediary Procurer.

xv) The successful bidder must ensure that its shareholding in the SPV/project company executing the PPA does not fall below 51% at any time prior to one year from the SCSD, except with the prior approval of the Procurer. In case of generator default, the lenders are entitled to undertake "Substitution of Promoter" in concurrence with the Procurers.

xvi) The Renewable Energy (RE) Power Generation Scheme aims to ensure fairness and transparency in procurement by promoting standardization and uniformity in processes. Delays in power supply beyond the Supply Cycle Support System (SCSD) can result in penalties for the generator, such as encashment of the Performance Bank Guarantee (PBG) or alternate instruments. For delays beyond six months, the contracted capacity will be reduced to the project capacity that has commenced supply within the SCSD plus six months, and the PPA for the balance contracted capacity will stand terminated.

xvii) Part Commencement of supply of power is accepted by the Procurer subject to the minimum capacity of 50 MW. However, the SCSD will not be altered due to the part-commencement of supply of power. If a component is



ready for injection but the remaining component is unable to commence supply, the generator may commence supply from the component outside the PPA, with the first right of refusal vested with the end Procurer.

xviii) The Procurers must promote commercially established and operational technologies to minimize technology risk and achieve timely commencement of supply. Technical specifications for Solar PV/Wind/Hybrid Power Projects are specified by the Ministry of New & Renewable Energy.

xix) Dispute resolution is subject to the Appropriate Commission, CERC, or SERC/JERC. If difficulties arise in giving effect to any provision of these Guidelines or interpretation of the Guidelines, the Ministry of Power is empowered to do so with the approval of the Ministry, New & Renewable Energy. Renewable energy components, including Energy Storage System (ESS) components charged with RE sources, are eligible for RPO compliance.”

17. The guidelines outline a system for buying reliable and RE power at a price set through a transparent bidding process by the buyers from RE power projects that are 50 MW or larger. These projects are expected to contribute significantly to the transition towards a more sustainable energy landscape. By ensuring transparency in the bidding process, stakeholders can foster competition and drive down costs, ultimately benefiting consumers and the environment alike. The guidelines provide that the generator shall supply firm and dispatchable RE power with the prescribed availability to meet the procurer's demand profile, such that 100% of the annual energy corresponds to RE power. However, generators can source up to 5% of their power (in energy terms) on an annual basis from green market sources. The guidelines further provide that the developer shall combine the RE-generating system with energy storage to ensure it achieves the required availability against the demand profile.



18. As per the guidelines, the Petitioner, NHPC, in the capacity of intermediary procurer, invites bids under the TBCB process, enters into the PPAs with developers at the tariff discovered in the competitive bid process, and enters into the PSAs with the distribution licensees to enable them to procure a firm and dispatchable RE power.

19. Accordingly, NHPC invited proposals for the selection of Solar Power Developers for setting up the 1200 MW with 600 MW/1200MWh ESS and with additional capacity up to 1200 MW with "Greenshoe Option". Under the arrangements, NHPC is to procure power by entering into PPAs with the successful bidder, with back-to-back PSAs for the sale of power to the distribution licensees/Buying Utilities.

20. In terms of the provisions of Section 63 of the Act, we have to examine whether the process outlined in the Guidelines has been followed in the present case to arrive at the lowest tariff and for the selection of the successful bidder.

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

Sr. No.	Event	Date
1.	RfS issued by NHPC	20.09.2024
2.	Pre-bid meeting held	21.10.2024
3.	Corrigendum-01	17.10.2024
5.	Corrigendum-02	05.11.2024
6.	Corrigendum-03	05.11.2024
7.	Corrigendum-04	13.11.2024
9.	Technical Bid Opening	04.12.2024
10.	Price Bid Opening	16.01.2025
11.	e-RA	22.01.2025 & 23.01.2025



22. On 20.09.2024, NHPC issued a Notice Inviting Tender (NIT) for 'Request for Selection' document for selection of SPGs for supply of 1200 MW with 600 MW / 1200 MWh Energy storage system (ESS) and with additional capacity up to 1200 MW with "Greenshoe Option" selected through Competitive Bidding Process under Tariff Based Competitive Bidding Guidelines. The last date of online bid submission was on 18.10.2024, and the opening dates were extended to 29.11.2024 and 04.12.2024.

23. The NIT was also uploaded on NHPC's website and published in the National Newspaper as per the extant policy guidelines of NHPC. Bids for Tariff-Based Bidding were invited on an International Competitive Bidding (ICB) basis in a Single Stage – Two Envelope Bidding process followed by a Reverse Auction among shortlisted bidders.

24. For the execution of the project, the Petitioner constituted a Tender Evaluation Committee (TEC) on 03.10.2024 after obtaining necessary approvals from the competent authority for the evaluation of bids and submission of the award recommendation report, etc., comprising the following:

Sr. No	Name and Designation	Division
1	Sh. Onkar Yadav, GM (Elect.)	Commercial
2	Sh. Sanat Kumar, GM (Civil)	Contract (Civil)
3	Sh. Sunil Sinha, GM (Finance)	Finance
4	Sh. Choudhary Pankaj Kumar Roy, GM (Civil)	RE & GH

25. The Technical Bids submitted by the thirteen (13) Bidders were opened on 04.12.2024 by the Tender Evaluation Committee. The following thirteen (13) Nos bidders have submitted their bids:



Sr. No.	Name of Bidders	Capacity Quoted (MW)
1.	M/s Kolar Solar Power Private Limited	150
2.	M/s Adani Renewable Energy Holding Nince Limited	600
3.	M/s ReNew Solar Power Private Limited	300
4.	M/s Juniper Green Energy Private Limited	250
5.	M/s Avaada Energy Private Limited	600
6.	M/s NTPC Renewable Energy Limited	300
7.	M/s Jindal India Renewable Energy Limited	180
8.	M/s Clean Renewable Energy Hybrid Four Serentica Renewables India Private Limited	200
9.	M/s TEERTH Gopicon Limited	50
Total quoted contracted capacity (MW)		2160

26. Twelve (12) bidders participated in the E-Reverse auction. The E-reverse auction was conducted on 22.01.2025 & 23.01.2025, and the following 6 (Six) bidders were successful, along with the capacity allotted and the quoted Tariff.

S.No	Name of SPG	Allocated Capacity (MW)	Tariff (Rs/kWh)
1	Onix Renewable Limited	100	3.09
2	Jindal India Renewable Energy Limited	180	3.09
3	NTPC Renewable Energy Limited	300	3.09
4	Kolar Solar Power Private Limited	150	3.09
5	ReNew Solar Power Private Limited	300	3.10
6	Adani Renewable Energy Holding Nine Limited	170	3.10
Total		1200	

27. The Petitioner has submitted that they had issued a Request for Selection (RfS) document vide Tender ID: 2024_NHPC_821806_1 dated 20.09.2024 for selection of ISTS Grid Connected Solar Power Projects of 1200 MW with *600MW/ 1200MWh Energy Storage Systems (ESS)* to be set up anywhere in India under the Tariff-Based Competitive Bidding Process, with a "Green Shoe Option" of additional capacity up to 1200 MW.



28. The Commission observes that Clause 3.1 of the RfS document provides that the extra capacity under the “Green shoe Option” will only be given to the winning bidders at the lowest (L1) price found through the competitive bidding. Capacity under the Green shoe option can be offered to such bidders, depending upon availability and the bidder’s willingness. The petitioner also stated that, according to the RfS, the process for awarding under the Green shoe Option is the same as the Base Bid, following the same rules, conditions, and eligibility requirements, and there is no deviation, departure, or dilution in terms of qualification, ranking, or capacity allocation under Green shoe vis-à-vis the Base Bid.

29. The Petitioner provided additional capacity of up to 1200 MW through the ‘Greenshoe Option’ to the successful bidder(s) who are willing to execute PPAs with the Petitioner at the lowest tariff (L1 rate) discovered under the Compleutive Bidding Process (followed by e-reverse auction) to the extent of their respective quoted capacity or higher quantum in case any of the successful bidders does not accept the additional quantum offered under the ‘Greenshoe Option’ to the extent of total 1200 MW for a Bidder.

30. As per the provision of the Greenshoe option stipulated in the RfS, the total additional capacity awarded under the Greenshoe option was 1200 MW, which is equal to the initially allocated capacity. In accordance with the RfS rule, the Petitioner sent letters dated 31.01.2025 to all selected bidders, requesting that they confirm or accept the opportunity to use the Greenshoe Option. In compliance with the same, replies were received by the Petitioner from the selected bidders expressing their acceptance/consent for allocation in relation to the Greenshoe Option. In accordance with the process as stated above, as well as the subsequent



confirmations received from the bidders with respect to additional allocation under the Initial offer Options, the NHPC issued a Letter of Award dated 13.03.2025 to the successful bidders

31. The Petitioner has argued that the price discovered for procurement of power from the Solar Power Generators under the competitive bidding process is highly competitive and is beneficial to the Buying Utilities/DISCOM(s) as well as the consumers of the Buying Utilities/ DISCOM(s).

32. Accordingly, on 13.03.2025, NHPC issued Letters of Award (LoAs) to the above-selected bidders. The relevant extract of the Letter of Award issued to one of the successful bidders, namely, M/s Onix Renewable Limited, is as under:

“Sub: Letter of Award for Selection of Solar Power Generators for Setting up of 1200 MW (1.2 GW) ISTS (Inter State Transmission System) Connected Solar Power Projects with 600MW/ 1200MWh Energy Storage Systems (ESS) on anywhere in India basis under Tariff Based Competitive Bidding with Green Shoe Option (NHPC-Tranche-VIII-Solar with Storage (2024-25))

.....
Dear Sir,

1.0 This has reference to the following:

- A. The “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Firm and Dispatchable Projects” vide Gazette Resolution dated 09.06.2023 including its subsequent amendments and clarifications issued by Ministry of Power (MoP) (hereinafter referred to as “Guidelines”).
- B. The Request for Selection (RfS) document vide RfS no. NH/CCW/CC-I/CO-334/PR16924/17 including draft Power Purchase Agreement (PPA), draft Power Sale Agreement (PSA) and subsequent amendments /clarifications /revisions/notifications issued by NHPC Limited and uploaded during the process of RfS on CPP Portal.
- C. Your response to the RfS document submitted on CPP Portal vide Bid No. 3120492 dated 29.11.2024 against RfS for Setting up of 1200 MW ISTS Connected Solar with ESS Power Projects.
- D. Your Insurance Surety Bond towards Earnest Money Deposit (EMD) submitted along with RfS vide No OG-25-2202-6621-00000036 dated 13.11.2024 issued by Bajaj Allianz General Insurance Company Limited for an amount of Rs. 10.00 Crore with validity upto 28.11.2025.
- E. Your Final tariff at the end of the e-Reverse Auction conducted on 22.01.2025 &

23.01.2025 for the referred RfS for selection for ISTS Connected Solar with ESS Power Projects.

F. Your confirmation of tariff against allocation of capacity under Greenshoe Option.

With reference to above and subject to the provisions of RfS Document, 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:

Allocated Capacity (200 MW)	Projects	Project Location	Inter-Connection Points Details	Declared Capacity Utilization Factor (CUF)	Applicable Tariff(Rs. Per kWh) in figures and words
100 MW (Base Allocation)	Solar PV Project: 100 MW (AC) 140 MWp (DC) (DC/AC Ratio = 1.4) ESS Component: 50MW/100MWh	Jamnagar, Gujarat	220kV Jamnagar	CUF: 25% - 28% (For hours other than peak hours)	3.09 (Rupees Three and Nine Paise only)
100MW (Greenshoe Option)	Solar PV Project: 100 MW(AC) 140 MWp (DC)(DC/AC ratio = 1.4) ESS Component: 50MW100MWh	Jamnagar, Gujarat	220kV Jamnagar PSS ISTS Substation	CUF: 23% - 28% (For hours other than peak hours)	3.09 (Rupees Three and Nine Paise only)

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

2.0 The applicable tariff as mentioned above for power generated from the proposed Solar PV with ESS Power Project Power Project for the term of Power Purchase Agreement (PPA) to be entered into between Solar PV Power Generator (SPG) / Project Company and NHPC Limited, for the project, shall be firmed for the entire term of the PPA. The Capacity Utilization Factor (CUF) shall be governed in terms of Clause 3.10.

3.0 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 issued by NHPC.

4.0 In terms of Clause 3.26 of RfS Document, the shareholding in the Project Company/SPV executing the Power Purchase Agreement (PPA), shall not fall below 51% at any time prior to 1 (One) year from the SCSD, except with the prior approval of NHPC.

5.0 Bidders selected by NHPC based on this RfS shall submit Performance Bank Guarantee (PBG) for a value of Rs. 23,55,000 x Rated cumulative Installed Capacity of Solar component (MW) + INR 17,05,000 x Rated cumulative Installed Capacity of the ESS component (MW) for each project as per Format 6.3B/6.3B(I)/6.3B(II) before signing of PPA, in line with Clause-3.24(ii), Section-3 of the RfS Document. For online confirmation of Bank



Guarantee against Performance Security, the bank details of NHPC to be communicated to the issuing Bank is as under:

Account No. :	10813608692
IFSC Code:	SBIN0017313
Branch Code:	17313

Address of the Bank: State Bank of India, 5th Floor, Red Fort Capital, Parsvnath Towers, Bhai Veer Singh Marg, Gole Market, New Delhi— 110 001

6.0 Success charges @ INR 1.00 Lakh/MW + GST@18% shall be deposited by RE-PG corresponding to contracts capacity awarded vide this letter of award in terms of RfS clause 3.13.

7.0 PPA will be executed between NHPC and the selected bidder as per the breakup of the cumulative Project capacity awarded to the Bidder. The LoA is being issued in line with the Project capacity quoted in the Covering Letter (Format 6.1) as part of your response to RfS and subsequently allotted capacity during e-RA and your confirmation to the same, as applicable. However, the successful bidder shall have option to change the Project location before the Financial Closure as per Clause 3.27 of RfS Document. Any change in State location of the Project(s) awarded shall not be permitted subsequent to the above deadline.

8.0 Power Purchase Agreement shall be signed between NHPC and successful bidders. The PPA shall be executed within 90 (Ninety) days of the date of issue of Letter of Award, if not extended by NHPC. Separate PPA will be executed between NHPC and SPG for each project. The installed Capacity break-up, as submitted as part of the Bidder's response to RfS shall remain unchanged until issuance of LOA. The above configuration can be changed subsequent to issuance of LOAs until the date as on achievement of Financial Closure for the project subject to minimum contracted capacity of each Project shall not be less than 50 MW (with a minimum ESS component of 25MW /50MWh) (30 MW in case of Projects located in North-Eastern States and Special Category - with a minimum ESS component of 15 MW/30MWh). Delays in meeting the project execution timeline on account of changes in the project parameters from the data as submitted in the Covering Letter (Format 6.1), shall be at the risk and cost of the Successful Bidder. The PPA shall be for a period of 25 years from the Scheduled Commencement of Supply Date (SCSD) of the project. The PPA(s) will be signed after signing of PSA(s) for the respective Project(s). The SPD/SPG shall meet financial closure requirements for the Project in line with clause-3.27, Section-3 of the RfS document. Accordingly, the SPD/SPG shall furnish the documents pertaining to compliance of financial closure as per the above provisions.

9.0 The SPD/SPG/Project Company shall achieve commissioning of full capacity of the Project within 24 months or 30 months as the case may be from the Effective Date of the PPA as per the conditions stipulated in Clause 3.28, Section-3 of the RfS and relevant articles of PPA. In case of failure to achieve the milestone, the SPD/SPG/Project Company shall pay the liquidated damage, which shall be levied on the SPD/SPG as per above provisions.

10.0 All disputes arising out of and/or in connection with the selection of Solar PV Power Projects with ESS under the said RfS and execution of PPA thereto shall be governed by laws of India and shall be subject to the jurisdiction of Courts of Faridabad.

11.0 PPA shall be signed only after signing of Power Sale Agreement (PSA) with the end procurer and NHPC shall not be liable on any account for any delay / inability in signing of PSA and PPA.

12.0 You are requested to report Executive Director (Renewable Energy & Green



Hydrogen) , NHPC Limited, (email: reis@nhpc.nic.in) for further direction and action in the matter.

This Letter of Award (LOA) is being issued in duplicate and you are requested to kindly acknowledge receipt and acceptance of this LOA by sending the duly stamped and signed duplicate copy of LOA to NHPC within 07 day from the date of this LOA."

33. As per 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. 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 Certificates and conformity certificates on record vide Certificate dated 27.1.2025. The Petitioner has certified that the applicable Guidelines and any amendments or clarifications issued by the Government of India were followed in the bidding process for the above tender, and that no deviation was made from the Guidelines set out in the RfS documents. The relevant extract of the aforesaid conformity certificate is as under:

“CERTIFICATE”

Name of Work: Selection of Solar Power Generators For Setting up of 1200 MW (1.2 GW) ISTS (Inter State Transmission System) Connected Solar Power Projects with 600MW/1200MWh Energy Storage Systems (ESS) on anywhere in India basis under Tariff Based Competitive Bidding with Green Shoe Option (NHPC-Tranche-VIII-Solar with Storage (2024-25))

*NIT No. 2024_821806_1
NIT Date: 20.09.2024
e-RA Date: 22.01.2025 & 23.01.2025*

No deviation was made in the bid documents from the provisions of the bidding Guidelines.”

34. Moreover, vide Confirmation Certificate, the Petitioner has stated that no deviation was taken from the Guidelines in RfS documents for the above tender. The relevant extract of the above Confirmation Certificate is as follows;

“CERTIFICATE”



.....
Name of Work: Selection of Solar Power Generators For Setting up of 1200 MW (1.2 GW) ISTS (Inter State Transmission System) Connected Solar Power Projects with 600MW/1200MWh Energy Storage Systems (ESS) on anywhere in India basis under Tariff Based Competitive Bidding with Green Shoe Option (NHPC-Tranche-VIII-Solar with Storage (2024-25))

NIT Date: 20.09.2024

e-RA Date: 22.01.2025 & 23.01.2025

This is certify that all conditions as per RfS documents has been complied from NIT issue date to till date.”

35. The Petitioner has submitted that on receiving consent from DISCOMS, NHPC shall sign PSAs with DISCOMS and thereafter sign back-to-back PPAs with Solar Power Generators.

36. In view of the aforementioned discussions, it emerges that the selection of the successful bidders has been done, and the tariff of the Solar power projects with Energy Storage System has been discovered by the Petitioner, through a process of competitive bidding. Accordingly, the Commission adopts the individual tariff for the Solar Power Project with Energy Storage System, as agreed to by the successful bidder(s) in the e-reverse auction as under:

S.No	Name of SPG	Allocated Capacity (MW)	Tariff (Rs/kWh)
1	Onix Renewable Limited	100	3.09
2	Jindal India Renewable Energy Limited	180	3.09
3	NTPC Renewable Energy Limited	300	3.09
4	Kolar Solar Power Private Limited	150	3.09
5	ReNew Solar Power Private Limited	300	3.10
6	Adani Renewable Energy Holding Nine Limited	170	3.10
	Total	1200	



37. In addition to the adoption of a tariff for the above quantity of 1200 MW, the Petitioner is also seeking the adoption of additional capacity of 1200 MW under the Greenshoe option. The Petitioner, vide its replies dated 17.04.2025 and 10.05.2025, submitted that the capacity under the Greenshoe Option of 1200 MW was allotted to the successful bidders on 07.02.2025, in accordance with their eligibility and after they consented to additional capacity, in accordance with clause 3.1 of the RfS document.

38. It was noted that during the procedure of obtaining the consent form, the following successful bidders showed willingness for the Greenshoe Option in the first round :

(All Capacity in MW terms)

Sr No.	Name of Party	Base Allocation	Green shoe offered- 1st Round
1	Onix Renewable Limited	100	100
2	Jindal India Renewable Energy Limited	180	-
3	NTPC Renewable Energy Limited	300	300
4	Kolar Solar Power Private Limited	150	150
5	ReNew Solar Power Private Limited	300	300
6	Adani Renewable Energy Holding Nine Limited	170	170
	Total in MW	1200 MW	1020 MW

Accordingly, of the maximum allocation capacity of 1200 MW under the Greenshoe Option, only 1020 MW was sought by the successful bidders in the first round.

39. Subsequently, M/s Jindal India Renewable Energy Limited (Respondent No.2) and M/s Kolar Solar Power Private Limited (Respondent No 4) provided their consent for the following capacity:



Sr No.	Name of Party	Base Allocation	Green shoe offered	Additional capacity opted	Unallocated capacity
1	M/s Jindal India Renewable Energy Limited	180	180	120	60
2	M/s Kolar Solar Power Private Limited	150	150	140	10

40. Under the second round of bidding for the Greenshoe option, 70 MW that remained unallocated has been allocated to M/s NTPC Renewable Energy Limited, on fulfilment of the financial criterion as per clause 3.8 of RfS, under clause 3.1 of RfS.

41. Following the Petitioner's submission, the Commission observed that, pursuant to the Green Shoe option, the BEC resolved to allocate the unallocated capacity of 70 MW, as indicated in the table above, to M/s NTPC Renewable Energy Limited. The allocation results in a total capacity of 670 MW (300 MW base capacity + 370 MW additional capacity under the Green Shoe Option).

42. The Commission notes that the Guidelines issued by the Central Government under Section 63 of the Act do not expressly provide for or define the "Greenshoe Option". However, the Commission observes that NHPC Limited, acting as the implementing agency, incorporated the provisions relating to the Greenshoe Option in the original Request for Selection (RfS) document issued for the procurement of power through tariff-based competitive bidding.

43. While the implementing agency may have included enabling provisions in the RfS to facilitate such allocation, the Commission is of the view that the enhanced allotment beyond the originally allotted capacity might raise concerns regarding



transparency, consistency, and equal treatment of bidders under the Green Shoe allocation, particularly in light of the requirement to ensure a level playing field and maintain fairness in the competitive bidding framework.

44. The Commission notes that Section 63 of the Electricity Act, 2003 mandates that the procurement of electricity by the distribution licensees shall be undertaken through a transparent process of competitive bidding in accordance with the guidelines issued by the Central Government. Clause 2.4 of these Guidelines provides for the enhancement of tendered capacity under the same bidding framework, subject to the condition that such enhancement is of a similar nature and governed by identical terms and conditions as those of the original Request for Selection (RfS). It is, however, observed that the term “Greenshoe Option” is not defined or specifically provided for in the said Guidelines issued by the Ministry of Power. The mechanism adopted by NHPC under the “Greenshoe Option” appears to mirror the technical specifications, commercial terms, and bidding parameters of the original capacity; however, the Commission feels it is desirable to include an explicit provision in the Guidelines for such a mechanism.

45. In this regard, reference is invited to Order No. 79/AT/2024 dated 01.08.2024 in the matter of M/s SJVN Limited, wherein this Commission, upon a detailed examination of the bidding process, had observed that the selection of successful bidders and the discovery of tariffs were undertaken through a transparent process of competitive bidding in consonance with 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, issued by the Ministry of Power under Section 63 of the Electricity Act, 2003. In the said case, the Commission, *ex abundanti cautela*, permitted the



allocation of additional capacity to certain developers after taking into consideration the purported “Greenshoe Option” proposed by the implementing agency. It has now come to the notice of the Commission that NHPC has been applying and operationalising the “Greenshoe Option” in subsequent bidding exercises as a matter of routine administrative practice, de hors any explicit provision or prior sanction under the Guidelines issued by the Ministry of Power. Such continued invocation of a mechanism not expressly recognised in the extant Guidelines may *prima facie* be viewed as inconsistent with the *ratio legis* of Section 63 of the Act, which underpins transparency and fair competition in tariff-based procurement.

46. While the approach adopted by NHPC under the purported Greenshoe Option may have been intended to enable procurement of additional capacity of a similar nature within the same bidding process and to ensure tariff efficiency, the absence of a clear basis of guidelines or prior approval for such a mechanism leaves its consistency with the statutory framework open to interpretation.

47. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the Firm and Dispatchable RE power in terms of LoAs dated 13.03.2025 by restricting the allocation of additional capacity of NTPC Renewable Energy Ltd. to 300MW as per the first round under the Greenshoe Option. The Commission has limited the total capacity to the base capacity of 300 MW, resulting in an allowed total capacity of 600 MW (300 MW base capacity + 300 MW additional capacity under the Green Shoe Option) for NTPC Renewable Energy Ltd. Accordingly, the tariff adopted for the individual solar power project with energy storage system by the Commission is as under:



Sl. No.	Name of SPG	Base allocation (MW)	Tariff (Rs. /kWh)	Allocated capacity under Greenshoe Option (MW)	Tariff under Greenshoe (Rs. /kWh)
1.	Onix Renewable Limited	100	3.09	100	3.09
2.	Jindal India Renewable Energy Limited	180	3.09	120	3.09
3.	NTPC Renewable Energy Limited	300	3.09	300	3.09
4.	Kolar Solar Power Private Limited	150	3.09	140	3.09
5.	ReNew Solar Power Private Limited	300	3.10	300	3.09
6.	Adani Renewable Energy Holding Nine Limited	170	3.10	170	3.09
Total Capacity (MW)		1200		1130	

48. In view of the foregoing, and keeping in mind the principles of transparency, fairness, and equal opportunity, the Commission directs all REIAs including NHPC to approach the Ministry of Power, Government of India, for a clarification on the Greenshoe option, including the manner/ specificity of allocation of additional capacity under the Greenshoe Option including limiting the allocation under Greenshoe option up to 50% of the originally allocated capacity, particularly where excess capacity arises due to non-acceptance by other bidders. Such clarification from the Ministry will ensure uniform incorporation of Greenshoe Option provisions across schemes, safeguard competitive neutrality, and provide regulatory certainty to all stakeholders in future bidding processes.



49. Prayer (2) of the Petitioner is answered in terms of paragraph 48 above. Moreover, as soon as the awarded capacity is tied up under the PPAs and PSAs, the Petitioner shall place on record the copies of such PPAs and PSAs. Also, if the awarded capacity does not fructify into the PPAs and PSAs, the Petitioner shall also place on record such development(s) in the file of the present case.

50. Clause (10) of Regulation 9 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 (hereinafter referred to as "the Trading Licence Regulations") provides as under:

"9. (10) The Trading Licensee shall make payment of dues by the agreed due date to the seller for purchase of the agreed quantum of electricity through an escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller. Such escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller shall be equivalent to:

- a. one point one (1.1) times the average monthly bill amount (estimated average of monthly billing amounts for three months or actual monthly billing amount for preceding three months as the case may be) with a validity of one year for long term contracts;*
- b. one point zero five (1.05) times of contract value for short term contracts."*

51. The above provisions provide for the payment security mechanism to be complied with by the parties to the present petition. Accordingly, the provisions of Articles 10.3 and 10.4 of the PPAs and Clause (10) of Regulation 9 of the Trading Licence Regulations shall be complied with by the concerned parties to the present petition.

52. The Petitioner, NHPC, has also prayed to approve the trading margin of Rs . 0.07/kWh to be recovered from buying utilities /Distribution Licensee/DISCOM(s) in



terms of the PSA to be signed between NHPC & buying Utilities/Distribution Licensee.

53. 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:”

The above provision gives the contracting parties the option to mutually agree on the Trading Margin for long-term transactions.

54. The above provision gives the choice to the contracting parties to mutually agree on a 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.”*

55. 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.”

56. The above two provisions are exceptions to the main provision as regards trading margin. In the present case, PSAs have not yet been signed by the distribution licensees. Once the PSAs are signed with the distribution utilities, the trading margin shall be in accordance with the provisions of such PSAs, to be entered into between NHPC and the respective distribution licensee. However, in



case of failure by NHPC to provide an escrow arrangement or an irrevocable, unconditional, and revolving letter of credit to the wind-solar hybrid power generators, the trading margin shall be subject to a ceiling of Rs.0.02/kWh specified in Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

57. In view of the above, the prayer of the petitioner on Trading Margin is answered accordingly.

58. The Petition No. 310/AT/2025 is disposed of in terms of the above.

Sd/-

Sd/-

Sd/-

Sd/-

(श्री रविन्द्र सिंह दिल्लो) (श्री हरीश दुदानी)
सदस्य

(श्री रमेश बाबू व.) (श्री जिशनु बरुआ)
सदस्य

अध्यक्ष

