

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO.3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Review Petition No. 01 of 2025
In Petition No. 35 of 2024
Date of Order: 01.09.2025

Review Petition for seeking modification/
Review of the order dated 04.11.2024 passed
by the Commission in Petition No. 35 of 2024
filed for the approval of Power Procurement of
1450 MW Solar Photo-Voltaic (PV) Power from
SJVN Limited under tender for 1500 MW ISTS-
Connected Solar PV Power Project pursuant to
the competitive bidding conducted by SJVN.

And

In the matter of: Punjab State Power Corporation Limited, The
Mall, Baradari, Patiala, Punjab-147001

.....Petitioner

Versus

SJVN Limited, Contracts & Procurement
Section, REIA, Liaison Office, 6th Floor, Tower
No. 1, Office Block, NBCC Complex, East
Kidwai Nagar; NewDelhi-110023

.....Respondent

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member
Sh. Ravinder Singh Saini, Member

Petitioner: Sh. Anand K Ganesan, Advocate (through VC)
Ms. Harmohan Kaur, CE/ARR&TR

SJVN: Sh. Adarsh Tripathi, Advocate (through VC)

ORDER

1. The Review Petitioner (PSPCL) has filed the present petition
for seeking modification/review of the order dated 04.11.2024
passed by the Commission in Petition No. 35 of 2024. It has
been submitted:

1.1 That the said petition was filed by PSPCL seeking

approval of the power procurement of 1450 MW ISTS connected solar power i.e., 1150 MW at a tariff of Rs. 2.52 per unit and 300 MW at a tariff of Rs. 2.53 per unit plus 7 paise per unit as trading margin payable to SJVN for a period of 25 years.

1.2 That by way of the order dated 04.11.2024 this Commission has dismissed the said petition holding that the proposal does not pass the test of 'Reasonableness of cost of power purchase' and 'Promotion of working in an efficient and economical manner' in terms of the PSERC (Framework of Resource Adequacy) Regulations, 2024.

1.3 That the said Order dated 04.11.2024 ought to be modified/ reviewed on account of the following grounds:

a) That the Commission has observed that the landed cost of Rs. 2.84/2.85 per kWh at the state periphery is higher than the ceiling solar tariff of Rs. 2.72 per kWh allowed by this Commission in Petition No. 68 of 2023. Thus, holding that in case the power procurement is allowed the same would entail an additional financial liability of more than Rs. 1060 crore over the life of the Projects, on the consumers of the State.

b) That the present tariff of Rs. 2.52-2.53/kWh is amongst the lowest of the tariffs offered through various tenders of different renewable implementing agencies. The parity drawn by the Commission between the present proposal and another procurement approved by it in the past may not be the correct position. It is stated that procuring power

at the same tariff every time is not possible. The market scenario is volatile and depends upon the capital cost i.e., module prices etc. at the time of tendering, which keeps on varying. In view thereof, direct comparison between different power procurements can only be made if all other parameters and timelines remain constant. Based on the market conditions this Commission had approved procurement of 300 MW Solar Power @ Rs. 2.72/kWh in December 2023 subsequent to adoption of 1000 MW Solar Power @ Rs. 2.53/kWh in July 2023.

c) The Commission has mistakenly held that approval of the present proposal would lead to an upward revision in the required ATC limit and PSPCL would have to incur increased expenditure to obtain additional ATC. The Commission has not considered that:

(i) The question of ATC Limit is applicable only for peak season i.e., paddy season. Also, the present Available Transfer Capacity (**ATC**) of 9500 MW is expected to increase in the near future to 10400 MW.

(ii) That ISTS Solar Power Projects having a total of 1954 MW Solar Capacity and for which agreements have already been signed shall be commissioned in a staggered manner over coming years. The ATC Limits shall also be increased gradually and accordingly. To meet with rising demand, the ATC Capacity of the

State will have to be increased further in the coming years irrespective of the type of power being procured i.e., renewable energy or conventional power. Therefore, additional expenditure has to be incurred on the same in any case.

(iii) That the whole existing long term Inter-State generation capacity tie-ups of about 6269 MW net installed capacity [Thermal and Nuclear - 2690 MW (43%), NRSE projects outside the state- 1217 MW (19.4%), and Hydro - 2362 MW (37.6%) (including BBMB share of 1135 MW)] are not available round the clock on account of various factors such as outage, efficiency, part load conditions etc. and lesser quantum is scheduled most of the time. Therefore, this Commission has been in error by simply summing up different capacities to arrive at the requirement of ATC.

(iv) Also, the BBMB share is used to meet peak demand in the evening time to complement solar power which is available only during the day time. Whereas, power procured from outside the state from hydel and thermal plants is also utilized in peak hours. On the other hand, solar power from outside the State is received during the day time and it replaces the conventional power.

(v) That Power used for banking is mostly from IPPs and PSPCL's owned thermal plants having

variable cost ranging from Rs. 3.24 to 4.26 per kWh (2023-24). The Power banked is variable as it depends on available left-over ATC limit for the purpose of banking at that time. Therefore, banking of Power cannot be said to use 3000 MW of ATC limit all the time.

1.4 Apart from efforts being made for increasing ATC Limits, it is pertinent to mention that PSPCL has to rely on procurement of costly short term power during the paddy season. The same is required to be balanced by replacing with cheap, green, clean and renewable energy power by keeping the overall power procurement within ATC Limits. On the other hand, the tariff for renewable energy power from solar projects in the present case is much cheaper. It is submitted that the cost for conventional power will continue to increase due to escalation in fuel cost and railway freight while the tariff for renewable energy power from solar projects remains fixed for 25 years.

1.5 That the Commission has not considered that power demand in the State has been increasing by about 6-7% every year and to meet the rising demand, additional generation capacity is required to be constantly tied up. It bears relevance that there are land constraints within the State and therefore, solar power has to be tied up from ISTS connected projects outside the State. The same is evident from lack of participation of bidders in the Intrastate Solar Power tenders floated by PSPCL. The central sector renewable implementing agencies such as SJVN can coordinate better regarding commissioning of

ISTS projects as they are implementing the same all over India. This Commission needs to consider something very relevant that bids invited by PSPCL will never gain the same traction as bids invited by central sector renewable implementing agencies such as SJVN.

1.6 That the Commission has held that the proposed power procurement would result into Rs. 620 crore being paid to the trader over the course of the PPAs. This cost burden has been held to be unjustified when PSPCL could have directly tied up with the generators. Citing the example of FY 2022-23 where over 1600 MW of renewable energy was tied up through direct procurement, this Commission has observed that in doing so about Rs. 25 crores can be saved annually in trading margin. It has been further observed that utilising the savings and the land available PSPCL can in-house set-up solar capacity of over 250 MW:

- (i) The said observation that the present procurement would amount to Rs. 620 crores may not be correct in perspective as the trading margin is to be paid over a span of 25 years and not upfront. Considering time value of money, the value of the trading margin substantially depreciates over the course of time. In fact, as pointed out by SJVN in its communication dated 02.12.2024, the NPV of Rs. 0.07 works out to Rs. 0.025/ kWh (approx.), considering discounting for 25 years with 9.28% per annum annual compounding.
- (ii) Observation of the Commission that the trading margin of Rs. 620 crores is to be paid to SJVN for

'just floating a tender and acting as an arranger without any further risk or liability' may not be correct. The issue was discussed with SJVN to reduce the trading margin. However, SJVN vide its reply dated 02.12.2024 had expressed its inability to do so and has stated that being a central renewable implementing agency, it is responsible to undertake significant commercial risks for the entire duration of the PSA, which may exceed any potential earnings as a trader. That SJVN has to act as an 'intermediary procurer' between respective project developers and the end procurers, its responsibility is not only limited to just floating tenders. All the risks/ responsibilities to ensure supply of power to the end procurer lies with the SJVN as 'Intermediary Procurer', which also manages various activities, like providing the best tariff to the end procurer, adoption of tariff, resolving the legal as well as the technical issues, continuous monitoring during execution of the awarded projects, ensuring timely payments to the developers along with the submission of Letter of Credit to the developers, following the guidelines issued by the Govt. of India etc.

(iii) The Regulation 8 1(d) of the Trading License Regulation, 2020 states that:

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

(iv) Accordingly, the trading margin of Rs. 0.07/kWh has been mutually agreed between the Petitioner and the Respondent. Further, the trading margin at Rs. 0.07/kwh is as per the capping of Trading Margin as given in the Trading License Regulations, 2020. Therefore the trading margin of Rs. 0.07/kWh is completely justified and in accordance with the applicable guidelines and regulations for the time being in force.

1.7 That PSPCL has been making parallel efforts to tie up power under the PM-KUSUM Scheme however, the same is only sufficient for small distributed renewable projects and not utility scale large projects. It is stated that PSPCL has made considerable efforts in the past to procure power directly without the involvement of trading licensees.

1.8 That, on 18.07.2023, a 1000 MW tender with a ceiling tariff of Rs. 2.55/kWh was floated by PSPCL for procurement of solar power from ISTS connected projects located anywhere in India. The liability of paying ISTS transmission charges and losses was to be that of the solar power developer. However, due to lack of participation, the ceiling tariff was first increased from Rs. 2.55/kWh to Rs. 2.65/kWh and the liability of paying ISTS transmission charges was also shifted from solar power developer to PSPCL. However, even with these concessions no bids were received and accordingly the tender was dropped after a year i.e., on 10.07.2024.

1.9 On 29.05.2023 and 02.08.2023, two intra-state tenders for procurement of 1000 MW power from ground mounted solar projects and 500 MW power from ground mounted/floating solar power projects were floated by PSPCL respectively. The ceiling tariff in these tenders was Rs. 2.75/kWh, which was firstly revised to Rs. 2.85/kWh and then finally revised to be Rs. 3.00/kWh. Recently, a single bid of 400 MW has been received in the 1000 MW tender at Rs. 2.99/kWh. It is stated that the discovery of such bid on 02.12.2024 amounts to discovery of new and important matters or evidence which after the exercise of due diligence was not within the knowledge of the person seeking for a review. Thus, the Order dated 04.11.2024 also deserves to be reviewed on this ground.

1.10 That the capital cost for canal top solar projects is about 30-40% higher than ground mounted projects and therefore developing canal top solar projects is in fact counter-productive as far as tariff is concerned. Further, the potential of canal top solar projects is limited and technically challenging along with associated issues like security, safety of equipment etc. The same cannot be implemented on a large scale. As such, no bids have been received till date in the tender for 500 MW power from ground mounted/floating solar power projects with a minimum capacity of 2 MW floated by PSPCL on 02.08.2023.

1.11 It is relevant to point out another significant development. MNRE *vide* notification dated 09.12.2024, has now notified that all projects, where the last date of bid

submission is after the date of issuance of the said notification, shall have a clause in their tender documents that the solar PV modules and solar PV cells used in such projects shall be from the models and manufacturers included in ALMM List-I (for solar PV modules) and ALMM List-II (for solar PV cells) and thus all subsequent bids may now be inherently higher on account of the additional requirement being imposed by MNRE. Even the tariff of the power through the tenders for intrastate projects, may be significantly higher due to the above-mentioned requirement.

1.12 That the approval of the impugned power procurement would also help PSPCL in achieving the RPO targets set by this Commission.

1.13 In the facts and circumstances mentioned above, it is prayed that this Commission may be pleased to:

- a) *Modify/ Review the Order dated 04.11.2024 passed by Hon'ble Commission in Petition No. 35 of 2024 and allow the power procurement of 1450 MW ISTS Connected Solar Power i.e., 1150 MW at a tariff of Rs. 2.52/kWh and 300 MW at a tariff of Rs. 2.53/kWh (+ Rs. 0.07/kWh as trading margin of SJVN) for period of 25 years from SJVN on the terms and conditions contained in the PSA dated 27.06.2024; and*
- b) *Pass any such other orders as this Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.*

2. On 09.04.2025, the Review Petition was taken up for hearing on admission. After hearing the Ld. Counsel for PSPCL, the Review Petition was admitted with directions that the respondent, Satluj Jal Vidyut Nigam Ltd. (SJVN) may file its reply within two weeks with a copy to PSPCL who will file

rejoinder thereto, if any, within one week thereafter with a copy to SJVN. The parties were further directed to clarify whether the final parameters of the impugned power procurement arrangement i.e. the discovered tariff, SCOD, ISTS charges etc. shall remain the same so as to ensure that there is no change in the landed cost of power as submitted in the petition.

3. SJVNL's Reply:

SJVNL, in its reply dated 20.05.2025, while supporting and endorsing the submissions of PSPCL on reasonability of cost including the trading margin for the impugned power procurement arrangements, has further submitted that:

3.1 The Respondent SJVN Limited has executed the PSA with PSPL pursuant to a tariff-based competitive bidding process conducted in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Electricity Act 2003.

3.2 The procurement process initiated by SJVN has been strictly governed by the Guidelines for Tariff-Based Competitive Bidding (TBCB Guidelines) issued by the Ministry of Power, Government of India under Section 63 of the Electricity Act, 2003. The Central Electricity Regulatory Commission (CERC) has vide its order dated 25.10.2024 in Petition No. 274/AT/2024 already adopted the said tariffs under Section 63 of the Electricity Act, 2003. The relevant part of the Order is produced as follows:

"In view of the aforesaid discussions, it emerges that the selection of the successful bidders has been made, and the tariff of the solar power projects has been discovered by the Petitioner, SJVN, through a

transparent process of competitive bidding 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 project, as agreed to by the successful bidder(s), and for which PPAs have been entered into by SJVN on the basis of the PSA with the distribution licensees, i.e., PSPCL, which shall remain valid throughout the period covered in the PPA and PSAs. ...”

3.3 The Respondent affirms that it is committed to the successful execution and facilitation of the Power Sale Agreement (PSA) dated 27.06.2024 entered into between SJVN and PSPCL for the procurement of 1450 MW of ISTS-connected solar power.

3.4 It is submitted that the TBCB Guidelines clearly contemplate the role of an ‘Intermediary Procurer’ such as the Respondent and set out the permissible trading margin. As per Guideline 2.2(h) of the said Guidelines, the intermediary procurer acts as the contracting counterparty to the generating companies as well as to the distribution licensee, and is entrusted with the responsibility to facilitate power procurement and flow of obligations under the agreements.

3.5 The Respondent has acted in the capacity of a facilitator and trader for a trading margin of INR 0.07/kWh, which is in strict consonance with Regulation 8(1)(d) and (f) of the CERC Trading Licence Regulations, 2020. The said trading margin, mutually agreed between the Petitioner and the Respondent, does not require any prior approval from this Commission as the Regulations vest such mutual decision-making power with the transacting parties. The upper ceiling of INR 0.07/kWh is not only

respected but also reflects the prevailing standard industry practice under the statutory and regulatory framework applicable to long-term contracts.

3.6 Further, the disallowance of the approval of the PSA by this Commission would have far-reaching adverse implications. The PPAs have already been executed with the developers and necessary regulatory approvals including tariff adoption by the CERC have been secured. The entire transaction structure, built in conformity with national guidelines and regulations, now stands at risk of being rendered infructuous.

3.7 The disallowance qua the impugned Order places the Respondent, SJVN, in a precarious position, as the PPAs already executed with the successful power developers now stand in abeyance due to the absence of an end procurer. Identifying and tying up with a new end procurer in the current market scenario poses a significant challenge, particularly given the competitively discovered tariffs, which were determined under specific market conditions and may not be replicable in future bidding processes.

3.8 The mutual agreement between the Petitioner and Respondent to proceed with this procurement is not only commercially prudent but also in the larger interest of the State of Punjab and its consumers, who would benefit from a stable and competitively priced supply of renewable energy.

3.9 In response to the specific query raised by the Commission, it is submitted that the final parameters governing the power procurement arrangement,

including the discovered tariff, Scheduled Commercial Operation Date (SCOD), ISTS charges, and other associated costs, shall continue to be strictly governed as per the Power Sale Agreement (PSA) dated 27.06.2024 and the corresponding Power Purchase Agreements (PPAs) executed with the successful Solar Power Developers (SPDs). The Answering Respondent, in its capacity as the Intermediary Procurer, remains bound to act strictly in terms of the PSA and the underlying PPAs. Any variation, if at all, in any of the parameters including tariff, SCOD, or ISTS charges, or any alteration in the project timelines arising on account of the pendency of the present proceedings and the consequent delay in the grant of requisite approvals, shall be strictly dealt with in accordance with the agreed terms and conditions contained in the respective PPAs executed between the SPDs and the Respondent, and the PSA executed between the Respondent and PSPCL.

3.10 The various project-specific aspects such as grant of connectivity, commissioning timelines, and eligibility for ISTS waiver are matters intrinsically linked to the respective developers and beyond the control of the Answering Respondent. As presently informed by the respective developers, M/s GRT Jewellers has secured connectivity w.e.f May 2026 and is scheduled to commission the project as per the provisions of PSA & PPA ; M/s Furies Solren is expected to commission by December 2026 post grant of connectivity from November 2026; M/s Solarcraft, whose connectivity is originally contemplated by 2030, has indicated its

willingness to explore the shifting of the project to another location with connectivity options having an earlier start date of Connectivity, subject to approvals of the commission, and M/s JSW Neo Energy is exploring early commissioning, though its connectivity is presently scheduled for 2030. However, in view of the pendency of the present proceedings and the consequential delay in approval of the PSA, any further developments in respect of timelines, cost elements or charges shall be exclusively governed under the provisions of the respective contracts, and the parties remain bound by the stipulations contained therein. The Answering Respondent respectfully submits that it does not assume any independent responsibility beyond what is expressly contemplated under the PSA and PPAs.

3.11 In light of the above, the Respondent respectfully submits that it has fully complied with the applicable statutory framework, acted in accordance with the terms of the Request for Selection (RfS), Trading Licence Regulations, and the TBCB Guidelines, and has taken all necessary steps to ensure the bankability, legality, and effectiveness of the transaction. There is no delay, dereliction, or deviation attributable to the Respondent.

3.12 It is pertinent to mention that the Respondent has been a participant in several other bidding processes wherein the trading margin of 7 paise per unit has consistently been maintained and widely accepted in accordance with the applicable guidelines. The acceptance of this margin has become an established and consistent practice, forming part of the prevailing regulatory and

commercial framework, and the same holds true in the present case as well, thereby lending it the character of settled jurisprudence.

3.13 It is therefore respectfully prayed that the Commission be pleased to allow the present Review Petition thereby modifying/reviewing the order dated 04.11.2024, and approve the PSA dated 27.06.2024 executed between the Petitioner and the Respondent for procurement of 1450 MW ISTS-connected solar power at the tariff of Rs. 2.52/kWh and Rs. 2.53/kWh, with trading margin of Rs. 0.07/kWh, for a period of 25 years.

4. PSPCL's Rejoinder dated 26.05.2025:

4.1 That the Respondent, SJVN Ltd. has confirmed that it is committed to the successful execution and facilitation of the PSA dated 27.06.2024 entered into between SJVN and PSPCL for procurement of 1450 MW of ISTS-connected solar power. Further, SJVN has submitted that the final parameters governing the power procurement arrangement, including the discovered tariff, Scheduled Commercial Operation Date (SCOD), ISTS charges, and other associated costs, shall continue to be strictly governed as per the Power Sale Agreement (PSA) dated 27.06.2024 and the corresponding Power Purchase Agreements (PPAs) executed by SJVN with the successful Solar Power Developers (SPDs). Thus, SJVN has confirmed that it would continue to honour the contractual obligations.

4.2 It has been further submitted by SJVN that two out of the four SPDs, namely M/s GRT Jewellers India Pvt. Ltd. (150 MW) and M/s Furies Solren Pvt. Ltd. (300 MW) have

secured connectivity w.e.f. May 2026 and November, 2026 respectively for their respective projects whereas the remaining two SPDs have a delayed connectivity upto 2030, while, at the same time, they have indicated that they would be willing to explore the possibility of early connectivity.

4.3 However, it is respectfully pointed out that in view of the pendency of the present proceedings and the consequential delay in approval of Power Procurement by this Commission, in terms of Article 2.1 of the PSA dated 27.06.2024 the SPDs may seek an extension in Commencement of Supply Date (SCSD) for the period spent in approval of Power Procurement by this Commission beyond 120 days from the date of signing of PSA. That if the SPDs claim extension in SCSD and considering the connectivity status intimated by SJVN, the landed cost for the SPDs works out to be as under:

- a) For 150 MW Solar Power Project of M/s GRT Jewellers India Pvt. Ltd. (Bidder L2 at a discovered tariff of Rs. 2.52/kWh) and 300 MW Solar Power Project of M/s Furies Solren Pvt. Ltd. (Bidder L3 at a discovered tariff of Rs. 2.53/kWh), the expected landed tariff comes out to be Rs. 2.99-3.00/kWh (including trading margin of Rs 0.07/kWh, transmission losses of Rs 0.10/kWh and transmission charges of Rs 0.30/kWh after a waiver of 50%).
- b) The expected landed tariff for the remaining two projects (300 MW project of Solar craft Power India Pvt. Ltd. and 700 MW project of JSW Neo Energy Ltd.) works out to be in the range of Rs.3.29-3.30/kWh

as full transmission charges would be applicable on these projects.

4.4 In view of the facts and circumstances as mentioned above, the Commission may, accordingly, be pleased to consider the matter keeping in view the consumer interests.

5. The Review Petition was taken up for hearing on 28.05.2025, wherein it was observed as under:

“Vide order dated 11.04.2025, in order to examine the Petitioner’s plea of purported error in ascertaining the ‘Reasonability of cost’ of PSPCL’s proposed power procurement arrangements, the parties were directed to clarify whether the final parameters of the impugned power procurement arrangement i.e. the discovered tariff, SCOD, ISTS charges etc. shall remain the same so as to ensure that there is no change in the landed cost of power, as submitted in the petition. In response, SJVN has filed its reply dated 20.05.2025 and PSPCL has filed rejoinder thereto vide memo No. 6013/14 dated 26.05.2025. In its rejoinder PSPCL has submitted that considering the connectivity status intimated by SJVN, the landed cost for the SPDs works out to be Rs. 2.99- 3.00/kWh for 450 MW and Rs. 3.29- 3.30/kWh for 1000MW which indicates an increase over the landed cost indicated in the Original Petition No. 35 of 2024. However, SJVN has not submitted any clear/firm statement/ commitment regarding the same and has only stated that the clauses of the PPA with the Generator and PSA with PSPCL will be the determining factors. The parties are given one more opportunity to submit a clear statement whether the final parameters of the impugned power procurement arrangement i.e. the discovered tariff, SCOD, ISTS charges etc. shall remain the same so as to ensure that there is no change in the landed cost of power as submitted in the main petition for which a review has been sought.”

6. The SJVN Ltd. Vide its additional Affidavits dated 06.08.2025 and 08.08.2025 has stated as under:

- 6.1 That, while the contractual framework continues to be governed strictly by the terms of the PSA and PPAs, the delay in regulatory approvals has created a situation where, as of today, power cannot be scheduled by June 2026 for the full 1450 MW. This position is based on firm communications received from the respective Solar Power Developers.
- 6.2 That M/s GRT Jewellers (India) Pvt. Ltd. has invoked Clause 13.2.1 of the PPA and issued a letter regarding the termination of the PPA on 25.06.2025 citing non-approval of the PSA and loss of viability due to lapse of ISTS waiver timelines. The developer highlighted that despite substantial efforts, the delay has rendered the project unworkable and unviable.
- 6.3 That M/s Furies Solren Private Limited has similarly invoked Force Majeure under Article 11 of the PPA, and in its communication dated 10.06.2025 has requested that PSPCL be substituted with an alternative off-taker due to prolonged non-approval of the PSA and inability to secure financing. FSPL has also sought an extension of SCOD based on the CTUIL's connectivity grant from November 2026. However, M/s Furies Solren Pvt. Ltd. has indicated supply availability by June 2027, subject to extension being granted and PSA approval being obtained.
- 6.4 That M/s Solarcraft Power India 8 Pvt. Ltd. (SC8), through its letter dated 01.07.2025, has also communicated that the delay in PSA approval has caused regulatory uncertainty, impeding financial closure and project execution. The developer has explicitly stated

its no-objection to SJVN exploring an alternate off-taker to replace PSPCL.

6.5 That the inability of the developers to proceed with commissioning by June 2026 is due to the pendency of approval before this Commission and the resultant impact on bankability, financing, and project planning. The developers have continued to engage constructively with SJVN, and their communications annexed herein bear testimony to their ongoing commitment, but also reflect the commercial impracticability in the absence of PSA approval.

6.6 That SJVN, in its capacity as Intermediary Procurer, remains contractually bound to act in accordance with the provisions of the PSA and PPAs. Clause 4.5.2 of the PPA, among others, contemplates that variations in project timelines, SCOD, or tariff shall be dealt with strictly under the terms of the agreement, including on account of regulatory delays or approvals.

6.7 That any consequential change in tariff, whether increase or decrease, or variation in project cost, SCOD, or related parameters, shall be governed as per the express provisions of the PSA and PPAs, including the clauses on change in law, force majeure, or consequential costs. SJVN does not seek any deviation from the contractual matrix and reaffirms its commitment to the same.

6.8 That in terms of the PSA and the PPA, particularly Articles 2.1.3 and 2.1.4, where such regulatory approvals are delayed beyond the stipulated 120 days, the Developers will be granted extension of timelines for commencement of supply, subject to compliance with the

Conditions Subsequent. Such extensions are a necessary contractual consequence of the delay in regulatory approvals and are being extended to preserve the commercial framework and feasibility of the solar power projects under the PPAs.

6.9 That based on the updated position of the Developers and the rights and obligations under the PSA and PPAs, it is submitted that power supply can, in all likelihood, be scheduled by the extended timelines commensurate to the delay in approvals, as contemplated under the governing contractual framework.

6.10 That the discovered tariffs under the present PSA are commercially viable and remain consistent with the prevailing market rates for ISTS-connected solar projects. The tariff of Rs. 2.52/kWh, adopted by the CERC in Petition No. 274/AT/2024, aligns with recently concluded bids under central schemes and does not impose any undue burden on the Procurer. In fact, it continues to represent a competitive procurement in light of increasing module and financing costs, and would not result in any unviable financial consequence for PSPCL.

6.11 That SJVN continues to remain committed to executing the PSA in its entirety, and shall remain bound by the final decision of this Commission, while ensuring compliance with the contractual framework with all stakeholders. No deviation from the PPA or PSA is sought through this affidavit. The position set out herein is solely for the purpose of record and to ensure clarity with respect to the practical scheduling of power.

7. The Review Petition was taken up for hearing on 13.08.2025. It was observed that in response to the Commission's Order dated 04.06.2025 directing the parties to submit a clear statement whether the final parameters of the impugned Power Procurement Arrangement shall remain the same so as to ensure that there is no change in the landed cost of power as submitted in the main petition, SJVN Limited vide its affidavit(s) dated 06.08.2025 and 08.08.2025 indicated a change in the landed cost of the proposed power owing to change in the applicable ISTS waiver. After hearing the parties, the order was reserved with a direction to the parties to submit a clear statement as sought in the earlier order dated 04.06.2025 within a week.

8. PSPCL, vide its rejoinder dated 22.08.2025 to the affidavits filed by SJVN, while referring to SJVN's submission that one of the developers namely M/s Furies Solren Pvt. Ltd. has indicated availability for supply by June of 2027, has submitted that the considering the assurance and statement given by SJVN Limited, approval of procurement of 300 MW Power *qua* Furies Solren be granted with the reasoning that the said quantum of power remains commercially viable due to the following:

- (i) All future projects would only be eligible for 25% waiver as against 50% waiver being applicable for Furies Solren keeping in view the commissioning schedule of 24 months. It is relevant to note that every 25% waiver in ISTS charges translates to saving of approx. 15 paise per unit which would in substantial saving over the course of 25 years.
- (ii) PSPCL is in the process of tying up another 2200 ISTS connected Solar power from SECI. Based on the tariffs as

discovered therein, the expected landed cost of power is in the range of Rs. 2.95/- per unit to Rs. 3.07/- per unit. There also, only 450 MW quantum of power has been offered at less than Rs. 2.99/- per unit (which is the landed cost under the present procurement).

Further, in reply to the query of the Commission *vide* daily order dated 04.06.2025, PSPCL submitted that it is clarified that the final parameters of the power procurement arrangement would broadly remain the same, with the only exception that the ISTS waiver would come down from 75% to 50%.

9. Analysis and Decision of the Commission:

The Commission has carefully gone through the submissions made by the parties. Through this Review Petition PSPCL is seeking the review and modification of the Commission's Order dated 04.11.2024 passed in Petition No. 35 of 2025 filed for approval of its power procurement arrangements for 1450 MW Solar ISTS-connected PV Power from SJVNL.

The Commission refers to the Regulation 64(1) of PSERC (Conduct of Business) Regulations 2005 reproduced below:

“64. Review of the decisions, directions and orders:-

(1) Any person aggrieved by a decision or order of the Commission, from which no appeal is preferred or allowed, and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the decision/order was passed by the Commission or on account of some mistake or error apparent on the face of record, or for any other sufficient reason, may apply for review of such order within 60 days of the date of decision/ order of the Commission.”

As is evident, the invocation of review jurisdiction is

permissible only in case of “discovery of new and important matter/evidence” or “on account of some mistake or error apparent on the face of record”. Accordingly, the Commission examines the Review Petition as under:

a) The Commission observes that, in spite of directions issued, first vide Order dated 04.06.2025 and then in the final hearing held on 13.08.2025, to submit a clear statement whether the final parameters of the impugned Power Procurement Arrangement remain the same so as to ensure that there is no change in the landed cost of power as submitted in the main petition, the parties have failed to submit the same. In fact, in its submissions SJVNL has repeatedly asserted that they're bound by the provisions of their PPA with the project developer and PSA with the procurer PSPCL and have given no commitments on the surety of the final cost of landed power. It has been left open-ended as per the provisions of their PPA and PSA. However, the Commission notes that as per the submissions of the parties, with M/s GRT Jewellers (India) Pvt. Ltd. (150 MW) terminating its PPA, the landed cost for the remaining power has increased from the earlier projected Rs. 2.84-2.85/kWh at the State's periphery to approximately Rs. 3.00/kWh for the 300 MW Solar Project projected to be achieving commissioning prior to June 2027 and Rs 3.29-3.30/kWh for the 1000 (700+300) MW Solar Projects likely to get connectivity in 2030. Even these are projections with no assurance or final commitment. Thus, the parameters of the impugned Power Procurement Arrangement no more remain the same as submitted in the main petition.

- b) The Petitioner's plea that the receipt of a single bid for 400 MW at Rs. 2.99/kWh received on 02.12.2024 amounts to discovery of new and important matter/evidence is misconceived. The said discovery is a subsequent discovery of tariff after the impugned order was passed and as argued by PSPCL itself in its submissions, the discovered tariff is as per the prevailing market situations during that period. Even if, for the sake of argument, it is assumed to be new and important evidence, the said discovered tariff, which has been negotiated to Rs.2.97/kWh, is for intra-State Projects of 5MW and above capacity and likely to be connected at the 66kV distribution system having a clear financial and operational advantage over the ISTS connected power projects in terms of elimination of a part of intra-State losses from the State's interconnection point to the distribution/66kV point, ATC Constraints, reliability, promotion of investment, creation of jobs in the State and multipliers thereof. Furthermore, the Respondent SJVN itself is giving contradictory submissions on the issue of reasonability of cost of the impugned power purchase arrangement. On one hand it contends that the said tariffs are competitive, commercially prudent and in the larger interest of the State of Punjab and its consumers while, on the other hand it's plea is that identifying and tying up with a new end procurer in the current market scenario poses a significant challenge which should not be the case in the case of a project with a reasonable cost in the current market situation.
- c) The Respondent SJVN's plea that the disallowance of the approval of the PSA by this Commission would have far-

reaching adverse implications, as the PPAs have already been executed with the developers and the entire transaction structure built in conformity with national guidelines and regulations now stands at risk of being rendered infructuous is not tenable. It appears that SJVN has started with the assumption of assured approval from the Commission treating the Commission's endorsement as a mere formality while its approval is a '*sine qua non*'.

- d) The Commission also notes that the Respondent SJVNL, in its submissions, on the one hand elaborates upon its role as of "*assuming significant commercial obligations and operational risks over the life of the agreement which include but are not limited to ensuring timely execution of contracts with project developers, facilitating adoption of tariffs before the CERC, managing project timelines and compliance, securing Letters of Credit in favour of developers, coordinating financial flows and ensuring uninterrupted power supply to the distribution licensee*" to justify its trading margin of Rs. 0.007/kWh. On the other hand it contends "*that various project-specific aspects such as grant of connectivity, commissioning timelines, and eligibility for ISTS waiver are matters intrinsically linked to the respective developers and beyond the control of the Respondent*". The Commission fails to understand as to what kind of monitoring and assurance is SJVN providing for justifying its 07 paise/kWh trading margin for the entire 25 year period to be paid by PSPCL amounting to about Rs. 620 Crore for the impugned arrangement other than just floating a tender and acting as an arranger without any responsibility, further risk or liability for the delays in grant of connectivity, commissioning timelines, and eligibility for ISTS waiver. It is entirely possible for PSPCL to float its own tenders and

invite bids directly from potential generating companies for installing RE projects anywhere in the country in order to obtain competitive bids without having to pay 07 paise/kWh as commission for 25 years to intermediaries who secure for themselves substantial trading margins/commission revenue at the final cost to the consumers. This has been examined by the Commission and articulated in detail in the impugned order also.

- e) Further, the Commission notes that the Review Petitioner's pleas, as brought out in para 1 of this Order, citing purported errors/mistakes in the impugned order cannot be said to constitute an error apparent on the face of the record as they are not self-evident, have negligible evidentiary support and require a process of reasoning and therefore can at best be considered an appeal in disguise but not a ground for a review petition as held by the Hon'ble Supreme Court in a catena of Judgments:

A. Parsion Devi v. Sumitri Devi, [(1997) 8 SCC 715]:

"Under Order 47 Rule 1 CPC a judgment may be open to review inter alia if there is a mistake or an error apparent on the face of the record. An error which is not self-evident and has to be detected by a process of reasoning, can hardly be said to be an error apparent on the face of the record justifying the court to exercise its power review under Order 47 Rule 1 CPC. In exercise of the jurisdiction under Order 47 Rule 1 CPC it is not permissible for an erroneous decision to be "reheard and corrected". A review petition, it must be remembered has limited purpose and cannot be allowed to be "an appeal in disguise."

B. Lily Thomas vs Union of India. (2000) 6 SCC 224:

"56. It follows, therefore, that the power of review can be exercised for correction of a mistake and not to substitute a view. Such powers can be exercised within the limits of the statute dealing with the exercise of

power. The review cannot be treated an appeal in disguise. The mere possibility of two views on the subject is not a ground for review....”

Thus, the Commission is of the considered view that the Review Petitioner has failed to establish a case of any self-evident mistake/error apparent on the face of the record or any case of discovery of new and important matter/evidence relating to the period when the impugned Order was passed by the Commission.

Therefore, no case is made out for a review of the original order and the Review Petition is accordingly dismissed.

Sd/-
(Ravinder Singh Saini)
Member

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **01.09.2025**