



(Transaction of Business and Fees & Charges) Regulations, 2022 and MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2019 and its successive Amendments.

**2. MSEDCL's major prayers are as follows:**

“ ...

- a) *To accord approval for initiation of competitive bidding process through MSAPL for long term procurement of Solar Power.*
- b) *To accord approval to Request for Selection (RfS) & Power Purchase Agreement (PPA) documents with deviations.*
- c) *To consider the submission made by the Petitioner and consider the same positively while deciding the Petition as well as for further actions;*

....”

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

- 3.1. To provide daytime electricity to agriculture consumers through decentralized solar power projects, the Government of Maharashtra (GoM) notified Mukhyamantri Saur Krushi Vahini Yojana 2.0 (MSKVY 2.0), under which agricultural feeders are proposed to be solarised by December 2025 and faster capacity addition will be facilitated in the 'Distributed RE Mode'.
- 3.2. It is also envisaged that the overall power procurement cost for MSEDCL will reduce and the agriculture feeders will be solarised with an objective of supplying better quality of electricity to the agricultural consumers during the daytime.
- 3.3. MSKVY 2.0 sets out fiscal incentive of Rs. 0.25/kWh for a period of 3 (three) years for projects injecting energy at 11/22 kV busbar if 75% of the total contracted capacity is commissioned prior to the scheduled commercial operation date.
- 3.4. The DRE Notification also provides for the trajectory of distributed renewable energy RPO (DRE) target within RPO target growing from 1.5% (FY24-25) to 4.5% (FY29-30).
- 3.5. Pursuant to MSKVY 2.0, MSEB Solar Agro Power Limited (MSAPL) was incorporated as a wholly owned subsidiary of MSEB Holding Company Limited under the Companies Act, 2013 to facilitate implementation of MSKVY 2.0 and to act as the nodal agency for facilitating implementation of MSKVY 2.0.
- 3.6. MSEDCL has undertaken the competitive bidding processes as of now as follows:
  - a) Case No. 164 of 2023: MSEDCL sought approval for initiating bidding process for procurement of 7000 MW power from distributed solar power projects under MSKVY 2.0. The Commission vide Order dated 11 August 2023 allowed the same along with deviations sought from the competitive bidding guidelines.

- b) During the proceedings in Case No.164 of 2023, the Commission noted that for roll-out of MSKVY 2.0, SPV driven model has been adopted. Hence, approval was accorded for suitable modifications in bidding documents. Under the said tender document MSEDCL had provided the developers to avail central financial assistance under the PM KUSUM component C Scheme. The tender document was aligned with the MNRE guidelines.
- c) MSEDCL has filed another Petition in Case No. 28 of 2024 seeking further deviation in modalities approved in Order dated 11 August 2023 in Case No.164 of 2023 to enable Individual Substation Based bidding. In the same Petition, MSEDCL has also included deviation related to increase of commissioning period to 18 months and demonstration of CUF within six months of SCoD. The Commission vide Order dated 6 March 2024 allowed such deviation.
- d) Post bidding process, in Case No. 32 of 2024 vide its Order dated 6 March 2024, the Commission has adopted tariff of Rs. 2.90 to 3.10/kWh for procurement of 7783 MW solar power under MSKVY 2.0 on long term basis. In the same Order, the Commission also allowed MSEDCL to procure additional power up to 2000 MW under subsequent rounds of bidding subject to condition that discovered tariff is within the same range of Rs 2.90 to 3.10/kWh with weighted average tariff of Rs. 3.08/kWh.
- e) In case 127 of 2024, MSEDCL approached the Commission for additional power procurement of 5991 MW under MSKVY 2.0. The Commission vide its Order dated 20 September 2024 has allowed the same with observation that the solar power from proposed project will help bring down overall power purchase cost.
- f) In case 7 of 2025, the Commission vide its Order dated 11 March 2025 has adopted tariff of Rs. 2.82 to 3.10/kWh discovered through competitive bidding for procurement of 5008 MW solar power under MSKVY 2.0 on long term basis.
- 3.7. MNRE in its Office Memorandum dated 11<sup>th</sup> September 2023, had relaxed the requirement of indigenous solar cell (DCR) under component C (FLS) of the PM KUSUM Scheme up till 31 March 2024.
- 3.8. Further, in its Office Memorandum dated 09 December, 2024, had specified that all projects falling under the purview of ALMM shall have to mandatorily source their solar PV modules from models and manufacturers included in ALMM List-1 for solar PV modules and such solar PV modules in turn shall have to use solar PV cells from amongst the models and manufacturers enlisted in ALMM List-II for solar PV cells.
- 3.9. MNRE notified ALMM List-II on 31<sup>st</sup> July, 2025 and thus, in light of the Ministry's Office Memorandum dated 28 July, 2025, which amends the ALMM Order dated 09 December, 2024, projects with bid submission dates on or before 31 August, 2025 shall be exempt from the requirement of sourcing solar PV cells from ALMM List-II, irrespective of their commissioning date.

- 3.10. Multiple developers executing the solar projects had approached MSEDCL with the challenges that are being faced by the solar developers throughout the country. Developers are not able to execute solar projects in time due to delayed availability of DCR modules. Further, the developers have also raised serious concern regarding the price differential between the DCR and non DCR and even if the developers are willing to go with DCR then also there is no certainty of the availability of the DCR modules.
- 3.11. Further the manufacturing industry (ALMM compliant) is also not mature to handle such huge influx of orders making on time availability of DCR modules a challenge. Pursuant to these factors, some of the serious developers even suggested to forego the CFA component if the DCR restriction is removed making it feasible for them to fast pace the execution of solar projects.
- 3.12. It was observed in the previous rounds of tender under PM-KUSUM C that response was not good to the tenders where DCR was made mandatory. Non-availability of solar cells conforming to the Domestic Content Requirement (DCR) can be one of the reasons even if developers are ready to pay higher rates on DCR solar cells.
- 3.13. It is expected that due to the applicability of above MNRE office memorandum dated 28 July, 2025 and 31 August, 2025 there will be a good response to the tenders bid out following the Guidelines issued by the Central Government under Section 63 of Electricity Act 2003. Further, it is also expected that since there is gap between the cost of DCR and non DCR, competitive tariffs are envisaged in the tenders bid out following the Guidelines issued by the Central Government under Section 63 of Electricity Act 2003.
- 3.14. The primary purpose of initiating the bidding process is to attract competitive tariffs in reference to the MNRE office memorandum dated 28th July 2025 and 31st July 2025. These memorandums have clarified that in the competitive bidding process under section 63 of Electricity Act 2003 the solar developers can utilize imported solar cells if the last date of bid submission is 31 August 2025.
- 3.15. The Commission in its Case No. 28 of 2024 has already approved the tender documents for the competitive bidding process under section 63 of Electricity Act 2003 for the procurement of solar power under MSKVY 2.0.
- 3.16. Continuing with the terms of the tender documents as approved by the Commission in its previous Order, MSAPL, has initiated the process for procurement of solar power by floating a tender under the ambit of MSKVY 2.0 by de-linking the terms and conditions applicable to avail the Central Financial Assistance under PM-KUSUM C. Furthermore, in accordance with prevailing guidelines, bidders are required to procure solar modules exclusively from manufacturers listed in ALMM List-I (pertaining to solar PV modules). However, they shall be exempted from DCR with respect to solar cells.

- 3.17. The ceiling is kept as Rs. 2.9/kWh considering the difference in cost between DCR & Non-DCR. This will help reduce the power purchase cost for MSEDCL.
- 3.18. Thus, tender document floated by MSAPL has following deviation w.r.t the earlier tenders done under MSKVY 2.0 open tender:
- A) The tender floated is delinked from availing the central financial assistance received under PM-KUSUM C.
  - B) The ceiling tariff is restricted to 2.9/kWh
- 3.19. MSAPL, being the nodal agency under MSKVY 2.0, shall, for and on behalf of MSEDCL, conduct the bidding process.
- 3.20. Accordingly, MSAPL has floated the RfS, in line with the tender document approved earlier by the Commission for MSKVY 2.0.
- 3.21. MSEDCL will approach the Commission for adoption of tariff offered under Section 63 of the EA, 2003, and/or for approval of any minor changes/modifications which may be required to be made to the draft of the RfS and/or the PPA, for any reason, if required, after completion of bidding process.
4. **During the E-hearing held on 4 November 2025**, the Advocate for MSEDCL narrated the background of the proposed procurement. Considering nature of procurement, the Commission directed MSEDCL to submit the progress of earlier tendered capacities under MSKVY and MSKVY 2.0.
5. **MSEDCL in its additional submission dated 28 November 2025 in compliance with the daily Order dated 4 November 2025 has stated as follows:**
- 5.1. The Letter of Awards have been placed on the solar developers for installation of 15404 MW distributed solar power projects through a transparent competitive bidding process, against the cumulative approvals granted by the Commission to the tune of 14791 MW (7783+2000+5008) in phased manner. Accordingly, PPA to the tune of 15383 MW have been executed with the respective developers.
- 5.2. In line with the implementation roadmap of MSKVY 2.0, a total capacity of 2229 MW has been commissioned as of 27 November 2025.
- 5.3. Previously MSEDCL has approached the Commission, through various Petitions for procurement of solar power under MSKVY Scheme. Accordingly, the Commission has granted permission to procure 4044 MW Solar Power. Out of which MSEDCL executed the PPAs of 1531 MW with the developers, who complied with the terms and conditions of the respective Tenders. As of 27 November 2025, 619.5 MW capacity has been commissioned under MSKVY.
6. **During the E-hearing held on 2 December 2025**, the Advocate appearing on behalf of MSEDCL stated that as on today the Commission has accorded its approval to procure

solar power under MSKVY and MSKVY 2 to the tune of 18835 MW. Against the approved quantum, MSEDCL has executed PPA and contracted 16914 MW. Out of which total 2843 MW solar capacity has been commissioned. Considering said submission, the Commission directed MSEDCL to clarify on the aspect of capacity remains to be contracted, commissioning timelines for contracted projects and action taken for delay in commissioning of the project. MSEDCL was also directed to clarify how the proposed fresh procurement under present Petition fits into Resource Adequacy requirement of MSEDCL.

7. **MSEDCL in its additional submission dated 16 December, 2025 in compliance with the Daily Order dated 2 December 2025 has stated as Follows:**
- 7.1. Out of total 18,835 MW solar power procurement approved by the Commission, 4044 MW was w. r. t., MSKVY (1.0) and balance 14791 MW was w. r. t., MSKVY (2.0).
- 7.2. The Commission has approved the solar procurement of 4044 MW capacity under MSKVY (1.0). However, eventually very a smaller number of solar power developers complying with the terms and conditions of respective tenders came forward to execute the PPA and therefore MSEDCL could execute the PPAs of 1531 MW capacity only. Out of 1531 MW, till date only 619.5 MW capacity has been commissioned under MSKVY (1.0). The PPAs to the tune of 2513 MW capacity could not be executed due to non-response/limited response from solar power developers at that point of time.
- 7.3. MSKVY (1.0) is closed and no further progress in terms of commissioning of projects is expected under MSKVY (1.0). Therefore, an additional shortfall of 911 MW (contracted capacity 1531 MW – commissioned capacity 619.5) has occurred.
- 7.4. Under MSKVY 2.0 the Commission accorded approval for procurement of 14791 MW (7783+2000+5008) cumulative capacity in phased manner. The LoAs have been placed on the solar developers for installation of 15404 MW distributed solar power projects through a transparent competitive bidding process. Thereafter, MSEDCL executed PPA of 15383 MW capacity.
- 7.5. Under MSKVY 2.0 initially transparent bidding process was implemented for installation of distributed solar power projects and accordingly LoAs for the capacity 9154 MW (Phase I) have been placed in March, 2024 with Scheduled Commercial Operation Date (SCOD) for MSKVY Phase I in September, 2025 i.e., 18 months from the date of LOA.
- 7.6. Subsequently, LOAs for the capacity 6250 MW were placed in phased manner from October, 2024 upto February, 2025 with SCOD expected in April 2026 onwards.
- 7.7. The SCOD for Phase I projects was in September 2025. However, the MNRE vide Office Memorandum dated 19 September 2025 has extended the Scheme timeline up to 31 March 2026. Consequently, the timeline of commissioning of Phase I (9154 MW) solar power projects extended up to 31 March 2026.

- 7.8. The progress of MSKVY 2.0 projects is being monitored regularly. Notices were issued for non-submission of Financial Closure to the respective developers and also notices were served for poor progress wherever applicable. However, the solar power developers have presently got the opportunity to commission their projects by the extended SCOD timelines as provided by the MNRE. Penal action is being proposed against the solar developers who are in continuous default in the matter of financial closure and negligible progress at project site.
- 7.9. Submissions regarding the capacity proposed for fresh procurement in present Petition:
- a) The present Petition has been filed seeking approval for the RFP and initiation of tendering process. The capacity for fresh procurement was not known and declared at the time of submission.
  - b) The tendering process continued in the meantime, subject to approval in the present Petition of the tender documents, and therefore consequently MSEDCL has processed bids for 2269 MW capacity. However, one solar developer from Phase I having contracted capacity of 1352 MW, has submitted an application for voluntary withdrawal from the PPA contract. Therefore, the fresh procurement in the present Petition would be limited to 917 MW.
  - c) Under MSKVY 2.0 the existing contracted capacity is 15383 MW, and expected addition will be 917 MW towards present fresh procurement and hence the combined capacity would be 16300 MW. The said quantum gets covered under the previously approved capacity of 18835 MW.
  - d) MSEDCL has processed bids for 2269 MW capacity under this Petition. The solar capacity is expected to be contracted at a lower average tariff of Rs. 2.81/kWh and without Central Finance Assistance (CFA) @ Rs. 1.05 Crs per MW which could enable total saving of Rs. 4700 Crs. approximately.
- 7.10. MSEDCL has submitted the Resource Adequacy Plan to the Commission in October 2024 wherein total projected solar power procurement was considered as 28045 MW which includes 14221 MW from MSKVY 2.0 (considering the contracted capacity up to Sep 2024). The revised roll-over Resource Adequacy plan has been submitted to the Commission in September 2025 taking into consideration the reassessed project capacity expected to be commissioned by 2030. In the revised plan, total solar capacity (expected to be commissioned) has been considered as 25258 MW which excludes the 715 MW solar capacity commissioned by March 2025. Further, the total solar quantum (25258 MW) includes 14933 MW solar capacity under MSKVY 2.0 excluding 379 MW already commissioned as on 31 March 2025. Thus, the total 15312 MW (14933 MW +379 MW) solar capacity addition under MSKVY 2.0 has been considered in the revised rollover Resource Adequacy plan.

8. During the E-hearing held on 18 December 2025, the Commission heard the Advocate of MSEDCL. MSEDCL provided status of tendering and commissioning of projects awarded under MSKVY & MSKVY 2.0 schemes. The Commission noted that MSEDCL vide its additional submission dated 16 December 2025 revised the quantum of proposed power procurement in the present Petition. The Commission sought clarification regarding such revision in quantum, post filing of the Petition. Advocate of MSEDCL submitted that it will file the detailed submission on that aspect. Considering the poor progress in executing flagship scheme like MSKVY, the Commission directed MSEDCL to file holistic submission on factors leading to poor progress, efforts made by it to overcome the hurdles in the project execution and action taken against defaulting RE developers.
9. **MSEDCL in its additional submission dated 30 December 2025 in compliance with the Daily Order dated 18 December 2025 has stated as Follows:**
  - 9.1. Through feeder level solarization, the solar power procurement to the tune of 18,835 MW has been approved by the Commission. Out of it, total contracted capacity is 16003MW (620MW+15383MW), therefore 2832 MW capacity is still balanced to be contracted. It is thus submitted that the proposed procurement quantum is well within the previously approved sanction.
  - 9.2. As per MNRE Office Memorandum dated 28 July 2025, the projects with bid submission date on or before 31 August 2025 shall be exempt from the requirement of sourcing solar PV cells from ALMM List-II, irrespective of their commissioning date. The present Petition has been filed seeking approval for initiating bidding process under competitive bidding for procurement of solar power under MSKVY 2.0 with reference to the Office Memorandum by MNRE and for approval of deviations from the earlier approved tender documents; deviations being de-linking from PM KUSUM C and revision in ceiling tariff from Rs. 3.10/kWh to Rs. 2.90/kWh.
  - 9.3. As the tendering process progressed in accordance with the prescribed timelines, bids aggregating to a total capacity of 2,269 MW have been received.
  - 9.4. The said power procurement is expected to be contracted at a lower weighted average tariff of Rs. 2.81/kWh and without availing Central Financial Assistance (CFA) of 1.05 crore per MW, thereby enabling an estimated total saving of approximately Rs. 4,700 Crore.
  - 9.5. In the meantime, one solar power developer under MSKVY 2.0 (Phase I), having a contracted capacity of 1352 MW, submitted an application for voluntary withdrawal from the PPA contract. Accordingly, the PPAs have been cancelled on 21 November, 2025. Consequently, the resultant balance capacity (approved by this commission) stands revised from 2832 MW to 4184 MW.

- 9.6. The fresh procurement quantum of 2269 MW is well below the approved quantum of 4184 MW.
- 9.7. MSEDCL regularly reviewing the progress of development for expeditious commissioning of the project. The PPA's were executed in phased manner throughout the year and accordingly SCOD of these projects are spread up to November 2026. During first six months, commissioned capacity was 106 MW, whereas as of now, the commissioned capacity is of 3068 MW.
- 9.8. In the recent past, several unforeseen challenges have been reported by developers, resulting in delays in project execution. These challenges include persistent Right of Way issues arising from objections by local residents, denial of access for roads, and related constraints. The enforcement of the Model Code of Conduct during the Lok Sabha and Vidhan Sabha elections between April-June 2024 and September-November 2024 and non-availability of staff for administrative and statutory approvals led to delays of various permissions by approximately eight to ten months. Additionally, prolonged processing of forest clearances adversely impacted both project implementation and associated transmission line works. Extreme weather conditions, particularly heavy rainfall during July-October 2024 and again from May-October 2025, significantly disrupted construction activities and material transportation, cumulatively reducing effective working time by nearly eight to ten months. Further, developers also reported a severe shortage of DCR-compliant solar modules in the market, accompanied by a substantial rise in their prices, which further affected project timelines.
- 9.9. MSEDCL has undertaken rigorous and proactive measures to address the challenges and mitigate delays in project execution. MSEDCL is closely monitoring project-wise progress through periodic review meetings to assess implementation status and resolve bottlenecks, supported by coordinated communications and field-level engagements with District Collectors and other State and regional level authorities to facilitate clearances related to NOCs, permissions, right-of-way, and farming and residential encroachments.
- 9.10. Sub-Divisional Officers have been designated as Nodal Officers to oversee MSKVY-related activities and ensure timely resolution of issues. In addition, Special Task Forces have been constituted at the district level, comprising the District Collector, District Superintendent of Police, Regional Forest Officer, and other concerned government officials, with monthly review meetings conducted to address land-related matters, local permissions, and site-specific challenges faced by developers. Further, a dedicated Project Management Unit (PMU) portal has been implemented to monitor developer-wise and project-wise progress on real time basis.
- 9.11. MSKVY, being a first-of-its-kind and large-scale distributed solarisation scheme for agricultural feeders, initially faced implementation challenges; however, with the scheme now stabilised, processes standardised, and experience gained by all stakeholders, the pace of execution and commissioning is expected to improve significantly going forward.

- 9.12. The solar projects of about 3500 MW capacity are at advanced stage of commissioning where work is in progress related to erection of solar PV module structures, inverters, IDTs etc., and evacuation infrastructure. As of date, 3068 MW solar capacity has been commissioned, and most of the projects are in an advanced stage of commissioning, which are expected to be commissioned by March 2026.
- 9.13. MSEDCL has periodically issued notices to those Solar developers who were having poor progress and have not complied with the PPA. In April 25 and Oct 25, similar Notices were issued to 84 Solar Developers.
- 9.14. MSEDCL is continuously monitoring the performance of solar developers and penal actions, including forfeiting of Bank Guarantee of Defaulter Developers under the respective PPAs, are being proposed and initiated against developers who continue to remain in default.
10. During the E-hearing held on 1 January 2026, the Commission heard MSEDCL and allowed to file written notes of arguments within 3 days. The Case was reserved for Order. However, the final Order could not be issued before the earlier Chairperson demitted the Office.
11. MSEDCL filed Interlocutory Application No. 24 of 2026 on 3 February 2026 seeking urgent listing of Case No. 196 of 2025. Therefore, the matter was listed for De NOVO hearing on 26 February 2026 and accordingly IA No. 24 of 2026 stands disposed of.
12. During the De NOVO E-hearing held on 26 February 2026, the Commission heard MSEDCL and matter is reserved for Order.

### **Commission's Analysis and Rulings**

13. MSEDCL has filed this Petition seeking approval for initiating competitive bidding process for long-term procurement of 2269 MW solar power under MSKVY 2.0.
14. The Commission notes that vide its earlier Orders, it has accorded approval to MSEDCL for initiating bidding process for procurement of 18835 MW (4044 MW under MSKVY 1.0 and 14791 MW under MSKVY 2.0) distributed solar power for solarisation of Agriculture feeders. Out of said approved quantum of 18835 MW, post competitive bidding process under Section 63 of the EA 2003 and adoption of tariff by this Commission, MSEDCL has executed PPAs of 16914 MW (1531 MW under MSKVY 1.0 and 15383 MW under MSKVY 2.0), thus capacity of 1921 MW (18835-16914) is still to be contracted. Further, under MSKVY 1.0, as submitted by MSEDCL only 620 MW is commissioned against 1531 MW and as scheme has been closed, 911 (1531 - 620) will be added to 1921 MW of shortfall against approved quantum which led to total shortfall of 2832 MW. MSEDCL's proposed power procurement of 2269 MW is within such approved limit and hence the Commission considered the same for approval.
15. The Commission notes that the proposed procurement is under MSKVY 2.0. The Commission by its Order in Case No. 164 of 2023 dated 11 August 2023 has approved

the modalities proposed by MSEDCL for Draft RfS and PPA for all the Solar projects being installed under MSKVY 2.0. In said Order, the Commission allowed deviations related to operational performance, billing, procedural and contractual aspects. Further, in subsequent Order dated 6 March 2024 the Commission has approved further deviation proposed by MSEDCL for speedy implementation of MSKVY 2.0 which includes individual substation-based bidding.

16. In the present Petition, for proposed procurement of 2269 MW, MSEDCL has stated that it will use the earlier approved documents with only change of delinking the Central Financial Assistance under PM-KUSUM C from tender process and specifying the ceiling tariff of Rs. 2.90/kWh. MSEDCL has justified such change as it would reduce the tariff to be discovered under competitive bidding process. Considering such justification, the Commission allows such changes in bidding documents. Further, as ruled in earlier Orders, Distribution Licensees are at liberty to specify ceiling tariffs for competitive bidding process, and the Commission would consider the competitiveness of the discovered tariff at tariff adoption stage.
17. Considering the above, the Commission allows MSEDCL to proceed with the competitive bidding process for 2269 MW for procurement of distributed solar power under MSKVY 2.0 with deviations proposed in the bidding documents (RfS and PPA) in the present Petition.
18. Hence, the following Order.


### **ORDER**

1. **Petition in Case No. 196 of 2025 is allowed.**
2. **MSEDCL is allowed to proceed with competitive bidding process for 2269 MW for procurement of distributed solar power under MSKVY 2.0 with deviation in bidding documents proposed in the present Petition.**

Sd/-  
**(Surendra J. Biyani)**  
Member

Sd/-  
**(Anand M. Limaye)**  
Member

Sd/-  
**(Valsa Nair Singh)**  
Chairperson

  
**(Dr. Rajendra G. Ambekar)**  
Secretary

