

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012

Present : Shri S.P. Nanda, Chairperson
Shri K.C. Badu, Member
Shri B.K. Misra, Member

Case No.84/2011

M/s. GRIDCO **Petitioner**

Vrs.

1. M/s Abacus Holdings pvt. Ltd., Suite 2B, 7A, Gurusaday Road, Kolkata - 19
2. M/s MGM Minerals Ltd., 2A, Forest Park, Bhubaneswar - 9
3. M/s Molisati Vinimay Pvt. Ltd., 23A, N S Road, 5th Floor, R No. 13, Hare Street, Kolkata - 1
4. M/s Pantime Finance company Pvt., Ltd., B-403, Shree Krishna Co-Operative Housing Society, Kamala Vihar, Sport Club Lane, Mahavir Nagar, Kandiwal (West), Mumbai -70
5. M/s Raajratna Energy Holding Pvt. Ltd., Gyamba House, South End, Lane-IV, New Shimla, Himachal Pradesh.
6. M/s S N Mohanty, Weigh Bridge Road, Near OMC Office, Barbil, Dist-Keonjhar
7. M/s Shri Mahavir Ferro Alloys Pvt. Ltd., L-10, Civil Township, Rourkela-4
8. M/s Jay Iron and Steel, Gangpur House, Uditnagar, Rourkela-12
9. M/s OREDA, S-59, Mancheswar Industrial Estate, Bhubaneswar-10
10. Commissioner-cum-Secretary, Dept. of Energy, Govt. of Odisha, Bhubaneswar

..... **Respondents**

In the matter of: **An application under Section 86 of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions for seeking approval of the Hon'ble Commission on the Power Purchase Agreements (PPAs) executed between GRIDCO and eight numbers of Solar PV developers for procurement of power from their upcoming plants to be set up in the State of Odisha under "Rooftop PV & Small Solar Generation Programme" scheme of MNRE, Government of India.**

For the Petitioner: Ranjit Das, Sr GM PP, GRIDCO

For the Respondent: Shri R.K. Ghosh, MGM Solar
Shri R.P. Mohapatra

ORDER

Date of Hearing: 23.12.2011

Date of Order: 04.04.2012

1. GRIDCO, the petitioner has filed a petition for approval of Eight number of PPAs signed with eight number of Solar PV Developers of 1 MW capacity, shortlisted by IREDA to avail Generation Based Incentive (GBI) under 'Rooftop PVS Small Solar

Power Generation Programme (RPSSGP) Scheme of MNRE, GOI launched on dated 16.6.2010 for setting up their plant as detailed below:-

Sl No.	Name of the Developers	Project Location	Technology used
1.	M/s. Abacus Holding Pvt. Ltd.	Vill: Ainlachhat, Block: Chadheipanka, Ulunda, Dist: Sonepur	Thin Film Module
2.	M/s. MGM Minerals Ltd.	Vill: Patrapada, G.P: Tangi, Block Tangi, Dist-Khurda	Crystalline Module
3.	M/s. Molisati Vinimay Pvt. Ltd.	Vill: Ranja, G.P: Danara, Block Barkote, Dist-Deogarh	Crystalline Module
4.	M/s. Pantime Finance Company Pvt. Ltd.	Vill: Benta, G.P: Tangi, Block Tangi, Dist-Nayagarh	Thin Film Module
5.	M/s. Raajratna energy Holding Pvt. Ltd.	Vill: Sadeipali, Block/Dist-Bolangir	Thin Film Module
6.	M/s. S N Mohanty	Vill: Patapur, G.P: Kundei Padaa, Block: Baranga, Dist: Cuttack.	Crystalline Module
7.	M/s. shri Mahavir Ferro Alloys Pvt. Ltd.	Vill: Tankajoda, Block: Bonai, Dist: Sundargarh	Thin Film Module
8.	M/s. Jay Iron and Steel	Vill: Haripada, Block: Bamra, Dist: Sambalpur	Crystalline Module

2. OERC in its order dated 09.7.2010 in case Nos. 58, 60-64, 68-77, 79-80, 82-105 has determined the levelised tariff for 25 years for power procurement by GRIDCO in the State of Odisha from Grid interactive solar PV power under RPSSGP at Rs.18.52 per KWH which is inclusive of the incentive/subsidy component to be received by GRIDCO from Govt. of India/Govt. of Odisha.
3. In the said order the following has been mentioned relevant to those projects:-
 - “24. The GBI shall be equal to the difference between the tariff determined by the CERC and the Base Rate, which will be Rs.5.50 per KWh (for FY 2010-11), which shall be escalated by 3% every year.
 25. The GBI shall remain constant for the entire duration of 25 years. Base Rate for projects to be commissioned during each subsequent year shall also be modified as escalation factor of 3% per annum and such escalation base rate shall remain constant over duration of 25 years. The GBI shall be disbursed as per IREDA guidelines.
4. GRIDCO has further stated that the present PPAs signed with 8 solar developers are in conformity with the RPSSGP guidelines of MNRE, GOI dated 16.6.2010.
5. Commission in response to the GRIDCO's petition fixed the date of hearing on 08.11.2011 giving notice to all the stakeholders including eight developers, GRIDCO and OREDA for admission of the case.
6. Commission heard the matter on 8.11.2011 and in their order dated 22.11.2011 decided the following:-

“4. The Commission heard the petitioner and there were no objectors to the said petition. The Commission accordingly decides to admit the case and further notice may be given to the petitioner, developers and public for obtaining views/comments/suggestions in this regard before the final approval is accorded on the PPAs signed between GRIDCO and eight developers under RPSSGP programme.”

7. Commission in view of the above order, published a notice for the public in general for obtaining their response through a hearing scheduled to be conducted on 23.12.2011.
8. In accordance with public notice Commission heard the case on 23.12.2011 and only one objector Shri R. P. Mohapatra appeared as general consumer. Commission concluded the hearing on the day and directed GRIDCO to file its reply on the suggestions/views of Shri R. P. Mohapatra within seven days serving copy on Shri Mohapatra and Shri Mohapatra was also directed to file rejoinder if any, to the reply of GRIDCO with seven days thereafter. After such submissions made by GRIDCO and Shri R. P. Mohapatra, the Commission would pass appropriate order on the matter.

Commission's Observations and Directions

9. GRIDCO has filed eight number of PPA executed for approval of the Commission executed with eight numbers of Solar PV developers for procurement of power from the solar PV power plants to be set up in the State of Odisha under “Rooftop PV & Small Solar Power generation Programme Scheme (RPSSGP).
10. It would be pertinent here to highlight the background of the RPSSGP Scheme.

“4. The background of the cases are as follows:

Ministry of New and Renewable Energy (MNRE) in order to give a thrust to rooftop PV and other Small Solar Power Plants connected to distribution network at Voltage level below 33 KV has launched a programme called Rooftop PV and Small Solar Power Generation Programme (RPSSGP) to provide Generation Based Incentives (GBI). The key features of the programme are as under:

- *The Project Proponents would be selected as per these guidelines for development of solar power projects to be connected to distribution network at voltage levels below 33 KV.*
- *The projects should be designed for completion before March 31, 2013.*
- *The local distribution utility in whose area the plant is located, would sign a Power Purchase Agreement (PPA) with the Project Proponent at a tariff determined by the appropriate State Electricity Regulatory Commission (SERC).*

5. *The MNRE has issued the final guidelines for installation of Rooftop PV and Small Solar Power Plants under Jawaharlal Nehru National Solar Mission (JNNSM) on 16.06.2010 based on GBI. Project schemes from States wherein*

tariff tenure for duration of 25 years with tariff structures on levellised basis has been determined by SERCs shall alone be considered to be eligible to participate in this programme (RPSSGP). The GBI shall be equal to the difference between the tariff determined by the Central Electricity Regulatory Commission (CERC) and the Base Rate which will be Rs.5.50 per KWh (for financial year 2010-11) which shall be escalated by 3% every year. The GBI shall be payable to the distribution utility for a period of 25 years from the date of commissioning of the project.

IREDA has been designated as ‘Programme Administrator’ by the MNRE for administering the generation based incentive programme for rooftop PV and other small solar power plants. It is proposed to develop solar capacity of 100 MW under these guidelines. This capacity addition has been divided into two categories and the projects connected at HT level of distribution network with installed capacity of 100 KW and upto 2 KW is now open for registration with IREDA.”

11. The Project Administrator (IREDA) accordingly received the application and shortlisted eight projects to be set up in the State of Odisha to avail Generation Based Incentive (GBI) under RPSSGP programme.
12. Commission has ascertained the present status of these eight projects in Odisha. As per the data available from GRIDCO all the eight projects have been commissioned and have started injecting power to the grid as detailed below:-

Sl. No.	Name of the Developer	Project Location	Technology Used	EPC Contractor	Date of Commercial Date of operation
1	M/s Raajratna Energy Holding Pvt. Limited	Vill: Sadeipali, Block/ Dist: Bolangir	Thin Film Module	KSK Surya, Hyderabad	13.07.2011
2	M/s S. N. Mohanty	Vill: Patapur, G.P: Kundei Padaa, Block: Baranga, Dist: Cuttack	Crystalline Module	TATA BP Solar	23.08.2011
3	M/s MGM Minerals Ltd.	Vill: Patrapada, G.P.: Taqngi, Block: Tangi, Dist: Khurda	Crystalline Module	TATA BP Solar	13.10.2011
4	M/s Molisati Vinimay Pvt. Limited	Vill: Ranja, G.P.: Danara, Block: Barkote, Dist: Deogarh	Crystalline Module	Vikram Solar, Kolkata	22.12.2011
5	M/s Jay Iron and Steel	Vill: Haripada, Block: Bamra, Dist: Sambalpur	Crystalline Module	Vikram Solar, Kolkata	11.03.2012
6	M/s Abacus Holdings Pvt. Limited	Vill: Ainlachhat, Chadheipanka, Block: Ulunda, Dist: Sonepur	Thin Film Module	TIF Energy, Spain	13.03.2012
7	M/s Shri Mahavir Ferro Alloys Pvt Limited	Vill: Tankajoda, Block: Bonai, Dist: Sundergarh	Crystalline Module	Delta Energy, Bangalore	15.03.2012
8	M/s Pantime Finance Company Pvt. Limited	Vill: Benta, G.P.: Tangi, Block: Tangi, Dist: Nayagarh	Crystalline Module	Delta Energy, Bangalore	16.03.2012

It is heartening to know that all these projects have commissioned well within the time frame stipulated by IREDA for availing Generation Based Incentive. This would go a long way in encouraging other solar projects to be set up in Odisha.

13. It is observed that the PPAs which have been signed between GRIDCO and Developers have not been objected by the executants i.e. GRIDCO and developers. However, in response to the public notice for approval of PPA, one objector from general public, Shri R. P. Mohapatra has offered suggestions for amendment of /addition to the PPAs in order to bring the PPA, in line with the provisions of the Act, 2003, Regulations and Orders of the Commission. These suggestions broadly relate to elements such as Delivery point, Billing procedure, Payment procedure, Grid interfacing, KVA charges, SLDC Fee and charges, Reading and correction of meters etc. GRIDCO has also responded to such objection stating that PPA have been signed with acceptance by both seller and purchaser and in conformity with the RPSSGP guidelines of MNRE, Govt. of India. The commercial arrangement of purchase of solar power by GRIDCO from the developer and payment by GRIDCO to the developer are being implemented smoothly as per the PPA provisions. GRIDCO, therefore, prays the vetting of the executed PPAs by the Commission without any modification.
14. Commission in view of such a scenario observes that both GRIDCO and Developers have not shown any disagreement in the PPA signed between them. It may, therefore, be presumed that executants of PPA have no problem with the PPA and they foresee no legal hassle in the future. However, it is seen that the PPAs are mostly of generic nature and there ought to be clarity on project specific points in each PPA such as name and details of Interconnection point, Delivery Point and metering drawing. GRIDCO and project proponents are therefore advised to have a limited amendment of PPAs incorporating the specific details as mentioned above.
15. The Commission approves the 8 PPAs in question with the stipulations that modifications which are most in clarificatory in nature be carried out by GRIDCO and the respective developers without further reference to the Commission.

Sd/-
(B.K. Misra)
Member

Sd/-
(K.C. Badu)
Member

Sd/-
(S.P.Nanda)
Chairperson