

**ODISHA ELECTRICITY REGULATORY COMMISSION
BUDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNOKOLI, SAILASHREE VIHAR
BHUBANESWAR - 751021**

**Present: Shri U. N. Behera, Chairperson
 Shri S. K. Parhi, Member
 Shri G. Mohapatra, Member**

Case No. 24/2021

M/s. GRIDCO Ltd.	Petitioner
Vrs.		
DoE, GoO & Others	Respondents

In the matter of: **Application under Section 86 of the EA, 2003 read with Section 21 of the OER Act, 1995 and other enabling provisions for seeking approval of Power Sale Agreement (PSA) executed between GRIDCO Ltd. and SECI Ltd. for procurement of 70 MW Solar power under Phase-II, Batch-I of the VGF Scheme under Jawaharlal Nehru National Solar Mission of Govt. of India towards fulfilling the Renewable Purchase Obligation.**

For Petitioner: Shri P. K. Das, CGM, GRIDCO.

For Respondent: Shri M. G. Ramachandran, Sr. Advocate on behalf of SECI; Shri K. C. Nanda, DGM (F), TPWODL; Shri V. Wagle, Head Regulatory Affairs, TPCODL, Shri Pratap Mohanty, TPNODL, representative from TPSODL and Shri R. P. Mahapatra.

ORDER

Date of Hearing: 08.06.2021

Date of Order: 22.06.2021

1. The present petition has been filed by M/s. GRIDCO Ltd under Section 86 of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reforms Act, 1995 and other enabling provisions for seeking approval of Power Sale Agreement (PSA) executed between GRIDCO Ltd. and SECI Ltd. for procurement of 70 MW Solar power under Phase-II, Batch-I of the VGF Scheme under Jawaharlal Nehru National Solar Mission of Govt. of India towards fulfilling the Renewable Purchase Obligation. The Petitioner has prayed the Commission to approve the PSA executed with SECI on 12.08.2014 for above mentioned 70 MW solar power for fulfilling RPO of GRIDCO.

2. The Petitioner in the present Petition has submitted that the Ministry of New & Renewable Energy (MNRE), brought out a Scheme under Jawaharlal Nehru National Solar Mission (JNNSM) Phase-II for procurement of 750 MW solar power through competitive bidding based on Viability Gap Funding (VGF) for supplying power to Discoms at a fixed levelized tariff of Rs.5.50 per kWh for 25 years through Solar Energy Corporation of India (SECI). For fulfilling the specified Solar Purchase Obligation (SPO) of 0.3% upto FY 2015-16, GRIDCO had only tied-up for 68 MW of solar power. GRIDCO submitted that additional solar capacity was also required for future RPO targets.
3. Considering that the above tariff is less in comparison to last solar tariff discovered under state bidding route, i.e. Rs.7.28/kWh (M/s. ACME Odisha Solar Pvt. Ltd.), GRIDCO initially requisitioned 30 MW solar capacity out of the proposed 750 MW under JNNSM Phase-II for Grid connected solar PV projects. GRIDCO has indicated that GEDCOL successfully bagged 20 MW out of 750 MW capacity of solar PV projects set up in Odisha in the bids invited by SECI under VGF Scheme.
4. SECI in its letter dated 11.07.2014 has confirmed to offer 30 MW solar capacity to GRIDCO and the PSA was executed between GRIDCO and SECI on 12.08.2014. On anticipation of increased RPO target in future as suggested by the Commission and the availability of low cost solar power then, GRIDCO further requisitioned 10 MW and then another 30 MW under the VGF scheme totaling the capacity to 70 MW. Accordingly, both the parties executed an amended PSA on 12.03.2015 enhancing solar power allocation from 30 MW to 70 MW. Thereafter, GRIDCO has been procuring 70 MW solar power through SECI (Total 40 MW from Gujarat w.e.f. September 2015, 10 MW from Rajasthan w.e.f. June 2015 & 20 MW from GEDCOL Manmunda SPV project in Odisha w.e.f. June 2016).
5. The salient features of the PSA are detailed as under:
 - i. The Term of Agreement shall be for a period of 25 years from the date of CoD of the Solar Projects.
 - ii. The applicable tariff for the solar power shall be Rs 5.50/kWh including the trading margin of Rs 0.05/kWh fixed for the entire term of the Agreement.

- iii. Minimum energy of 108.41 MU will be made available till the end of 10 years and 101 MU for rest of the Agreement through SECI, for shortfall of which Solar Power Developers are liable to pay the compensation.
 - iv. The buying utility shall be responsible for obtaining and maintaining Long Term Open Access as required and shall bear the STU charges and losses for the power evacuated from the delivery point.
 - v. In the event of delay in payment of the Monthly Bill by the buying utility thirty (30) days beyond the due date, a Late Payment Surcharge shall be payable by the buying utility to SECI @ 1.25% per month on the outstanding amount calculated on a day to day basis.
 - vi. The buying utility shall provide to SECI an unconditional, revolving and irrevocable Letter of Credit (LC), opened and maintained by the buying utility.
 - vii. The buying utility may identify the energy procured from the SPD Delivery point to meet its RPO.
 - viii. The Agreement shall come into effect from date of its execution by both Parties.
 - ix. The Scheduling and energy accounting of the solar power shall be as per the provisions of the SECI-SPD PPA and Grid Code.
 - x. From the commencement of supply of power by SECI, the buying utility shall pay to SECI the monthly tariff payments, on or before the Due date.
 - xi. Apart from the above, other terms and conditions like Third Party Sales by SECI, Disputed Bill, Force Majeure, Change in law, Events of Default and Termination, Liability and Indemnification, Assignments and Charges, Governing Law and Dispute Resolution, Notices, Taxes and Duties, Independent Entity have been incorporated as per the prevailing standard procedure.
6. The Petitioner further submitted that as per terms and conditions of the PSA, GRIDCO is bearing all the charges & losses of the STU transmission network of the respective states except Odisha at the rate specified by respective SERCs. During the FY 2020-21, the STU charges being paid for the procurement of solar power from Rajasthan and Gujarat under SECI VGF Scheme, Batch-I is Rs.83.075/kW/Month and Rs.4176.44/MW/Day respectively. GRIDCO is also bearing the SLDC Charges @ Rs.1.3890/kW/Month for FY 2020-21 for availing 10 MW solar power from Rajasthan.

7. No written submissions have been made by any respondent in response to the present Petition. However, during the hearing, the respondent Shri R. P Mahapatra stated that GRIDCO has been procuring power from SECI under the said scheme since March 2015 without approval of the PSA. He further stated that the Commission may approve the subject PSA since GRIDCO has already been procuring power since 2015. However, he requested the Commission to direct GRIDCO not to procure power in future without approval of the PPA/PSA.
8. The Commission after hearing the parties, observed that GRIDCO had requisitioned 70 MW solar capacity from SECI at a fixed levelized tariff of Rs 5.50 per kWh, which is less than the then tariff discovered under state bidding route. Further, GRIDCO has been procuring this power through SECI since March, 2015 as per the terms of the PSA.
9. In view of the above, the Commission approves the subject PSA dated 12.08.2014 and amended PSA dated 12.03.2015 executed between GRIDCO Ltd. and SECI Ltd. for procurement of 70 MW Solar power under Phase-II, Batch-I of the VGF Scheme under Jawaharlal Nehru National Solar Mission of Govt. of India towards fulfilling the Renewable Purchase Obligation.
10. The case is accordingly disposed off.

Sd/-

(G. Mohapatra)
Member

Sd/-

(S. K. Parhi)
Member

Sd/-

(U. N. Behera)
Chairperson