

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

**Present:        Shri G. Mohapatra, Officiating Chairperson  
                     Shri S K Ray Mohapatra, Member**

**Case No. 43/2022**

GRIDCO Ltd.	.....	Petitioner
Vrs.		
DoE, GoO & Others	.....	Respondents

**In the matter of:**      **Application by GRIDCO Ltd. under Section 86(1) (b) and (e) of the Electricity Act, 2003 read with Section 21 of the Odisha Electricity Reforms Act, 1995 and other enabling provisions seeking prior approval of the Commission on the Power Sale Agreement (PSA) to be executed between GRIDCO and Solar Energy Corporation of India Limited (SECI) for procurement of 10 MW Wind Power under ISTS-Connected Wind Power Projects Scheme Tranche-XI towards fulfilling the Renewable Purchase Obligation.**

**For Petitioner:**        Shri S. K. Panda, G.M (Elect.), GRIDCO Ltd.

**For Respondents:**    Shri M. G. Ramachandran, Advocate on behalf of SECI; Shri B. K. Das, GM (RT&C), OPTCL; Shri K. C. Nanda, GM (RA & Strategy), TPWODL; Ms. Malancha Ghose, DGM (RA), TPNODL; Shri Puneet Munjal, Chief (Regulatory & Govt. Affairs), TPCODL; and Shri V. Wagle, Head (Regulatory Affairs), TPSODL are present.

**ORDER**

**Date of Hearing: 27.09.2022**

**Date of Order:15.10.2022**

1.      This 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 seeking prior approval of Power Sale Agreement (PSA) to be executed between GRIDCO Ltd. and Solar Energy Corporation of India Limited (SECI) for procurement of 10 MW Wind Power under ISTS-Connected Wind Power Projects Scheme Tranche-XI towards fulfilling the Renewable Purchase Obligation.
2.      GRIDCO has prayed to approve the proposal for procurement of 10 MW wind power under the above scheme of SECI for a period of 25 years towards meeting other Non-Solar RPO along with approving of the Draft PSA at a tariff of Rs. 2.76/kWh including SECI Trading Margin for 5.25 MW and a tariff of Rs. 2.77/kWh including SECI

Trading Margin for 4.75 MW. GRIDCO will bear the ISTS Loss for the procurement of RE power.

3. The Petitioner, GRIDCO has submitted the following:

- (a) The Solar Energy Corporation of India Limited, (SECI), vide its letter dated 18.02.2022, offered Wind Power of Capacity 570 MW at an applicable Tariff of Rs. 2.77/kWh (including SECI trading margin of Rs. 0.07/kWh) to GRIDCO. The tariff has been discovered by SECI in the E-Reverse Auction conducted in RfS for 1200 MW ISTS-Wind-Tranche-XI scheme. The Project is likely to be commissioned by 3<sup>rd</sup> Quarter of FY 2023-24 within 18 months from date of signing of PSA.
- (b) At present GRIDCO has been tied up with Non-Solar Capacity of 479.15 MW (Biomass – 20 MW, Wind – 350 MW & SHEP- 109.15 MW). Out of the Contracted capacity of 350 MW, 321.5 MW of Wind generation have been commissioned as on date. After diverting 51 MW SHEP capacity eligible for HPO, with an estimated demand of around 32,700 MU by the FY 2024-25, there may be a shortfall of around 290 MW in Other Non-Solar Capacity towards meeting RPO. The potential of RE Power eligible towards Other Non-Solar RPO in the state is minimal. Further the progress of some of the SHEP projects which are eligible towards Other Non-Solar RPO are not satisfactory.
- (c) With a target to achieve the other non-solar RPO target of 7.17% by FY 2024-25 mandated by the Commission, GRIDCO vide letter dated 06.05.2022 had requested SECI to indicate availability of 100 MW Wind Power under ISTS Wind Tranche-XI scheme. SECI, vide its letter dated 25.05.2022, offered 10 MW Wind Power under ISTS-Wind Tranche-XI Scheme as per the tariff mentioned below:
  - i. 5.25 MW @ Rs. 2.76/kWh including SECI Trading Margin.
  - ii. 4.75 MW @ Rs. 2.77/kWh including SECI Trading Margin.

SECI also mentioned that balance 90 MW Wind Power can be mapped from ISTS Wind Tranche-XII Scheme as per the respective discovered Tariff plus SECI trading margin.

- (d) GRIDCO, vide letter dated 07.06.2022 to SECI, has offered its consent to procure 10 MW Wind Power subject to receipt of consent of DISCOMs and

approval of the Commission. GRIDCO vide letter dated 17.06.2022, has requested the DISCOMs for providing Consent towards Procurement of 10 MW Wind Power for 25 years from SECI under ISTS Wind Tranche-XI scheme.

- (e) Basing on the Ministry of Power, Govt. of India Order dated 23.11.2021 and 30.11.2021 SECI, vide its email dated 21.06.2022, clarified that the Transmission charges are waived up to 30.06.2025 in respect of RE Power including Wind power. However Transmission Losses shall be applicable on the procurement of Wind power.
- (f) SECI has submitted a standard draft Power Sale Agreement towards procurement of 10 MW Wind Power under ISTS Wind Power Project Tranche-XI Scheme with a request for signing of the same.

4. The salient features of PSA are as follows:

- (a) *The term of the agreement shall be for a period of 25 years from the Scheduled Commissioning Date (SCD) or from the date of Commissioning of the Projects whichever is earlier.*
- (b) *The SCD is 18 months from the date of execution of the PPA (between SECI and Developers) or PSA whichever is later.*
- (c) *As per Schedule -1 of the PSA, the tariff shall be in the range of Rs. 2.69/kWh to Rs. 2.70/kWh plus SECI trading margin of Rs. 0.07/kWh.*
- (d) *Wind Power Developers (WPD) are permitted for Commissioning as well as Part commissioning of the Project even prior to the SCD. In case of Commissioning or Part commissioning prior to SCD of the Project(s), the Buying Entity may purchase the generation at the Applicable Tariff.*
- (e) *Any excess generation than as mentioned in the PSA can be purchased at 75% of the PPA tariff plus SECI trading margin.*
- (f) *There shall be Payment Security Mechanism (PSM) in terms of Letter of Credit (LC), State Govt. Guarantee. In absence of LC and State Govt. Guarantee, the buying entity may choose for Payment Security Fund.*
- (g) *The WPD is allowed to revise the CUF once within first 03 years after COD. The CUF cannot be less than 22 % in any case.*
- (h) *For less generation, GRIDCO (buying entity) is entitled to get compensation calculated @ 50% of the PPA tariff for the shortfall of energy.*
- (i) *Under Change in Law, for any increase /decrease of Rs. 01 Lakh per MW Project Cost, shall be liable for corresponding increase or decrease of an amount equal to Rs. 0.0045/kWh in the monthly tariff.*

5. The Respondent SECI submitted that:

- (a) SECI is supporting the relief sought by the petitioner, GRIDCO Ltd. for the approval of procurement of 10 MW of wind power under the Power Sale

Agreement to be signed between GRIDCO and SECI. The allocation of 10 MW wind power under the PSA to be signed between petitioner and SECI will be on pro-rata basis from all the Wind Power Developers selected under the Competitive bidding Process under Tranche-XI Wind Scheme at the following tariff plus trading margin of Rs.0.07/kWh.

(b) Power has been allocated to GRIDCO from developers at different tariffs:

<b>Name of Wind Power Developer</b>	<b>Capacity (MW)</b>	<b>Tariff payable by GRIDCO (Rs./kWh)</b>	<b>Power Allocated to GRIDCO (MW)</b>
ReNew Naveen Urja Private Ltd.	300	2.69 plus Trading margin of Rs.0.07 /kWh	2.5
Green Infra Wind Energy Ltd.	180	2.69 plus Trading margin of Rs.0.07 /kWh	1.5
Anupavan Renewables Private Limited	150	2.69 plus Trading margin of Rs.0.07 /kWh	1.25
Adani Renewable Energy Holding Fifteen Ltd.	450	2.70 plus Trading margin of Rs.0.07 /kWh	3.75
Azure Power India Private Limited	120	2.70 plus Trading margin of Rs.0.07 /kWh	1
		<b>Total</b>	<b>10</b>

(c) The tariff of Rs 2.69/kWh and Rs 2.70/kWh has been discovered in the Competitive Bidding Process in pursuance to the Request for Selection Document (RfS) dated 25.05.2021 issued by SECI for selection of the Wind Power Developers for setting up of 1200 MW ISTS connected Wind Power Projects.

(d) In terms of Section 86(1) (b) of Electricity Act read with Rules 8 of the Electricity Rules, 2005, the Commission may approve the procurement of 10 MW Wind Power by the GRIDCO at the applicable tariff of Rs.2.69/kWh and Rs.2.70/kWh plus trading margin of Rs.0.07 /kWh under the PSA to be signed with SECI.

6. The Respondents TPCODL, TPNODL & TPWODL have submitted that:

(a) The MoP, GoI has notified the Wind RPO, HPO and other RPO vide order dated 22.07.2022, Wind RPO has been specified from 0.81% in FY 2022-23 to 6.94% in FY 2029-30 in the above order. Similarly, HPO and other RPOs have been redesigned in the above order. Further, wind RPO can be met only by energy produced from wind projects commissioned after 31.03.2022.

- (b) The applicable tariff offered by SECI for this 10 MW wind power is quite reasonable and is lower than the approved Average Power Purchase Cost (APPC) of GRIDCO for the FY 2022-23. Also, the Scheme managed by SECI is through Competitive Bidding route.
  - (c) There will be no transmission charge (waived up to 30.06.2025) for procuring 10 MW wind power as per MoP notification of November 2021.
  - (d) Keeping in view the requirement to meet the Wind RPO obligation, the aforesaid 10 MW Wind Power under ISTS Wind Tranche XI Scheme of SECI may be procured, subject to approval of OERC.
7. Another Respondent OPTCL has submitted that the Commission may approve the Power Sale Agreement (PSA) to be executed between GRIDCO and Solar Energy Corporation of India Limited (SECI) for procurement of 10 MW Wind Power under ISTS-Connected Wind Power Projects Scheme Tranche XI towards fulfilling the Renewable Purchase Obligation.
8. Heard the Petitioner & Respondents through virtual mode. Considered their written submissions and arguments during hearing. The Commission observed that as per OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021, GRIDCO is required to procure 7.17% other non-solar power by FY 2024-25. GRIDCO has submitted that with an estimated demand of around 32,700 MU by FY 2024-25, there may be a shortfall of around 290 MW in Other Non-Solar Capacity for meeting RPO. Further, the potential of RE Power eligible for Other Non-Solar RPO in the state is minimal and the progress of development of the SHEP projects which are eligible for meeting Other Non-Solar RPO are not satisfactory. Therefore, GRIDCO requires this power to comply with the RPO targets set by OERC till the FY 2024-25. The tariff for procurement of this power has been discovered by SECI through competitive bidding process and is lower compared to the approved APPC of GRIDCO for the FY 2022-23. Moreover, the stakeholders including DISCOMs and OPTCL have given their consent for procurement of this power. MoP, GoI has notified RPO and Energy Storage Obligation (ESO) trajectory till the FY 2029-30 vide Order dated 22.07.2022, wherein there is specific requirement of Wind RPO, which is to be met by energy procured from wind projects commissioned after 31.03.2022. The OERC's RPO Regulations, 2021, which does not specify wind RPO, is likely to be amended in line with the above Order of MoP, GoI.

9. In view of the above, the Commission approves the aforesaid PSA to be executed between GRIDCO and SECI for procurement of 10 MW Wind Power through ISTS-Connected Wind Power Projects Scheme Tranche-XI for fulfillment of RPO of GRIDCO as per the tariff mentioned below:
- i. 5.25 MW @ Rs. 2.76/kWh including SECI Trading Margin of Rs 0.07.
  - ii. 4.75 MW @ Rs. 2.77/kWh including SECI Trading Margin of Rs 0.07.
10. The case is accordingly disposed of.

Sd/-  
**(S. K. Ray Mohapatra)**  
Member

Sd/-  
**(G. Mohapatra)**  
Officiating Chairperson