

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

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

Case No. 83/2023

M/s GRIDCO Ltd.	Petitioner
Vrs.		
M/s S.N.Mohanty & Others	Respondents

In the matter of: **Application under Section 86 (1)(e) of the Electricity Act 2003, read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions seeking approval of the Commission on the Amendment to the existing Power Purchase Agreement (PPA) dated 21.08.2010 executed between GRIDCO and M/s S.N. Mohanty, following the relocation of the 1 MW SPV Project of M/s S.N. Mohanty commissioned under RPSSGP Scheme of the MNRE, GoI.**

For Petitioner: Shri Bijay Kumar Das, Sr. GM (PP) and Ms. Shaswati Mohapatra, AGM (Electrical), GRIDCO Ltd.

For Respondents: Er. P.K.Pradhan, the Authorized Representative and Shri B.B. Paltasingh, General Manager on behalf of M/s. S.N. Mohanty; and the Representative of M/s. OREDA. None appears on behalf of M/s. IREDA & M/s. TPCODL.

ORDER

Date of Hearing: 09.04.2024

Date of Order: 19.04.2024

1. This petition has been filed by M/s GRIDCO Ltd. under Section 86 (1)(e) of the Electricity Act 2003, read with Section 21 of the Odisha Electricity Reform Act, 1995 and other enabling provisions seeking approval of the Commission on the Amendment to the existing Power Purchase Agreement (PPA) dated 21.08.2010 executed between GRIDCO and M/s S.N. Mohanty, following the relocation of the 1 MW SPV Project of M/s S.N. Mohanty commissioned under RPSSGP Scheme of the MNRE, GoI. The Petitioner has prayed the Commission to approve the Amendments made on 18.12.2023 in the Original PPA dated 21.08.2010.
2. The Petitioner M/s. GRIDCO Ltd. has submitted the following:
 - a) The 1 MW Solar PV project of M/s S.N. Mohanty connected to 11 kV system was commissioned on 23.08.2011 at village Patapur, G.P. Kundei Padaa, Block- Barange, Dist. Cuttack in Odisha under 'Rooftop PV & Small Solar Power Generation

Programme (RPSSGP) Scheme of MNRE, GoI launched on 16.06.2010. GRIDCO had executed Power Purchase Agreement (PPA) with M/s S.N. Mohanty (Respondent No. 1) on 21.08.2010 under the Scheme and the project was successfully commissioned on 23.08.2011. The Commission, vide its Order dated 09.07.2010, has determined the tariff of Rs.18.52 per kWh to be paid to Solar Power Developer under RPSSGP Scheme with specified technical and financial parameters.

- b) M/s S. N. Mohanty (Respondent No. 1), vide its letter dated 02.07.2022, had proposed MNRE through OREDA for relocation of its 1 MW Solar project from the existing location to Sarua village near Begunia in Khordha district, due to generation loss following shadow effect, water logging and power cuts during peak generation time. OREDA, vide its letter dated 14.09.2022, had recommended the proposal to MNRE for necessary approval.
- c) GRIDCO, vide its letter dated 12.10.2022, had requested TPCODL (Respondent No. 4) to provide the connectivity permission issued along with the feasibility report for evacuation of solar power from the new location of the said 1 MW Solar PV Project through 33/11 kV Sarua Sub-station. The new site will be connected at 11 kV through dedicated feeder with 2 Km overhead line and 0.54 Km of underground XLPE Cable with Bi-directional metering arrangement. TPCODL, vide its letter dated 29.12.2022, has issued feasibility and connectivity approval for relocation of the said SPV Project.
- d) IREDA, vide email dated 03.01.2023, had requested GRIDCO to endorse the relocation proposal of M/s S.N. Mohanty for approval of the competent authority. GRIDCO, vide letter dated 08.02.2023, had submitted its views on the relocation proposal and requested for some clarifications in the matter. The MNRE, GoI, vide letter dated 06.04.2023, have accorded approval for the relocation of the project subject to the terms and conditions of the RPSSGP Scheme.
- e) IREDA, vide letter dated 18.04.2023, has conveyed the acceptance of MNRE to the proposal of relocation of the project. IREDA has further mentioned that the approval is accorded only for relocation of the Solar project and all other terms and conditions will remain unchanged under the provisions of the RPSSGP guidelines and release of GBI shall be as per the MoU signed between IREDA & GRIDCO. IREDA has also advised the Company to adhere to certain conditions such as (i) there shall not be any replacement of modules and inverters after relocation; (ii) Generation based incentive (GBI) will be restricted to a maximum limit of 19% CUF as per RPSSGP Scheme; etc.

- f) OREDA, vide letter dated 25.04.2023, had accorded permission to M/s S.N. Mohanty to carry out the relocation of the said 1 MW SPV Project commissioned under RPSSGP Scheme citing the advisory given by IREDA in their letter 18.04.2023.
- g) In line with the approval of MNRE & IREDA on the relocation proposal, a draft amendment to the existing PPA was prepared and shared with M/s S.N. Mohanty on 30.05.2023 for views which was agreed by M/s S.N. Mohanty.
- h) GRIDCO on 28.08.2023 had filed the draft amendment to the PPA dated 21.08.2010 agreed by M/s S.N. Mohanty before the Commission pertaining to the relocation of the SPV project for approval. In the meantime, the Commission, vide Order dated 14.08.2023 passed in Case No.59/2023, had reiterated the earlier Order dated 20.12.2021 passed in case No.58 of 2021 and directed all the 8 Nos of such Solar Power Developers to incorporate compensation provision in the PPAs dated 21.08.2010 along with the provision relating to billing on the basis of EBC Meter Data and submit the amended PPA through GRIDCO for approval.
- i) A meeting was held on 11.10.2023 between GRIDCO & the Solar Power Developers under RPSSGP Scheme where it was agreed to modify the existing PPA with provision of compensation for Solar generation going down below 12 Lakh Units per annum as mentioned earlier in the Record Notes of Discussion held on 05.04.2013. The modified draft amendments to the PPA dated 21.08.2010 along with the draft Record Notes of Discussion dated 11.10.2023 was shared with all the Solar Developers under RPSSGP Scheme for views. The Developer-M/s S.N. Mohanty, vide letter dated 06.12.2023, had agreed to the modified terms and conditions of the said amended PPA and requested for execution of the same.
- j) In view of the above, the amendment to the original PPA dated 21.08.2010 was executed on 18.12.2023 by both the Parties in line with the Orders of the Commission in Order dated 20.12.2021 passed in Case No.58 of 2021 & Order dated 14.08.2023 passed in Case No.59 of 2023 along with relocation of 1 MW Solar PV Project from Baranga in Cuttack District to Sarua, Begunia in Khordha District.
- k) M/s S.N. Mohanty has submitted an affidavit-cum-undertaking for withdrawal of the Appeal filed before APTEL against the Order dated 14.08.2023 of this Commission passed in Case No.59 of 2023 after approval of the amended PPA in respect of its 1 MW Solar PV Power Plant under RPSSGP Scheme.
- l) GRIDCO has requested the Commission to direct M/s S.N. Mohanty (Respondent No. 1) to pass on the efficiency gain and savings/ benefits of the project cost due to relocation of the 1 MW project in the Solar power tariff.

m) Some of the terms & conditions of the PPA dated 21.08.2010 are as under:

- i. The generic tariff for 25 years for Solar Power Plant shall be Rs.18.52 per kWh as per order of OERC dated 09.07.2010. The tariff is inclusive of the incentive /subsidy component to be received by GRIDCO from Govt. of India/ Govt. of Orissa. The metering shall be at the generator premises as provided in CEA metering regulation.
- ii. GBI will be payable to GRIDCO for power purchased from solar power project selected under RPSSGP, including captive consumption of solar power generated (to be measured on AC side of the inverter). The GBI shall be equal to the difference between the tariff determined by 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.
- iii. The billing will be on monthly basis. GRIDCO will be billed by the Project Proponent on joint meter reading promptly following the end of each month for the energy supplied and amount will be due on the fourth working day following the delivery of billing invoice.
- iv. A rebate of 2% on the billed amount shall be allowed for payment made by GRIDCO within 2 working days and 1% if the amount is paid within 30 days of the receipt of monthly bill of the Project Proponent.
- v. For late payment beyond a period of 60 days from the date of billing, a surcharge at the rate of 1.25% per month or part thereof shall be levied on the billed amount by the Project Proponent.
- vi. OPTCL/DISCOM and the Project Proponent shall jointly read the Metering System on the first (1st) day of every month at the Delivery point, etc.

n) The salient features of the Amended PPA dated 18.12.2023 are as under:

- i. A new sub-clause is added under Clause 4 after Clause 4.2 as “4.3 Penalty for Shortfall”. It states that if for any Tariff Year and part thereof, it is found that the Developer has not been able to generate minimum electricity of 1.20 MU per MW per Tariff Year on account of any reasons neither attributable to GRIDCO nor due to any Force Majeure conditions, the non-compliance by the Developer shall make it liable to pay penalty to GRIDCO on the shortfall quantum.

In case GRIDCO has to pay any penalty for not meeting its RPO target in the Tariff Year and part thereof, then the Developer shall compensate GRIDCO and this compensation shall be equal to the penalty payable (including RECs) by

GRIDCO. It shall be proportional to the shortfall in solar energy generation during the Contract Year. Thus, GRIDCO may claim such compensation for shortfall in solar generation only when penalty is levied on it for such shortfall.

- ii. The term “joint meter reading” shall be replaced with the term “Certified Energy Account issued by SLDC, Odisha/ EBC, GRIDCO”.
- iii. The change of location of the 1 MW SPV Project of M/s S.N.Mohanty commissioned under RPSSGP Scheme to be read as, At- Sarua, Block- Begunia, Dist- Khordha instead of village- Patapur, G.P- Kundei Padaa, Block- Baranga, Dist- Cuttack.
- iv. In addition to the above, M/s S.N.Mohanty has agreed to the following conditions including the points stipulated by IREDA vide letter dated 18.04.2023 and shall ensure the same at the time of relocation of the said project and subsequent project life:
 - I. There will not be any replacement of old modules and inverters of existing solar project after proposed relocation of the Project.
 - II. The Generation Based Incentive (GBI) will be restricted to a maximum limit of 19% CUF of the plant as per RPSSGP Scheme. Hence, the solar generation beyond the maximum limit of 19% CUF of the Plant will be treated as free power to GRIDCO.
 - III. The Project Proponent (M/s S.N.Mohanty) will provide an undertaking and shall comply with the Technical requirements as per RPSSGP Scheme / Guidelines and also shall provide the required information/ documents to the satisfaction of IREDA & GRIDCO in support of their request subsequent to the installation of existing project assets at the new site. The efficiency gain or additional capacity, if any shall be passed on fully to the GRIDCO.
 - IV. M/s S.N.Mohanty will maintain the existing RFID details and submit an undertaking to that effect along with the details of RFID and shall allow GRIDCO for verification at the Project site.
 - V. M/s S.N.Mohanty shall intimate GRIDCO about the changes made in the project components, if any which are necessitated for this relocation purpose.
- v. This “Amendment to the Power Purchase Agreement” along with the MNRE Letter No. 283/44/2018-GRID SOLAR dated 06.04.2023, IREDA Letter No. 232/148/SPV/2011/IREDA dated 18.04.2023, OREDA Letter No. 1269 dated

25.04.2023 and directions of OERC Order dated 14.08.2023 passed in Case No. 59 of 2023 shall be an integral part and parcel of the original Power Purchase Agreement between the Parties as executed on date 21.08.2010. All other provisions, terms and conditions of the Power Purchase Agreement dated 21.08.2010 between the parties shall remain unchanged.

3. In its submission, the Respondent-M/s. S.N.Mohanty has reiterated most of the submissions made by GRIDCO in its Petition. Additionally, M/s. S.N.Mohanty has submitted the followings:

- i. M/s. S.N.Mohanty agrees to the condition of IREDA and will submit an undertaking that in terms of increase of generation due to change of location shall be fully passed to GRIDCO at the prevailing tariff already determined by OERC.
- ii. As a new clause for minimum guaranteed generation has been added in the amended PPA, the Licensee-TPCODL should be directed by the Commission for minimum interruption during the day time (as at present the interruption is around 17 to 20 hrs in a month). The generation loss due to interruption may be treated as deemed generation for calculation of minimum guaranteed generation.
- iii. OREDA accorded permission to M/s. S.N.Mohanty to carry out the relocation of the 1 MW SPV Project commissioned on 23.08.2011 under RPSSGP Scheme at Baranga, Cuttack to Sarua in Khordha District citing the advisory given by IREDA in its letter dated 18.04.2023.
- iv. The amended PPA signed by both parties may be approved after which M/s. S.N.Mohanty will start relocating its 1 MW SPV Plant which will take minimum 4 to 5 months' time after signing of the amended PPA with GRIDCO.

4. Heard the Petitioner and Respondents through Hybrid mode (both physical and virtual) and considered their written submissions. The Commission observes the following:

- (a) GRIDCO Ltd. had executed Power Purchase Agreement (PPA) with M/s S.N.Mohanty on 21.08.2010 for procurement of solar power from the 1 MW Solar PV project commissioned on 23.08.2011 by M/s S.N.Mohanty (Respondent No. 1) installed at village Patapur, G.P. Kundei Padaa, Block-Baranga, Dist. Cuttack of Odisha under 'Rooftop PV & Small Solar Power Generation Programme'(RPSSGP) Scheme of MNRE, GoI. The Solar PV project will be connected to 33/11 kV Sarua Sub-station of TPCODL at 11 kV level. The Commission, vide its Order dated 09.07.2010, had determined the

tariff of Rs.18.52 per kWh to be paid to the Developer under RPSSGP Scheme with specified technical and financial parameters.

- (b) Recently, M/s S.N.Mohanty (Respondent No. 1) had proposed MNRE for relocation of the Project from Baranga in Cuttack District to Sarua village near Begunia in Khorda district of the State due to generation loss at the existing location following shadow effect, water logging and frequent power cuts during peak generation time. M/s S.N.Mohanty (Respondent No. 1) has requested to treat generation loss due to interruption as deemed generation for calculation of minimum guaranteed generation.
 - (c) The Commission, in its Order dated 14.08.2023 in Case No. 59 of 2023 reiterating the earlier Order dated 20.12.2021 passed in Case No. 58 of 2021, had directed 8 nos. of such Solar Power Developers to incorporate the compensation provision in the PPA along with the provision relating to billing on the basis of EBC meter data and to submit the amended PPA through GRIDCO for the approval of the Commission.
 - (d) The amendment to the original PPA along with the MNRE Letter No. 283/44/2018-GRID SOLAR dated 06.04.2023, IREDA Letter No. 232/148/SPV/2011/IREDA dated 18.04.2023, OREDA Letter No. 1269 dated 25.04.2023 and directions of OERC Order dated 14.08.2023 passed in Case No. 59 of 2023 have become an integral part and parcel of the original Power Purchase Agreement between the Parties keeping all other provisions, terms and conditions of the Power Purchase Agreement dated 21.08.2010 unchanged.
 - (e) IREDA has advised the Developer not to replace any modules & inverters after relocation and to restrict the GBI limited to 19% CUF as per RPSSGP Scheme.
5. The Commission further observes that both the MNRE & the IREDA have approved the relocation of the project by IREDA under certain conditions, which has been incorporated in the Amended PPA dated 18.12.2023. Further, the compensation clause as well as the billing on the basis of EBC reading has also been included in the amended PPA as per the directions of the Commission's Order dated 14.08.2023 in Case No. 59 of 2023.
6. In view of the above observations/ considerations, the Commission approves the Amendments made on 18.12.2023 in the Original PPA dated 21.08.2010 executed between M/s S.N.Mohanty and M/s GRIDCO Ltd. These Amendments shall be effective from the date of issue of this Order. However, it is understood that as both the parties have made amendments to the Original PPA after due diligence, there

should not be any further dispute on terms and conditions of this PPA or its interpretation.

7. M/s. S.N.Mohanty (Respondent No. 1) in its submission has raised the issue of treatment of generation loss due to power cut/ interruption in the distribution system as deemed generation. In this regard, the Commission directs TPCODL to look into the matter and take necessary steps for minimizing the power cut/ interruptions during availability of generation from such solar installations.
8. The case is accordingly disposed of.

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

Sd/-
(G. Mohapatra)
Officiating Chairperson