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## ODISHA ELECTRICITY REGULATORY COMMISSION

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

### Case No. 49/2024

M/s. TPCODL, TPNODL, TPSODL, TPWODL ..... Petitioner  
Vrs  
M/s. OREDA & Others ..... Respondents

**In the matter of:** Petition filed by TPCODL on behalf of all the four DISCOMs of Odisha under Section 86(1)(a) of the Electricity Act, 2003 for determination of Feed-In-Tariff under KUSUM-A Scheme.

**For Petitioners:** Shri Bharat Bhadawat, Chief Regulatory, TPCODL on behalf of Petitioners-DISCOMs.

**For Respondents:** Shri Soumya Rangan Aich, Director (Technical), OREDA; Shri B. K. Das, Sr. GM (PP) & Ms. Saswati Mohapatra, AGM (EL.), GRIDCO; and Ms. Sonali Pattnaik, Manager (Legal), DoE, GoO.

### ORDER

**Date of Hearing: 05.11.2024**

**Date of Order: 19.12.2024**

1. This Petition has been filed by M/s. TPCODL on behalf of all the four (4) DISCOMs (TPCODL, TPNODL, TPSODL, TPWODL) of Odisha under Section 86(1)(a) of the Electricity Act, 2003 for determination of Feed-In-Tariff under KUSUM-A Scheme.
2. TPCODL on behalf of all the four DISCOMs has prayed before the Commission (a) to approve the Feed-In-Tariff of Rs.4.40 per kWh discovered through competitive bidding; (b) to consider the above tariff as the pre-determined tariff for invitation of EoI for setting up solar power plants under PM-KUSUM Component A across the State; and (c) to approve the TPPA to be executed between GRIDCO, solar power Generator (SPG) & respective DISCOM as submitted by M/s GRIDCO Ltd.
3. The Petitioners- M/s. TPCODL on behalf of all DISCOMs have submitted as stated hereinafter:

- a) PM KUSUM Scheme was launched by the Government of India in 2019 to provide energy and water security to farmers and enhance their income, de-dieselize the farm sector, and reduce environmental pollution. The Scheme has three (3) Components:
- i. Component-A: Setting up of 10,000 MW of Decentralized Ground/ Stilt Mounted Grid Connected Solar or other Renewable Energy based Power Plants by the farmers on their land;
  - ii. Component-B: Installation of 14 Lakh Stand-alone Solar Agriculture Pumps; and
  - iii. Component-C: Solarisation of 35 Lakh Grid Connected Agriculture Pumps including through feeder level solarisation.

All the three components of the scheme aim to add Solar capacity of about 34,800 MW with total Central Financial Support of Rs. 34,422 Cr. MNRE, GoI, vide order dated 17.01.2024, has issued comprehensive guidelines for implementation of PM-KUSUM Scheme along with model lease Agreement & Model PPA. Total sanction for the State for Component-A is 500 MW, however the progress is Nil because of low Feed-in-Tariff at the rate of Rs 3.08/kWh.

- b) For the scheme to be successful, the tariff for power injected from the solar installation should be adequate for any Solar Power Generators to set up the plants under the scheme. At the same time, the tariff should not bring additional burden on the consumers. For arriving at a competitive tariff for purchase of power from SPGs under the schemes, DISCOMs have taken the route of tariff discovery through competitive bidding process. TPCODL on behalf of all four DISCOMs had invited competitive bids from SPGs for discovery of levelized tariff for all four DISCOMs. The Scope of bid was selection of SPGs for setting up of Solar plants under RESCO mode on the basis of lowest levelized tariff for supply of solar power for 25 years which shall be guided by the PPA to be signed between GRIDCO and the SPGs.
- c) Earlier M/s OREDA was the Implementing Agency for Kusum-A scheme across Odisha. Against the petition filed by M/s OREDA in Case 82/2018, for determination of Feed-in-Tariff for sale of power to GRIDCO/DISCOMs from solar plants set up by farmers under the scheme, the Commission had approved a levelized tariff of Rs. 3.08/ kWh for 25 Years vide Order dt. 20.12.2019. OREDA had invited Request for Proposal (RfP) from eligible entities for setting up solar power projects within 5 km. radius of identified primary sub-stations, shortlisted 5 bidders and issued LOAs to three (3) bidders for a total capacity of 8.5 MW, however, none of the bidders submitted BGs. The bidders rather requested for revision of tariff in view of revised tax structure and increased costs of components. OREDA then filed another petition

requesting to enhance the tariff to Rs. 3.33/kWh. The Commission Vide order in case No 100/2022, dismissed the petition stating that original order was purely based on agreement between OREDA and GRIDCO.

- d) Subsequently, the Department of Energy, Government of Odisha vide Notification dated 20.02.2023, had declared all four DISCOMs of the State (TPCODL, TPWODL, TPSODL and TPNODL) as the Implementing Agencies for Component-A of PM-KUSUM Scheme.
  - e) Considering the non-response from farmers, because of low tariff, on behalf of all four DISCOMs, TPCODL initiated a process of competitive bidding in December, 2023 so that a market-based tariff is discovered and put up before the Commission for views.
  - f) Four bidders participated in the tendering process. After having reverse auction and subsequent negotiation, the tariff discovered is Rs. 4.40 per kwh.
  - g) In the meeting held on PM-Suryaghar Muft Bijli Yojana scheme and PM KUSUM Scheme under the Chairmanship of Principal Secretary to Govt. of Odisha, Department of Energy, it was directed that the DISCOMs would file a petition before the Commission for approval of discovered tariff under KUSUM-A and Feeder level solarization scheme of KUSUM-C.
  - h) Various factors e.g. increase in Customs Duty from 25% & 40% w.e.f. 01.04.2022, increase in GST, implementation of Approved List of Models and Manufacturers (ALMM) etc. have caused increase in capital cost since the approval of original Feed-In-Tariff of Rs.3.08/kWh in 2019.
  - i) The scheme and in particular the Feed-In-Tariff approved in 2019 have not been able to create much interest among the farmers resulting in lukewarm response and not much significant progress of the scheme. The PM-KUSUM Scheme has been extended till 31.03.2026 vide Notification of MNRE, Government of India dated 01.08.2022.
4. The Respondent- M/s. GRIDCO has submitted the followings:
- a) The Commission, vide its Order dated 20.12.2019 in Case No. 82 of 2018, had approved the levelized tariff of Rs 3.08/ kWh for 25 years for procurement of power generated under PM-KUSUM -A by GRIDCO/ DISCOMs.
  - b) The discovered tariff of Rs.4.40/kWh by TPCODL, on behalf of four (4) DISCOMs through competitive bidding in reverse auction mode is quite high in comparison to the average solar power cost of Rs.3.68/kWh approved by the Commission for FY 2024-25 and the APPC of GRIDCO i.e. Rs.3.27/kWh for FY 2023-24.

- c) As per the guidelines of the PM KUSUM-A scheme, these solar projects will be installed within a radius of 5 kms. of the primary substations in order to avoid high evacuation cost and more importantly to reduce the losses. As there will be no transmission/distribution charges on the above solar power generated and the same will be utilized in nearby locations, the quantum of energy loss in Transmission & Distribution will be quite minimal, which may be considered while determining the Feed-In-Tariff.
- d) As the Scheme could not take off with previously approved tariff of Rs.3.08/kWh, the subsequent tariff of Rs.4.40/kWh may have minimal impact on RST, if the quantum is limited to 20 MW in the first phase so that the Scheme can take off.
- e) The approved tariff shall be considered as the pre-determined tariff for invitation of EoI for setting up of solar projects in the State in a bucket filling methodology for this 20 MW capacity in first phase. Successful implementation of the first phase may encourage more Developers/Farmers to participate in future and result in more competitive tariff.
- f) As the MNRE scheme is meant for Commercial agreement between the Developer(s)/Farmer(s) and the DISCOM, whereas GRIDCO is the designated Bulk Power Procurer in Odisha, a Tri-Partite Power Purchase Agreement (TPPA) is required to be entered between GRIDCO, DISCOM & the Developer/Farmer.
- g) After several rounds of discussion with the DISCOMs, the initial draft PPA along with the draft Land Lease Agreement (LLA) are modified and the draft TPPA along with draft LLA was submitted for approval for procurement of solar power under PM KUSUM-A Scheme for a period of 25 years at the tariff approved by the Commission. The TPPA will be executed between the SPGs, GRIDCO and concerned DISCOM. The LLA will be executed between the SPG and the respective land owners.
- h) The draft Tripartite Power Purchase Agreement may be approved by the Commission for procurement of power up to 20 MW solar project under PM KUSUM-A Scheme.
- i) GRIDCO has prayed that the Commission may fix maximum permissible grid unavailability hours as per Clause 4.9 in the Tariff Orders of DISCOMs from time to time; consider to approve the draft TPPA along with the draft LLA with proposed modifications specific to only for this 20 MW of Solar project capacity under PM-KUSUM Component-A; and direct DISCOMs for having prior discussion with GRIDCO for finalization of the terms and conditions of Agreement, if any, in future

before initiation of Tender for rest of the capacity under PM-KUSUM Component-A, as GRIDCO will be procuring the power from the said solar projects.

5. The Respondent- SLDC has submitted the followings:

- a) For scheduling of the green power injected by the Solar or other Renewable Energy Power Plants (REPPs) under KUSUM-A scheme and the concerned REPPs/any authorized agency on behalf of the REPPs shall communicate to SLDC the time block wise forecasted injection schedule and such injection forecasting and the revisions thereof shall be accepted for preparation of injection schedule of concerned REPP by SLDC in accordance with the applicable Regulations/GRID Code Regulations of the OERC.
- b) The Actual Energy meter data of the REPPs shall be communicated to SLDC by the concerned REPP/ any authorized agency on behalf of the REPPs/concerned DISCOM in accordance with the prevailing billing cycle as per the applicable Regulations/Grid Code of the OERC.
- c) The aforesaid actual energy metered injection data along with the consolidated final scheduled injection for a particular billing period shall be communicated by SLDC to GRIDCO for enabling preparation of BSP bill of DISCOMs by GRIDCO. Preparation of Under injection penalty bill of REPPs by GRIDCO and for settlement of the energy charges of the Generator by GRIDCO as per the tariff approved by the OERC. As such the above practice is presently being followed for the generators connected with distribution system at a voltage level of 33 kv or below.

6. The Respondent- OREDA has submitted the followings:

- a) OREDA had identified 638 primary substations with a cumulative expected capacity of 2260 MW. Additionally, OREDA aggregated approximately 2000 acres of land from around 375 interested farmers across Odisha and subsequently invited bids from developers interested in setting up solar plants under PM KUSUM Component A.
- b) The developers selected for implementing solar power projects under PM KUSUM Component-A chose not to proceed with the scheme, primarily due to concerns over the low tariff rates. The low tariffs undermine project viability by impacting profitability, further discouraging developer participation in the program.
- c) Without subsidies or financial assistance like those available in PM KUSUM Component-C, PM KUSUM Component-A projects face significantly higher development costs, which in turn extends the payback period. These financial challenges reduce the attractiveness of these projects to potential developers, making them less likely to invest in this component of the PM KUSUM scheme.

- d) Odisha has ambitious targets for renewable energy generation and a low Feed-in-Tariff under the KUSUM-A Scheme may discourage farmers from participating. Moreover, Odisha's specific geographic and economic conditions, including land costs, and the cost of solar installations, demand a more favorable tariff structure. A low tariff does not adequately reflect these regional factors potentially making the project economically unviable.
  - e) The proposed Feed-in-Tariff by TPCODL i.e. Rs.4.40/ kWh will be beneficial to farmers in Odisha. A higher tariff is essential to ensure that the KUSUM-A Scheme is attractive and financially viable for the farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User Associations (WUA), enabling them to recover their investment. As the Tariff has been discovered through competitive bidding process with reverse bidding, it may be considered.
  - f) To kickstart the PM KUSUM Component-A scheme and keeping in view of the growing RPO target, OREDA has a plan to install Solar Power Plant (SPP) of cumulative capacity of 20 MW under PM KUSUM-A, as a Solar Power Developer. OREDA has budgetary provision of equity support from Department of Energy for development of 20 MW SPP under this scheme.
  - g) The Land Bank of around 2000 Acres available with the DISCOMs was aggregated earlier by OREDA, when OREDA was the Implementing Agency for PM KUSUM-A and OREDA transferred the same to respective DISCOMs following the notification dated 20.02.2023 of Department of Energy, which designated the four DISCOMs as Implementing Agency. OREDA has also aggregated around 150 Acres of additional land apart from land bank and completed preliminary feasibility study.
  - h) In view of the above, OREDA has prayed to approve the tariff of Rs.4.40/ kWh discovered through competitive bidding process with reverse bidding and to consider allowing OREDA to develop a minimum of 20 MW of cumulative capacity as a Solar Power Developer under PM KUSUM-A at this rate of Rs.4.40 per kWh.
7. The Respondent-Department of Energy, Government of Odisha has submitted the following aspects in respect of the Scheme:
- a) PM KUSUM-A is not picking up in the State because of low Feed in Tariff and the same does not adequately reflect the original variations in the State making the scheme economically un-viable. Therefore, the proposed Feed-in Tariff as has been discovered through competitive bidding with reverse bidding may provide a meaningful motivation to the farmers. Therefore, in the meeting held on 27.06.2024, DISCOMs were requested to file petition for approval of the discovered tariffs.

- b) The approved tariff may be considered as the pre-determined tariff for invitation of EoI for setting up of solar projects in the State in a bucket filling methodology keeping in line of the MNRE sanctioned capacity of 500 MW.
  - c) Though the MNRE Scheme is meant for Commercial agreement between the Developer(s)/Farmer(s) and the DISCOM(s), GRIDCO being the State Designated Bulk Power Procurer in Odisha, a Tri-Partite Agreement (TPA) is required to be entered between GRIDCO, DISCOM & the Developer/Farmer.
  - d) As per the guidelines of the PM KUSUM-A scheme, the solar projects will be installed within 5 km radius of the primary substations in order to avoid high evacuation cost and to reduce the losses. As there will be no transmission/distribution charges on the above solar power generated and utilized moreover in the same location and the loss quantum due to T&D factor shall be quite minimal, the same may be considered while determining of the Feed-in-Tariff.
  - e) As the Scheme could not take off with the previously approved tariff of Rs.3.08/kWh, the subsequent tariff of Rs.4.40/kWh may have minimal impact on RST, if the quantum is limited to 20 MW in the first phase so that the Scheme can take off.
  - f) The approved tariff shall be considered as the pre-determined tariff for invitation of EoI for setting up of solar projects in the State in a bucket filling methodology for this 20 MW Capacity in first phase. Successful implementation of the first phase may encourage more Developers/Farmers to participate in future and result in more competitive tariff.
8. The Petitioners-M/s. TPCODL, M/s. TPNODL, M/s. TPSODL & M/s. TPWODL in their Rejoinder have submitted the following in the subject Petition:
- a) The TPPA submitted by the Respondent- GRIDCO is acceptable to the DISCOMs.
  - b) The salient points of this TPPA are as under:
    - i. The Tri partite agreement shall be executed between (a) The Solar Power Generators (SPG) (b) DISCOM - State Implementation Agency and (c) GRIDCO – As Power procurer.
    - ii. The SPGs will inject the Power into the DISCOM's network.
    - iii. DISCOM shall collect the meter readings of both the main and check meters installed at the Delivery Point on the first day of every month for the previous month and shall submit it to SLDC for energy accounting. Accordingly, SLDC shall issue energy accounting statements every month. Any deemed generation shall also be certified by SLDC on monthly basis. The energy accounting

statements issued by SLDC shall be considered for billing by SPG to GRIDCO.

- iv. Monthly payment to SPG shall be disbursed by GRIDCO basing upon bill submitted along with proof of lease rent paid to the farmers. This provision is in conformity with MNRE guideline.
- v. The SPG shall make payment of monthly rent directly in advance, by the 5th day of every month, by crediting the same to the lessor's (Individual Farmers or Group of Farmers or Cooperatives or Panchayats or FPO or WUA) bank account as per the Land Lease Agreement until achieving the COD and for the subsequent months after COD for the entire period of the TPPA Term or during the extension of TPPA Term, if applicable.
- vi. The proof of rent payment up to COD and for the first month of the COD shall be submitted by the SPG to GRIDCO along with the first month energy bill after the COD. Thereafter, SPG shall make payment of monthly rent directly in advance, by the 5th day of every month, by crediting the same to the lessor's (Individual Farmers or Group of Farmers or Cooperatives or Panchayats or FPO or WUA) bank account as per the Land Lease Agreement after achieving the COD and the receipt of the same shall be submitted to GRIDCO along with the monthly energy bill.
- vii. Due date for payment is 30 days after a Monthly Bill (including all the relevant documents) or a Supplementary Bill is received by GRIDCO. In the event of delay in payment of a Monthly Bill by GRIDCO beyond 30 days of its Due Date, a Late Payment Surcharge shall be payable to the SPG at the rate of 1.25% per month on the outstanding amount calculated on a day to day basis. The Late Payment Surcharge shall be claimed by the SPG through the Supplementary Bill.
- viii. A Rebate of two percent (2%) shall be payable to GRIDCO for the payments made within a period of seven working days from the presentation of bill as per the TPPA. Any payments made after seven (7) working days but within the Due Date shall be allowed a rebate of one percent (1%).
- ix. The generation in excess of energy equivalent to target CUF of 18.7% in a particular year shall be first adjusted towards generation compensation against offtake constraints and any remaining excess generation will be settled at 75% of applicable tariff. The excess generation by the SPG equal to this generation



loss shall be procured by GRIDCO at the Tariff so as to offset this loss in the succeeding 3 (three) Contract Years.

- x. In case of any eventuality of backdown, except for the cases where the backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the SPG shall be eligible for a Minimum Generation Compensation, from GRIDCO subject to the submission of documentary evidence from the competent authority (DISCOM / SLDC).
  - xi. GRIDCO, in any Contract Year shall not be obliged to purchase any additional energy from the SPG beyond stated limit. If for any Contract Year, except for the first Contract Year and last Contract Year of operation, it is found that the SPG has not been able to generate minimum energy equivalent to target CUF of 15%, on account of reasons solely attributable to the SPG, the non-compliance by SPG shall make the SPG liable to pay the compensation.
9. Heard the parties through hybrid arrangement and considering the written submissions and arguments of the Petitioners & the Respondents during hearing, the Commission observes asunder:
- a) The objective of PM-KUSUM scheme is to promote use of solar energy for agricultural use. PM-KUSUM Scheme Component A aims at setting up of 10,000 MW of Decentralized Ground/ Stilt Mounted Grid Connected Solar or other Renewable Energy based Power Plants by the farmers on their land and is to be implemented within a radius of 5 km. of the PSS in order to avoid high evacuation cost (Transmission & Distribution), reduce T&D loss and cross-subsidy. MNRE, GoI, vide order dated 17.01.2024, has issued comprehensive guidelines for implementation of PM-KUSUM scheme along with model lease agreement & model PPA.
  - b) Initially OREDA was designated as implementing agency with a target of 500 MW solar PV projects to be installed in Odisha under PM-KUSUM -A.
  - c) The Commission, vide its Order dated 20.12.2019 in Case No. 82 of 2018, had approved the levelized tariff of Rs 3.08/ kWh for 25 years for procurement of power generated under PM-KUSUM -A by GRIDCO/ DISCOMs. This approved tariff of Rs. 3.08/ kWh was mutually agreed between OREDA & GRIDCO considering Performance Based Incentive (PBI) of Rs. 0.40/ kWh purchased or Rs 6.60 lakhs/ MW of capacity installed whichever is lower for a period of 5 years from the COD.
  - d) OREDA had filed another application, vide Case No. 100 of 2022, before the Commission requesting for review of the Order in Case No. 82 of 2018 and

enhancement of tariff to Rs 3.33 per kWh. However, the Commission, vide Order dated 09.06.2023, had dismissed the petition.

- e) In the meantime, all four (4) DISCOMs have been designated as Implementing agencies by Govt. of Odisha for implementation of KUSUM-A scheme. TPCODL on behalf of all four DISCOMs had floated tender through competitive bidding inviting bids for Feed-in-Tariff and five (5) bidders participated in the tendering process. The petitioner has also submitted the technical evaluation report for the same.
- f) The Feed-in-Tariff discovered through reverse auction in competitive bidding was discovered at Rs. 4.40/ kWh which is proposed to be considered as pre-determined tariff for invitation of EoI for setting up solar plants under KUSUM-A scheme in the state.
- g) GRIDCO has submitted that the discovered tariff of Rs.4.40/kWh by TPCODL, on behalf of four (4) DISCOMs through competitive bidding in reverse auction mode is quite high in comparison to the average solar power cost of Rs.3.68/kWh approved by the Commission for FY 2024-25 and the APPC of GRIDCO i.e. Rs.3.27/kWh for FY 2023-24.
- h) The scheme is meant for Commercial agreement between the Developer(s)/Farmer(s) and the DISCOM. GRIDCO, being the State Designated Entity to procure power from all sources on behalf of the DISCOMs in Odisha, has submitted a draft Tri-Partite Power Purchase Agreement (TPPA) which is required to be entered between GRIDCO, DISCOM & the Solar Power Generator (SPG)/farmer. A draft Land Lease Agreement (LLA) has also been submitted by GRIDCO for approval which is required to be signed between the SPG and the respective land owners.
- i) The Petitioner M/s. TPCODL on behalf of all DISCOMs have agreed to the draft TPPA & the draft LLA submitted by GRIDCO.
- j) The salient points of the TPPA enumerated at Para 8(b) above include energy accounting by SLDC, Late Payment Surcharge (LPS) as per TPPA, rebate on payment by due date, land lease in advance to farmers as per LLA, settlement of excess energy/generation, minimum generation compensation and tariff for excess generation, etc.
- k) TPCODL on behalf of the four DISCOMs has prayed to approve the feed-in tariff of Rs.4.40 per kWh discovered through competitive bidding process with Reverse auction for inviting EoI for setting up solar power plant and to approve the draft TPPA & draft LLA submitted by GRIDCO.

- l) The Respondent- OREDA has submitted that a Land Bank of around 2000 Acres (from interested farmers across Odisha) available with the DISCOMs which was aggregated earlier by OREDA, when OREDA was the Implementing Agency for PM KUSUM-A. OREDA has also aggregated around 150 Acres of additional land apart from land bank and has completed preliminary feasibility study. The Respondent- OREDA has, therefore, prayed to approve the tariff of Rs.4.40/ kWh and to consider allowing OREDA to develop a minimum of 20 MW of cumulative capacity as a Solar Power Developer under the said Scheme.
- m) The Respondent- Department of Energy, Government of Odisha has submitted that PM KUSUM-A is not picking up in the State because of low Feed in Tariff and the same does not adequately reflect the original variations in the State making the scheme economically un-viable. Therefore, the proposed Feed-in-Tariff of Rs.4.40/kWh may provide motivation to farmers and may have minimal impact on RST, if the quantum is limited to 20 MW in a bucket filling methodology in the first phase so that the Scheme can take up.
10. From the submissions made by the Petitioner- TPCODL on behalf of the four DISCOMs, the Commission further observed that due process of competitive bidding was followed while arriving at the levelized tariff. Moreover, the Parties have agreed to the draft TPPA and draft LLA submitted by GRIDCO. The TPPA will be executed between the SPGs, GRIDCO and concerned DISCOM. The LLA will be executed between the SPG and the respective land owners. MNRE has sanctioned a capacity of 500 MW for the state of Odisha under the said scheme vide OM dated 13.08.2019 and notification dated 13.01.2021. Not a single RE based power generation plant has been installed so far by farmer under PM-KUSUM-A scheme. The above Scheme is expected in operating area of four (4) DISCOMs at a pre- determined tariff of Rs.4.40 per kWh, which will have minimal impact on RST and will contribute to in RPO compliance of the GRIDCO/State.
11. Without subsidies, the execution of solar project under PM-KUSUM-A scheme faces significantly higher development cost, which in turn extends payback period. Financial challenge reduces the attractiveness of the project.
12. In view of above observations and considering the concern of GRIDCO & suggestions of the Department of Energy, Government of Odisha, the Commission feels that enhanced tariff is essential for KUSUM-A Scheme to be attractive and financially viable and shall motivate participation of farmers. Although the tariff discovered by DISCOM through competitive bidding process (i.e. Rs.4.40/kWh) is

more than average Solar Power Purchase Cost of GRIDCO for the FY 2024-25 (i.e. Rs.3.68/kWh), however, the highest power procurement cost among DISCOMs from GRIDCO is Rs 4.39/kWh (including transmission charges and surcharges). In the instant Case, the renewable solar power generated under the Scheme (KUSUM-A) is consumed locally and would reduce the overall power purchase cost of GRIDCO in addition to reduction in cross-subsidy burden and T&D loss. Therefore, the Commission approves development of solar power by Solar Power Generators (SPGs)/ OREDA in a bucket filling method in the 1<sup>st</sup> phase under the PM-KUSUM-A Scheme at the pre-determined tariff of Rs.4.40/kWh discovered through competitive bidding process with reverse auction for invitation of Expression of Interest (EoI) for setting up of solar projects in the State, so that the Scheme takes off with minimal impact on RST. Moreover, total power purchased from SPGs would be accounted for RPO of GRIDCO.

13. OREDA has already prayed for allocation of 20 MW to be developed by them under the aforesaid Scheme. Considering the remunerative price the farmers are expected to get from the Scheme, we should not restrict KUSUM-A Scheme to 20 MW. Since earlier KUSUM-A Scheme has failed to take off, we should motivate farmers to participate in the Scheme and in the first phase, the ceiling under KUSUM-A is kept at 50 MW under bucket filling method at a price of Rs 4.40/ kWh for inclusion of various other participants. Depending upon the response, DISCOMs may approach the Commission for extending the limit up to 500 MW, as sanctioned by MNRE for the State. Accordingly, power procurement planning is to be done by GRIDCO.
14. The Commission further approves the associated draft Tri-partite Power Purchase Agreement (TPPA) which is to be executed between the Solar Power Generator (SPG), GRIDCO and concerned DISCOM. In addition to that, the Commission approves the draft Land Lease Agreement (LLA) to be executed between the SPG and the respective land owners. However, no LLA is required, if the farmer(s) develops solar plant on its own land.
15. The Petitioners are at liberty to approach the Commission in case of any difficulty in implementation of the Scheme. In terms of the above, the present Petition is disposed of.

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

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