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ODISHA ELECTRICITY REGULATORY COMMISSION
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Present: Shri Pradeep Kumar Jena, Chairperson
Shri S. K. Ray Mohapatra, Member
Shri Biswajit Mohanty, Member

Case No. 35 of 2025

M/s. GRIDCO Limited Petitioner
Vrs.
M/s. Meenakshi Odisha Power Pvt. Ltd. & Others Respondent

In the matter of: Application under Section 86(1)(a) & (e) of the Electricity Act, 2003 read with Section 21 of Odisha Electricity Reforms Act, 1995 and other enabling provisions, seeking prior approval of the Commission for procurement of power from the proposed 25 MW Shahid Lakman Nayak SHEP by M/s. Meenakshi Odisha Power Pvt. Ltd. on River Kolab near Tentuliguma, Koraput.

For Petitioner: Shri R.P Mansingh, DGM (Electrical), GRIDCO Ltd.

For Respondents: Sri S.V.S. Choudhury, Learned Advocate alongwith Sri P.V.Prasad, the Authorized Representative of M/s. Meenakshi Odisha Power Pvt. Ltd., Ms. Sonali Pattnaik, Manager (Legal), DoE, GoO; Ms. Banishree Pradhan, DGM (RT&C), OPTCL, Shri Bharat Bhadawat, (Chief Regulatory Affairs), TPCODL; Ms. Malancha Ghose, Addl. Chief Engineer (RA), TPNODL; Representatives of TPWODL & SLDC.

ORDER

Date of hearing: 17.06.2025

Date of Order: 28.07.2025

The Petitioner – M/s. GRIDCO Limited has filed the present petition under Section 86(1)(a) & (e) of the Electricity Act, 2003 read with Section 21 of Odisha Electricity Reforms Act, 1995 and other enabling provisions, seeking prior approval of the Commission for procurement of power from the proposed 25 MW Shaheed Lakman Nayak SHEP by M/s. Meenakshi Odisha Power Pvt. Ltd. (M/s. MOPPL in Short) on River Kolab near Tentuliguma, Koraput alongwith approval of the draft PPA.

2. The submissions of the Petitioner-M/s. GRIDCO Limited are summarized hereunder:

(a) M/s Meenakshi Odisha Power Pvt. Ltd. (Formerly M/s Sileru Power Generation Pvt. Ltd.) had signed MoU with Govt. of Odisha on 02.08.2001 for development of a 12 MW SHEP. After revision of capacity of the said SHEP from 12 MW to 25 MW, M/s MOPPL signed the revised MoU with Govt. of Odisha on 27.08.2004 for establishment of 25

MW Shaheed Lakhman Nayak SHEP on Kolab River, near Tentuligumma in Koraput district with the following relevant terms and conditions:

- The MOPPL shall not pay royalty charges on water for its non-consumptive use in power generation for the first 05 years of operation. The payment of royalty charges will be at full prescribed rate in subsequent years after expiry of the said period.
 - GRIDCO Ltd. will have the first right of refusal for purchase of power.
 - The MOPPL is to pay the wheeling charges, if any, to the state Designated Agency and bear transmission charges/ losses as approved by OERC.
 - For evacuation of power, MOPPL shall have to connect the project to the nearest Grid Sub-Station of OPTCL, through Associated Transmission system (ATS) at their cost, including the future maintenance of the system and apparatuses.
 - The MoU is valid for 03 years from the date of signing. The validity may be extended by State Govt. beyond the valid period, if the reasons of extension is considered to be genuine and satisfactory.
 - MOPPL has to supply Free Power as decided by Govt. of Odisha.
- (b) Since the project was delayed, M/s. MOPPL has signed a Supplementary MoU with the Govt. of Odisha on 11.12.2019 for development of said SHEP, wherein Govt. of Odisha has allowed M/s. MOPPL to construct and operate the said SHEP for 20 years from the date of Commissioning, as the said SHEP may be affected by construction of the proposed Middle Kolab Project by Water Resources Department. The extracts of the additional clauses in the Supplementary MoU are asunder:
- Due to implementation of the 25 MW Shaheed Lakhman Nayak SHEP, there will be no adverse effect on the upstream projects and M/s. MOPPL will abide by the decision of the Government of Odisha in case of any adverse effect.
 - M/s. MOPPL agrees to construct and operate the 25 MW Shaheed Lakhman Nayak SHEP for 20 years on the River Kolab from the date of commissioning of the project.
 - The Department of Energy and the Department of Water Resources, Govt. of Odisha will not be held responsible for damage caused to the said 25 MW Shaheed Lakhman Nayak SHEP on construction / completion of Middle Kolab Hydro Project of Govt. of Odisha and M/s. MOPPL will not claim any damages or compensation from the Departments of Govt. of Odisha.
 - M/s. MOPPL shall restrict, the power generation from 25 MW Shaheed Lakhman Nayak SHEP and run as per the availability of Head and Water on construction of barrage in the downstream of Kolab River or on completion of the Middle Kolab Hydro Power Project of Govt. of Odisha and in case of any reduction in power generation due to back water effect MOPPL will compensate the loss in generation.

- M/s. MOPPL shall not claim any loss due to construction of barrage in the downstream of the river.
 - That after commissioning the Mega Hydro Power Project i.e. Middle Kolab Project, if SHEP acts as a hindrance even after restricting the head and discharge, M/s. MOPPL shall demolish the SHEP in case of need at its own cost within the stipulated time.
- (c) Further, the EIC (Elec.)-Cum-PCEI, Govt. of Odisha has issued the Revised Techno-Economic Clearance (TEC) through Office Memorandum dated 18.06.2021 with following relevant terms and conditions:
- GRIDCO being the State Designated Entity shall be given the first right of choice for procurement of energy from the said SHEP.
 - For purchase of power, M/s. MOPPL may sign a PPA with GRIDCO or else may negotiate detail modalities for wheeling of power with the appropriate utilities.
 - M/s. MOPPL is bound to supply free power to the State Designated Agency in accordance with the policy provision.
 - The gross annual design energy from the project is 99.92 MU.
- (d) The Implementation Agreement (IA) has been signed between EIC (Elec.)-cum-PCEI, Govt. of Odisha and MOPPL on 21.06.2021 with following relevant terms and conditions:
- The 25 MW SHEP shall be completed within 36 months from the date of IA.
 - M/s. MOPPL will enter into PPA with GRIDCO which will set forth the terms, conditions and pricing structures for the purchase of capacity and energy from the said SHEP project.
 - The Government shall grant M/s. MOPPL the right to establish, own, operate and maintain the Project and permission to generate and sell power to GRIDCO from the Project for a period coextensive with the term of the PPA or any extension thereof.
- (e) The State Technical Committee (STC) in its 3rd meeting held on 10.12.2021, has adopted the Project cost of Rs. 283.99 Crore (around Rs. 11.35 Crore / MW) in respect of the 25 MW Shaheed Lakhan Nayak SHEP assessed and validated by IIT Roorkee. The STC also directed M/s. MOPPL to accept the following conditions through an Undertaking:
- M/s. MOPPL will accept Generic Tariff determined by CERC/OERC whichever is applicable.
 - M/s. MOPPL will not claim for Project Specific Tariff citing the above Project Cost.
 - M/s. MOPPL will not claim any compensation, if the Middle Kolab Project comes up and it has to give up all rights related to the project as per conditions stipulated in supplementary MoU signed by them.

- (f) M/s. MOPPL, vide their letter dated 26.05.2022, has submitted the Undertaking, accepting the above decision taken in the 3rd STC dated 10.12.2021. Further, vide letter dated 29.08.2022, M/s. MOPPL has also offered to accept the Generic Tariff to be notified by OERC for the 4th Control Period irrespective of any delay in commissioning of the power station beyond the 4th Control Period and submitted an Undertaking in this regard.
- (g) In this regard, GRIDCO, vide its letter dated 12.01.2022, had requested the State DISCOMs to convey their consent on long term Power Procurement from the proposed 25 MW Shaheed Lakhan Nayak SHEP. TPWODL & TPCODL have already given their consent for such procurement vide their Letter dated 01.02.2022 and 14.02.2022 respectively.
- (h) Further, the Board of Directors of GRIDCO in their 207th meeting held on 10.02.2023, had approved for procuring entire power from the proposed 25 MW Shaheed Lakhan Nayak SHEP to meet the HPO subject to extension of MOU validity by the Govt. of Odisha as the MoU dated 11.12.2019 was lapsed since 10.12.2022.
- (i) Accordingly, vide letter dated 14.03.2023, GRIDCO had requested the DoE, GoO for extension of MoU and GRIDCO, vide its letter dated 03.06.2023, had again requested DoE, GoO to extend the MoU validity upto 20.06.2024. The 9th Single Window Committee (SWC) meeting for RE Projects, held on 25.01.2025, the Design and Drawings of the proposed 25 MW SHEP, approved by HRED, IIT Roorkee, have been adopted and time extension till July, 2025 has been allowed in-principle, subject to submission of an undertaking by M/s. MOPPL that there will be no Project Cost escalation for time extension so granted. Accordingly, vide letter dated 05.03.2025, M/s MOPPL has submitted the undertaking as directed by 9th SWC. Thereafter, the DoE, GoO, vide their letter dated 03.05.2025, has extended the MoU in respect of 25 MW Shaheed Lakhan Nayk SHEP till July'2025.
- (j) As per the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021, the generation from small hydro plants commissioned on and after 8.3.2019 has been allowed towards fulfillment of HPO. Hence Power from 25 MW Shaheed Lakhan Nayak SHEP shall also qualify towards meeting the HPO. As per the notification dated 20.10.2023 of Ministry of Power, Govt. of India, 1.22% of the total energy to be sourced from Hydro Renewable Energy during FY 2025-26 and this will increase upto 1.42% by the FY 2027-28. Further, the energy availed from the SHEPs commissioned after the 31st March, 2024, can be counted towards Hydro Renewable Energy. Hence, the power from the proposed 25 MW Shaheed Lakhan Nayak SHEP can be counted towards Hydro Renewable Energy.

- (k) Considering the above facts, a draft PPA was shared with M/s. MOPPL on 06.05.2025 and M/s. MOPPL has provided its concurrence on the draft PPA through email dated 07.05.2025. The key points of the PPA are as under:
- The tariff shall be the Generic Tariff determine by OERC for the 4th Control Period.
 - Infirm Power shall be made available to GRIDCO at the State Hydro Pooled Rate.
 - The term of the Agreement shall be for a period of 20 years from the COD.
 - The PPA can be extended beyond 20 years till the life period of the Project (40 years) with mutually agreed terms, if the Govt. of Odisha allows the extension for operation of the plant.
 - If the Govt. of Odisha decides to allow MOPPL to operate the SHEP beyond 20 years from the date of Commissioning of the project, the first right of refusal to procure the power shall be with GRIDCO.
 - In case the Govt. of Odisha do not extend the SHEP for operation beyond 20 years or directs the Developer to demolish the SHEP during useful life of the Project, Demolition Cost/Charges and any Financial Implication arising out of the early Termination of the Project will not be passed on to GRIDCO.
3. In its post hearing submissions, the Petitioner-M/s. GRIDCO Limited has stated as under:
- (a) Based on the actual CUF achieved by the SHEP projects in the State, GRIDCO has been consistently approaching various forums to enhance the normative CUF from the existing 30% and to introduce an appropriate incentive mechanism for generation beyond normative CUF in the Regulations. In its comments on the Discussion Paper issued by the Commission for determination of Generic Tariff and norms for renewable energy projects in the State of Odisha for the 3rd Control Period (FY 2018-19 to 2020-21), GRIDCO had proposed a normative CUF of 45% for Small Hydro Electric Projects (SHEPs). Similarly, for the 4th Control Period, GRIDCO requested the Commission to fix the normative CUF for SHEPs at 45% and to incorporate a provision requiring any excess generation beyond the normative CUF to be supplied free of cost. Further, in its comments on the Draft CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024, GRIDCO had requested for a normative CUF of 45% for SHEPs in Odisha and for appropriate provisions mandating the supply of excess generation beyond the normative CUF in a financial year free of cost.
- (b) In the meantime, the Central Commission has notified CERC (Terms & Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024, which is applicable for the period from 01.07.2024 till 31.03.2027, wherein the Central Commission has specified normative CUF of 45% for SHEPs located in the State of Odisha. In view of the non-recognition of the actual CUF in the State and absence of benefit sharing mechanism on excess generation beyond normative CUF in the RE Generic Tariff Orders

of OERC, GRIDCO had filed an Application before the Commission seeking modification of the Order dated 04.12.2023. The application has been registered as Case No. 04 of 2025, wherein it is prayed for revision of Normative CUF of SHEPs in Odisha from 30% to 45% in line with the above mentioned CERC's RE Regulations 2024 and for introduction of an Incentive Structure for the excess energy beyond normative energy equivalent to 25% of the applicable tariff.

- (c) GRIDCO has requested the Commission to consider approving an appropriate incentive structure for energy generation beyond the normative level, so that all SHEP developers, including M/s Meenakshi Odisha Power Pvt. Ltd., may be brought under a uniform and equitable mechanism and suitable direction be issued to M/s Meenakshi Odisha Power Pvt. Ltd. to agree for an amendment in the draft PPA incorporating an incentive structure, approved by the Commission.
4. In view of the above, the Petitioner-GRIDCO has prayed before the Commission to:
- (a) Approve for procurement of power from the proposed 25 MW Shaheed Lakhan Nayak SHEP by M/s. MOPPL on Kolab River Near Tentuligumma, Koraput for a period of 20 years towards RPO of GRIDCO with 4th Control Period Generic Tariff;
 - (b) Approve an incentive structure for excess generation beyond normative CUF, at the rate of 25% of the applicable Generic Tariff, or any other rate as may be deemed appropriate by the Commission;
 - (c) Approve the Draft PPA to be entered into with M/s. MOPPL for procurement of power from its proposed 25 MW Shaheed Lakhan Nayak SHEP at the Generic Tariff of the 4th Control Period with necessary directions for modification of the Draft PPA as deemed appropriate; and
5. The submissions made by the Respondent-M/s. MOPPL are as under:
- (a) The construction and erection of the 25 MW Shaheed Lakman Nayak SHEP has been completed and scheduled for commissioning before the extended period of July, 2025 and fall within the 4th control period i.e. from FY 2023-24 to FY 2025-26. The Commission, vide order dt.04.12.2023 in Case No.94 of 2003, has determined the generic tariff and norms in respect of RE projects in the State of Odisha for the 4th control period. The levellised generic tariff for SHEPs had been determined for tariff period of 40 years i.e. @ Rs.5.93 /kWh (for SHEPs below 5 MW capacity) and @ Rs.5.82 /kWh (for SHEPs 5 to 25 MW capacity).
 - (b) After finalizing the draft PPA for purchase of power from the subject 25 MW Shaheed Lakman Nayak SHEP, GRIDCO has shared the same with M/s. MOPPL and M/s. MOPPL has given their consent to the terms and conditions of the said draft PPA vide letter dt.07.05.2025 and also undertaken to comply with all the obligations under the said draft PPA.

- (c) As part of its consent to the draft PPA, M/s. MOPPL has undertaken and bound itself to the following conditions:
- M/s. MOPPL will accept the generic tariff determined by OERC for the 4th control period.
 - M/s. MOPPL will not claim for project specific tariff citing the project cost.
 - M/s. MOPPL will accept the generic tariff determined for the 4th control period irrespective of any delay in commissioning of the SHEP beyond the 4th control period.
 - If the GoO decides to allow M/s.MOPPL to operate the SHEP beyond 20 years from the date of commissioning of the project, the first right of refusal to procure the power shall be with GRIDCO.
 - In case the GoO does not extend the SHEP for operation beyond 20 years or directs the Developer to demolish the SHEP during useful life of the Project, Demolition Cost/Charges and any Financial Implication arising out of the early Termination of the Project will not be passed on to GRIDCO.
- (d) The above consent given by M/s.MOPPL agreeing to accept the 4th control period generic tariff of Rs.5.82/kWh, without requesting for project specific tariff (which will be on higher side), would show the extent of sacrifice and concession by M/s. MOPPL, given the fact that the approved project cost of the subject 25 MW SHEP itself is Rs.283.99 crore (11.35 crore/MW). M/s. MOPPL desires for early approval of the PPA, so that after commissioning of the project, they can meet their debt service obligations.
- (e) Further, in its interlocutory application in the present case, M/s. MOPPL has sought interim relief for fixation of a provisional tariff, pending approval of the draft PPA, at the rate of Rs.5.82 per kWh, which is the levelized generic tariff fixed by the Commission for the fourth control period in respect of SHEPs of capacity between 5 to 25 MW.
6. The Respondent-TPWODL has submitted that the Commission in its order dated 04.12.2023 in Case No.94 of 2023, has approved the levelized generic tariff for RE projects commissioned during 4th control period i.e. from FY 2023-24 to FY 2025-26, based on the norms of CERC RE Tariff Regulations, 2020. Subsequent to that CERC has notified RE Tariff Regulations, 2024 on 12.06.2024 with applicability from 01.07.2024 to 31.03.2027. Under these CERC Regulations, the revised normative CUF of 45% has been prescribed for SHEPs located in the State of Odisha as compared to the earlier normative CUF of 30%. GRIDCO has filed an application before the Commission for revision of CUF which has been registered as Case No.04 of 2025. The hearing of the matter in Case No.04 of 2025 has been completed and reserved for order. The Commission may judiciously examine the revised

generic tariff proposal of GRIDCO in Case No.04 of 2025 as the same is cost effective. The decision in the said case shall be applicable and binding in the present context.

The Commission may consider the prayer of the Petitioner-GRIDCO for approval of the power procurement from the proposed 25 MW Shaheed Lakhman Nayak SHEP of M/s. MOPPL, at the least applicable generic tariff determined by the Commission, towards fulfilment of non-solar RPO by GRIDCO. Further, the Commission may consider the exemptions, incentives available under Odisha Renewable Energy Policy, 2022 while approving the PPA and determining the tariff of the said SHEP, so that such benefits may be availed by the SHEP resulting in a cost-reflecting tariff.

7. The Respondent-TPSODL has submitted that they have conveyed their consent for procurement of power from the proposed 25 MW Shaheed Lakhman Nayak SHEP developed by M/s. MOPPL on the river Kolab in Koraput District, for a period of 20 years towards meeting the RPO by GRIDCO.
8. The Respondent-TPNODL has submitted that the revised project cost of the subject SHEP of M/s. MOPPL is shown as Rs.283.99 crore i.e. Rs.11.35 crore/MW. The Commission may conduct a prudent check and approve the same accordingly. Further, the gross annual design energy of the subject SHEP is shown as 99.92 MU, whereas the CUF of the SHEP has not been provided. However, since the energy generated from the subject SHEP will be illegible to meet the RPO compliance of the State, the Commission may suitably decide the present matter under the prevailing Rules and Regulations.
9. The Respondent-OPTCL has submitted as under:
 - a) As per Para 9 (i) of the MoU dated 11.12.2019, for evacuation of power, the Developer shall have to connect the project to the nearest 33/11 kV Sub-station or 220/132/33 kV grid Sub-station of DISCOM/ OPTCL as the case may be, through Associated Transmission System at their cost including the future maintenance of the system and apparatuses. Hence, OPTCL does not have any responsibility to create transmission system up to the interconnection point i.e. at 220/132/33 kV Jaynagar S/s. M/s. MOPPL will also maintain the apparatus pertaining to 132 kV Jaynagar-Meenakshi D/C lines at Jaynagar S/s. Further, as per the submission of GRIDCO Ltd., M/s. MOPPL has to bear the transmission charges/ losses as approved by the Commission.
 - b) The concerns of OPTCL are limited to Clause 5.3 – ‘Energy Accounting’ of the PPA. The Clause 5.3 (ii) stipulates that, “The evacuation of power from x x x. Therefore, the logic for energy accounting of all the generating stations connected to this feeder shall be finalized in consultation among SLDC, GRIDCO, SHPD.” This Clause 5.3 (ii) may be replaced as under:

“The evacuation of power from x x x. Therefore, the logic for energy accounting of all the generating stations connected to this feeder shall be finalized in consultation among SLDC, GRIDCO, OPTCL, SHPD.”

- c) Further, OPTCL is liable to collect transmission charges from DISCOMs at delivery points as per Regulation 6.5 of OERC’s Transmission Tariff Regulations, 2014 and OERC’s Open Access Regulations, 2020. OPTCL has to earn revenue from both export and import of power from Shaheed Lakman Nayak SHEP. Accordingly, at Clause-7 “Billing, Rebate & Payment”, additional Clause-7.1.6 may be added as under:
“OPTCL will collect monthly transmission charges from concerned DISCOM-TPSODL for any import by Shaheed Lakman Nayak SHEP.”
 - d) At para (v) of the Revised Techno-Economic Clearance dated 18.06.2021, it is mentioned that approval of the appropriate Commission is binding on the Developer regarding sale, evacuation or connectivity etc. Hence, the Developer may be directed to furnish the single line diagram of the Generator switchyard, existing switchyard of Meenakshi, connection between the two switchyards and subsequent connection to Jaynagar S/s, for approval.
10. Heard the parties through hybrid mode and perused their written notes of submissions. The Commission observed as under:
- a) As per the Supplementary MoU executed between Govt. of Odisha and M/s. MOPPL on 11.12.2019, M/s. MOPPL is to construct Sahid Laxman Nayak SHEP of 25 MW capacity on the Kolab River near Tentuligram in Koraput district of Odisha and operate the same for a period of 20 years from the date of commissioning of the Project, which will not interfere with the construction of proposed Middle Kolab Project by WR Department in any manner. Further, M/s. MOPPL shall restrict the power generation of the said SHEP as per the availability of head & water on construction of barrage in the down-stream or on completion of the Middle Kolab Power Project of Govt. of Odisha. In case of any reduction in power generation due to back water effect, the developer will compensate the loss in generation.
 - b) As per the Implementation Agreement dated 21.06.2021 (signed between M/s MOPPL & EIC-cum-PCEI, GoO), M/s. MOPPL will enter into PPA with GRIDCO with the terms, conditions and pricing structures for the purchase of power from the said SHEP. The Government shall grant permission to generate and sell power to GRIDCO from the said SHEP for a period coextensive with the term of the PPA or any extension thereof.
 - c) The STC in its meeting held on 10.12.2021, has adopted the project cost of Rs. 283.99 Crore (around Rs. 11.35 Crore/MW) for the 25 MW Shaheed Lakhan Nayak SHEP assessed and validated by IIT Roorkee with the conditions that M/s. MOPPL (i) will accept Generic Tariff determined by CERC/OERC whichever is applicable, (ii) will not claim for Project Specific Tariff citing the above Project Cost, (iii) will not claim any

- compensation, if the Middle Kolab Project comes up. Accordingly, M/s. MOPPL has submitted the undertaking, vide their letter dated 26.05.2021, accepting the decisions of the STC and has offered to accept the generic tariff determined by the State Commission for the 4th Control Period irrespective of any delay in commissioning of the Project.
- d) The Board of Directors of GRIDCO in their 207th meeting held on 10.02.2023 had approved for procuring entire power from the above SHEP to meet HPO. The four DISCOMs have also given their consent for such procurement. The DoE, GoO, vide their letter dated 03.05.2025, has extended the MoU till July 2025 subject to condition that there will be no project cost escalation for time extension so granted and the said SHEP has submitted the undertaking in this regard vide their letter dated 03.05.2025.
- e) M/s MOPPL shall construct and maintain the ATS (dedicated line & associated bay equipment) at their cost to connect to nearest Grid substation of OPTCL.
- f) The salient points as agreed in the draft PPA by M/s. GRIDCO Ltd. and M/s. MOPPL are as under:
- The tariff shall be the Generic Tariff determined by OERC for the 4th Control Period.
 - Infirm Power shall be made available to GRIDCO at the State Hydro Pooled Rate.
 - The term of the Agreement shall be for a period of 20 years from the COD.
 - The PPA can be extended beyond 20 years till the life period of the Project (40 years) with mutually agreed terms, if the Govt. of Odisha allows the extension for operation of the plant.
 - If the Govt. of Odisha decides to allow MOPPL to operate the SHEP beyond 20 years from the date of Commissioning of the project, the first right of refusal to procure the power shall be with GRIDCO.
 - In case the Govt. of Odisha do not extend the SHEP for operation beyond 20 years or directs the Developer to demolish the SHEP during useful life of the Project, Demolition Cost/Charges and any Financial Implication arising out of the early Termination of the Project will not be passed on to GRIDCO.
- g) According to post hearing submissions of GRIDCO, the Commission in its generic tariff order for the 4th Control Period (FY 2023-24 to FY 2027-28) has considered CUF @ 30% for the SHEPs in Odisha in line with the then CERC norms. However, the Central Commission has notified CERC (Terms & Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024, which is applicable for the period from 01.07.2024 till 31.03.2027, wherein the Central Commission has specified normative CUF of 45% for SHEPs located in the State of Odisha. In another Petition bearing Case No. 04 of 2025, GRIDCO had prayed before the Commission for revision of Normative CUF of SHEPs in Odisha from 30% to 45% in line with the CERC's RE Regulations 2024 and to consider approving an appropriate incentive structure for energy generation beyond the

normative level of CUF (i.e. 30%), so that all SHEP developers, including M/s Meenakshi Odisha Power Pvt. Ltd., may be brought under a uniform and equitable mechanism and suitable direction be issued to M/s Meenakshi Odisha Power Pvt. Ltd. to agree for an amendment in the draft PPA incorporating an incentive structure, approved by the Commission.

- h) According to M/s. MOPPL, the Developer of the said SHEP, the Commission, vide order dated 04.12.2023 in Case No.94 of 2003, has determined the generic tariff and norms in respect of RE projects in the State of Odisha for the 4th control period. The levelled generic tariff for SHEPs has been determined for tariff period of 40 years i.e. @ Rs.5.93 /kWh (for SHEPs of capacity below 5 MW) and @ Rs.5.82 /kWh (for SHEPs of capacity between 5 to 25 MW). M/s. MOPPL has given consent to accept generic tariff of Rs.5.82/kWh for the 4th control period and has not requested for project specific tariff (which will be on higher side), although the approved project cost of the subject 25 MW SHEP itself is Rs.283.99 crore (11.35 crore/MW). M/s. MOPPL desires for early approval of the draft PPA as agreed between the parties.
11. The Commission, vide its order dated 05.07.2025 passed in Case No.04/2025, has allowed the tariff @ 25% of the Generic/Project specific tariff as incentive to the SHEPs in the State of Odisha for their excess generation beyond the normative CUF of 30%. The relevant para of the said order dated 05.07.2025 is extracted as hereunder:

“In view of the above and considering the interest of consumers of the State, the Commission feels it prudent for GRIDCO to avail the excess energy generated (beyond the normative CUF of 30%) for State consumption at a tariff reduced by 75% of the generic tariff and the developer(s) of SHEP(s) will be incentivized for such excess generation beyond the normative CUF. In other words, the tariff for the excess energy generation beyond the normative CUF shall be @ 25% of the Generic/Project Specific Tariff determined for the SHEP(s) in the State, which would fairly incentivize the project developer(s). The billing for such excess generation (beyond the normative CUF of 30%) in a month shall be claimed/raised by the developer(s) of SHEP(s) in subsequent month(s) and final adjustment shall be done at the end of the financial year based on the actual generation/CUF of the period. The Commission directs both the developer(s) of SHEP(s) and GRIDCO to incorporate such provision in their PPA for the benefit of the consumer of the State. The financial and operational parameters pertaining to SHEP as per order dated 04.12.2023 of this Commission will remain unchanged for the period from FY 2023-24 to FY 2027-28.”

12. In view of the above observations, the Commission approves that the entire power from the proposed 25 MW Shaheed Lakhman Nayak SHEP of M/s. MOPPL on Kolab River (Near Tentuligumma, Koraput) will be procured by GRIDCO for a period of 20 years for meeting HPO at levelized generic tariff @ Rs.5.82 per kWh for the period from FY 2023-24 to FY 2027-28 in line with the Order dated 04.12.2023 of the Commission in Case No.94 of 2023. Further, the Commission accords approval of the draft PPA agreed by both Petitioner-M/s. GRIDCO Ltd. and the developer of SHEP (M/s. MOPPL) with the following modifications to be incorporated in the PPA:

- a) The tariff for excess generation beyond the normative CUF of 30% shall be @25% of the generic tariff (i.e. 25% of Rs.5.82 per kWh), as directed by the Commission vide its order dated 05.07.2025 passed in Case No.04/2025.
- b) Clause No.5.3 (ii) to be replaced by –
- “The evacuation of power from the SHEP has been proposed through the existing transmission line(s) between Lower Kolab & Middle Kolab and 220/132/33 kV Grid substation of OPTCL. Therefore, the logic for energy accounting of all the generating stations connected to this feeder shall be finalised in consultation with SLDC, GRIDCO, OPTCL, Small Hydro Project Developer (SHPD).”

13. With the above observations and directions, the Case is disposed of.

Sd/-
(B. Mohanty)
Member

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

Sd/-
(P. K. Jena)
Chairperson