

**BEFORE THE GUJARAT ELECTRICITY REGULATORY
COMMISSION
GANDHINAGAR**

Suo-Motu Petition No. 1967 of 2021

In the matter of:

Suo-Motu Petition for Extension of time limit for execution of PPAs for the projects covered in ‘Small Scale Distributed Solar Projects, 2019’ policy of the Government of Gujarat.

- Respondent No. 1 : Gujarat Urja Vikas Nigam Limited
- Represented by : Ms. Sailaja Vachhrajani, Shri Parthik Joshi, Shri Kandarp Mistry, Ms. Girija Dave, Shri Kishor Lakhani.
- Respondent No. 2 : Madhya Gujarat Vij Company Limited
- Represented by : Shri A. V. Saxena
- Respondent No. 3 : Uttar Gujarat Vij Company Limited
- Represented by : Nobody was present
- Respondent No. 4 : Paschim Gujarat Vij Company Limited
- Represented by : Shri P. H. Mavani
- Respondent No. 5 : Dakshin Gujarat Vij Company Limited
- Represented by : Shri N. D. Chaudari
- Respondent No. 6 : Gujarat Energy Transmission Corp. Ltd.
- Represented by : Ms. Venu Birappa
- Respondent No. 7 : Federation of Renewable and Consumers of Energy
- Represented by : Shri Kirtikumar Shah and Shri Vikram Shah
- Respondent No. 8 : Gujarat Solar Association
- Represented by : Shri Nikhil Savaliya
- Respondent No. 9 : J. J. PV Solar Pvt. Ltd.
- Represented by : Shri Darshak Akhbari
and Other 83 individuals.

CORAM:

Mehul M. Gandhi, Member

S. R. Pandey, Member

Date: 23/04/2021

ORDER

1. The Petition No. 1954 of 2021 was filed before the Commission under Section 86 (1) (b) & (e) of the Electricity Act, 2003 by the GUVNL and others for incorporating provision regarding ‘Change in Law’ in the Power Purchase Agreements to be executed by State DISCOMs with Project Developers under the Government of Gujarat’s Policy for Development of ‘Small Scale Distributed Solar Projects, 2019’ notified vide GR No. SLR/11/2019/51/B1 dated 06.03.2019 and approval of draft PPA.

2. The Commission allowed the above Petition and passed an order dated 25.03.2021 after inviting comments/suggestions from the stakeholders on the Petition and hear the stakeholders. The relevant para of the said order is reproduced below:

ORDER

21. *We admit and allow the petition.*

22. *We approve the proposed provision of “Change in Law” to be incorporated in the proposed Power Purchase Agreements to be executed by the State DISCOMs with Project Developers under the ‘government of Gujarat ‘s Policy for Development of Small Scale Distributed Solar Projects – 2019 notified vide G.R. No. SLR/11/2019/51/B1 dated 06.03.2019.*
 - (i) *The draft PPA is approved with consideration of following changes in it:*
 - (a) *the Petitioner/Co-Petitioners shall incorporate the definition of SCOD in the PPA as under:*

“Scheduled COD” or “Scheduled Commercial Operation Date” shall mean the date (Insert a date within 18 (eighteen) months from the date of execution of the PPA.)

(b) *the Petitioner/Co-Petitioners shall incorporate the definition of “Commissioning” specified in Article 1 and in the PPA as under:*

“Commissioning” with respect to the project certified by GEDA shall mean when all equipments as per rated capacity has been installed and energy has flown into the grid and witnessing of such generation of electricity by representative authorised by DISCOM/GETCO”

(c) *the Petitioner/Co-Petitioners shall amend/modify Article 6.5 of the PPA by deleting/removing Section number “79”.*

23. *We decide and direct the Petitioner/Co-Petitioners, Distribution Licensees to make the necessary changes in the draft PPA as approved by the Commission.”*

Further, while passing the above order, the Commission also upon presentation made by various stakeholders for granting extension of period for execution of the PPAs instead of limit of “*on or before 31.03.2021*”, after hearing all, passed an order as under:

“24. The time limit for execution of PPAs is hereby extended up to 30.04.2021. We clarify that it is in respect of those power projects which are registered with GEDA on or before 31.03.2021.”

3. At present the Commission is in receipt of the several representations stating that in view of the current serious COVID pandemic circumstances, it is not possible to execute the PPAs by the large number of solar projects owners who are required to execute the PPAs in prescribed time limit i.e. up to 30.04.2021 as per aforesaid order of the Commission. Hence, the Commission is requested to extend the aforesaid time limit for a period of 1 to 3 months. It is also submitted that the offices are working with only 50% strength of staff and it is difficult of execute PPAs within time limit. There is also problem of procurement of bank guarantee.

4. As the Commission is getting more and more such representations and upon taking a judicial notice of the current prevailing circumstances and as there is not any movement from GUVNL and other original Petitioners of Petition No. 1954 of 2021 which filed the said petition for implementation of the solar policy for development of solar sector, the Commission thought it expedient to initiate suo-motu

proceedings. Therefore, the Commission has directed its office to register this suo-motu petition and ordered to issue notices by e:mail for a hearing through video conference to the original Petitioners, respondents and interested stakeholders including those who have made representations. All the interested persons were informed to submit their views/suggestions in the matter through email communication on efiling@gercin.org and also represent before the Commission during hearing of the matter on virtual platform on 22.04.2021 at 11:30 a.m.

5. The matter has been heard on 22.04.2021 through virtual hearing by Video Conferencing.
6. The representatives of the solar power project developers of 'Small Scale Distributed Solar Projects, 2019' submitted that time period for signing PPAs with the distribution licensees may be extended up to one to three months due to COVID pandemic conditions in the State.
7. On behalf of the solar power project developers, Shri Vikram Shah, Shri Kirtikumar Shah, Shri Nikhil Savaliya, Shri Darshak Akhbari and other respondents have submitted as under:
 - (i) The time limit for execution of PPA may be extended from one month to three months as some of the project developers who are to sign the PPA are suffering from COVID and they are either in hospital or in quarantine. They are not able to visit the office of the licensees.
 - (ii) The power of attorney holder of the selected solar power project developers be authorized to sign the PPAs on behalf of solar power project developers.
 - (iii) The PPA may be executed even at division office of the distribution licensees where the Executive Engineers are situated who may also be authorized to sign the PPA.
 - (iv) The difficulties are being faced in obtaining the bank guarantee from the bank.

8. Ms. Sailaja Vachharajani, on behalf of GUVNL and distribution licensees of the State submitted that as per order of the Commission dated 25.03.2021 the PPAs execution work has already been started by the distribution licensees with the Small Scale Distributed Solar Projects Developers who are qualified to set up and commission such projects. The details of PPAs needs to sign in the licensee area and signed against the same are as under:

Name of Discom	PPAs needs to be signed	PPAs signed (in MW)
PGVCL	2686	804
DGVCL	75	No PPA signed
UGVCL	1309	229
MGVCL	251	28

She submitted that the licensees have decided that the PPAs be carried out at different places of the licensees area. Moreover, nos. of officials are designated to sign the PPAs. She submitted that the office of the licensees are open and solar project developers have been provided times slot to sign the PPAs with consideration that no public gathering took place at the licensees offices and avoid the prevailing COVID pandemic conditions. She submitted that the distribution licenses have made necessary arrangements for signing of PPAs with the solar project developers. Upon a direct question from the Commission as to whether there is an objection if the time is extended, she has submitted that Commission may pass appropriate order and she has not objected to extension of time period. She has also on further query of the Commission regarding appropriate period for signing the PPA submitted that the Commission can pass an appropriate order.

9. The representative of PGVCL, submitted that in PGVCL licensee area, they have designated 12 offices consists of 11 circle and 1 corporate office to execute the PPA with solar project developers. Moreover, the officials of the aforesaid offices are also designated and authorized to carry out the PPA execution work. Moreover, they have also planned to carryout camp at Sabarmati circle office Ahmedabad on 23rd and 24th of April 2021 for execution of PPA with the solar power project developers who are

situated near Ahmedabad and they shall not be required to go to any PGVCL office. Further, the details are also provided on portal and appointment are given to the project developers by communication specifying the time when they need to come and sign the PPAs. He submitted that it is planned in such a manner that the PPAs be executed by the licensees without any hurdle in time limit.

10. The representative of DGVCL, submitted that in their licensee area the PPAs are to be signed with 75 solar power project developers. The PPAs are to be signed in corporate office only as decided by the authority of the licensee, because the number of PPAs executes are quite lower in number. Further he submitted that till previous day no PPAs have been signed.
11. From the above, it appears that lower number of PPAs have been signed due to COVID pandemic conditions in the State.
12. We have considered the submissions made by the parties. The situation has become grave than before. In our considered opinion the prevailing situation warrants this Commission to extend the period for signing the PPAs after 30.04.2021 due to serious COVID pandemic conditions. We find force and substance in the representations made by the stakeholders and though GUVNL and DISCOMs appeared to have extended all necessary facilities for completion of the work, time period is required to be extended further.
13. The Commission has, considering the serious COVID situations, initiated the suo-motu petition only for extension of period which has already been extended earlier in the Petition No. 1954 of 2021. So far as other demands for allowing power of attorney for signing PPAs etc. are concerned, the same are required to be rejected and they are rejected.
14. We note that the distribution licensees have taken care for the work of signing PPAs with the solar power project developers within the stipulated time period upto 30.04.2021 as per their statement. We also note that at present there is prevailing COVID pandemic conditions in the State and it is necessary to avoid the public

gathering. We also note that some of the project developers have submitted that they are unable to sign the PPA in the prevailing COVID pandemic conditions.

15. Considering the serious prevailing circumstances of COVID pandemic, we decide that as a special case the time limit for execution of PPAs as provided in Order dated 25.03.2021 in Petition No. 1954 of 2021 is required to be extended further. Therefore, the following order.

ORDER

16. We order that time limit for execution of PPAs is further extended up to 31.05.2021 instead of up to 30.04.2021 as decided in Petition No. 1954 of 2021.
17. The Suo-Motu Petition No. 1967/2021 stands disposed of accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.

Date: 23/04/2021.