

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 68/AT/2024

**Coram:
Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member**

Date of Order: 1st June, 2024

In the matter of

Petition under Section 63 of the Electricity Act, 2003 for the adoption of tariff for Solar PV Power Projects (Tranche-XII) connected with the Inter-State Transmission System (ISTS) and selected through competitive bidding process as per the guidelines of the Government of India.

**And
In the matter of**

Solar Energy Corporation of India Limited,
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar,
New Delhi-110023

.....Petitioner

Vs

- 1. Avaada Energy Private Limited**
C-11, Sector 65,
Noida -201301
- 2. Sprng Energy Private Limited**
Upper Ground, Office No. A-001,
Pentagon Tower-5,
Magarpatta City, Hadapsar,
Pune- 411013
- 3. ReNew Solar Power Private Limited,**
Renew Hub, Commercial Block-1, Zone -6,
Golf Course Road, DLF City Phase-V,
Gurugram – 122009
- 4. Solarcraft Power India 8 Private Limited,**
109, First Floor, Rishabh IPEX Mall, IP Extension,
Patparganj, New Delhi- 110092
- 5. Avaada GJGreen Private Limited,**



[SPV of Avaada Energy Private Limited]
C-11, Sector 65,
Noida – 201301

6. Sprng Power Earth Private Limited,
[SPV of Sprng Energy Private Limited]
Upper Ground, Office No. A-001,
Pentagon Tower-5, \
Magarpatta City, Hadapsar,
Pune- 411013

7. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14 Ashok Marg,
Lucknow- 226001

8. Renew Solar Steller Private Limited,
(SPV of Renew Solar Power Private Limited)
Renew Hub, Commercial Block-1, Zone-V
Gurugram-1220009

9. Solarcraft Power India 17 Private Limited,
(SPV of Solarcraft Power India 8 Private Limited)
1st Floor, Tower C Building, 10 DLF Cyber City
Phase-II, DLF Gurgaon-122002, Haryana

.....Respondents

Parties Present:

Ms. Mandakini Ghosh, Advocate, SECI
Ms. Aakanksha Bhola, Advocate, SECI
Ms. Anusha Nagarajan, Advocate, SECI
Shri Rahul Ranjan, Advocate, SECI
Shri Ankit Gupta, Avaada Energy
Shri Abhinav Kapoor, Avaada Energy

ORDER

The Petitioner, Solar Energy Corporation of India Limited ('SECI'), has filed the present Petition for the adoption of tariff for 1000 MW Solar Power Projects (Tranche-XII) connected to the Inter-State Transmission System (ISTS) and selected through the competitive bidding process as per the "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar



PV Power Projects” (“Solar Guidelines”) dated 28.7.2023 as issued by the Ministry of Power, Government of India. The Petitioner has made the following prayers:

- “a. Adopt the tariff discovered in the tariff based competitive bid process for 1000 MW Solar Power Projects based on e-Reverse Auction (e-RA).*
- b. Approve Trading Margin of Rs.0.07/kWh to be paid by the Distribution Companies/Buying Entity(ies) as specified in the Guidelines.*
- c. Pass any other or further order which this Commission may deem fit and proper in the facts and circumstances of this case.”*

Submission of the Petitioner

2. The Petitioner, SECI has submitted that on 13.10.2023, it issued a Request for Selection (RfS) along with the Standard Power Purchase Agreement (PPA) and Power Sale Agreement (PSA) documents for the ‘Selection of Project Developers/ Solar Power Developer (“SPD”) for setting up of the ISTS-connected 1000 MW Solar Power Projects (Tranche-XII)’ under Competitive Bidding as per the Solar Guidelines dated 28.7.2023 on the ISN Electronic Tender System (ETS) e-bidding portal. In response, nine bids were received, offering an aggregate capacity of 2300 MW, and all were found to fully meet the techno-commercial criteria. On 20.12.2023, as per the prescribed procedure in the RfS, the financial bids of the 9 technically qualified bidders were opened on the ISN ETS e-bidding portal in the presence of the Bid Evaluation Committee. As per the eligibility criteria mentioned in the RfS, seven bidders were shortlisted for participating in the e-reverse auction. The e-reverse auction was conducted on 20.12.2023 on the ISN ETS e-bidding portal, on the basis of which the final tariff was arrived at. Pursuant thereto, SECI, on 1.1.2024, issued a Letter of Award to the successful bidders, namely, Avaada Energy Private Limited (300 MW), Sprng Energy Private Limited (250 MW), ReNew Solar Power Private



Limited (300 MW) and Solarcraft Power India 8 Private Limited (150 MW). In view of the above, the Petitioner has prayed for the adoption of a tariff for the procurement of 1000 MW Solar power Projects discovered through a competitive bidding process carried out by SECI.

3. The Petitioner, vide its affidavit dated 5.4.2024, has submitted that subsequent to the filing of the present Petition, SECI has executed a PSA dated 7.2.2024 with Respondent No. 7, UPPCL for the entire 1000 MW and PPA dated 18.3.2024 with Avaada GJ Green Private Limited, (a SPV of Avaada Energy Private Limited) for 300 MW & PPA dated 27.03.2024 with Sprng Power Earth Private Limited, (a SPV of Sprng Energy Private Limited) for 250 MW. The Petitioner has also submitted that SECI was in the process of signing the PPAs with ReNew Solar Power Private Limited for 300 MW and Solarcraft Power India 8 Private Limited for 150 MW in terms of Letter of Award dated 1.1.2024 for the onward supply to UPPCL in terms of the PSA dated 7.2.2024.

Hearing dated 10.4.2024

4. During the course of the hearing on 10.4.2024, the learned counsel for the Petitioner, SECI reiterated the submissions made in the pleadings and requested the Commission for the adoption of the tariff of 1000 MW Solar PV Power Projects (Tranche XII) connected with the Inter-State Transmission System and selected through the competitive bidding process as per the Solar Guidelines.

5. In response to the Commission's specific query regarding the delay in approaching the Commission for the adoption of the tariff as per Clause 10.4 of the



Solar Guidelines, the learned counsel for the Petitioner sought liberty to file an additional affidavit explaining the reasons for such delay.

6. After hearing the learned counsel for the Petitioner, notices were issued to Respondents to file their respective replies. However, no reply has been filed by them.

7. Vide Record of Proceedings for the hearing dated 10.4.2024, the Petitioner was directed to indicate the progress made on the identification of End Procurer(s) and signing of the PPAs and PSAs. The Petitioner was also directed to file its affidavit indicating the reasons for the delay in approaching the Commission as per Clause 10.4 of the Solar Guidelines. In response, the Petitioner, vide its affidavit dated 4.5.2024, has submitted that subsequent to the filing of the affidavit dated 5.4.2024 and hearing dated 10.4.2024, SECI has executed PPA dated 23.4.2024 for 300 MW capacity with Renew Solar Steller Private Limited, a SPV of Renew Solar Power Private Limited and PPA dated 23.4.2024 for 150 MW capacity with Solarcraft Power India 17 Private Limited, a SPV of Solarcraft Power India 17 Private Limited in terms of Letter of Award dated 1.1.2024 for onward supply to UPPCL in terms of the PSA dated 7.2.2024. Accordingly, the entire awarded capacity of 1000 MW stood tied up under the PPAs and PSA. The Petitioner SECI, vide affidavit dated 11.5.2024, has further submitted as to the reason for its delay in approaching the Commission previously this Commission had directed the Petitioner to seek adoption of tariff once capacity is tied-up and the PPAs and PSAs for that capacity have been executed (Ref. Order dated 8.3.2022 in Petition No.211/AT/2021). SECI has further stated that in the present case, the competitive bidding process for the Solar PV Power Projects (Tranche-XII) connected with the Inter-State Transmission System was concluded



(through e-reverse auction) on 20.12.2023 and accordingly, on 1.1.2024, SECI issued Letter of Awards (LoAs) to the selected bidders. However, by 4.1.2024 (i.e. the date on which the timeline of 15 days expired), neither PPAs with the bidders had been executed nor had the Petitioner received UPPCL's consent for execution of the PSA. It was only on 19.1.2024 that UPPCL accepted and consented to the offer, and immediately thereafter, the Petitioner filed the Petition for the adoption of tariff on 20.1.2024, anticipating execution of the PPAs and PSA at a later stage. Subsequent to the filing of the present Petition on 20.01.2024, the PSA with UPPCL and corresponding PPAs with the project companies of the bidders were executed and have already been placed on record.

Hearing dated 22.5.2024

8. During the course of the hearing, the learned counsel for the Petitioner, SECI, submitted that as per the direction of the Commission vide Record of Proceedings for the hearing dated 10.4.2024; the Petitioner has filed its affidavit dated 11.5.2024 indicating the reason for the delay in approaching the Commission as per Clause 10.4 of the Solar Guidelines and reiterated the submissions made therein.

9. Considering the submissions made by the learned counsel for the Petitioner, the Commission reserved the matter for order.

Analysis and Decision

10. We now proceed to consider the prayer of the Petitioner as regards the adoption of tariff under Section 63 of the Act in respect of the solar power projects discovered pursuant to the competitive bid process carried out in terms of the Guidelines issued by the Government of India.



11. Section 63 of the Act provides as under:

“Section 63. Determination of tariff by bidding process: Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

12. Thus, in terms of Section 63 of the Act, the Commission is required to adopt the tariff on being satisfied that the transparent process of bidding in accordance with the Guidelines issued by the Government of India under Section 63 of the Act has been followed in determination of such tariff.

13. The Ministry of Power, Government of India has notified the Solar Guidelines under Section 63 of the Act vide Resolution No.27/01/2023-RCM on 28.7.2023. The salient features of the Guidelines are as under:

(a) The Guidelines are applicable for the procurement of power from grid connected solar PV power projects, with or without Energy Storage, through tariff based competitive bidding to be conducted by ‘the Procurer’, which includes distribution licensees, or the Authorized Representative(s), or Intermediary procurers.

(b) The procurer shall prepare the bid documents in accordance with the Guidelines. The principles outlined in the Guidelines may be suitable expanded and made exhaustive in the Standard Bid Documents. In case of any deviation from the provisions of the Guidelines and/or Standard Bid Documents, approval of the Appropriate Government would be necessary prior to initiation of bid process.

(c) Bids shall be invited in Power Capacity (MW) terms specifying the total quantum to be contracted by the procurer. The minimum quantum of power that can be offered by the bidder should be 50 MW for projects connected with the inter-State transmission system. The bidder can quote for a part of the total quantum to be procured by the Procurer. A maximum of 50 percent of total capacity as specified in the RfS can be allocated to a single bidder. The



bid evaluation parameter shall be the tariff per unit supply of solar power fixed for the entire term of the PPA.

(d) The procurement of power - shall be in power (MW) terms. The range of Capacity Utilisation Factor (CUF) will be indicated in the bidding documents. Calculation of CUF will be on the yearly basis.

(e) The draft PPA proposed to be entered into with the successful bidder and draft PSA, if applicable, shall be issued along with the RfS. Standard provisions to be incorporated as part of the PPA shall include, *inter-alia*, PPA Period, Power Procurement, Payment Security Mechanism (PSM), Force Majeure, Generation Compensation for off-take Constraints, Event of default and consequences thereof and Change in Law and shall be provided for, on back-to-back basis, in the PSA.

(f) Adequate payment security shall be provided as per the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 including amendments and clarification, if any, thereof, issued from time to time. In addition, the Intermediary Procurer may maintain a payment security fund. To be eligible for the coverage from the fund, the developer will undertake to pay the PSM charges at the rate of 2 paise per unit.

(g) The Procurer/intermediate procurer shall call for the bids adopting a single stage, two part (Technical Bid & Financial Bid), bidding process to be conducted through electronic mode (e-bidding). The technical bid shall be opened first. The financial bids of only those bidders who qualify in the technical bid shall be opened. E-procurement platforms with a successful track record and with adequate safety, security and confidentiality features will be used.

(h) RfS notice shall be issued in at least two national newspapers and on the websites of the procurer to provide the wide publicity. Standard provisions to be provided by the Procurer in the RfS document shall include Bid Responsiveness, Technical Criteria, Financial Criteria, Quantum of the Earnest Money Deposit (EMD), and Compliance of FDI Laws by foreign bidders, etc.



(i) The bidders shall be required to submit the separate technical and price bids. The bidders shall also be required to furnish the necessary bid-guarantee in the form of an Earnest Money Deposit (EMD) along with the bids. The technical bids shall be evaluated to ensure that the bids submitted meet the eligibility criteria set out in the RfS document on all evaluation parameters. Only the bids that meet the evaluation criteria set out in the RfS document shall be considered for further evaluation on the price bids. To ensure competitiveness, the minimum number of qualified bidders should be two. If the number of qualified bidders is less than two, even after three attempts of the bidding, and the Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.

(j) The procurer shall constitute a committee for evaluation of the bids (Evaluation Committee), with at least three members, including at least one member with expertise in financial matters / bid evaluation. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity with the provisions of the RfS document.

(k) The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.

(l) After the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.

(m) The distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for the adoption of tariff discovered, in terms of Section 63 of the Act, within fifteen days of the discovery of the tariffs through e-reverse auction or otherwise, in the transparent competitive bidding process conducted in accordance with these Guidelines. In case the Appropriate Commission does not decide upon the same within 60 (sixty) days of such submission or within 120 (one hundred



and twenty) days from the date of PSA, whichever is more, the procurer shall grant the appropriate extension of time in Scheduled Commencement of Supply Date (SCSD) to the generators corresponding to the delay (beyond 60 days of submission or 120 days of PSA, whichever is more) in adoption/ approval by the Appropriate Commission till the date of the adoption/ approval by the Appropriate Commission.

14. In terms of the provisions of Section 63 of the Act, we have to examine whether the process as per provisions of the Solar Guidelines has been followed in the present case for arriving at the lowest tariff and for selection of the successful bidder(s).

15. The Petitioner has been designated as the nodal agency for the implementation of the MNRE Schemes for setting up the inter-State Transmission System/State specific wind/ solar power/ wind-solar hybrid power projects to invite bidding under tariff based competitive bidding process to enter into PPAs with the developers at the tariff discovered in the competitive bid process; and to enter into the PSAs with the distribution licensees to enable them to fulfil their Renewable Purchase Obligations under Section 86(1)(e) of the Act. SECI acts as an intermediary agency in the purchase and sale of power under the PPAs and PSAs on a back-to-back basis.

16. The Solar Guidelines provide for the procurement of solar power at a tariff to be determined through a transparent process of bidding by the procurer(s) from the grid connected solar power projects with or without energy storage. As per the Guidelines, SECI, in the capacity of intermediary procurer, invited proposals for the selection of solar power developers for setting up the 1000 MW ISTS connected solar power projects (Tranche XII). As per the arrangements, SECI is to procure the



power by entering into PPAs with the successful bidder with back-to-back PSAs for the sale of power to the distribution licensees.

17. The key dates in the bidding process were as under:

Sr. No.	Milestone	Date
1.	RfS issued by SECI	13.10.2023
2.	Pre-Bid Meeting held	19.10.2023
3.	Clarification -01 to the RfS documents	17.11.2023
4.	Amendment -01 to RfS documents	17.11.2023
5.	Corrigendum -01 to the RfS documents	17.11.2023
6.	Last date of Bid Submissions	30.11.2023
7.	Opening of Techno-Commercial Bids	05.12.2023
8.	Opening of Financial Bids	20.12.2023
9.	E-Reverse Auction Conducted	20.12.2023
10.	Issuance of Letter of Award (LoA) to Successful Bidders	01.01.2024

18. On 13.10.2023, SECI issued the RfS documents, along with the draft PPA and PSA, for the selection of the Solar Power Developers for setting up the 1000 MW ISTS connected solar power projects (Tranche XII) under tariff-base competitive bidding. As per Clause 7.5 of the Guidelines, RfS notice is required to be published in at least two national newspapers and its own website to accord wide publicity. In this regard, SECI has placed on record the documents demonstrating the publication of RfS on the e-publishing system, Government of India. It has been further submitted that it did not publish the notices in the newspapers as per the advisory issued by the Ministry of Information and Broadcasting, Government of India, dated 17.5.2017, mandating the e-publishing of advertisements in the relevant portal. Accordingly, on 3.7.2018, SECI published a notification indicating that tenders of SECI would be published on its website and not in the newspapers.



19. The Bid Evaluation Committee (BEC) comprising the following was constituted for opening and evaluation of bids for the RfS dated 13.10.2023:

Tender	Dept.	Offline and Online Techno- commercial and Financial Bid Opening	Techno-commercial and Financial evaluation and post-e-RA recommendation
1000 MW ISTS-Connected Solar PV Power projects in India (SECI-ISTS-XII)	Solar	Shri Sunil, Manager	Shri Sunil, Manager
	Contracts	Shri Abhisekh Srivastav, Manager	Shri Abhisekh Srivastav, Manager
	Finance	Mis. Jyoti, Dy. Manager	Mis. Jyoti, Dy. Manager

20. Last date of submission of the bid was 30.11.2023, and the technical part of the bid was opened on 5.12.2023. Response to RfS was received from the following nine bidders:

S. No.	Bidder Name	Bid Capacity (MW)
1.	Furies Solren Private Limited	300
2.	NTPC Renewable Energy Limited	300
3.	Solarcraft Power India 8 Private Limited	300
4.	ReNew Solar Power Private Limited	300
5.	Datta Power Infra Private Limited	50
6.	Apraava Energy Private Limited	300
7.	Sprng Energy Private Limited	250
8.	SJVN Green Energy Limited	200
9.	Avaada Energy Private Limited	300
	TOTAL	2300 MW

21. The financial bids of the above nine technically qualified bidders were opened on 20.12.2023 on the ISN ETS e-bidding portal. As per the criteria mentioned in the RfS documents, seven bidders for capacity aggregating 1950 MW were shortlisted for an e-reverse auction. The e-reverse auction was carried out on 20.12.2023 on the ISN ETS e-bidding portal. The selection of the bidders and the final tariff were

arrived at after the completion of the e-reverse auction. The result of the e-reverse auction is as under:

S. No.	Name of Successful Bidder	Bid Capacity (MW)	Tariff (INR/kWh)	Allotted Capacity (MW)
1	Avaada Energy Private Limited	300	2.52	300
2	Sprng Energy Private Limited	250	2.52	250
3	ReNew Solar Power Private Limited	300	2.52	300
4	Solarcraft Power India 8 Private Limited	300	2.53	150
		1150 MW		1000 MW

22. On 1.1.2024, SECI issued Letters of Award to the aforesaid successful bidders. The relevant extract of the Letter of Award issued to one of the successful bidders, namely, Avaada Energy Private Limited, is as under:

“Sub: Selection of Solar Power Projects under RfS for setting up of 1000 MW ISTS-connected Solar Power Projects (ISTS-XII): Letter of Award for Solar Power Project of 300 MW (Project ID: SPD-ISTS-T12-AEPL-P1-300MW).

In reference to above and subject to the provisions of RfS, we confirm having accepted your final offer concluded as a result of e-RA and issue this letter of award as per the following details:

Allotted Project ID	Project Capacity (MW)	Interconnection Point Details	Applicable Tariff (INR/kWh) in figures	Applicable Tariff (INR/kWh) in words
SPD-ISTS-T12-AEPL-P1-300MW	300	765/400/220 kV Bhuj-II, Gujarat	₹ 2.52/-	Rupees Two and Fifty-two paisa only

SECI shall purchase the power generated from the proposed ISTS-Connected Solar Power Project under the above scheme subject to the following terms and conditions as stated in various documents referred above and briefly brought out hereinafter.

1.0 The applicable tariff as mentioned above for power generated from the proposed Solar Power Project for the term of Power Purchase Agreement (PPA) to be entered into between Project Company or the Solar Power Developer (SPD) and M/s SECI, for the Project, shall be firm for the entire term of the PPA.

1.1 The SPD will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Customs and Excise Duties, Tax Holidays, etc. as available for such projects. No claim shall arise on SECI for any liability if the SPD is not able to avail fiscal incentives and this will not have any bearing on the applicable tariff.



1.2 The award of the above Project is subject to the Guidelines including amendments/clarifications issued by Government of India and terms and conditions of the RfS document including its clarifications/ amendments/ elaborations/ notifications issued by SECI.

1.3 No change in the controlling shareholding of the Bidding Company or Bidding Consortium shall be permitted from the date of submission of response to RfS till the execution of the PPA. However, in case the Project is being set up by a listed Company, this condition will not be applicable.

1.4 In case of the selected Bidder itself executing the PPA, it shall ensure that its promoters shall not cede control (Control shall mean the ownership, directly or indirectly, of more than 50% of the voting shares of such Company or right to appoint majority Directors) of the Bidding Company/Consortium until 01 (one) year after the SCSD, except with the prior approval of SECI.

1.5 In case of companies having multiple promoters (but none of the shareholders having more than 50% of voting rights and paid up share capital), it shall be considered as a company under joint control. In such cases, the shareholding pattern in the company as submitted at the time of bidding, shall be maintained for a period of 01 (one) year after SCSD.

1.6 In case of Project being executed through SPVs, the Selected Bidder executing the project, if being a single company, shall ensure that its shareholding in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after the SCSD, except with the prior approval of SECI. In the event the selected Bidder is a consortium, then the combined shareholding of the consortium members in the SPV/ Project Company executing the PPA, shall not fall below 51% at any time prior to 01 (one) year after SCSD, except with the prior approval of SECI. Further, the Successful Bidder shall ensure that its promoters shall not cede control of the bidding company till 01 (one) year from the SCSD, except with the prior approval of SECI.

1.7 The Selected Bidder shall pay to SECI, Success Charges @ INR 1,00,000/MW (Indian Rupees One Lakh/MW) + 18% GST, corresponding to the capacity awarded as per the LoA, towards administrative overheads, project monitoring activities, coordination with State Authorities and others including the DISCOM/STU/CTU, etc. 1st installment of the Success Charges, i.e. 50% of the above amount shall be paid to SECI within 30 days after issuance of LoA, and remaining 50% amount (i.e. the 2nd installment of the Success Charges) shall be paid prior to signing of PPA (PPA signing date to be intimated by SECI), in line with Clause 18.1 and 18.2 of the RfS.

1.8 Performance Bank Guarantee(s)/ Payment on Order Instrument (POI) for a value of @ Rs23.20 Lakh/MW/Project shall be submitted by the SPD prior to signing of PPA, in line with Clause 17 of the RfS.

1.9 PPA will be executed between SECI and the SPD as per the breakup of the cumulative Contracted Capacity awarded to the Bidder. This LoA is being issued in line with the Project breakup of the cumulative capacity quoted in the Covering Letter as part of your response to RfS and amended subsequently, as applicable.

1.10 The final project configuration, adding up to the cumulative capacity awarded to the bidder, may be changed by the SPD subsequent to issuance of LoA up to the date as on 30 days from issuance of LoA. Delay in meeting the PPA timelines on account of such changes in Project parameters, which differ from the details provided in the Covering letter, shall be at the risk and cost of the Successful Bidder. The PPAs shall be valid for a period of 25 years from the Scheduled Commencement of Supply Date (SCSD).

1.11 The SPD will have to submit the required documents as mentioned below to SECI within 70 days from the issue of this LoA. In case of delay in submission of documents beyond the period as mentioned above, SECI shall not be liable for delay in verification of documents and subsequent delay in signing of PPA:



- 1) *In line with Clause 35.3 of the RfS, in the case of submission of letter from CEO/Managing Director of the respective Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees/POI in case the Bidder fails to do so, at the time of bid submission, the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of PPA. [Not required if requisite documents already submitted at the bidding stage].*
- 2) *Copy of the Certificate of Incorporation of the SPD.*
- 3) *The details of promoters and their shareholding in the SPD, duly certified by the practicing Chartered Accountant/ Company Secretary in original at least 7 (seven) days prior to date of their document submission (certificate date should be after the date of LoA) along with latest documents filed with ROC.*
- 4) *Copy of the Memorandum of Association (MoA) of the SPD highlighting the object clause related to generation of Power/ Energy/ Renewable Energy/ Solar Power plant development.*
- 5) *In case the project being executed by a Special Purpose Vehicle (SPV) incorporated by successful bidder, such SPV shall be at least 51% shareholding subsidiary, in line with provisions of the RfS. Further, the Successful Bidder shall submit a Board Resolution prior to signing of PPA with SECI, committing total equity infusion in the SPV as per the provisions of RfS. Also, the SPV shall submit a Board Resolution for execution of the Project.*
- 6) *Copy of Board Resolution of SPD for authorization of signing of PPA and subsequent relevant documents.*

Further, the PPA shall be signed with SPDs subsequent to the signing of Power Sale Agreements with the Buying Entities for the cumulative awarded capacity and upon submission of the Success Charges along with total Performance Guarantees/ Payment on Order Instrument of requisite value.

1.12 SECI shall have the right to verify original documents of the SPD for which copies have been submitted from the date of submission of response to RfS till date, if required. PPA, as per the format given along with RfS, may be signed within 90 days from the date of issue of Letter of Award (LoA) or any other date as decided by SECT from time to time. Effective Date of the PPA shall be the date as on 90 days from the date of issue of LoA. Subsequent to expiry of the 90-day period after the issuance of LoA, in case SECI intimates to the Successful Bidder, a particular date as the date for signing of PPA, the specified date shall become the Effective Date of the PPA, irrespective of the date of signing of PPA.

1.13 In case, the SECI offers to execute the PPA with the SPD and the selected Bidder refuses to execute the PPA within the stipulated time period, then the Bank Guarantee equivalent to the amount of the EMD shall be encashed by SECI from the Bank Guarantee available with SECI (i.e. EMD or PBG) as penalty, the selected Project shall stand cancelled, and the selected Bidder expressly waives off its rights and objections, if any, in that respect.

1.14 The SPD shall meet financial closure requirements for the Project in line with clause 9.3 of the RfS document, by the date as on 6 months prior to the SCSD/extended SCSD. Accordingly, the SPD shall furnish the documents pertaining to compliance of financial closure as per the above provisions.

1.15 The SPD/Project Company shall commence supply of power from full Project Capacity within 24 months from the Effective Date of the PPA, as per the conditions stipulated in Clause 9 of the RfS and relevant articles of PPA. In case of failure to achieve this milestone, penalty for delay in commencement of supply shall be levied on the SPD as per the above provisions.”



23. It has been submitted by the Petitioner that the selection of the aforesaid bidders for the supply of power and the quantum of capacity available for the procurement from the selected bidders were communicated to the concerned distribution companies/ buying utilities, and the PSA has been signed as under:

S. No.	Buying Utilities	Date of PSA signing	PSA Capacity (MW)	Applicable Tariff to Buying Utility (INR/kWh)
1.	Uttar Pradesh Power Corporation Limited	07.02.2024	1000	As per Article 1.1 read with Schedule B of the PSA: Applicable Tariff payable to Solar Power Developer under PPA Plus INR 0.07/kWh (Trading Margin)
	Total		1000 MW	

24. On the above basis, PPAs have been signed with the following successful bidders/ Project Companies formed by the successful bidders:

S. No.	Name of Successful Bidder	Project Company formed by the Successful bidder for execution of PPA	Date of PPA signing & Contracted Capacity (MW)	Applicable Tariff (INR/kWh)
1	Avaada Energy Private Limited	Avaada GJGreen Private Limited	18.03.2024 (300 MW)	2.52
2	Sprng Energy Private Limited	Sprng Power Earth Private Limited	27.03.2024 (250 MW)	2.52
3	ReNew Solar Power Private Limited	Renew Solar Steller Private Limited	23.04.2024 (300 MW)	2.52
4	Solarcraft Power India 8 Private Limited	Solarcraft Power India 17 Private Limited	23.04.2024 (150 MW)	2.53
	Total		1000	

25. As per Clause 10.4 of the Solar Guidelines, the distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for the adoption of tariffs discovered, in terms of Section 63 of the Act, within fifteen days of the discovery of the tariffs through e-RA or otherwise, in the transparent, competitive bidding process conducted in accordance with the

Guidelines. In the present case, the e-RA was concluded on 20.12.2023, and accordingly, the Petitioner was required to approach the Commission for the adoption of the tariff by 4.1.2024. However, the Petitioner, SECI, filed the present Petition only on 20.1.2024 (e-filing portal). Accordingly, vide Record of Proceedings for the hearing dated 10.4.2024, the Petitioner was asked to indicate the reasons for the delay in approaching the Commission as per Clause 10.4 of the Solar Guidelines. In response, the Petitioner, vide its affidavit dated 5.4.2024, submitted that this Commission, in previous cases, had directed the Petitioner to only seek adoption of tariff once capacity is tied up and the PPAs and PSAs for that capacity have been executed, and in the present case, although SECI had offered the entire capacity to UPPCL after the conclusion of e-RA and the identification of the successful bidders, neither PPAs with the bidders had been executed nor had the Petitioner received UPPCL's consent for execution of the PSA. SECI submitted immediately after UPPCL accepted and consented to its offer on 19.1.2024; the Petitioner filed the present Petition for the adoption of tariff on 20.1.2024, anticipating execution of the PPAs and PSA at a later stage. We have considered the justification provided by SECI for delay in approaching the Commission for the adoption in tariff as per Clause 10.4 of the Solar Guidelines. Keeping in view that, unlike the previous Solar Guidelines of 2017, the Solar Guidelines of 2023 specifically provide a timeline for distribution licensee or intermediary procurers to approach the Appropriate Commission for the adoption of tariff, we expect the Petitioner to strictly adhere to the said timelines in future.

26. As per the Solar Guidelines, the Evaluation Committee is required to certify that the bidding process and the evaluation have been conducted in conformity with



the provisions of the RfS. In addition, the Petitioner has also stated that the applicable Guidelines and amendments/clarifications thereof, if any, issued by the Government of India were followed for the bidding process, and no deviation was taken from the Guidelines in the RfS documents. This has been certified by the Petitioner through the two conformity certificates dated 2.1.2024 furnished by the Petitioner.

“Conformity Certificate-1
(To whomsoever it may concern)

I, Ajay Kumar Sinha, working as Additional General Manager (Contracts & Procurement), at Solar Energy Corporation of India Limited, 6th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi-110023, do hereby solemnly certify and state as follows:

With respect to the RfS no. SECI/C&P/IPP/11/0007/23-24 dated 13.10.2023, it is hereby declared as follows:

- 1. Applicable Guidelines and amendments/clarifications thereof, if any, issued by Government of India were followed for the bidding process in the above tender and no deviation was taken from the Guidelines in the RfS documents for the above tender.”*

“Conformity Certificate-2
(To whomsoever it may concern)

We, Undersigned Committee nominated at Solar Energy Corporation of India Limited, 6th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi-110023, do hereby solemnly certify and state as follows:

With respect to the RfS no. SECI/C&P/IPP/11/0007/23-24 dated 13.10.2023, it is hereby declared as follows:

- 1. After the conclusion of bid submission, the Evaluation Committee constituted for evaluation of bids has conducted the techno-commercial as well as financial bid evaluation in conformity to the provisions of the RfS.”*

27. In view of the aforesaid discussions, it emerges that the selection of the successful bidders has been done, and the tariff of the solar power projects has been discovered by the Petitioner, SECI, through a transparent process of competitive bidding in accordance with Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the solar power project, as



agreed to by the successful bidder(s), and for which the PPAs have been entered into by SECI on the basis of the PSA with the distribution licensees, which shall remain valid throughout the period covered in the PPAs and PSA as under:

S. No.	Name of Successful Bidder	Project Company formed by the Successful bidder for execution of PPA	Date of PPA signing & Contracted Capacity (MW)	Applicable Tariff (INR/kWh)
1	Avaada Energy Private Limited	Avaada GJGreen Private Limited	18.03.2024 (300 MW)	2.52
2	Sprng Energy Private Limited	Sprng Power Earth Private Limited	27.03.2024 (250 MW)	2.52
3	ReNew Solar Power Private Limited	Renew Solar Steller Private Limited	23.04.2024 (300 MW)	2.52
4	Solarcraft Power India 8 Private Limited	Solarcraft Power India 17 Private Limited	23.04.2024 (150 MW)	2.53
	Total		1000 MW	

28. Prayer (a) of the Petitioner is answered in terms of paragraphs 25 and 27 above.

29. Article 10.3 of the PPA provides as under:

“10.3 Payment of Monthly Bills

10.3.1 SECI shall pay the amount payable under the Monthly Bill/Supplementary Bill by the Due Date to such account of the SPD, as shall have been previously notified by the SPD as below.

10.3.2 All payments required to be made under this Agreement shall also include any deduction or set off for:

- i) deductions required by the Law; and*
- ii) amount claimed by SECI, if any, from the SPD, will be adjusted from the monthly energy payment. In case of any excess payment adjustment, the interest applicable will be same as rate of Late Payment surcharge will be applicable on day to day basis.*

The SPD shall open a bank account (the “SPD’s Designated Account”) for all Tariff Payments (including Supplementary Bills) to be made by SECI to the SPD, and notify SECI of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. SECI shall also designate a bank account at New Delhi (“SECI Designated Account”) for payments to be made by the SPD to SECI, if any, and notify the SPD of the details of such account ninety (90) Days before the SCSD. SECI and the SPD shall instruct their respective bankers to make all payments under this Agreement to the SPD’s Designated Account or SECI’s Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.”

30. Article 10.4 of the PPA provides as under:

“10.4 Payment Security Mechanism

10.4.1 SECI shall provide to the SPD, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly unconditional, revolving and irrevocable letter of credit (“Letter of Credit”), opened and maintained which may be drawn upon by the SPD in accordance with this Article.

10.4.2 Before the start of supply, SECI shall, through a scheduled bank, open a Letter of Credit in favour of the SPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually, for an amount equal to:

- i) for the first Contract Year, equal to 110% of the estimated average monthly billing;*
- ii) for each subsequent Contract Year, equal to 110% of the average of the monthly billing of the previous Contract Year.*

10.4.3 Provided that the SPD shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a Month.

10.4.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, SECI shall restore such shortfall before next drawl.

10.4.5 SECI shall cause the scheduled bank issuing the Letter of Credit to intimate the SPD, in writing regarding establishing of such irrevocable Letter of Credit.

10.4.6 SECI shall ensure that the Letter of Credit shall be renewed not later than its expiry.

10.4.8 If SECI fails to pay undisputed Monthly Bill or Supplementary Bill or a part thereof within and including the Due Date, then, subject to Article 10.4.6 & 10.5.2, the SPD may draw upon the Letter of Credit, and accordingly the bank shall pay, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, in accordance with Article 10.4.3 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- i) a copy of the Monthly Bill or Supplementary Bill (only for energy related bills) which has remained unpaid to SPD and;*
- ii) a certificate from the SPD to the effect that the bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date;*

31. Clause (10) of Regulation 9 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 (hereinafter referred to as “the Trading Licence Regulations”) provides as under:



“9. (10) The Trading Licensee shall make payment of dues by the agreed due date to the seller for purchase of the agreed quantum of electricity through an escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller. Such escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller shall be equivalent to:

(a) one point one (1.1) times the average monthly bill amount (estimated average of monthly billing amounts for three months or actual monthly billing amount for preceding three months as the case may be) with a validity of one year for long term contracts;

(b) one point zero five (1.05) times of contract value for short term contracts.”

32. The above provisions provide for the payment security mechanism to be complied with by the parties to the present Petition. Accordingly, the provisions of Articles 10.3 and 10.4 of the PPAs and Clause (10) of Regulation 9 of the Trading Licence Regulations shall be abided by the concerned parties to the present Petition.

33. The Petitioner, SECI, has also prayed to approve the trading margin of Rs.0.07/kWh agreed to by the distribution company(ies) in the signed PSA as specified in the Solar Guidelines. In this regard, Clause (1)(d) of Regulation 8 of the Trading Licence Regulations provides as under:

“For transaction under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller.”

34. The above provision gives the choice to the contracting parties to mutually agree on trading margin for long-term transactions.

35. However, proviso to Regulation 8(1)(d) of the Trading Licence Regulations provides as under:

*“8(1) (d) * * * * **

Provided that in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.”



36. Regulation 8(1)(f) of the Trading Licence Regulations provides as under:

“For transactions under Back to Back contracts, where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.”

37. The above two provisions are exceptions to the main provision as regards trading margin. Distribution licensees have agreed to a trading margin of Rs.0.07/kWh as agreed in the PSA, which is in consonance with Regulation 8(1)(d) of the Trading Licence Regulations. However, in case of failure by SECI to provide an escrow arrangement or irrevocable, unconditional, and revolving letter of credit to the solar generators, the trading margin shall be limited to Rs.0.02/kWh specified in Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

38. Prayer (b) of the Petitioner is answered accordingly.

39. Petition No. 68/AT/2024 is disposed of in terms of the above.

**Sd/-
(Arun Goyal)
Member**

**sd/-
(Jishnu Barua)
Chairperson**

