

*(b) Adopt the Usage Charges of Rs 2.45/kWh mutually agreed between NHPC and procurers with maximum quoted VGF of Rs 44,90,000/- per MW by NHPC Limited in competitive bidding process of IREDA in terms of Section 63 of the Electricity Act 2003 for procurement of 1000 MW Solar Power MNRE CPSU Scheme phase-II (Tranche-III).*

*(c) Pass such other and further order / orders as are deemed fit and proper in the facts and circumstances of the case.”*

### **Submission of the Petitioner**

2. The Petitioner, NHPC has submitted that on 5.3.2019, the Ministry of New and Renewable Energy ('MNRE'), Government of India notified the CPSU Scheme Phase II for setting up the 12,000 MW grid-connected solar PV power projects by the Government Producers with Viability Gap Funding ('VGF') for self-use or use by the Government/ Government entities, either directly or through Distribution Companies ('Discoms'). Further, MNRE, vide its Notification dated 3.7.2019 issued the Scheme Modalities and Role of Distribution Companies in MNRE's CPSU Scheme Phase-II/government Produce Scheme for the 12000 MW Solar PV Power Projects.

3. Under the CPSU Scheme, Solar Energy Corporation of India ('SECI') was initially, declared as the implementing agency to handle the scheme on behalf of the MNRE. Thereafter, vide OM dated 13.4.2020, MNRE modified the ceiling of the usage charges not more than from Rs 3.50/kWh to Rs 2.80/kWh and declared Indian Renewable Energy Development Agency Limited ('IREDA/ Respondent No.1') as the implementing agency instead of SECI to carried out the bidding process on the basis of VGF for selection of the Government producers.

4. IREDA issued the Request for Selection ('RfS') for setting up of 5000 MW grid connected solar PV projects in India (Tranche-III) on 29.1.2021. As per the RfS,



power generated from government power producers shall be solely for self-use or use by Government/ Government entities, either directly or through the Distribution Licensees on payment of mutually agreed usage charges of not more than Rs. 2.20/kWh, which shall be exclusive of any other third-party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharges, and SLDC/RLDC Charges, etc. In a pre-bid meeting held on 23.2.2021, it was indicated by IREDA that that usage charges of Rs. 2.20/kWh were capped as per the MNRE OM No. 302/4/2017-GRID SOLAR dated 23.12.2020. Further, various extensions were also granted by IREDA on the last date for the bid submission vide addendums dated 3.3.2021, 23.3.2021, and 30.4.2021.

5. Subsequently, the MNRE *vide* its order dated 10.5.2021, amended Scheme guidelines dated 13.4.2020 and modified the ceiling of the usage charges to Rs 2.45/kWh, and revised the limit of maximum permissible VGF of Rs. 0.55 crore/MW from Rs. 0.70 crore/MW. The commissioning schedule of the project was also revised from 24 months to 30 months from the date of the Letter of Award. Consequent to the said MNRE order dated 10.5.2021, IREDA *vide* corrigendum dated 14.5.2021 modified the ceiling of the usage charges from Rs 2.20/ kWh to Rs. 2.45/kWh and further revised the limit of maximum permissible VGF of Rs. 0.55 crore/MW from Rs. 0.70 crore/MW in the RfS and extended the last date of the bid submission up to 31.5.2021. Further, the last date of the bid submission was revised to 30.6.2021 and 31.8.2021 *vide* addendum dated 14.6.2021 and 29.6.2021 respectively.

6. In response to the RfS, the Petitioner submitted its bid on 29.1.2021 and thereafter, through an e-reverse auction held on 23.9.2021, was declared as a successful bidder and the Petitioner was allocated 1000 MW and was issued the



Letter of Award ('LoA') on 4.10.2021 for the aforesaid capacity. Accordingly, the Petitioner, NHPC, was required to set-up the solar PV power projects having an aggregate capacity of 1,000 MW.

7. NHPC, vide its letter dated 18.5.2021, requested the various States/Discoms to procure Solar power under the CPSU Scheme Phase II, Tranche-III of the MNRE. In response, the Discoms of Telangana, *i.e.*, Telangana State Power Coordination Committee ('TSPCC'), West Bengal, *i.e.*, West Bengal State Electricity Distribution Company Limited ('WBSEDCL'), and Punjab, *i.e.*, Punjab State Power Corporation Limited ('PSPCL') conveyed their consent for procurement of solar power under the CPSU scheme on a long-term basis.

8. Pursuant thereto, the Petitioner entered into Power Usage Agreements ('PUAs') with the Discoms of the States of West Bengal, Telangana, and Punjab for the supply of solar power to be generated by the Petitioner through its solar PV power projects. The respective State Commissions of Telangana, West Bengal, and Punjab have also approved the procurement of Solar Power subject to the adoption of tariff by the Commission. The details of the PUAs are as under:

Sr.No.	Project	Quantity	Discom/States
1.	600 MW Solar Project, Khavda, District: Bhuj, Gujarat	600 MW	100 MW with PSPCL, Punjab, and 500 MW with DISCOMs of Telangana
2.	300 MW Solar Project, District: Bikaner, Rajasthan	300 MW	300 MW-PSPCL Punjab
3.	100 MW Solar Project District: Kunta, Andhra Pradesh	100 MW	100 MW-WBSEDCL, West Bengal

9. On 2.6.2023, NHPC requested IREDA, the Bid Process Coordinator, to approach the Commission for approval and adoption of the Usage Charges of Rs 2.45/kWh mutually agreed between NHPC and the procurers with maximum quoted