

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

Case No. HERC/PRO – 03 of 2020

DATE OF HEARING : 18.02.2020
DATE OF ORDER : 18.02.2020

IN THE MATTER OF:

Petition to seek in-principle approval of Commission for procurement of 250 MW solar power on long term basis (25 years) from Solar Energy Corporation India (SECI), finalized under 1200 MW solar ISTS scheme Tranche-IV, to fulfill the mandated solar RPO targets.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Present On behalf of the Petitioner

1. Shri Vikas Kadian, Xen, HPPC
2. Smt. Seema Sidana, AE, HPPC

Quorum

**Shri D.S. Dhesi,
Shri Pravindra Singh Chauhan,
Shri Naresh Sardana,**

**Chairman
Member
Member**

ORDER

Brief Background of the case

1. HPPC has filed the petition seeking approval of the Commission to purchase 250 MW solar power from Solar Energy Corporation India under 1500 MW solar ISTS scheme at tariff finalized through competitive bidding @ Rs.2.54/kwh (excluding trading margin) fixed for 25 years.
2. HPPC has submitted as under:-
 - a) That Section 86 (1)(e) of the Electricity Act, 2003 inter-alia, provides for the function of the State Commission as under:

“promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee”

- b) That HERC (Terms and Conditions for determination of tariff for Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2017, has fixed Solar RPO targets as under:

Financial Year	Solar RPO (as a percentage of total consumption)
2016-17	1.00
2017-18	2.50
2018-19	4.00
2019-20	5.50
2020-21	7.00
2021-22	8.00

- c) That the existing solar power capacity available with Haryana DISCOMs is as under:

S. N	Solar Power Projects	Installed Capacity (MW)	Haryana Share
1	M/s VKG Energy Pvt. Ltd. village RaipurRani Distt. Panchkula	1	1
2	M/s Zamil New Delhi Infra Structure (P) Ltd., village Pachnouta, Tehsil Narnul, Distt. Mahendergarh	1	1
3	M/s Chandraleela Power Energy (P) Ltd. village Silarpur Mehta, Tehsil Narnul, Distt. Mahendergarh	0.8	0.8
4	M/s H R Minerals & Alloys Pvt. Ltd., village Kalanour, Rohtak	1	1
5	M/s C&S Electric Ltd. village Nagda, Tehsil Bhadra, Bhiwani	1	1
6	M/s SDS Solar Pvt. Ltd., village Balasmad, Hissar II, Distt. Hissar	1	1
7	M/s Tayal & Co., village Beed Firozdi Distt. Panchkula	1	1
8	M/s Sukbir Solar Energy Pvt. Ltd , Village Kumthala, Sirsa	1	1
9	M/s Siwana Solar Power Project ,Bhiwani	5	5
10	Through SECI (in Rajasthan)	80	80
11	JBM Solar Power Pvt. Ltd.at Siwani, Dist. Bhiwani	20	20
12	Subhash Infratech Pvt. Ltd.at Khatoti Khurd, Narnaul ,Haryana	1	1
13	Utecht Solar Power Ltd. ,Vil. Bhankhri, Tehsil-Narnaul, Mahendergarh (Haryana)	1	1
14	HPGCL Solar Plant at Panipat	10	10
15	Balarc Solar Power Project	1	1
	TOTAL CAPACITY (MW)	125.8	125.8

The existing contracted capacity of 125.8 MW is expected to generate about 214 MUs per annum and will count towards RPOs of Discoms.

- d) That, solar generation of 245 MUs is expected from grid connected rooftop solar installation with envisaged installed capacity of about 200 MW by the end of FY 2019-20. Further, capacity addition of about 100 MW each year is envisaged from rooftop solar.
- e) That, HPPC has the following proposals in hand to meet the solar RPO targets set by Commission:-

Sr. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Scheduled Commissioning of Project
1	Solar Energy Corporation of India (SECI) @ 2.57 Rs/kWh	100	27.11.2018	25.10.2020
2	Solar Energy Corporation of India (SECI) @ 2.51 Rs/kWh	400	28.05.2019	08.11.2020
3	Solar Energy Corporation of India (SECI) (Wind+Solar) @ 2.76 Rs/kWh	330	11.07.2019	April, 2021

4	HPGCL (Solar) (Tariff yet to be decided)	93	Under process	2020-21
5	PM KUSUM	135	Under process	2021-22

- f) That, extrapolating the energy consumption eligible for RPOs for FY 2019-20 as 39538 MUs (as per HERC Order dated 7.3.2019 on Aggregate Revenue Requirement of UHBVNL and DHBVNL and Distribution & Retail Supply Tariff for the FY 2019-20) with annual increase of 3.69%, it has been envisaged that approximately 2100 MW solar power on long term basis shall be required to meet the solar RPOs target of 8% by the FY 2021-22. Whereas, in the current scenario 1584 MW of solar power only (1184 from long term tie ups and 400 MW from rooftop solar) is expected to be available by the end of FY 2021-22.
- g) That, the SECI vide letter dated 22.10.2019 offered 250 MW solar power on long term basis (25 years) finalized through competitive bidding under 1200 MW solar ISTS scheme Tranche-IV at tariff of Rs. 2.54/- per kWh excluding trading margin of Rs. 0.07/- per kWh. This power is expected to flow by the end of FY 2021-22.
- h) That, the offer of SECI is reasonable considering the current trends of tariff for solar power. Also, the offered tariff is well below the Average Power Purchase Cost (APPC) of Discoms.
- i) In order to meet the Solar RPO targets in the forthcoming years, HPPC intends to purchase 250 MW solar power from Solar Energy Corporation India @ Rs.2.54/kWh (excluding trading margin of seven paisa) fixed for 25 years.
- j) In view of the aforementioned, the offer of Solar Energy Corporation India for 250 MW solar power on long term basis at a tariff Rs.2.54/kWh (excluding trading margin of seven paisa) fixed for 25 years and signing of Power Sale Agreement (PSA) with Solar Energy Corporation India be considered.
- k) HPPC has prayed as under:-
- i) To approve purchase of 250 MW solar power from Solar Energy Corporation India, finalized through competitive bidding under 1200 MW solar ISTS scheme, at tariff of Rs.2.54/kWh (excluding trading margin of seven paisa) fixed for 25 years and allow signing of Power Sale Agreement with Solar Energy Corporation India.
 - j) Pass such further order or order(s) as may be deemed necessary and fit in the circumstances of the case.

Proceedings in the Case

3. The matter was heard on 18th February, 2020 as scheduled.
4. During the hearing, the petitioner mainly reiterated the contents of the Petition, which for the sake of brevity has not been reproduced hereinabove.

Commission's Analysis and Order

5. The Commission observes that HPPC has to meet the Solar RPO targets fixed by the Commission, under Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2017 (HERC RE Regulations, 2017). The shortfall in fulfillment of RPO Solar targets by HPPC, for the FY 2018-19, as reported by HAREDA, is about 1202 MUs. Considering the backlog of shortfall in Solar RPO by HPPC (i.e. 648.44 MUs), upto 31st March, 2018, total shortfall increases to about 1850.44 MUs.
6. In view of the above, the Commission has considered the request of HPPC and grant approvals sought in the petition, taking into consideration the fact that SECI is a Govt. of India Enterprise, working on behalf of Ministry and Renewable Energy (MNRE) and the PSA is a standard document signed by many States as beneficiaries.
7. HPPC shall, within seven days from the date of signing of the PSA, submit a copy of the signed PSA for record of the Commission.
8. The Petition is disposed of accordingly.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 18.02.2020.

Date: 18.02.2020
Place: Panchkula

(Naresh Sardana)
Member

(Pravindra Singh Chauhan)
Member

(D.S. Dhesi)
Chairman