

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 68 of 2023
Along with IA No. 22 of 2023
Date of hearing: 27.12.2023
Date of Order: 27.12.2023

Petition under 86(1)(b) and 86(1)(e) of the Electricity Act, 2003, as read with Punjab State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensees) Regulations, 2012 for the approval of Power Procurement of 300 MW Solar Photo-Voltaic (PV) power from Solar Energy Corporation of India (SECI) under ISTS Connected Tranche IX Scheme pursuant to the competitive bidding conducted by SECI.

In the matter of: Punjab State Power Corporation Limited , the Mall,
Patiala, Punjab 147001.

..... Petitioner

Versus

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

...Respondent

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Ms. Poorva Saigal, Advocate
Ms. Harmohan Kaur, CE/ARR&TR
Sh. Shashi Bhushan, ASE/Solar-I
Sh. Ashish Jolly, AEE/S-I

SECI: Ms. Anushka Nagrajan, Advocate
Sh. Shibasish Das, DGMC (EM)
Sh. Tarun Mukhija, Manager (EM)
Sh. Rohit Ahuja, SPD

ORDER

1. The Petitioner, PSPCL has filed the instant petition for approval of the Power Procurement of 300 MW Solar Photo-Voltaic (PV) power from

Solar Energy Corporation of India (SECI). It has been submitted that:

- 1.1 PSPCL is a distribution licensee under the provisions of the Electricity Act, 2003 and has been procuring electricity from various sources, including from renewable sources of energy, to meet the power supply requirements in order to maintain the distribution and retail supply of electricity in the State.
- 1.2 SECI in its capacity as an intermediary agency, on 20.03.2020, issued the Request for Selection (RfS) Document along with the Standard PPA and PSA document on ISN Electronic Tender System e-bidding portal for selection of Project Developers for setting up of ISTS-connected Solar Power Projects (Tranche-IX) anywhere in India on BOO basis for an aggregate capacity of 2000 MW. In terms of the same, SECI proceeded with Competitive Bidding Process and e-Reverse Auction conducted on 30.06.2020 with the result as under:

S.No.	Bidder	Bidder's Quantity (MW)	Tariff (INR /kWh)	Allotted Capacity (MW)
1.	SolarpackCorporacionTechnologica SA	300	2.36	300
2.	Avikiran Surya India Private Limited	300	2.37	300
3.	AMP Energy Green Private Limited	100	2.37	100
4.	Eden Renewable Bercy Private Limited	300	2.37	300
5.	IB Vogt Singapore Pte Ltd	300	2.37	300
6.	Ayana Renewable Power Private Limited	300	2.38	300
7.	ReNew Solar Power Private Limited	1200	2.38 (Reduced later to 2.37)	400
Total				2000 MW

- 1.3 On 21.09.2021, SECI filed Petition No. 211/AT/2021 under Section 63 of the Electricity Act, 2003 before the CERC for the adoption of tariff of the above 2000 MW Solar Power Projects (Tranche-IX). However, the Central Commission *vide* Order

dated 08.03.2022 granted approval with respect to 300 MW only with the observation that:

“58. 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 (read with ex post facto approval vide letter dated 1.3.2021 of MNRE) issued by 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 PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, which shall remain valid throughout the period covered in the PPA and PSAs as under:

Sr No.	Name of the Successful Bidder	Project Company formed for execution of PPA	Date of signing of PPA	Capacity of Project (MW)	applicable Tariff (Rs/kWh)
1.	Avikiran Surya India Private Limited	Thar Surya 1 Private Limited	20.08.2021	300	2.37

59. However, the Petitioner is granted liberty to approach the Commission for adoption of tariff in respect of the balance capacity once such capacity is tied up and PPAs and PSAs for such capacity are executed and the same shall be considered by the Commission in accordance with the law.”

1.4 Subsequent to the Order dated 08.03.2022 passed by the Central Commission in Petition No.211/AT/2021, SECI entered into PPAs with the Successful Bidders/designated companies at

the respective discovered tariffs and signed PSAs with the buying Utilities as under:

S. No.	Buying Utilities	Date of PSA signing	Capacity (MW)	Date of Approval by the SERCs	Applicable Tariff to buying Utility (Rs./kWh)
1.	BSES Rajdhani Power Limited and BSES Yamuna Power Limited for 210 MW and 90 MW respectively	20.07.2021	300	Pending before the Delhi Commission	Rs.2.37/kWh [300 MW of Avikaran] + TM of Rs.0.07/kWh
2.	Kerala State Electricity Board	21.04.2022	300	15.11.2021	Rs.2.37/kWh [300 MW of Renew] + TM of Rs.0.07/kWh
3.	Southern Power Distribution Company and Northern Power Distribution Company of Telangana Limited	17.02.2022	1000	26.10.2022	Rs.2.37/kWh [100 MW of AMP Energy; 300 MW of Eden; 300 MW of IB Vogt] + TM of Rs.0.07/kWh
				26.10.2022	Rs.2.38/kWh [300 MW of Ayana] + TM of Rs.0.07/kWh
4.	Uttarakhand Power Corporation Limited	12.10.2021	100	23.02.2022	Rs.2.37/kWh [100 MW of ReNew] + TM of Rs.0.07/kWh
			1700		

1.5 Consequently, SECI filed a Petition No. 245/AT/2022 before the Central Commission seeking adoption of tariff in respect of 1400 MW (out of the balance 1700 MW). On 08.03.2023, the Central Commission was pleased to adopt the tariff for the balance 1400 MW with liberty to SECI to approach once the capacity for the remaining 300 MW is tied up under the PPA and PSA. The Central Commission had also considered the implications of

various Change in Law events after 22.06.2020, i.e., the cut-off date as under:

“38. We have considered the submissions of the parties. It is beyond dispute that the increase in the applicable rate of BCD on import of the solar inverter has been by the Notifications bearing No. 3/2021 and 7/2021 dated 1.2.2021 as issued by the Department of Revenue, Ministry of Finance, Government of India – Indian Government Instrumentality as defined in the PPAs – and the parties, at Article 12.1.3 of the PPAs, have also agreed that change in the rates of BCD after 22.6.2020 resulting into the change in the Project cost will be treated as Change in Law event and accordingly, the Commission recognizes the said increase in the applicable rate of BCD on the import of solar inverter in terms of the Notifications of the Ministry of Finance, Government of India post 22.6.2020 as Change in Law event. The Solar Developers shall be entitled to the applicable reliefs on account of the Change in Law event as per the provisions of the PPAs after they having incurred the additional expenditure on account of the aforesaid Change in Law event.

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40. We have considered the submissions made by the parties. The increase in the applicable rate of GST on solar modules, cells and other solar power generation equipment from 5% to 12% has been as a result of the Notification No. 8/2021-Intergrated Tax dated 30.9.2021 issued by the Department of Revenue, Ministry of Finance, Government of India – Indian Government Instrumentality as defined in the PPAs – and the parties, at Article 12.1.3 of the PPAs, have also agreed that change in the rates of GST after the 22.6.2020 resulting into the change in the project cost will be treated as Change in Law event and accordingly, the Commission recognizes the said increase in the rate of GST on the

solar modules, cells and other solar power generation equipment in terms of the Notification of the Ministry of Finance, Government of India, post 22.6.2020, as Change in Law event. The solar developers shall be entitled to the applicable reliefs on the account of the Change in Law event as per the provisions of the PPAs after they having incurred the additional expenditure on account of the aforesaid Change in Law event.

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42. We have considered the submissions made by the parties. It is beyond dispute that the order of the Hon'ble Supreme Court dated 19.4.2021 in IA No. 85618 of 2020 in WP (Civil) No. 838 of 2019 requiring the additional actions/measures to be adopted by the developers located in the potential and priority habitat of GIB, after the cut-off date, would certainly qualify as the Change in Law under Article 12 of the PPAs. As on date of submission bid, the developers would not have been in position to anticipate or factor into the additional expenditure required to be incurred in the adopting the measures/actions in terms the Hon'ble Supreme Court's GIB Order which came to be issued subsequently. However, at the same time, it has to be noted that for examining the claim of the Change in Law relief/compensation on account of the aforesaid GIB Order, the developer has to be satisfactory demonstrate that its bid/tariff was based upon the project being located in the GIB potential and/or priority habitat areas....."

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50. Once having been held that in terms of Article 12.2.6 of the PPAs the developer having given the waiver on the claim of BCD on the solar cells and modules till the rates specified in the MNRE's OM dated 9.3.2021 i.e. 40% on the solar modules and 25% on the solar cells, the recognition of Project Imports (Amendment) Regulations, 2022 as

Change in Law event under the PPAs loses its significance as by virtue of the said regulations, the applicable rates of BCD on the solar cells and modules do not affect or exceeds the rates as specified in the MNRE's OM dated 9.3.2021. Hence, even assuming that the said amendment, which restricts the solar power projects/plants, from availing the concessional rate of duty, constitutes Change in Law event under Article 12 of the PPAs, the developers, in our view, cannot claim any relief on account of such event in view of the specific waiver given under Article 12.2.6 of the PPAs as the amendment, as rightly pointed out by SECI, does not affect the rates as specified in the MNRE's OM dated 9.3.2021. The reliance placed by the Respondents on the various authorities of the Hon'ble Supreme Court invoking the principles of Business efficacy and Officious Bystander cannot apply to the present case as the Article 12.2.6 of the PPAs is quite clear and unambiguous and the developers having given unequivocal waiver and by entering into the PPAs, cannot now resile from the said article citing the unfavourable circumstances or the commercial hardships. In view of the above, we hereby reject the request of the Respondents/developers to recognize the increase in the rate of BCD on the solar cells and modules in terms of MNRE's OM dated 9.3.2021 and Project Imports (Amendment) Regulations, 2022 as Change in Law events in terms of the specific provisions of the Article 12.2.6 of the PPAs as executed between the developers and SECI."

- 1.6 On 30.10.2023, SECI wrote to PSPCL offering procurement of ISTS connected Solar Power under various schemes of SECI. In response, on 08.12.2023, PSPCL gave its in-principle consent for the procurement of 300 MW solar power at a discovered tariff of Rs. 2.36/kWh (plus 7 paise as trading margin) under ISTS Solar Tranche-IX Scheme on long term basis, subject to the condition that in the event of any Change in Law due to BCD

and GST, PSPCL shall only bear a maximum impact of Rs. 0.29/KWh. Subject to the approval by the Commission, PSPCL shall proceed to enter into a PSA with SECI. The other salient features of the offer are as under:

- (i) The offer of SECI is valid till announcement of effective date of Uniform Renewable Energy Tariff (URET);
- (ii) The allocation of power shall be done on first come first serve basis;
- (iii) No ISTS losses shall be applicable in this scheme;
- (iv) ISTS Transmission charges shall be dealt as per applicable CERC regulations;
- (v) The expected date of commissioning of the projects is 18 months from signing of PPA. However, SPD has arranged land, connectivity, GIB clearance in advance and project may be commissioned within 13-14 months;
- (vi) Any impact on account of BCD & GST over and above Rs. 0.29/kWh shall be borne by SPD. All other events under Change in Law shall be governed by the terms & conditions of the PPA and PSA.

1.7 In the circumstances, PSPCL has filed the present petition seeking the approval of the power procurement of 300 MW ISTS Connected solar power from SECI for a period of 25 years at the discovered tariff of Rs. 2.36/kWh plus a SECI trading margin of Rs. 0.07/kWh and a maximum impact of Change in Law of Rs. 0.29/kWh due to BCD & GST.

1.8 The proposed tariff is economical and conducive to the interest of the consumers in the State of Punjab. Further, if the PSA is entered into in December 2023, the project will be commissioned by June, 2025, i.e., upto which waiver of ISTS transmission

charges is applicable as per the MoP Notification dated 23.11.2021.

- 1.9 In addition, the said power shall enable PSPCL in fulfilling its Renewable Purchase Obligations **(RPO)** as notified by the Commission from time to time. The RPO targets have been revised by the Commission vide Notification no. PSERC/Secy./Reg./169 dated 12.12.2022. Further, MoP vide notification dated 20.10.2023, has notified the minimum share of consumption of RE by Distribution Licensees. Based upon the same and considering the PSPCL's input energy as per Tariff Order dated 15.05.2023, it is likely to fall short in its cumulative RPO compliance.
2. An IA No. 22 of 2023 has been also filed by PSPCL seeking directions for listing of the instant Petition at an early date. It was submitted that in order to avail the benefit of waiver of ISTS transmission charges in terms of the MoP Notification dated 23.11.2021, the SCOD of the project must be on or before 30.06.2025. Thus, the PSA between PSPCL and SECI has to be executed on an immediate basis so that the SCOD lies before 30.06.2025.
3. Considering the averments made by PSPCL in the IA, notice dated 18.12.2023 was issued for listing the petition for hearing on admission on 27.12.2023 at 11.30 A.M in the Commission's office with directions to the Solar Energy Corporation of India (SECI) to file its reply to the petition before the date fixed before hearing and that it may appear before the Commission in person or through authorised representative /Counsel on the date fixed for hearing.
4. On 22.12.2023, PSPCL filed an additional affidavit submitting that:

4.1 Subsequent to discussions and deliberations, SECI has forwarded the copy of PSA to be signed with PSPCL. As per clause 8.2.6 of the PSA, it has been provided that the impact of Change in Law up to Rs. 0.29/kWh on account of change in BCD & GST till the date of signing of Power Purchase Agreement (PPA) i.e. on or before 15.01.2024, shall be borne by PSPCL and any further impact (if any) of Change in Law over and above of Rs. 0.29/kWh on account of change in BCD & GST till the date of signing of PPA i.e. on or before 15.01.2024, shall not be claimed by the SPD.

4.2 The tariff is aligned with the prevalent market rates as discovered in the schemes/tenders for Financial Year 2023-24:

- a) The Bid conducted by NHPC Limited (**NHPC**) in the month of November, 2023 for procurement of power from 3 GW grid connected projects on long term basis.

Capacity (MW)	Tariff Discovered (Rs./kWh)	Trading Margin (Rs./kWh)	Total Tariff (Rs./kWh)
250	2.52	0.07	2.59
2750	2.53	0.07	2.60

As the SCoD of the projects is 24 months from the date of signing of PPA, thus ISTS Transmission Charges as per CERC Regulations shall be applicable on this power. With an estimated impact of ISTS Charges of Rs. 0.15/kWh (25% of the impact of applicable ISTS Charges w.e.f. 01.07.2025 to 30.06.2026 as per MoP notification dated 23.11.2021) and estimated impact of Rs. 0.09/kWh on account of ISTS Losses, the estimated landed tariff under the scheme shall be Rs. 2.83/kWh.

- b) The Bid conducted by Solar Energy Corporation of India (SECI) in the month of July, 2023 for procurement of power from 2000 MW grid connected interstate solar projects on long term basis under ISTS Solar Tranche XI Scheme.

S.No.	Capacity (MW)	Tariff Discovered (INR/KWh)	Tentative Landed Tariff including trading margin (INR/KWh)
1.	1800	2.60	2.67
2.	200	2.61	2.68

The SCoD of the projects is 18 months from the date of signing of PPA. ISTS Transmission Charges and Losses as per CERC Regulations shall be applicable on this power. In case the ISTS connectivity/GNA is operationalised in time and the project is commissioned before June, 2025, considering an estimated impact of Rs. 0.09/kWh on account of ISTS Losses the estimated landed tariff under the scheme shall be Rs. 2.76/kWh.

- 4.3 The project commissioning is slated to be 18 Months from effective date of PPA. However, SPD has arranged land, connectivity, GIB clearance in advance and it has been indicated that the project may be commissioned within 13-14 months. The power generated from the 300 MW solar Project would enable PSPCL to meet its RPO obligations.
- 4.4 In light of above submissions, the Commission may be pleased to approve the power procurement in respect thereof.
5. On 26.12.2023, SECI has filed its reply reiterating the submissions made by the Petitioner and further submitting as under:
- 5.1 As per the arrangement, SECI is to procure the solar power generated by the Solar Power Plants by entering into PPA(s)

with the successful bidders and, PSA(s) for resell of the power to the Distribution Licensees/Buying Entities on back to back basis/arrangement.

5.2 In terms of Section 63 of the Electricity Act, 2003, CERC **has** adopted the tariff (for 1700 MW out of 2000 MW) discovered through a competitive bidding process under Tranche-IX, on being satisfied that a transparent process of bidding in accordance with the guidelines issued by the Central Government, has been followed.

5.3 SECI has offered Solar Power to PSPCL vide letter dated 30.10.2023 for the remaining 300 MW out of 2000 MW under Tranche -IX at a discovered tariff of Rs. 2.36/kWh (+ 7 paisa as trading margin). PSPCL vide letter dated 08.12.2023 consented “*in-principle*” for same subject to the condition that in the event of any Change in Law due to BCD and GST, PSPCL shall only bear a maximum impact of Rs. 0.29/KWh.

5.4 Accordingly, as per the commitment from the SPD, Solarpack Corporacion Tecnologica SA, with which SECI proposes to tie-up 300 MW to sell to PSPCL, the following provision has been incorporated in the PSA to be executed with PSPCL:

“For the purpose of sale of power to distribution company, the impact upto Rs. 0.29/kWh towards Change in Law on account of notifications issued for change in BCD and GST till the date of signing of Power Purchase Agreement (PPA) i.e. on or before 15.01.2024, on Solar Cells, Modules, Inverters and other components, goods and services used in the project,, shall be borne by the Buying Entity.

Any aforementioned impact of Change in Law on account of events of change in BCD & GST till the date of signing of Power Purchase Agreement (PPA) i.e. on or before 15.01.2024, over and above of Rs 0.29/kWh shall not be claimed by the SPD.

Any event under Change in Law over and above of aforesaid impact shall be governed by the terms & conditions of the PPA and PSA.”

5.5 PSPCL and SECI will proceed to sign the PSA for 300 MW capacity after approval of the Commission. After execution of PSA between SECI and PSPCL, SECI will execute PPA with Solarpack Corporacion Tecnologica SA for 300 MW.

5.6 With regard to trading margin, in line with provisions of the applicable Guidelines and RfS Document, the proposed clause of draft PSA between SECI and PSPCL provides as under:

“5.1. From SCD and subject to the provision of the Article 6.7, the Buying Entity shall pay the Rs. 2.36/ kWh plus trading margin of INR 0.07/kWh.”

5.7 In the above background, it is prayed that the Commission may be pleased to grant approval to PSPCL for procurement of 300 MW solar power at tariff of INR 2.36/kWh plus Trading Margin of INR 0.07/kWh as per terms and conditions of the PSA as agreed between SECI and PSPCL for a period of 25 years.

6. In the hearing held on 27.12.2023, the Ld. Counsel of PSPCL while reiterating its written submissions requested for an early consideration and approval of the proposal keeping in view the limited window available for availing the ISTS Charges waiver benefits. Ld. Counsel of SECI supporting the PSPCL's prayer also submitted that they are also willing to include the impact of Change in Law on account of the Hon'ble Supreme Court's GIB Order

along with the imposition/change in BCD & GST rates in the limitation of Rs. 0.29/kWh. After hearing the parties the Commission admitted the Petition and decides as under:

7. Observations and Decision of the Commission:

The Commission has examined the submissions made by the parties. The Petition is for seeking approval of PSPCL's power procurement arrangement of 300 MW SPV power from SECI under ISTS Connected Tranche IX Scheme. The Commission observes that the Electricity Act, 2003 read with Electricity Rules, 2005 and the provisions specified in PSERC (Power Purchase & Procurement Process of Licensee) Regulations' 2012 mandates the Commission to examine all long term power purchase arrangements by the Distribution Licensee primarily on the criteria of its 'Necessity', 'Conformity with the Govt. Policies' and 'Reasonability of cost' i.e. whether the same has reasonable cost and is economical in the prevalent circumstances. Accordingly, the Commission proceeds to analyse the PSPCL's proposal as hereunder:

7.1 'Necessity' and 'Conformity with the Govt. Policies'

PSPCL has submitted that as a distribution licensee for distribution of electricity in the State it is mandated to procure power including from RE Sources. It was submitted that the said power shall enable PSPCL in fulfilling its RPO targets as notified by the Commission from time to time. The RPO targets have been revised by the Commission vide Notification no. PSERC/Secy./Reg./169 dated 12.12.2022. Further, MoP vide notification dated 20.10.2023, has notified the minimum share of consumption of RE by Distribution Licensees. Based upon the

same and considering the PSPCL's input energy as per Tariff Order dated 15.05.2023, it is likely to fall short in its cumulative RPO compliance.

The Commission observes that, PSPCL is striving hard to meet its mandated RPO targets specified under provisions of Section 86(1)(e) of the Electricity Act, 2003. Considering the continuous increase in PSPCL's input energy/consumption coupled with the increased RPO targets for the subsequent years, PSPCL's proposed arrangements for RE procurement can be considered to be fulfilling the criteria of "Necessity and Conformity with the Govt. Policies".

7.2 'Reasonability of Cost'

PSPCL has submitted that the proposed power procurement is economical and conducive to the interest of the consumers in the State. It has been specifically mentioned that no ISTS losses shall be applicable in this scheme. Also with immediate signing of the PSA/PPA, the project can be commissioned before the deadline of withdrawal of benefit of waiver of ISTS transmission charges in terms of the MoP Notification dated 23.11.2021. It has been also submitted that the Central Commission vide Order dated 08.03.2022 while adopting the individual tariffs for the solar power projects under the same Scheme, for which PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, has held that:

"58., 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 (read with ex post facto approval vide letter

dated 1.3.2021 of MNRE) issued by Ministry of Power, Government of India under Section 63 of the Act.”

Further, on the issue of “trading margin” the Central Commission in its Orders dated 08.03.2022 and 08.03.2023 pertaining to the PPAs/PSAs signed under the same scheme, have observed as under:

“.....Distribution licensees have agreed to a trading margin of Rs.0.07/kWh as agreed in the PSAs, which is in consonance with Regulation 8(1)(d) of the Trading Licence Regulations. However, in case of failure by SECI to provide escrow arrangement or irrevocable, unconditional and revolving letter of credit to the solar generators, 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”

Also, vide said Order dated 08.03.2023, the Central Commission has recognised the change in the rates of BCD & GST after 22.6.2020 and Hon’ble Supreme Court’s GIB Order resulting into the change in the Project cost as Change in Law events with the observation that however the developers having given unequivocal waiver cannot resile citing the unfavourable circumstances or the commercial hardships for claiming any relief on account of such event.

The Commission notes that the parties herein have agreed to cap the impact of change in law events on account of imposition/change in BCD & GST rates and in terms of the Hon’ble Supreme Court’s GIB Order upto the signing of PPA or 15.01.2024 to a maximum of Rs. 0.29/KWh and the aforementioned impact over and above of Rs. 0.29/kWh, if any, shall not be claimed from PSPCL.

The Commission also notes PSPCL's submission that the as per the tariffs discovered by SECI in July 2023 and by NHPC in Nov., 2023 the estimated landed tariffs works out to be Rs. 2.76/kWh and Rs. 2.83/kWh respectively.

In view of the above, PSPCL's impugned proposal for procurement of 300 MW Solar Power from SECI for a period of 25 years at the discovered tariff of Rs. 2.36/KWh plus SECI's trading margin of Rs. 0.07/KWh is considered reasonable. The Commission notes that the impact of Change in Law on account of imposition/change in BCD & GST rates and the Hon'ble Supreme Court's GIB Order as already approved by CERC in case of projects under the same scheme, limited to a maximum of Rs. 0.29/KWh, can be considered reasonable in the prevailing market conditions and is hence allowed by the Commission, provided that:

- (i) No 'ISTS losses' shall be borne by PSPCL in view of the Respondent's submission that the same are not applicable in this scheme.**
- (ii) No 'ISTS Charge' shall be borne by PSPCL as the project is committed to be commissioned before 30.06.2025 i.e. i.e. the date up to which benefit of waiver of 'ISTS Charges' has been allowed by the Ministry of Power, Gol.**
- (iii) The trading margin of Rs.0.07/kWh agreed by the parties shall be allowable in terms of the CERC Trading Licence Regulations. In case SECI does not provide the 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 in term of Regulation 8(1)(d) & (f) of the ibid Regulations.

- (iv) **The impact of Change in Law on account of imposition/ change in BCD & GST rates and the Hon'ble Supreme Court's GIB Order, limited to a maximum of 0.29/KWh as agreed by the parties, shall be subject to the confirmation by PSPCL that the waiver for the same has not been given at any stage by the SPD/SECI in light of the CERC's observation reproduced in Para 1.5 above.**

The Commission also wishes to point out that it does not approve the detailed terms and conditions of the 'PSAs/PPAs', which are to be decided by the contracting parties with mutual consent.

The Petition and IA are disposed of in terms of the observations and directions above.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 27.12.2023