

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

**Petition No. 42 of 2021**  
**Date of Hearing: 11.08.2021**  
**Date of Order: 07.09.2021**

Petition under Section 86 (1) (b) of the Electricity Act, 2003 seeking approval for procurement on long term basis of 30 MW solar power under the power sale agreement dated 31.03.2015 and for procurement of wind power of 150 MW & 200 MW under the power sale agreements dated 24.11.2017 and 23.03.2018.

AND

In the matter of: Punjab State Power Corporation Limited (PSPCL), The Mall, Patiala-147001, Punjab.

.....Petitioner

Versus

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

.....Respondent

Present: Sh. Viswajeet Khanna, Chairperson  
Ms. Anjali Chandra, Member  
Sh. Paramjeet Singh, Member

PSPCL: Ms. Suparan Srivastava, Advocate  
Sh. Gurchain Singh Banga, CE/ARR&TR  
Sh. Deepak Gupta, SE/TR-2  
Sh. Shashi Bhushan, ASE/Solar-I  
Sh. Chandan Parkash, AEE  
Sh. Kewal Singh, ASE/Hydro & Scope

SECI: Ms. Tanya Sareen, Advocate

**Order**

1. After hearing the learned counsel of the petitioner, the petition is admitted. The petition has been filed for seeking approval for the following power procurement arrangements on long term basis from Solar Energy Corporation of India (SECI):
  - a) 30 MW Solar power in accordance with PSA dated 31.03.2015 at a tariff of Rs. 5.45/kWh plus trading margin of Rs. 0.05/kWh,
  - b) 150 MW Wind power in accordance with PSA dated 24.11.2017 at a tariff of Rs. 2.65/kWh plus trading margin of Rs. 0.07/kWh, and

c) 200 MW Wind power in accordance with PSA dated 23.03.2018 read with supplementary PPA dated 22.03.2021 at a tariff of Rs. 2.44/kWh plus trading margin of Rs. 0.07/kWh.

2. In reference to the PSAs stated above, the Commission vide its Order dated 16.12.2020 in the petition no. 17 of 2020 filed by PSPCL has observed that prima-facie the tariff appears to be competitive, however the same needs approval of the Commission separately since these involve payment of trading margin as well. The matter regarding the applicability of trading margin is settled now as Hon'ble APTEL in its judgment dated 02.07.2021 in Appeal No. 52 and 70 of 2021 has held that the CERC (Procedure, Terms and Conditions for granting of trading licence and other related matters) Regulations, 2020 gives choice to the contracting parties to mutually agree on Trading Margin for long-term transaction.

**In view of the above and the justification given by PSPCL regarding the rates of power procurement under consideration vis-à-vis sale of RECs prevalent at the time of execution of PSAs, the Commission decides to accord approval to the PSPCL's proposal for procurement of 30 MW Solar power and 200 MW Wind power referred at S.No. 1 (a & c) above.**

3. However, in respect of the PSA of 150 MW wind power referred at S.No. 1 (b) above, PSPCL has submitted that 50 MW wind project of M/s Adani Green Energy Limited got commissioned beyond 27 months from the issuance of LOA and got delayed for 10 months beyond the SCOD (03.05.2019). M/s Adani Green Energy Limited claimed the delay in commissioning due to occurrence of Force Majeure events, for which SECI granted extension till 03.01.2020. As such, PSPCL is entitled for reduction in tariff for the 50 MW as per the provisions specified in Article 4.6.2 and 9.2 of the PPA between SECI & M/s Adani Green Energy Limited (which forms an integral part of the PSA between SECI & PSPCL). PSPCL would be filing a separate petition in CERC seeking reduction in tariff.

**The Commission notes that for the PSA of 150 MW Wind Power, the Project of 100 MW of Wind Power of M/s Renew got commissioned in time and thus the Commission accords approval for procurement of 100 MW Wind Power from M/s Renew. However, the project of M/s Adani Green Energy Limited for 50 MW actually got Commissioned on 07.03.2020, 10 months after SCOD. SECI granted extension of commissioning till 03.01.2020. Had the delay been attributable**

**exclusively to the force majeure events, the developer should have commissioned the project on or before 03.01.2020. Therefore, PSPCL may take action in line with the remedies available to it for reduction in tariff in terms of the PSA and PPA qua the 50 MW wind power from M/s Adani Green Energy Limited . The petition will be heard again on 23.02.2022 at 11.00 AM after PSPCL takes required action as directed above.**

Sd/-  
(Paramjeet Singh)  
Member

Sd/-  
(Anjali Chandra)  
Member

Sd/-  
(Viswajeet Khanna)  
Chairperson

Chandigarh  
Dated: **07.09.2021**