

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

**Petition No. 42 of 2022**  
**and Petition No. 43 of 2022**  
**Date of Hearing: 03.08.2022**  
**Date of Order: 04.08.2022**

Petition under Section 63 read with Section 86 of the Electricity Act, 2003 and Clause 3.1.1 (c) and 18 of the Guidelines for Tariff Based Competitive Bidding Process notified by Ministry of Power on 03.08.2017 for Procurement of Power from Grid Connected Solar PV Power Projects for approval of deviations from the said Guidelines.

AND

In the matter of: Punjab State Power Corporation Ltd. The Mall, Patiala, Punjab.

...Petitioner

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

PSPCL: Ms. Poorva Saigal, Advocate  
Sh. Rupinderjit Singh, CE/ARR&TR  
Sh. Ravi Luthra, SE/TR-2  
Sh. Gurvinder Singh/ Sr.Xen/TR-5

**ORDER**

1. Punjab State Power Corporation Limited (PSPCL) has filed the present petitions for approval of deviations from the Ministry of Power (MoP) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects. It has been submitted that:

- a) PSPCL is undertaking the generation and distribution of Electricity in the State of Punjab and is a distribution licensee under the provisions of the Electricity Act. PSPCL has been mandated to procure power from renewable energy sources as per the provisions of Section 86(1)(e) of the Electricity Act 2003 and in terms of PSERC (RPO and its compliance) Regulations, 2011, as amended from time to time. PSPCL is desirous of procuring

following Power from grid connected Solar PV Power Projects through Competitive Bidding (followed by e-reverse auction).

- (i) **Petition No. 42 of 2022:** 1000 MW from the projects located anywhere in India, with a ceiling tariff of Rs. 2.30/- per kWh.
  - (ii) **Petition No. 43 of 2022:** 1000 MW from the projects located within Punjab with a ceiling tariff of Rs. 2.55/- per kWh.
- b) Section 6.4(2) of the National Tariff Policy provides that the procurement of power from Solar PV Projects shall be done through competitive bidding process. Accordingly, the Ministry of Power has published the “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects” dated 03.08.2017. Clause 3.1.1 of the said Guidelines provide for the following conditions to be met by the Procurer.
- (a) *Prepare the bid documents in accordance with these Guidelines and Standard Bidding Documents (SBDs) [consisting of Model Request for Selection (RfS) Document, Model Power Purchase Agreement and Model Power Sale Agreement], notified by the Central Government, except as provided in sub clause (c) below.*
  - (b) *Inform the Appropriate Commission about the initiation of the bidding process.*
  - (c) *Seek approval of the Appropriate Commission for deviations, if any, in the draft RfS draft PPA, draft PSA (if applicable) from these Guidelines and/ or SBDs, in accordance with the process described in Clause 18 of these Guidelines.*
    - i. *However, till the time the SBDs are notified by the Central Government, for purpose of clarity, if the Procurer while preparing the draft RfS, draft*

*PPA, draft PSA and other Project agreements provides detailed provisions that are consistent with the Guidelines, such detailing will not be considered as deviations from these Guidelines even though such details are not provided in the Guidelines.”*

- c) PSPCL has prepared the Bid Documents i.e. the RFS and the draft Power Purchase Agreement in accordance with the Guidelines, along with certain deviations from the Guidelines dated 03.08.2017, as amended from time to time and has submitted the same as Annexure to the petitions.
- d) The said deviations are in the interest of the consumers of the State of Punjab and to provide certainty/clarity on various provisions. As regards, the LC and payment security fund, PSPCL is seeking a specific exemption/relaxation in order to avoid undue financial burden on account of maintaining the excessive working capital requirement.
- e) PSPCL requests that the matter may be considered expeditiously and PSPCL may be allowed to proceed with the tender at the earliest. PSPCL prays to the Commission:
  - i) *To admit the Petitions.*
  - ii) *To approve the deviations from the Guidelines dated 03.08.2017 (as amended) as incorporated in the Draft RfS and PPA along with Corrigendum No. 2, as proposed by the Petitioner in Annexure Fto the present petitions.*
  - iii) *To grant liberty to PSPCL to approach the Commission for approval of the power procurement process based on draft RfS and PPA, after the price/quantum have been discovered through bidding.*

*iv) Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case.*

2. The petitions were taken up for hearing on admission on 03.08.2022. After hearing the Ld. Counsel for PSPCL, the petitions are admitted and are being disposed of by this common Order.
3. The Commission has examined the submissions made by PSPCL. The Ld. Counsel, after explaining the rational for seeking deviation informed that PSPCL is in process of tendering and requested that the matter may be considered expeditiously. The Commission observed that, the deviations sought in the instant petitions are similar to that allowed earlier in Petition Nos 26 and 31 of 2021 except for the cost of opening/maintenance of the LC, Payment Security Fund and the issue of Inter-State transmission Losses. Considering PSPCL's submission that the said deviations are in the interest of the consumers of the State of Punjab and approval of the same would entail avoidance of financial burden on PSPCL, the Commission allows the same.

However, after discovery of the price/quantum, PSPCL shall be required to approach the Commission for approval of the said power procurement process as per the provisions of the PSERC (Power Purchase and Procurement Process of Licensee) Regulations 2012, giving due justification in respect of its "Necessity" and "Reasonability of cost".

The petitions are disposed of accordingly.

Sd/-

(Paramjeet Singh)  
Member

Sd/-

(Viswajeet Khanna)  
Chairperson

Chandigarh  
Dated: **04.08.2022**