

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**

**Petition No. 2533 of 2025.**

**In the Matter of:**

**Petition under Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time to time under Section 63 read with Section 86 of the Electricity Act, 2003, for seeking approval of deviations from the said Guidelines.**

Petitioner : Torrent Power Limited  
"Samanvay" 600 Tapovan  
Ambawadi, Ahmedabad - 380015.

Represented by : Mr. Jignesh Langalia, Ms. Luna Pal and Mr.  
Rahul Dubey

**CORAM:**

**Pankaj Joshi, Chairman**

**Hiren Shah, Member**

**Date: 06/03/2026.**

**ORDER**

1. This Petition has been filed by the Petitioner Torrent Power Limited (TPL) under Clause 17 read with Clause 3.1.1 of the Guidelines for '*Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems*' notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time to time under

Section 63 read with Section 86 of the Electricity Act, 2003, for seeking approval of deviations from the said Guidelines.

2. The Petitioner *interalia* seeking following prayers:

a) *Admit the present petition.*

b) *Approve the deviations from MOP Guidelines as set out in this Petition for future tenders for sourcing Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems for fulfilment of RPO of its license areas.*

c) *Allow additions/alterations/changes/ modification to the submissions*

d) *Condone any inadvertent omissions / errors /shortcomings.*

e) *Grant any other relief/s as it deem fit and appropriate under the circumstances of the case and in the interest of justice.*

3. The facts mentioned in the Petition, in brief, are as under:

3.1. The Petitioner TPL is a Company incorporated under the Companies Act, 1956 and is engaged in the business of generation and distribution of electricity and filed this petition in its capacity as distribution licensee of its license areas in Gujarat.

3.2. It is stated that the Commission in exercise of the powers conferred under Sections 61, 66, 86 (1) (e) and 181 of the Electricity Act, 2003, has notified the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 for promoting sale of power from renewable energy sources and for procurement of energy from renewable sources by distribution licensee within the State of Gujarat vide its Notification No. 03 of 2010 dated 17.04.2010. In the said RPO Regulations, the Commission has specified the minimum percentage for

procurement of power from Wind, Solar, Biomass, Bagasse and Other Sources.

3.3. Thereafter, the Commission has issued amendments to the RPO Regulations, 2010. The Commission vide the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022, has prescribed the minimum percentage of procurement of power from renewable energy from FY 2017-18 to FY 2024-25. The Regulations provide that the targets specified for Obligated Entities for FY 2024-25 shall be continued for FY 2025-26 and onwards unless specified by the Commission separately. The prescribed RPO for FY 2024-25 is as under:

	<b>Wind</b>	<b>Solar</b>	<b>Hydro</b>	<b>Other</b>	<b>Total RPO</b>
FY 2024-25	8.55%	11.25%	0.10%	0.80%	20.70%

3.4. Meanwhile, the Ministry of Power (MOP), Government of India vide its Order dated 22.07.2022 has notified RPO trajectory for the period FY 2023-24 to FY 2029-30 and stated that the State Commissions may consider notifying RPO trajectory over and above the trajectory notified. In turn, the Commission has issued the draft amendment to the RPO Regulation under Section 86(1)(e) with proposed RPO trajectory. Accordingly, the RPO trajectory specified for FY 2025-26 onwards areas under:

	<b>Wind</b>	<b>Hydro</b>	<b>Distributed RE</b>	<b>Other RE</b>	<b>Total</b>
FY 2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
FY 2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
FY 2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
FY 2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
FY 2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

- 3.5. It is stated that the distribution licensee needs to initiate the necessary action for tying up RE power considering necessary lead time of about 24 months upto commissioning of RE project through competitive bidding.
- 3.6. It is stated that at present the Petitioner has already tied up 402.10 MW Wind Power and 645.88 MW Solar Power on long term basis. In addition, the Petitioner has also tied up 450 MW Wind Solar Hybrid Power through Competitive Bidding Process. Additionally, the Solar Rooftop capacity has already reached ~695.33 MW in the Petitioner's license areas during FY 2024-25. Further, the Petitioner has also signed tripartite agreement to procure 15 MW power from MSW plant which has been commissioned in October, 2024.
- 3.7. In turn, for FY 2024 - 25, the actual RE purchase is to the tune of about ~659.74 MUs from Solar, ~765.74 MUs from Wind and ~36.04 MUs from MSW. Considering the commissioning of balance 150 MW Solar and 450 MW Wind Solar Hybrid during FY 2026-27, the additional RE tie up works out to ~2,260 MUs. Thus, total generation from already tied-up sources would be ~25.18% of the likely energy requirement of the Petitioner for FY 2027-28 (i.e. 24 months from signing of PPA) which would comply with the RPO target of 20.70% specified by the Commission in the existing RPO Regulations. However, vis a vis the draft revised RPO Trajectory specified by the Commission of ~38.81% for FY 2027-28, there will be significant shortfall. This shortfall primarily necessitates tie-ups from new RE Capacity, particularly wind and solar.
- 3.8. Accordingly, to fulfil the above shortfall, the Petitioner is required to take action to tie up renewable power, particularly Wind and Solar.

Since the generation benefit from any new RE project through Competitive Bidding shall be available only after 24-30 months and because the Petitioner is required to fulfil the RPO which is in increasing trend and because the tariffs of RE power are fixed for the period of 25 years, the Petitioner proposes to initiate Competitive Bidding Process followed by e-reverse auction for procurement of 200 MW Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems and with Greenshoe Option up to 100 MW. To match with the Load Profile, the Petitioner has proposed to procure Firm and Dispatchable Renewable Energy with specified quantum and hours i.e., 200 MW for 4 hours during Peak Hours + 120 MW for 8 hours during Solar Hours + 50 MW for 12 hours during balance Hours with Demand Fulfilment Ratio (DFR) of 75% to optimize its power purchase cost. Thus, the Bidders are required to supply RE Power in the range of 861 Mus to 646 Mus. Thus, it will help the Petitioner to fulfill the additional RPO of at least ~646 MUs.

- 3.9. In this regard, the Ministry of Power, Govt. of India vide its resolution dated 09.06.2023 has issued the Guidelines for Tariff Based Competitive Bidding Process for procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems. The Guidelines have been amended on 17.11.2023, 02.02.2024 and 12.02.2025.
- 3.10. The Petitioner seeks approval of the Commission with respect to the following deviations in the Tender documents as compared to the guidelines through the present Petition.
- A. **Maximum Capacity** - Clause 6.3 of the MOP Guidelines provides that a maximum of 50 percent of bid capacity can be allocated to a single bidder in a tender. Relevant provision is as under:

*“6.3. A maximum of 50 percent of bid capacity can be allocated to a single bidder in a tender.”*

In this regard, it is submitted that capping the maximum capacity allocation to single bidder at 50% would be relevant for larger size tenders e.g. 1000-1500 MW tenders invited by SECI/NTPC, etc. who are aggregators. The Petitioner proposes to issue tender for smaller capacity.

The Petitioner's objective is to get the most competitive tariff even if it is offered by a single bidder. However, this mandate to restrict capacity allocation to single bidder to 50% would result in the distribution licensee having to pay higher tariff which would ultimately burden the consumers. Hence, it is proposed to remove this requirement in the draft RFS/PPA.

**B. Generation Compensation** - Clause 7.5.1 of the Guidelines provides for generation compensation in case of Grid unavailability beyond 175 hours in a year, as under:

*“7.5.1 Generation Compensation in off take constraints due to Grid Unavailability: During the operation of the plant, there can be some periods where the plant can generate power but due to temporary transmission unavailability the power is not evacuated, for reasons not attributable to the Generator. In such cases the generation compensation shall be addressed by the Procurer in following manner:*

<b><i>Duration of Grid unavailability</i></b>	<b><i>Provision for Generation Compensation</i></b>
<i>Grid unavailability beyond 175 hours in a year, as defined in the PPA</i>	<i>Generation Compensation = ((Tariff X RE power (MW) offered but not scheduled by Procurer)) X</i>

	<p><i>1000X No. of hours of grid unavailability</i></p> <p><i>However, in case of third-party sale or sale in the power exchange, as price taker, the 95% of the amount realized, after deducting expenses, shall be adjusted against the Generation Compensation payable, on monthly basis.</i></p>
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Similarly, Clause 7.5.2 of the Guidelines provides for generation compensation for reduced offtake beyond 175 hours in a year, in case plant is available to supply power but the offtake of power is not done by the Procurer, including non-dispatch of power due to non-compliance with LPS Rules considering must run status. Relevant provision is as under:

*“7.5.2 Payment in case of reduced offtake: The Generator and the Procurer shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. In case the plant is available to supply power but the offtake of power is not done by the Procurer, including non-dispatch of power due to non-compliance with “Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by the Ministry of Power vide Gazette notification dated 3rd June 2022” and any clarifications or amendment thereto, considering the principle of ‘must run’ status for RE Power, the Generator shall be eligible for payment from the Procurer, corresponding to the reduced off take, in terms of following manner:*

<b><i>Reduced offtake</i></b>	<b><i>Provision for Generation Compensation</i></b>
<i>Grid unavailability beyond 175 hours in</i>	<i>Generation Compensation =</i>

<p><i>a year, as defined in the PPA</i></p>	<p><i>((Tariff X RE power (MW) offered but not scheduled by Procurer)) X 1000 X No. of hours of Reduced Offtake =</i></p> <p><i>However, in case of third-party sale or sale in the power exchange, as price taker, the 95% of the amount realized, after deducting expenses, shall be adjusted against the Generation compensation payable, on monthly basis.</i></p>
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It is submitted that both the instances as provided in the Guidelines i.e. grid unavailability and reduced off-take are not in the control of Generator. Further, the stipulation of 175 hours on annual basis translates to significant impact on annual generation.

Under the circumstances, if stipulation of backing down for 175 Hours is considered without any compensation, the developer will factor the same in the tariff irrespective of the reliability of grid or in anticipation of reduced off-take. This will invariably result in generator quoting the higher bid rates resulting into higher power purchase cost for the procurer i.e. the Distribution licensee and in turn its end consumers.

In this background, it is suggested to delete the stipulation of 175 hours in Clause 7.5.1 and 7.5.2 and accordingly incorporate the revised provisions in RFS/PPA.

- C. **Delay in commencement of supply of power** - Clause 14.3 of the Guidelines provides for penalties on the Generator due to delay in commencement of supply of power, as under:

*“14.3 Delay in commencement of supply of power, beyond the SCSD shall involve penalties on the Generator, as detailed below:*

*(a) For Delay in commencement of supply of power up to 6 (six) months from SCSD, encashment of Performance Bank Guarantee (PBG), or alternate instruments, on per day basis and proportionate to the contracted capacity that has not commenced supply of power.*

*(b) For Delay in commencement of supply of power beyond six months from SCSD, the following shall be applicable: -*

*(i) The contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCSD plus 6 (six) months. The PPA for the balance contracted capacity that has not commenced supply of power shall stand terminated.”*

With reference to the above, the Petitioner submitted that competitive bidding is a long drawn and time-consuming process. Having discovered the competitive rates for supply of RE power to meet renewable power obligation of the licensee, it would be counter-productive to terminate un-commissioned capacity in case same is due to genuine reasons as the Petitioner would have to once again repeat the entire process.

Further, the revised draft targets for renewable power are very steep and in order to comply with the same, it is beneficial to continue with the capacity delayed if same is due to genuine reason and commercially prudent.

Accordingly, in the interest of the licensee and its consumers, the Petitioner submits that it would not be appropriate to terminate the balance capacity not commissioned by SCSD. In turn option should be provided to the Petitioner to assess the ground reality and subject to mutual discussion, decide as to continue with the PPA or terminate the balance capacity subject to approval of the Commission.

In this background, it is suggested to add following provision at the end of the Clause 14.3 and accordingly incorporate the same in RFS/PPA.

*“14.3....*

*However, TPL-D may allow the further extension subject to mutual discussion & Successful Bidder(s) concurrence to comply with the appropriate commercial mechanism as may be required by the Power Procurer and subject to approval by the Appropriate Commission.”*

**D. Additional Point - Delay in Commissioning of power supply on Account of Delay in Transmission system**

The Petitioner submit that as establishment of new transmission network is not under the direct control of generator/ seller, there are chances that project is ready for commissioning, but evacuation facility is not ready on account of CTU/ STU/ Other delays for which generator/seller is not directly responsible.

Hence, it is proposed to incorporate an additional point for “Delay in commissioning on account of delay in Transmission System” in the RFS/PPA.

The draft provision is as under:

*“Delay in Commissioning of power supply on Account of Delay in Transmission system*

*The GNA is required to be obtained by TPL, subsequent to grant of connectivity, in case there is a delay in grant/operationalization of GNA by the CTU/STU and/or there is a delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the CTU/STU network until SCOD of the Project, and it is established that:*

- a) The Power Producer has complied with the complete application formalities as per the Detailed Procedure as issued by the CTU/STU.*
- b) The Power Producer has adhered to the applicable regulations/procedures in this regard as notified by the CERC/CEA.*
- c) The delay in grant of GNA by the CTU/STU and/or delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS/STU network, is a factor attributable to the CTU/transmission licensee and is beyond the control of the Power Producer.*

*The above shall be treated as delays beyond the control of the Power Producer and SCOD for the Project shall be received as the date as on 60 days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or*

*grant/operationalization of GNA. Decision on requisite extension of SCOD on account of the above factor shall be taken by TPL.*

*In case of delay in commencement of power supply from the Project due to reasons beyond the reasonable control of the Power Producer, TPL may extend the SCOD after examining the issue on the case-to-case basis. In case of change of Project location(s) by the Power Producer, extension request(s) under this clause shall be dealt by TPL on case-to-case basis.*

*Further, in case of delay in commencement of power supply on account of reasons solely attributable to the Power Producer, resulting in any Liquidated Damages/penalty levied on the TPL including transmission charges under the GNA regulations and/or applicable regulation as notified by CERC, such damages/penalty shall be passed on to the Power Producer.”*

4. It is to note that the record of this Petition shows that the Petition were heard on different dates and appropriate Daily Orders were passed by the previous Commission. Subsequently, upon superannuation of the previous Members of the Commission, the present Commission heard the matter and proceeded to dispose of the same by this Order.
5. The matter was kept for hearing on 06.01.2026. Mr. Jignesh Langalia, appearing on behalf of the Petitioner Torrent Power Limited (TPL) submitted that the present Petition has been filed under Section 63 read with Section 86 of the Electricity Act, 2003 and Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as

amended from time to time, for approval of deviations from the Guidelines issued by Central Government for procurement of power through Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems.

- 5.1. He submitted that the distribution licensees has to comply with the RPO targets specified by the Commission from time to time. The Commission had notified the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 on 17.04.2010 and thereafter, made subsequent amendments to the Principal Regulations, 2010 and notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022, wherein the Commission has prescribed the minimum percentage of procurement of power from renewable energy from FY 2017-18 to FY 2024-25. The Regulations, 2022 provides the RPO targets specified for Obligated Entities for FY 2024-25 which was to be continued for FY 2025-26 and onwards unless specified by the Commission separately. He further submitted that the Ministry of Power (MOP), Government of India vide Order dated 22.07.2022 has notified RPO trajectory for the period FY 2023-24 to FY 2029-30 and stated that the State Commissions may consider notifying RPO trajectory over and above the trajectory notified. Accordingly, the Commission has issued GERC (Procurement of Energy from Renewable Sources) Regulations, 2025 wherein the RPO trajectory has been specified for FY 2024-25 to FY 2029-30. As per the Regulations, 2025, there is a substantial increase in the RPO trajectory as compared to trajectory specified in the Regulations, 2022. Therefore, the Petitioner needs to initiate necessary action for tying up RE power considering necessary lead time of about 24 months upto commissioning of RE project through competitive bidding.

- 5.2. He submitted that the Ministry of Power (MoP), Govt. of India vide its Resolution dated 09.06.2023 has issued the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems, which have been amended on 17.11.2023, 02.02.2024 and 12.02.2025. He submitted that the Petitioner TPL is seeking the approval of the Commission with respect to deviations, viz., (i) Maximum Capacity which can be allocated to single bidder, (ii) removal of 175 hours with regard to grid unavailability for Generation Compensation, (iii) delay in commencement of supply of power, (iv) Delay in Commissioning of power supply on Account of Delay in Transmission system, in the Tender documents as compared to the MoP' Guidelines by way of the present Petition.
- 5.3. He submitted that the Petitioner proposes to seek aforesaid four (4) deviations from the Guidelines out of which three (3) deviations are already approved in earlier tender of Wind-Solar Hybrid and considered by the Commission in its Order dated 02.09.2024 in Petition No. 2360 of 2024.
- 5.4. He further submitted that pursuant to hearing held on 29.08.2025, the Commission has passed Daily Order dated 29.08.2025 wherein the Commission has granted 'In-Principle' approval to the deviations and also permitted the Petitioner TPL to issue tender subject to the final approval of the Commission in the matter. He also submitted that pursuant to such 'In-Principle' approval by the Commission, the Petitioner has carried out the competitive bidding process by issuing tender wherein the technical bid opening and financial bid opening/Reverse Auction was carried out on 01.09.2025 and

05.09.2025 respectively. He submitted that the Petitioner will approach the Commission for the adoption of tariff as discovered under such competitive bidding process initiated by the Petitioner.

5.5. He further submitted that in the said Daily Order dated 29.08.2025, the directions were also given to the Petitioner for inviting comments/suggestions/objections from the stakeholders in the present Petition by issuing public notices in newspaper and accordingly, in compliance thereof, the Petitioner has published the same in 'Indian Express' Newspaper on 02.09.2025 in English language and in 'Gujarat Samachar', 'Divya Bhaskar' and 'Sandesh' Newspapers on 02.09.2025 in Gujarati Language newspaper both having circulation in the entire State of Gujarat and also uploaded on its website (<https://www.torrentpower.com/index.php/regulatory/renewable>) for inviting the objections and suggestions from the stakeholders in the present Petition. Moreover, the Petitioner has also filed compliance affidavit dated 03.09.2025 in this regard before the Commission on 04.09.2025. He also submitted that in response to the aforesaid public notice, the Petitioner has not received any comments/objections from the stakeholders in the present matter.

5.6. In view of the above, he requested that the matter may be decided by the Commission considering the submissions of the Petitioner and based on record of the present Petition.

6. We have considered the submissions made by the Petitioner. We note that the present Petition has been filed by the Petitioner under Section 63 read with Section 86 of the Electricity Act, 2003 and under Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from

Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time, seeking approval of the Commission with respect to deviations from the Guidelines issued by Central Government for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems for carrying out bidding process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems.

6.1. We note that pursuant to directives of the Commission in Daily Order dated 29.08.2025, the Petitioner has published the public notices and also uploaded the Petition on its website for inviting comments/objections/suggestions from the stakeholders in the present Petition but the Petitioner TPL has not received any comments/suggestions from the stakeholders. We also note that the Petitioner has also filed compliance affidavit dated 03.09.2025 before the Commission on 04.09.2025 for the same. We further record the statement of the Petitioner that pursuant to 'In-Principle' approval granted by the Commission, the Petitioner has proceed with and carried out the competitive bidding process by issuing tender notice and the technical bid opening and financial bid opening/reverse auction was carried out on 01.09.2025 and 05.09.2025 respectively.

6.2. We note that in order to promote compensation and procurement of energy from renewable energy sources by the distribution licensees within the State of Gujarat, the Commission notified GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 which were amended from time to time. Further, the Commission notified the GERC (Procurement of Energy from Renewable Sources)

Regulations, 2025 on 12.08.2025 prescribing the minimum percentage targets for procurement of power from Wind, Solar, Biomass, Bagasse and Other Sources, in line with Notification No. 09/13/2021-RCM dated 22.07.2022 issued by the Ministry of Power, Government of India. The Commission has stipulated the RPO trajectory for Distribution Licensees till FY 2029-30 as under:

<b>Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption</b>						
<b>Sl. No</b>	<b>Year</b>	<b>Wind Renewable Energy</b>	<b>Hydro Renewable Energy</b>	<b>Distributed renewable energy</b>	<b>Other renewable energy</b>	<b>Total renewable energy</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2024-25	0.67%	0.38%	1.50%	27.35%	<b>29.91%</b>
2.	2025-26	1.45%	1.22%	2.10%	28.24%	<b>33.01%</b>
3.	2026-27	1.97%	1.34%	2.70%	29.94%	<b>35.95%</b>
4.	2027-28	2.45%	1.42%	3.30%	31.64%	<b>38.81%</b>
5.	2028-29	2.95%	1.42%	3.90%	33.10%	<b>41.36%</b>
6.	2029-30	3.48%	1.33%	4.50%	34.02%	<b>43.33%</b>

6.3. From the above, it is apparent that the Petitioner TPL is required to procure substantial quantum of RE power, since the Commission has enhanced the RPO in view of the requirement stipulated in the Regulations. As per trajectory stipulated under the Notification dated 22.07.2022 issued by MoP, Government of India and GERC RPO Regulations, 2025 the percentage of total energy consumed from RE sources for the Obligated entities of Gujarat are also increasing every year. Accordingly, the distribution licensee has to initiate necessary action for tying up RE power considering necessary lead time for commissioning of RE project through competitive bidding.

6.4. We also note the submissions of the Petitioner that the Petitioner TPL has already tied up 402.10 MW Wind Power and 645.88 MW Solar Power on long term basis and has also tied up 450 MW Wind Solar Hybrid Power through Competitive Bidding Process. Further, the Solar

Rooftop capacity has already reached ~695.33 MW in its' license areas during FY 2024-25. Further, the Petitioner has also signed tripartite agreement to procure 15 MW power from MSW plant which has been commissioned in October, 2024. Accordingly, it require to take action to tie up renewable power, particularly Wind and Solar. Since the generation benefit from any new RE project through Competitive Bidding shall be available only after 24-30 months and because the Petitioner is required to fulfil the RPO which is in increasing trend and because the tariffs of RE power are fixed for the period of 25 years. Accordingly, the Petitioner proposed to initiate Competitive Bidding Process followed by e-reverse auction for procurement of 200 MW Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems and with Greenshoe Option up to 100 MW. In order to match with the Load Profile, the Petitioner has proposed to procure Firm and Dispatchable Renewable Energy with specified quantum and hours i.e., 200 MW for 4 hours during Peak Hours + 120 MW for 8 hours during Solar Hours + 50 MW for 12 hours during balance Hours with Demand Fulfilment Ratio (DFR) of 75% to optimize its power purchase cost. Thus, the Bidders are required to supply RE Power in the range of 861 Mus to 646 Mus. Thus, it will help the Petitioner to fulfil the additional RPO of at least ~646 MUs.

- 6.5. We note that the Ministry of Power, Govt. of India vide its Resolution dated 09.06.2023 has issued the '*Guidelines for Tariff Based Competitive Bidding Process for procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems*', which have been amended on 17.11.2023, 02.02.2024 and 12.02.2025.

6.6. We note that the present Petition is filed seeking approval of the Commission for deviations from the FDRE Guidelines dated 09.06.2023 notified by MoP, Govt. of India as amended from time to time submitting that the Petitioner is required to procure renewable energy based generation in order to comply the RPO targets stipulated by the Commission. The Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems are notified on 09.06.2023 by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 read with Tariff Policy, 2016. The said Guidelines have been amended from time to time on 17.11.2023, 02.02.2024 and lastly on 12.02.2025. It is therefore, necessary to refer the relevant Sections of the Act, National Tariff Policy, 2016 and Clauses of the Guidelines which are reproduced below:

(I) Section 63 of the Electricity Act, 2003 reads as under:

*“Section 63 Determination of tariff by bidding process*

*Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”*

As per the above provision, the Appropriate Commission is required to adopt the tariff discovered through transparent process of bidding.

(II) National Tariff Policy, 2016 issued by the Ministry of Power at Section 6.4 (2) records as under:

“ .....

*(2) States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources, above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government. However, till such notification, any such procurement of power from renewable energy sources Projects, may be done under Section 62 of the Electricity Act, 2003.*

*.....”*

As per above provision the procurement of power by the distribution licensee from renewable energy sources shall be done through competitive bidding from the date to be notified by the Central Government. However, till such notification, the same may be procured at the tariff determined by the Commission under Section 62 of the Electricity Act, 2003.

(III) The relevant provisions of the Guidelines dated 09.06.2023 are reproduced below:

(a) Clause 2.3 of the Guidelines dated 09.06.2023:

*“2.3. Unless explicitly specified in these Guidelines, the provisions of these Guidelines shall be binding on the Procurer/Intermediary Procurer/End Procurer and the Authorised Representative of the Procurer and the same needs to be strictly followed for such bidding to be eligible under section 63 of the Electricity Act. However, in case it becomes imperative to deviate from the provisions of these*

*Guidelines, the process to be adopted is specified in Clause 17 of these Guidelines.”*

According to the above Clause, the provisions of Guidelines are binding to the Procurer/Intermediary Procurer/End Procurer and if any deviations from these Guidelines is to be proposed then the process specified in Clause 17 of the Guidelines is to be followed.

(b) Clause 3.1.1 pertaining to Bid Documentation of the Guidelines dated 09.06.2023

“ .....

*(a) Prepare the bid documents in accordance with these Guidelines.*

*(b) Seek approval of the Government 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 17 of these Guidelines.*

*However, 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.*

The above Clause was amended and modified by Ministry of Power, Govt. of India vide Notification No. 48-19/2/2024 – NRE dated 12.02.2025 as under:

*(b) 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 17 of these Guidelines.*

*Provided that if, for a bid, the deviations are already approved by the Government prior to notification of these amendments, fresh approval by the Appropriate Commission shall not be required for that bid.*

*However, 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.*

*.....”*

According to the above Clauses, the procurer is mandated to prepare the bid documents in accordance with the Guideline and Standard Bid Documents notified by the Central Government. Further, it is also provided that in case if any deviation becomes imperative in the draft RfS, draft PPA or draft PSA from the Guidelines and/or SBDs, an approval of the Appropriate Commission as provided in Clause 17 of the Guidelines is required to be obtained by the Procurer. Also, till the SBDs are notified by the Central Government, the Procurer may prepare the draft RfS, draft PPA and draft PSA and other agreements providing detailed provisions consistent with the Guidelines. It is also provided that if, for a bid, the deviations

are already approved by the Government prior to notification of these amendments, fresh approval by the Appropriate Commission shall not be required for that bid.

(c) Clause 17 of the Guidelines dated 09.06.2023:

“ .....

**17. DEVIATION FROM PROCESS DEFINED IN THE GUIDELINES**

*The objective of these Guidelines is to bring standardization & uniformity in processes so that there is fairness & transparency in procurement. As such, these Guidelines need to be strictly followed in the bidding process and no bid, under section 63 of the Electricity Act, for procurement of Firm and Dispatchable RE power from grid-connected Renewable Energy (RE) power projects, with Energy Storage System shall be issued in contravention to these Guidelines. However, in case it becomes imperative for the Procurer to deviate from these Guidelines and/or the SBDs, the same shall be subject to approval by the Appropriate Commission before the initiation of bidding process itself. The Appropriate Commission shall approve or require modification to the bid documents within a reasonable time not exceeding 60 (sixty) days of filing such petition.”*

The aforesaid Clause provides that if any deviation becomes imperative from the Guidelines and/or the SBDs, the same shall be subject to the approval of the Appropriate Commission and the Appropriate Commission shall either approve or require modification to the Bid Documents within 60 days.

7. Now, coming to the first deviation proposed by the Petitioner from the Guidelines with respect to allotment of 'Maximum Capacity', we note that Ministry of Power vide Resolution No. 23/03/2023-R&R dated 09.06.2023 under Clause 6.3 provides that a maximum of 50 percent of bid capacity can be allocated to a single bidder in a tender. In this regard, we note the submissions of the Petitioner TPL that capping the maximum capacity allocation to single bidder at 50% would be relevant for larger size tenders e.g. 1000-1500 MW tenders invited by SECI/NTPC, etc. who are aggregators. The Petitioner proposes to issue tender for smaller capacity so as to get the most competitive tariff even if it is offered by a single bidder. However, this mandate to restrict capacity allocation to single bidder to 50% would result in the distribution licensee having to pay higher tariff which would ultimately burden the consumers. Hence, it is proposed to remove this requirement in the draft RfS/PPA.

7.1. The Commission has examined the submissions of the Petitioner and the provisions of Clause 6.3 of the Guidelines dated 09.06.2023 issued by Ministry of Power, as amended from time to time, which stipulates that a maximum of 50% of the bid capacity can be allocated to a single bidder. The Petitioner has sought approval to deviate from the said stipulation in respect of the proposed procurement of 200 MW Firm and Dispatchable Renewable Energy Power with Greenshoe option up to 100 MW, on the ground that such restriction may not be appropriate for comparatively smaller tenders and may adversely impact tariff discovery.

7.2. We note that the Guidelines have been issued under Section 63 of the Electricity Act, 2003 and Clause 17 thereof expressly permits deviations from the provisions of the Guidelines subject to approval of the

Appropriate Commission. Further, Section 86(1)(b) of the Electricity Act, 2003 empowered the State Commission to regulate procurement of power by the distribution licensee, including the process of procurement through competitive bidding, whereas Section 61 (d) mandates safeguarding consumers' interest while ensuring transparency and reasonableness in power purchase. It seems that the purpose of capping allocation to a single bidder at 50% in large, aggregated tenders is to mitigate concentration risk, promote competitive diversity and ensure supply security across multiple developers. However, in the present case, the total quantum proposed by the Petitioner is 200 MW (with Greenshoe up to 100 MW), which is comparatively smaller in Scale. We find force in the submission of the Petitioner that in such relatively smaller capacity Bid, rigid application of the 50% cap may inadvertently restrict efficient tariff discovery due to lack of economy of the Scale.

- 7.3. We further observe that the objective of Section 63 is to ensure discovery of tariff through a transparent and competitive process. If the bidding process is conducted in a fair, transparent and non-discriminatory manner, and adequate competition is ensured at the bidding stage, allocation of capacity beyond 50% to a single bidder, *per se*, would not violate the principles of competition, provided that such allocation results in the lowest discovered tariff and overall cost optimization.
- 7.4. In the present case, we find that the Petitioner has sought deviation upfront before issuance/finalization of the bidding documents and not post facto. Further, the bidding process has already been conducted pursuant to 'in-principle' approval of the Commission as granted in its Daily Order dated 29.08.2025. We note that pursuant to the directives

of the Commission, public notices were also issued by the Petitioner TPL invited the comments/suggestions from the stakeholders, however, no objections/suggestions were received from the stakeholders in the present matter.

- 7.5. In view of the above and considering the provisions of Sections 61(d) and 86(1)(b) of the Electricity Act, 2003 to protect consumers' interest and to ensure procurement at reasonable rates through transparent Competitive Bidding Process, the Commission, upon due consideration of the submissions and the material placed on record, is of the view that deviation from Clause 6.3 of the MoP Guidelines, insofar as it does not restrict allocation of more than 50% of the bid capacity to a single bidder, merits approval in the facts of the present case. The bidding process has been conducted in a transparent and competitive manner, and the tariff discovered through such process is demonstrably competitive and aligned with prevailing market trends. The Commission is conscious that the underlying intent of Clause 6.3 is to promote competition and avoid concentration of capacity. However, in the peculiar circumstances of the present procurement, strict enforcement of the 50% cap would lead to sub-optimal allocation and potentially higher procurement costs. Considering the steep Renewable Purchase Obligation (RPO) trajectory and the long-term tariff impact on consumers, acceptance of the lowest discovered tariff for a higher quantum of capacity would ensure optimization of the Petitioner's power purchase cost and thereby advance consumer interest. Accordingly, the deviation sought by the Petitioner is hereby approved.
8. Now, we deal with the second deviation proposed by the Petitioner TPL which relates to 'Generation Compensation' provisions in the Guidelines. In this regard, it is necessary to refer Clause 7.5.1 and 7.5.2

of the Guidelines issued by the Ministry of Power, Govt. India, which is reproduced as below:

“

.....

**“7.5.1 Generation Compensation in off take constraints due to Grid Unavailability:**

*During the operation of the plant, there can be some periods where the plant can generate power but due to temporary transmission unavailability the power is not evacuated, for reasons not attributable to the Generator. In such cases the generation compensation shall be addressed by the Procurer in following manner:*

<b>Duration of Grid unavailability</b>	<b>Provision for Generation Compensation</b>
<i>Grid unavailability beyond 175 hours in a year, as defined in the PPA</i>	<p><i>Generation Compensation = ((Tariff X RE power (MW) offered but not scheduled by Procurer)) X 1000X No. of hours of grid unavailability</i></p> <p><i>However, in case of third-party sale or sale in the power exchange, as price taker, the 95% of the amount realized, after deducting expenses, shall be adjusted against the Generation Compensation payable, on monthly basis.</i></p>

**7.5.2 Payment in case of reduced offtake:**

*The Generator and the Procurer shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. In case the plant is available to supply power but the offtake of power is not done by the Procurer, including non-dispatch of power due to non-compliance with*

*“Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by the Ministry of Power vide Gazette notification dated 3<sup>rd</sup> June 2022” and any clarifications or amendment thereto, considering the principle of ‘must run’ status for RE Power, the Generator shall be eligible for payment from the Procurer, corresponding to the reduced off take, in terms of following manner:*

<b>Reduced offtake</b>	<b>Provision for Generation Compensation</b>
<i>Grid unavailability beyond 175 hours in a year, as defined in the PPA</i>	<p><i>Generation Compensation = ((Tariff X RE power (MW) offered but not scheduled by Procurer )) X 1000 X No. of hours of Reduced Offtake =</i></p> <p><i>However, in case of third party sale or sale in the power exchange, as price taker, the 95% of the amount realized, after deducting expenses, shall be adjusted against the Generation compensation payable, on monthly basis.</i></p>

.....”

- 8.1. We note that as against the above provisions in Clause 7.5.1 & 7.5.2 of the Guidelines pertaining to ‘Generation Compensation’, the Petitioner submitted that the above both instances as provided in the Guidelines i.e. grid unavailability and reduced offtake are not in the control of Generator. Further, the stipulation of 175 hours on annual basis translates to significant impact on annual generation. Under the circumstances, if stipulation of backing down for 175 Hours is considered without any compensation, the developer will factor the same in the tariff irrespective of the reliability of grid or in anticipation of reduced offtake. This will invariably result in generator quoting the

higher bid rates resulting into higher power purchase cost for the procurer i.e. the Distribution licensee and in turn its end consumers. Therefore, the Petitioner TPL suggested to delete the stipulation of 175 hours in Clause 7.5.1 and 7.5.2 and accordingly incorporate the revised provisions in RFS/PPA.

- 8.2. We note that the Petitioner has sought approval for deviation from Clause 7.5.1 and Clause 7.5.2 of the MoP Guidelines dated 09.06.2023 (as amended), which provides for generation compensation in cases of grid unavailability and reduced offtake beyond 175 hours in a year. The proposed deviation sought by the Petitioner is for removal of the stipulation of 175 hours on the ground that such threshold may be factored into bid tariffs, resulting in higher power procurement cost.
- 8.3. It is to note that the concept of “generation compensation” under the Guidelines is to balance two competing interests, viz., (i) protecting generators against curtailment or grid constraints not attributable to them, and (ii) preventing undue financial burden on the procurer. As noted above, the present Petition has been filed under Section 63 read with Section 86 of the Electricity Act, 2003 seeking approval of deviations from the Central Government Guidelines and the Section 63 of the Act mandates that the Commission shall adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the Guidelines issued by the Central Government. The power of the Commission to permit deviations under Clause 17 of the aforesaid Guidelines is to be exercised judiciously and reasonable.
- 8.4. It is also to note that the provisions of Clauses 7.5.1 and 7.5.2 of the Central Government Guidelines provided a considered and balanced compensation framework whereby generation compensation becomes

payable only if grid unavailability or curtailment in offtake by the Procurer exceeds 175 hours in a year. The said threshold provided in the Guidelines represents a policy determination of the Central Government taking into accounts (a) the 'must run' status of renewable energy, and (b) the operational exigencies of grid management. The said threshold is part of the uniform risk allocation mechanism embedded in the Guidelines, which reflects a considered policy decision of the Central Government to balance grid management realities, system contingencies and commercial certainty.

8.5. It is also to be noted that if the proposed deletion of the 175-hour threshold is permitted, the Procurer would be exposed to an unqualified and open-ended financial liability even for short-term and unavoidable grid constraints and related disputes arising out of such claim. Such a modification would materially attract payment of compensation to the generator even if curtailment is for very short period (say even 15 minutes) and involving curtailment for small quantum due to grid exigencies. Thus, it may also lead to disputes between the generator and procurer even for such shorter curtailments, if threshold limit of 175 hours is removed. Such modification also alters the risk allocation contemplated in the Guidelines and would effectively convert the competitive bidding framework into a scenario of near-absolute offtake guarantee. This would not only depart from the Central Government's standard bidding structure but also potentially increase financial exposure of the distribution licensee, which would ultimately be passed on to consumers.

8.6. We thus note that the threshold limit of 175 hours will ensure that minor and incidental curtailment due to grid exigencies do not trigger

compensation and any sustained and quantifiable curtailment attracts the compensation liabilities. The 175 hours threshold limit provided under the bidding Guidelines is a general normative criteria applicable uniformly and cannot be considered as bid specific/State specific requirements. The removal of 175 Hours' threshold criteria will not only lead to compensation liability even for minimal or short duration curtailment, but such alteration would amount to substantial deviation from the MoP Guidelines.

8.7. We note that the Generation Compensation mechanism under the Guidelines is designed as a reciprocal safeguard while protecting the Generator against prolonged grid unavailability or unjustified curtailment, it also ensures that the Procurer is not burdened for minimal and transient operational constraints. Such risk sharing is intrinsic to competitive bidding structures and has been adopted in similar bidding guidelines issued by the Ministry of Power, Govt. of India for renewable procurement. The contention of the Petitioner that deletion of the 175-hour threshold would necessarily result in lower discovered tariff is not supported by any facts or details. The Commission is also conscious that the Guidelines itself recognize the limited curtailment tolerance (up to 175 hours) without compensation, which is reflective of practical grid realities. Beyond this threshold, compensation becomes payable, thereby adequately protecting the Generator against prolonged or arbitrary curtailment.

8.8. It is also noted that under Sections 61(d) and 61(c) of the Electricity Act, 2003, the Commission is required to safeguard consumers' interest and ensure that generation and procurement are conducted in an efficient, economic and competitive manner. Further, under Section 86(1)(b), the Commission is duty bound to regulate procurement of power by the

distribution licensee in a manner that ensures reasonableness of cost and long-term system sustainability.

8.9. In view of the above and considering the mandate under Sections 61(d), 62, 63 and 86(1) (b) of the Electricity Act, 2003, the Guidelines of Central Government issued under Section 63 and the need to maintain uniformity across the board, we are of the considered view that the proposed deletion of the 175-hour threshold for Generation Compensation is neither warranted nor justified. Accordingly, the deviation sought by the Petitioner TPL in respect of 'Generation Compensation' under Clauses 7.5.1 and 7.5.2 of the MoP Guidelines dated 09.06.2023 (as amended) is not approved and accordingly rejected. The Petitioner TPL shall adhere to the provisions of the MoP' Guidelines dated 09.06.2023 in this regard while finalising the RfS and PPA documents.

9. Now, we deal with the third deviation proposed by the Petitioner which relates to 'Delay in Commencement of Supply of power' provisions in Clause 14.3 of the Guidelines issued by the Ministry of Power, Government of India vide Notification No. 23/03/2023-R&R dated 09.06.2023 as amended vide Resolution No. 48-19/2/2024-NRE dated 02.02.2024 and has proposed separate provisions for RfS and PPA. In this regard, it is necessary to refer Clause 14.3 of the Guidelines issued by the Ministry of Power, Government of India is reproduced below:

“ .....

***“14.3 Delay in Commencement of Supply of Power***

*Delay in commencement of supply of power, beyond the SCSD shall involve penalties on the Generator, as detailed below:*

- (a) *For Delay in commencement of supply of power up to 6 (six) months from SCSD, encashment of Performance Bank Guarantee (PBG), or alternate instruments, on per day basis and proportionate to the contracted capacity that has not commenced supply of power.*
- (b) *For Delay in commencement of supply of power beyond six months from SCSD, the following shall be applicable: -*
- (i) *The contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCSD plus 6 (six) months. The PPA for the balance contracted capacity that has not commenced supply of power shall stand terminated.”*

9.1. According to the Petitioner, Competitive Bidding Process for procurement of renewable power on long-term basis to meet RPO obligation of the licensee is a long drawn and time-consuming process. Moreover, after having discovered the competitive rates for supply of power through such process, it would be counter-productive to terminate any capacity which is not commissioned since it would require the Petitioner to once again repeat the entire process. Hence, in light of various uncertainties impacting the project and in the interest of the licensee and its consumers, it would not be appropriate to mandate the Petitioner to terminate the balance capacity not commissioned by SCOD. It is further submitted that discretion needs to be provided to the Petitioner to assess the ground reality and decide as to continue with the PPA or terminate the balance capacity. Accordingly, the Petitioner has proposed to incorporate suitable commercial mechanism to continue with the balance capacity at its discretion in case of delay in the Commercial Operation Date (COD) of

balance capacity beyond six months from Scheduled Commercial Operation Date (SCOD) and has sought approval of the proposed changes in this regard in both PPA and RfS by incorporating appropriate Clause in the RFS and PPA which reads as under:

**RfS:**

*“...3.18.1 The Project shall be commissioned by the SCOD, which will be the date as on 24 months from the date of execution of the PPA, subject to Force Majeure as per Clause 8 of the PPA, delay in commissioning, beyond the SCOD shall involve penalties on the Successful Bidder(s) as detailed below:*

***i. For delay in commissioning upto 6 months from SCOD:***

*a. Encashment of Performance Bank Guarantee on per day basis and proportionate to the capacity not commissioned. For example, in case of a Project of 75 MW capacity, if commissioning of 50 MW capacity is delayed by 18 days beyond the SCOD, then the liquidated damages shall be:  $PBG \text{ amount} \times (50/75) \times (18/180)$ . For the purpose of calculations of liquidated damages, ‘month’ shall be considered consisting of 30 days.*

***ii. For delay in commissioning beyond six months from SCOD:***

*a. Successful Bidder’s Event of Default, as per Clause 10.2.1 of the PPA “Power Producer’s Default”, shall be considered to have occurred and the contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCOD + 6 months. The PPA for the balance Contracted Capacity that has not commenced supply of power shall stand terminated. However, TPL-D may allow the further extension*

*subject to mutual discussion & Successful Bidder(s) concurrence to comply with the appropriate commercial mechanism as may be required by the Power Procurer and subject to approval by the Appropriate Commission.*

*It may be noted that commissioning/part commissioning of the Project will not be declared until the Successful Bidder(s) demonstrates possession of land in line with Clause 3.21, in addition to the other conditions as established by the Power Procurer. For part commissioning portion of land on which the part of the project is commissioned should be with Successful Bidder(s) in accordance with Clause 3.21.*

*Power Producer shall approach the Appropriate Commission for adoption of tariffs after within 30 (Thirty) days of the discovery of the tariffs, subsequent to approaching the Appropriate Commission for adoption of tariffs under Section 63 of the Act, in case, Appropriate Commission does not decide upon the same within 60 days of such submission or within 120 days from the date of Power Purchase Agreement (PPA), whichever is more, the Power Procurer shall grant appropriate extension of time in SCOD to the Successful Bidder, corresponding to the delay [beyond 60 days of submission or 120 days of PPA whichever is more] in adoption / approval by the Appropriate Commission till the date of adoption/ approval by the Appropriate Commission.*

### **PPA**

*3.9 Liquidated Damages for delay in Commissioning the Project beyond Scheduled Commercial Operation Date (SCOD)*

*3.9.1 The Project shall be commissioned by the SCOD, which will be the date as on 24 months from the date of execution of the PPA. Subject to Force Majeure as per Article 8 of the PPA, delay in commissioning, beyond the SCOD shall involve penalties, on the Successful Bidder(s) as detailed below:*

*For delay in commissioning upto 6 months from SCOD, encashment of Performance Bank Guarantee on per day basis and proportionate to the capacity not commissioned. For example, in case of a Project of 250 MW capacity, if commissioning of 100 MW capacity is delayed by 18 days beyond the SCOD, then the liquidated damages shall be: PBG amount X (100/250) X (18/180). For the purpose of calculations of liquidated damages, 'month' shall be considered consisting of 30 days.*

*For delay in commissioning beyond six months from SCOD:*

*Successful Bidder's Event of Default, as per Clause 10.2.1 of the PPA "Power Producer's Default", shall be considered to have occurred and the contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCOD + 6 months. The PPA for the balance Contracted Capacity that has not commenced supply of power shall stand terminated. However, TPL-D may allow the further extension subject to mutual discussion & Successful Bidder(s) concurrence to comply with the appropriate commercial mechanism as may be required by the Power Procurer and subject to approval by the Appropriate Commission.*

*It may be noted that commissioning/part commissioning of the Project will not be declared until the Successful Bidder(s) demonstrates possession of land in line with Clause 3.7 of this PPA, in addition to the other conditions as established by the Power Procurer.*

*For part commissioning portion of land on which the part of the project is commissioned should be with Successful Bidder(s) in accordance with clause 3.7.*

*Power Producer shall approach the Appropriate Commission for adoption of tariffs by the Appropriate Commission within 30 (fifteen) days of the discovery of the tariffs, subsequent to approaching the Appropriate Commission for adoption of tariffs under Section 63 of the Act, in case, Appropriate Commission does not decide upon the same within 60 days of such submission or within 120 days from the date of Power Purchase Agreement (PPA), whichever is more, the Procurer shall grant appropriate extension of time in SCOD to the Power Producer, corresponding to the delay (beyond 60 days of submission or 120 days of PPA whichever is more) in adoption/approval by the Appropriate Commission till the date of adoption/ approval by the Appropriate Commission.*

*In the event of termination of PPA or part thereof, any damages or charges payable to the STU/ CTU, for the Open Access of the Project, shall be borne by the Successful Bidder(s).*

*.....”*

- 9.2. We note that Clause 14.3 of the Bidding Guideline is regarding delay in commencement of supply of power beyond the Scheduled Commencement of Supply Date (SCSD) involving penalties on the Generator and it further provides in Clause 14.3 (a) that delay in commencement of supply of power up to 6 (six) months from SCSD, in such event, encashment of the Performance Bank Guarantee (PBG) or alternate instruments, on per day basis and proportionate to the contracted capacity that has not commenced. Clause 14.3 (b) provides

that if the delay in commencement of supply of power beyond six months from SCSD, the contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCSD plus six months and the PPA for the balance contracted capacity that has not commenced supply of power shall stand terminated. The Petitioner has also proposed to incorporate the additional clause in the RfS and PPA alongwith examples. Further, the Petitioner is proposing that for delay in commissioning beyond 6 (six) months, the Petitioner may in its sole discretion reduce the project capacity commissioned up to the SCSD plus 6 months and terminate the PPA for balance capacity or may allow further extension for commissioning the balance capacity of the project subject to mutual discussion amongst the parties and bidder's concurrence to comply with the appropriate commercial mechanism as may be required by the Petitioner. We are of the view that granting any sole discretion to the procurer to decide regarding whether to avail the balance capacity which is not commissioned within six months after SCSD may not be reasonable. Moreover, the Petitioner as distribution licensee needs to undertake Competitive Bidding Process for procurement of renewable power on long term basis to meet its RPO obligation and therefore, any capacity tied up which do not get fully commissioned within the period of SCSD plus six months may lead to shortfall in meeting the RPO targets stipulated by the Commission. Also, the Guidelines itself clearly provide that for delay in commencement of supply of power beyond 6 (six) months from SCSD, then the contracted capacity shall stand reduced to the project capacity that has commenced supply of power within the period of SCSD + 6 (six) months and the PPA for the balance contracted capacity that has not commenced supply of power shall be terminated. We are accordingly, of considered opinion that extension cannot be granted with regard to

balance capacity not commissioned even after 6 months of SCSD. Hence, we decide not to approve the deviation sought by the Petitioner from Clause 14.3 pertaining to 'Delay in commencement of supply of power' from the Guidelines issued by the Ministry of Power, Government of India vide Notification No. 23/03/2023-R&R dated 09.06.2023 as amended vide Resolution No. 48-19/2/2024-NRE dated 02.02.2024.

9.3. Further, it is also relevant to note that the Petitioner had earlier filed the Petition No. 1905 of 2020 wherein the deviation proposed by the Petitioner relating to same subject qua 'Commissioning Schedule' under the Clause 14.3 of the guidelines issued by the Ministry of Power, Government of India vide Notification No. 23/27/2017-R&R dated 03.08.2017 as amended vide Resolution No. 283/57/2018-GRID SOLAR dated 22.10.2019 and proposed separate provisions for RfS and PPA but the Commission vide its Order dated 26.02.2021 not approved the said deviations as sought by the Petitioner TPL. The relevant para of the said Order is reproduced as under:

" .....

*7. Now, we deal with the third deviation proposed by the Petitioner which relates to 'Commissioning Schedule' provisions in Clause 14.3 of the guidelines issued by the Ministry of Power, Government of India vide Notification No. 23/27/2017-R&R dated 03.08.2017 as amended vide Resolution No. 283/57/2018-GRID SOLAR dated 22.10.2019 and has proposed separate provisions for RfS and PPA. In this regard, it is necessary to refer Clause 14.3 of the Guidelines issued by the Ministry of Power, Government of India is reproduced below:*

.....

*7.1. According to the Petitioner undertaking competitive bidding process for procurement of renewable power on long-term basis to meet RPO obligation of the licensee is a long drawn and time consuming process. Moreover, after having discovered the*

*competitive rates for supply of power through such process, it would be counter-productive to terminate any capacity which is not commissioned since it would require the Petitioner to once again repeat the entire process. Hence, in light of various uncertainties impacting the project and in the interest of the licensee and its consumers, it would not be appropriate to mandate the Petitioner to terminate the balance capacity not commissioned by SCOD. It is further submitted that discretion needs to be provided to the Petitioner to assess the ground reality and decide as to continue with the PPA or terminate the balance capacity. Accordingly, the Petitioner has proposed to incorporate suitable commercial mechanism to continue with the balance capacity at its discretion in case of delay in the COD of balance capacity beyond six months from SCOD and has sought approval of the proposed changes in this regard in both PPA and RfS by incorporating appropriate Clause in the RFS and PPA which reads as under:*

*.....*

*7.2. We note that Clause 14.3.1 (a) of the guidelines is regarding delay in commissioning up to 6 (six) months from SCOD and provides that in such event encashment of the Performance Bank Guarantee (PBG) on per day basis and proportionate to the capacity not commissioned. The Petitioner has also proposed similar clause regarding delay in commissioning up to 6 (six) months from SCOD in RfS and PPA alongwith example. Further, the Petitioner is proposing that for delay in commissioning beyond 6 (six) months, the Petitioner may in its sole discretion reduce the project capacity commissioned up to the SCOD plus 6 months and terminate the PPA for balance capacity or may allow further extension for commissioning the balance capacity of the project subject to mutual discussion amongst the parties and bidder's concurrence to comply with the appropriate commercial mechanism as may be required by the Petitioner. We are of the view that granting any sole discretion to the procurer to decide regarding whether to avail the balance capacity which is not commissioned within six months after SCOD may not be reasonable. Moreover, the Petitioner as distribution licensee needs to undertake competitive bidding process for procurement of renewable power on long term basis to meet its RPO obligation and therefore, any capacity tied up is not fully commissioned within the period of SCOD plus six months may lead to shortfall in meeting the RPO targets stipulated by the Commission. Also, the*

*guidelines itself clearly provide that for delay in commissioning any capacity beyond 6 (six) months from SCOD, then the contracted capacity shall stand reduced to the project capacity commissioned upto SCOD + 6 (six) months and the PPA for the balance capacity not commissioned shall be terminated. We are accordingly, of considered opinion that extension cannot be granted with regard to balance capacity not commissioned even after 6 months of SCOD. Hence, we decide not to approve the deviation sought by the Petitioner in this regard.*

*7.3 In view of above, we decide not to grant the approval for the deviations sought by the Petitioner from Clause 14.3 pertaining to 'Commissioning Schedule' from the Guidelines issued by the Ministry of Power, Government of India vide Notification No. 23/27/2017-R&R dated 03.08.2017 as amended vide Resolution No. 283/57/2018-GRID SOLAR dated 22.10.2019. Accordingly, we decide that relevant clause in RfS and PPA regarding 'For delay in commissioning beyond 6 months from SCOD' which is approved by the Commission in line with relevant provision in guidelines shall be as under:*

*Clause approved by the Commission:*

*"For delay in commissioning beyond 6 (six) months from SCOD: For Delay in commissioning beyond 6 (six) months from SCOD, Generator Event of Default as per Clause 10.2.1 of the PPA, shall be considered to have occurred and the contracted capacity shall stand reduced to the project capacity commissioned upto SCOD + 6 (six) months. The PPA for the balance capacity not commissioned shall be terminated."*

*....."*

9.4. From the above, it is also clear that the deviation sought in respect of "Delay in Commencement of Supply of Power", the Petitioner had earlier sought substantially similar relaxation in the contractual consequences arising from delay in commissioning and commencement of supply for the bid documents for Solar Power procurement . The Commission, after detailed examination of the applicable statutory provisions, bidding guidelines and risk allocation framework, had vide

Order dated 26.02.2021 declined to grant the said relief. The rationale for rejection of such deviation is recorded in the said Order dated 26.02.2021.

- 9.5. In the present proceedings, the Petitioner has once again sought similar deviation without demonstrating any material change in circumstances, statutory framework or regulatory position that would warrant reconsideration of the issue. Re-agitating a relief already considered and rejected by the Commission and in the absence of new and compelling grounds, is not permissible in law and militates against the principle of finality of regulatory adjudication. The Commission is of the considered view that the reasoning and justification recorded in Order dated 26.02.2021 in Petition No. 1905 of 2020 continue to hold good and remain squarely applicable to the present case. The contractual discipline relating to delay in commencement of supply cannot be diluted in a manner that shifts commercial risk to the distribution licensee and ultimately to consumers.
- 9.6. Apart from the above, it is also necessary to note that Clause 7.4.1 of the MoP Guidelines dated 02.02.2024 mandates that the PPA shall incorporate appropriate provisions relating to Force Majeure, including definitions, exclusions, applicability and relief, in accordance with established industry standards, so as to adequately address events beyond the reasonable control of the Project Developer. Further, in the present proceedings, the Commission has already decided for incorporation of specific provisions in the bidding documents dealing with delay in commissioning on account of delay in transmission infrastructure attributable to CTU/STU.
- 9.7. In the considered view of the Commission, the combined operation of (i) the Force Majeure framework under the Guidelines and (ii) the

specific relief mechanism allowed for transmission-related delays, sufficiently safeguards the interests of project developers in respect of delays not attributable to them. Any further relaxation in the consequences stipulated under Clause 14.3 of the Guidelines would dilute the contractual discipline embedded in the competitive bidding framework.

9.8. Accordingly, we decide that relevant deviation sought in the Clause in RfS and PPA regarding 'For delay in commencement of supply of power ' is not approved by the Commission and the same is rejected and the Petitioner is directed to adhere with keep the aforesaid Clause in RfS and PPA in line with the provisions governing delay in commencement of supply strictly to the Guidelines dated 09.06.2023 and 02.02.2024.

10. We also note that the Petitioner TPL has further proposed to incorporate a provisions relating to 'Delay in commissioning of power supply on Account of Delay in Transmission system' in RfS/PPA as under:

“ .....

*Delay in Commissioning of power supply on Account of Delay in Transmission system*

*The GNA is required to be obtained by TPL, subsequent to grant of connectivity, in case there is a delay in grant/operationalization of GNA by the CTU/STU and/or there is a delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the CTU/STU network until SCOD of the Project, and it is established that:*

- a) *The Power Producer has complied with the complete application formalities as per the Detailed Procedure as issued by the CTU/STU.*
- b) *The Power Producer has adhered to the applicable regulations/procedures in this regard as notified by the CERC/CEA.*
- c) *The delay in grant of GNA by the CTU/STU and/or delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS/STU network, is a factor attributable to the CTU/transmission licensee and is beyond the control of the Power Producer.*

*The above shall be treated as delays beyond the control of the Power Producer and SCOD for the Project shall be received as the date as on 60 days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or grant/operationalization of GNA. Decision on requisite extension of SCOD on account of the above factor shall be taken by TPL.*

*In case of delay in commencement of power supply from the Project due to reasons beyond the reasonable control of the Power Producer, TPL may extend the SCOD after examining the issue on the case-to-case basis. In case of change of Project location(s) by the Power Producer, extension request(s) under this clause shall be dealt by TPL on case-to-case basis.*

*Further, in case of delay in commencement of power supply on account of reasons solely attributable to the Power Producer, resulting in any Liquidated Damages/penalty levied on the TPL*

*including transmission charges under the GNA regulations and/or applicable regulation as notified by CERC, such damages/penalty shall be passed on to the Power Producer.”*

- 10.1. We note the submissions of the Petitioner TPL that the establishment of new transmission network is not under the direct control of generator/seller and there are chances that project is ready for commissioning, but evacuation facility is not ready on account of CTU/STU/ Other delays for which generator/seller is not directly responsible. Therefore, in order to provide ample clarity to the bidders, it is necessary to incorporate an additional point for “Delay in commissioning on account of delay in Transmission system” in the RfS/PPA and accordingly, requested the Commission to allow the Petitioner to incorporate the aforesaid provisions in RfS/PPA.
- 10.2. We note that the MoP Guidelines provides consequences for delay in commencement of supply but they do not contemplate a situation where the generating project is ready, but evacuation infrastructure or GNA operationalization by CTU/STU is delayed for reasons not attributable to the generator. In the absence of a specific provisions, such delay may result in unjust penal consequences upon the generator, including encashment of PBG or reduction/termination of contracted capacity. The principle of “no fault liability” does not extend to circumstances demonstrably beyond the control of the project developer. The Commission is of the view that in renewable procurement involving grid-connected projects and GNA-based evacuation, transmission readiness is an external dependency not entirely within the control of the project developer and penalizing the developer for such delay would not only be inequitable but may also discourage participation and result in risk premium being factored

into tariffs, ultimately burdening consumers. The proposed clause appropriately safeguards the procurer by providing that damages or transmission-related penalties attributable to delay caused by the generator shall be passed on to the generator. Thus, the said provision maintains contractual symmetry and protects consumers' interest. Accordingly, the Commission permit the Petitioner TPL to incorporate the aforesaid Clause with regard to '*Delay in commissioning on account of delay in Transmission System*' in RfS and PPA.

11. While deciding the present matter in terms of the conclusions recorded hereinabove, the Commission considers it appropriate to clarify the scope and nature of the 'In-Principle' approval granted vide Daily Order dated 29.08.2025. The record of the said Daily Order indicates that during the hearing held on 29.08.2025, the representative appearing on behalf of the Petitioner, while referring to the covering letter dated 07.08.2025, submitted that the RfS bid submission deadline was 30.08.2025 and requested permission of the Commission to proceed with the bidding process, inter alia, on the ground that utilisation of domestic components would become mandatory thereafter. The Petitioner accordingly sought grant of 'In-Principle' approval to the proposed deviations, expressly subject to final approval of the Commission. Based on the submissions of the Petitioner, without going into the merit of the case, the Commission had granted 'In Principle' approval for deviations sought by the Petitioner for the limited purpose that the Petitioner can issue tender and undertake consultative process with bidders etc., subject to however final decision of the Commission in the present matter. The relevant para of the said Order is reproduced as under:

“.....

2.11. Mr. Chetan Bundela, appearing on behalf of the Petitioner, while referring the covering letter dated 07.08.2025 submitted that the RfS Bid submission deadline is 30.08.2025 and requested the Commission to permit the Petitioner to proceed with the bidding since after 30.08.2025, utilisation of domestic component will become mandatory. He submitted that such mandate for domestic component will in turn result in increase in cost and increase the tariff. He reiterated that the Commission has already considered and approved three (3) deviations out of the four (4) in past tenders and for the fourth deviation regarding termination, the Petitioner shall consider the same only subject to approval of the Commission. He requested the Hon'ble Commission to grant its approval for the proposed deviations.

.....

3.6. We note that during the hearing, the representative for the Petitioner TPL submitted that Bid submission deadline of the RfS is 30.08.2025 and requested the Commission to permit the Petitioner to proceed with the bidding since after 30.08.2025, utilisation of domestic component will become mandatory. Accordingly, the Petitioner has requested that the Commission may grant the interim 'In-Principle' approval to the Petitioner TPL to proceed with the bidding process by issuing tender so that consultative process, pre-bid conference etc. can be initiated and the Petitioner will open the tender subject to the final approval of deviations by the Commission. Accordingly, we are of the view to accord the approval to deviations and the Draft Bidding Documents in accordance to the deviations as sought by the Petitioner in the present Petition as 'In-Principle' subject to final approval in the matter. Accordingly, we decide that as the time period is short, we grant 'In-Principle' approval for deviations sought by the Petitioner so that the Petitioner can issue tender and consultative process as well as other aspects can be undertaken. However, we make it clear that the same shall be subject to final decision of this Commission in the present matter.

.....”

12. The Commission notes that based on the submissions of the Petitioner as recorded at Para 2.11 of the Daily Order dated 29.08.2025 and the observations recorded at Para 3.6 thereof, the Commission, as an interim measure and without entering into the merits of the case at that stage, permitted the Petitioner to issue the tender and undertake the consultative process, including pre-bid conference and allied procedural steps only, subject to the outcome of the present Petition and final determination of the deviations sought. The said permission was limited to consultative process and conditional in nature and did not constitute approval, either express or implied, of the proposed deviations. However, the subsequent record indicates that the Petitioner has proceeded further in the bidding process without apprising the Commission of the latest status and developments, and without awaiting outcome of the present Petition. Moreover, it appears that while seeking interim relief in the present proceeding during the hearing on 29.08.2025 for permitting it to issue the tender documents and undertaking the consultative process with stakeholders etc., the Petitioner did not disclose the facts that out of 4 deviations sought by it in the present matter, one of the similar deviation in relation to 'delay in commencement of supply of power', related to procurement from solar power project, had already been rejected by the Commission in its Order dated 26.02.2021 in Petition No. 1905 of 2020 filed by the Petitioner. Thus, the Petitioner, having consciously chosen to move ahead with the tender process despite the pendency of the present petition, the Petitioner cannot now seek to rely upon subsequent procedural advancement it has undertaken voluntarily, as a ground to justify modification of the binding provisions of the MoP Guidelines. Accordingly, deviations stand

allowed / rejected in terms of the findings recorded in this Order after due consideration of the merits of the case.

13. In view of above, the present Petition succeeds partly in terms of our decision with regard to the deviations sought by the Petitioner for (i) allotment of 'Maximum Capacity', and (ii) incorporation of Clause of 'Delay in commissioning on account of delay in Transmission System' provisions in RfS and draft PPA.

13.1. We make it clear that the Daily Order dated 29.08.2025 passed in the present Petition was about granting 'in-principle' approval to the Petitioner TPL, without going into merit of the case, to proceed with issuance of tender documents and commencement of consultative process etc., subject to final approval in the present proceedings. Such 'In-Principle' approval shall not be construed as final, automatic, or binding approval of the substantive deviations, which stand governed by the decision recorded in this Order.

14. With this Order, the present Petition stands disposed off accordingly.

15. Order accordingly.

**Sd/-**  
**[Hiren Shah]**  
**Member**

**Sd/-**  
**[Pankaj Joshi]**  
**Chairman**

Place: Gandhinagar.

Date: 06/03/2026.