

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2549 of 2025.

In the Matter of:

Petition under Section 86 (1) (f) of the Electricity Act, 2003 seeking directions against the Respondent M/s Adani Solar Energy Kutchh Two Limited for uploading the wrongful and disputed invoice dated 03.07.2025 on the PRAAPTI Portal in violation of terms of the PPA (And its amendments) and Statutory provisions.

And

IA No. 92 of 2025 in Petition No. 2549 of 2025.

In the Matter of:

Application under Section 94 (2) of the Electricity Act, 2003 read with Regulation 61 & 80 of the GERC (Conduct of Business) Regulations, 2004 seeking interim stay of the disputed supplementary invoice dated 03.07.2025 Bearing No. ASEK2L/GUVNL/2025-26/CURTAILMENT-02.

Applicant/Petitioner : Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan
Race Course Circle, Vadodara – 390007.

Represented By : Ld. Adv. Ms. Swapna Sheshadri alongwith Mr. K.N. Brahmbhatt and Mrs. M.N. Gajjar

V/s.

Respondent No. 1 : Adani Solar Energy Kutchh Two Pvt. Limited
Adani Corporate House, 4th Floor – South Wing
Shantigram Near Vaishnav Devi Circle
S. G. Highway, Khodiyar, Ahmedabad – 382421.

Represented By : Mr. Dipakkumar Panchal

Respondent No. 2 : State Load Despatch Centre - Gujarat
220kV Gotri Sub Station Compound
Nr. T.B. Hospital, Gotri Road
Vadodara - 390021, Gujarat.

Represented By : Mr. P.B. Suthar and Mr. A.J. Rathwa

CORAM:

Mehul M. Gandhi, Member

S. R. Pandey, Member

Date: 18/09/2025.

DAILY ORDER

1. The above matters were kept for hearing on 17.09.2025.
2. Ld. Adv. Ms. Swapna Sheshadri, appearing on behalf of the Applicant/Petitioner submitted that this Petition has been filed by the Applicant/Petitioner GUVNL seeking directions against the Respondent M/s Adani Solar Energy Kutchh Two Limited (ASEK2L) for uploading the wrongful and disputed invoice dated 03.07.2025 on the PRAAPTI Portal in violation of terms of the PPA (And its amendments) and Statutory provisions.
 - 2.1. She submitted that the Respondent ASEK2L has wrongfully uploaded the disputed supplementary invoice dated 03.07.2025 bearing No. *ASEK2L/GUVNL/2025-26/CURTAILMENT-02* for the amount of Rs. 50,22,081/- on the PRAAPTI Portal.
 - 2.2. She submitted that the disputed invoice is raised purportedly on account of generation losses due to curtailment instructions by Respondent No. 2 SLDC during the period of August 2024 to May 2025. The Respondent ASEK2L in the various communication issued to GUVNL has primarily contended that the disputed invoice has been raised in terms of Rule (3) of the Ministry of Power' Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 dated 22.10.2021 and GUVNL has to pay compensation for the generation losses for the

curtailed period. She referred to Rule 3 of said Rules 2021 which reads as under:

“

“3. Must-run power plant.-(1) A wind, solar, wind-solar hybrid or hydro power plant (in case of excess water leading to spillage) or a power plant from any other sources, as may be notified by the Appropriate Government, which has entered into an agreement to sell the electricity to any person, shall be treated as a must-run power plant.

(2) A must-run power plant shall not be subjected to curtailment or regulation of generation or supply of electricity on account of merit order dispatch or any other commercial consideration:

Provided that electricity generated from a must-run power plant may be curtailed or regulated in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid.”

Provided further that for curtailment or regulation of power, the provisions of the Indian Electricity Grid Code shall be followed.

(3) In the event of a curtailment of supply from a must-run power plant, compensation shall be payable by the procurer to the must-run power plant at the rates specified in the agreement for purchase or supply of electricity.

(4) Where, in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid, procurer gives the notice for curtailment to the must-run power plant in advance, prior to the start of the day ahead market or real time market or any other product introduced from time to time in the power exchange, the must-run power plant shall sell the electricity not scheduled by the procurer in the power exchange.

(5) The amount realized by such must-run power plant from such sale of electricity in a power exchange, after deducting actual expenses paid for the sale in the power exchange, if any, shall be adjusted against the compensation payable by the procurer under sub-rule (3).

(6) Any deficit in realization of amount, with respect to the compensation shall be paid by the procurer on monthly basis.

(7) Any excess realization of amount during a month from sale of electricity in a power exchange, if any, shall be carried forward and adjusted in the next month or months.

(8) The final adjustment of excess realization of amount, if any, shall be paid by the must-run power plant to the procurer within one month of the close of the financial year.

.....”

2.3. She submitted that the proviso of Rule 3 clearly creates an exception for the ‘Must Run Power Plants’ in respect to curtailment or to be regulated in the event of technical constraint in the electricity grid or for the reasons for security of electricity grid and while curtailment or regulation of such power, the provision of IEGC shall be followed. She also submitted that uploading the invoices on the PRAAPTI portal by the Respondent squarely ignore the statutory provisions of above stated Rules, 2021.

2.4. Referring to Article 3.6 of the PPA, she submitted that the same stipulation is also reflected in this Article wherein eventuality of backing down except for cases where backdown is on account of events like consideration of grid security or safety of any equipment or personal or other such conditions are exempted from payment of generation compensation to the generators. She further submitted that the Applicant/Petitioner GUVNL has returned the disputed invoice stating that curtailments were strictly on the instance of SLDC on account of grid safety/reliability during high system frequency and marginal constraints. In terms of Article 3.6 of the PPA dated 22.05.2019 executed between the parties, GUVNL would not be liable to pay minimum

generation compensation if the backing down has been for grid security and safety. In the present case, the curtailment was done by SLDC considering the grid reliability, high frequency, and marginal conditions, all of which are technical in nature and fall squarely within the exception to Rule 3(2) of the Must Run Rules 2021, which fall within the exception provided in Article 3.6 of the PPA for payment of compensation. She submitted that prior to returning invoices to the Respondent ASEK2L, details were sought from SLDC seeking the reasons for backing down for power plant of the Respondent. SLDC in its reply to query of the Applicant/Petitioner, has given details of frequency on various dates along with curtailment of the Respondent power plant. The letter of SLDC clearly establishes that the curtailment advices to the Respondent's power plant were solely for the purpose of grid safety and security.

- 2.5. She submitted that since ASEK2L has uploaded the disputed invoice on the PRAAPTI portal and the trigger date for the same is 22.09.2025, the Applicant/Petitioner GUVNL is filing the present IA seeking stay of the same. It is stated that the invoice is not payable and has been wrongly uploaded by ASEK2L. The PRAAPTI Portal is being misused for seeking to enforce wrongful claims by ASEK2L, which is liable to be quashed.
- 2.6. She submitted that in case of non-payment of the disputed invoices, the power supply for the entire State of Gujarat would be regulated in a staggered manner in terms of Regulation 7 of the LPS Rules, 2022, as under:

“7. Regulation of access to defaulting entities – In case of non-payment of dues, by the distribution licensee or other user of transmission system, even after two and half months from presentation of bill by the generating company or transmission licensee or trading licensee, or in the case of default in the payment of instalments fixed under rule 5, the power supply to the defaulting entity shall be regulated as follows:-

(1) Short-term access, for sale and purchase of electricity including in the power exchange shall be regulated entirely:

Provided that the same shall be also applicable on already approved short-term access:

Provided further that the National Load Despatch Centre may, under exceptional circumstances for grid security, temporarily review the regulation of short-term access under this rule, and record the reasons for doing so, in writing.

(2) If, even one month after the regulation of the short-term access or if the dues have remained unpaid for three and a half months, apart from the regulation of the short-term access in its entirety, the long and medium- term access shall be regulated by Ten per cent.

(3) Reduction or withdrawal of long-term access and medium-term open access shall be in such manner that the quantum of reduction in drawl schedule increases progressively by Ten per cent for each month of default.”

2.7. Therefore, under the PRAAPTI Portal the following steps are taken:

- (a) In case of non-payment of bill, by the distribution licensee, after just 75 days, the Distribution Licensee is denied access to the short-term grid entirely.
- (b) Even if one bill remains unpaid, the distribution licensee is unable to procure even one unit of electricity through the grid and the short-term needs of the licensee which can be fulfilled on a day ahead basis get prejudiced.
- (c) A period of 2.5 months of 75 days are too less for the licensee to agitate its legal rights and verification of bills itself takes upto 15 days; obtaining approval for initiating any litigation, payment of court fees, coordination with the counsel all take substantial time and the period of 75 days is a draconian limit imposed even in case of incorrect bills being raised by generators.

- (d) After one month from the regulation of short-term access, or in case the bill is not paid for three and a half months, in addition to the debarring from the short-term grid entirely, even long term and medium access is regulated by 10%.
- (e) Thereafter, the long term and medium-term access get regulated by 10% every month.
- 2.8. It is on account of the above imminent threat of regulation of power supply in terms of Regulation 7 of the LPS Rules, 2022 that GUVNL has been constrained to prefer the present Petition and IA seeking direction(s) against the ASEK2L for wrongful upload of the disputed supplementary invoice dated 03.07.2025 of Rs. 50,22,081 on the PRAAPTI Portal.
- 2.9. It is submitted that in the present case, since the trigger date for the disputed invoice is 22.09.2025, in the event of non-payment, the short-term access of GUVNL to the grid will be completely regulated and thereafter, even the long-term and medium-term access will stand curtailed by 10% every month which would have a direct and irreparable impact on the power supply to the entire State of Gujarat, jeopardizing the energy security of the consumers.
- 2.10. It is submitted that the PRAAPTI Portal is not a mechanism for enforcing disputed and unilateral claims. The action of ASEK2L is nothing but a gross misuse of the Portal to arm-twist GUVNL into making wrongful payments under threat of regulation of power supply.
- 2.11. In view of the above, the Applicant/Petitioner GUVNL is *inter-alia* seeking stay of the operation of the disputed invoices. The balance of convenience is clearly in favour of Applicant/Petitioner since if the stay

for the disputed invoices is not granted and the State will face an imminent risk of denial of access to the grid, leading to massive disruption in electricity supply. Therefore, irreparable loss and injury would be caused to Applicant/Petitioner if the present disputed invoices are not stayed by the Commission considering that the disputed invoices are contrary to the provisions of PPA and the Must-Run Rules, 2021.

2.12. Accordingly, this Commission may grant an immediate stay on the operation of the disputed invoice uploaded on the PRAAPTI Portal by ASEK2L, pending final adjudication of the present Petition.

3. The representative of the Respondent No. 1 ASEK2L, strongly opposed the present IA filed by the GUVNL and submitted that the PPA executed between the Applicant/Petitioner and the Respondent is to be interpreted, construed and are governed by the law of India as per Article 13.1 of the said PPA. He further submitted that the law to be referred for the purpose of present IA is the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 dated 22.10.2021 notified by Ministry of Power, Govt. of India. Referring to Rule 3 (2) of the said Rules 2021, he submitted that while Rules permit to curtail or regulate electricity generation from 'MUST RUN power plants' in the event of technical constraint in the electricity grid or for the reasons of security of the grid, the Rule 3 provides that in the event of curtailment of supply from a 'MUST RUN Power Plants', the compensation shall be payable by the procurer at the rates specified in the PPA. He emphasized that the Rule 3 of the said Rules, 2021 empowers the Respondent to raise the invoices to the Applicant/Petitioner GUVNL.

3.1. He further referred Rule 4 of the said Rules 2021 stating that in event of technical constraint in the grid when the procurer gives notice for

curtailment to the Must Run Power Plants in advance, prior to the start of Day-Head Market or Real time market the MUST Run Power Plant shall sell the electricity not scheduled by the procurer in the power exchange. Referring Rule 5 of the said Rules 2021, he further submitted that this Rule 5 provides the commercial settlement mechanism between the procurer and generator when the unscheduled power on account of curtailment into the grid security is sold on alternative platform.

- 3.2. He submitted that since the Respondent is having 25 years PPA at fixed single part tariff with the Applicant/Petitioner, such route of selling unscheduled power on the alternative platform, is not available with them. Hence, the curtailment of the Respondent's generation not only hampers the revenue stream of the Respondent but also leads to loss of precious renewable power. He contended that the Respondent is in receipt of frequent instructions from SLDC as on today also through simple email communications wherein no data of grid parameters are shown by SLDC.
- 3.3. He confirmed that the Respondent is fully complying each and every instruction of SLDC and also understand the importance of grid safety and security.
4. In response to the above, the counsel for the Applicant/Petitioner GUVNL, submitted that all the Rules of MoP' Rules 2021 needs to be read harmoniously. Rule 3 referred by the Respondent is not standalone Rule but has to be read with Proviso of Rule 3 (2) of the said Rules, 2021. She further submitted that the Respondent in its letter dated 03.07.2021 has also referred Rule 3 of Rules 2021 as if the said Rule 3 is independent and standalone Rule. Such kind of interpretation of any Statute is not permissible in the eyes of law. She further stated that it is not true that the Respondent was not aware about the fact about grid parameters

while curtailment advices issued by the SLDC. She further submitted that the Respondent ASEK2L's repeated submissions and supplementary invoices have already been returned with detailed reasoning by GUVNL, based on SLDC clarifications. Despite being aware of the factual position and SLDC's justification for curtailment, ASEK2L has chosen to repackage the same claim multiple times and has uploaded the disputed invoice on PRAAPTI Portal. She also submitted that the reasons for returning the invoices by the GUVNL clearly shows the reasons for such returns stating that returns of invoices is on account of curtailment of Respondent's power due to SLDC's instructions as also can be seen from the extracts of PRAAPTI Portal.

5. The representative for the Respondent No. 1 submitted that the Commission may direct the Applicant/Petitioner to pay at least 50% of the invoices amount to the Respondent ASEK2L and balance 50% to be paid post adjudication in the main Petition. He also requested the Commission to grant two weeks' time for filing reply to the main Petition. Ld. Counsel for the Applicant/Petitioner, opposed such request of the Respondent ASEK2L and submitted that any payment against the invoices raised by the Respondent can only be allowed post adjudication of the main Petition otherwise the sole purpose of main Petition gets frustrated. Any kind of liberty or facility granted to the Respondent ASEK2L will set a wrong precedent for other RE generators, leading to ample numbers of litigations. She emphasised that the Commission may decide the prayers of IA only at this stage. She confirmed to file rejoinder reply to the reply of the Respondent, within a one week.
6. We have considered the submissions made by both the parties. We note that the Applicant/Petitioner has filed present Petition seeking directions against the Respondent ASEK12L for uploading the wrongful

and disputed invoice dated 03.07.2025 on the PRAAPTI Portal in violation of terms of the PPA (And its amendments) and Statutory provisions.

- 6.1. We also note that the Applicant/Petitioner preferred the IA No. 92 of 2025 seeking stay the operation(s) of the disputed invoice dated 03.07.2025 uploaded by ASEK2L on the PRAAPTI Portal, including any coercive steps under the LPS Rules, 2022, pending final disposal of the Petition and also to direct ASEK2L to forthwith take down/withdraw the said disputed invoice from the PRAAPTI Portal during the pendency of the present proceedings.
- 6.2. It is to note that the controversy before the Commission revolves around the upload of a disputed supplementary invoice dated 03.07.2025 for Rs. 50,22,081/- on the PRAAPTI portal by the Respondent ASEK2L, claiming compensation for curtailment of generation on account of the Respondent SLDC instructions during the period August 2024 to May 2025.
- 6.3. We note that the petition involves serious issues of safety and security of the grid along with interpretation of various provisions of the Electricity Act, Rules, Regulations and PPA executed between the parties. While the Commission is cognizant of the financial viability of renewable energy projects and the need to preserve investor confidence, such objectives must be harmonized with the overarching mandate of maintaining grid security and discipline. The protection of consumer interest, as enshrined under Section 86(1)(f) of the Electricity Act, 2003, requires us to prevent any disruption in power supply arising from disputed or wrongful claims being pursued through coercive means. Furthermore, while considering sustainability of RE generator and precious nature of renewable power, we also need to recognize the need

of maintaining grid discipline, which is also of paramount importance for the sector. Also, conduct of the parties reflected in uploading, returning and again uploading the disputed invoices on PRAAPTI portal has led to a situation where STOA and subsequently MTOA as well as LTOA is put to risk which is having wide ramifications on the general mass of consumers in terms of disruption in the electricity supply. Such regulatory consequences have far-reaching implications for the entire State of Gujarat and jeopardize consumer supply security.

- 6.4. In light of the above, the Commission is satisfied that a prima facie case exists in favor of the Applicant/Petitioner GUVNL. The balance of convenience also lies with granting interim protection, as denial of stay may cause irreparable prejudice not only to the Applicant/Petitioner but also to consumers of the State at large, whereas the Respondent's claim, if found legitimate in final adjudication of the main matter, can always be enforced subsequently. Therefore, we decide to stay the operation of the disputed invoices dated 03.07.2025 uploaded by the Respondent on PRAAPTI portal including any coercive steps under the LPA Rules, 2021 as amended from time to time, till next date of hearing in the main matter. Accordingly, the operation of the disputed invoices uploaded on PRAAPTI Portal is stayed, and the Respondent ASEK2L is directed to withdraw the same.
- 6.5. We note that the Respondents have not filed their reply in the main matter and have sought time for the same. Therefore, the Respondents is directed to file their reply, if any, within two weeks' time with a copy to the Applicant/Petitioner in the main Petition. The Petitioner GUVNL shall file its rejoinder reply to the reply of Respondents, if any, within week' time, after the receipt of reply from the Respondents.

7. Next date of hearing in the main matter will be intimated separately.
8. Order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.

Date: 18/09/2025.

