

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2601 of 2026.

In the Matter of:

Petition seeking for approval of adoption of tariff discovered through transparent reverse bidding process under Section 63 of the Electricity Act, 2003, with Rs. 2.95 per unit as ceiling tariff in continuation to the Commission's Order dated 06.05.2025 in Petition No. 2247 of 2023, filed under Section 86 and other applicable provisions of the Electricity Act, 2003 for approval of prefixed levelized tariff for purchase of power from Decentralize Ground / Stilt Mounted Grid Connected Solar / other RE based power plants under Component-A of the PM-KUSUM scheme as per Government of Gujarat GR No. SLR/11 /2020/mini-185/BI dated 11.12.2020 and GR No. SLR/e-file/20/2022/BI dated 30.01.2023.

Petitioner : Paschim Gujarat Vij Company Limited
Off. Nana Mava Main Road
Near Bhaktinagar Railway Station
Laxminagar, Rajkot - 360004.

Represented by : Mr. A. H Talsaniya and Mr. J.R Bavalia

CORAM:

Pankaj Joshi, Chairman

Hiren Shah, Member

Date: 21/02/2026.

DAILY ORDER

1. The present matter was kept for hearing on 04.02.2026.
2. Mr. A. H. Talsaniya, representative appearing on behalf of the Petitioner PGVCL, submitted that the present Petition has been filed by the

Petitioner seeking for approval of adoption of tariff discovered through transparent reverse bidding process under Section 63 of the Electricity Act, 2003 with ceiling tariff of Rs. 2.95 per unit, in continuation to the Commission's Order dated 06.05.2025 in Petition No. 2247 of 2023.

- 2.1. He submitted that pursuant to the liberty granted by the Commission vide its Daily Order dated 17.01.2026, the Petitioner PGVCL has filed detailed additional submissions on affidavit on 19.01.2026 in the present matter.
- 2.2. He submitted that vide Order dated 06.05.2025 passed in Petition No. 2247 of 2023, the Commission approved a pre-fixed levelized tariff of Rs. 2.95 per unit which takes into account Rs. 0.05 per unit as partly pass-through of MNRE's Performance-Based Incentive (PBI) receivable by the Petitioner at Rs. 40 Lakhs/MW for initial five years and levelized over a period of twenty-five years. The Commission has also considered the aforesaid tariff of Rs. 2.95/unit as ceiling tariff for conducting competitive bidding for the sub-station where applied capacity is higher than notified capacity of sub-station.
- 2.3. He submitted that MNRE vide office Memorandum dated 31.12.2025 has categorically stipulated that (i) No new liabilities shall be recognized after 31.12.2025, (ii) Only projects with PPAs signed on or before 31.12.2025 shall be eligible to PBI, (iii) no extension whatsoever shall be granted. He requested the Commission to take on record the MNRE Office Memorandum dated 31.12.2025.
- 2.4. He submitted that in the additional submissions filed by the Petitioner vide affidavit dated 19.01.2026, it is placed on record that consequent upon the expiry of the MNRE cut-off date of 31.12.2025 and the resultant non-availability of PBI of Rs. 0.08 per unit levelized over a

period of twenty-five years (computed at Rs. 40 lakhs/MW for initial five years) and the pass-through component of Rs. 0.05/unit embedded in the approved ceiling tariff ceased to operate. Accordingly, the ceiling tariff post 31.12.2025, work out to be Rs. 2.87 per unit, with consideration that the PBI amount of Rs. 0.08 per unit from MNRE shall not be available for the PPA signed after cut-off date of 31.12.2025.

- 2.5. He submitted that with consideration of the aforesaid aspects that the PBI amount of Rs. 0.08 per unit shall not be available, the Petitioner has proposed a different mechanism for cases where the tariff discovered through e-reverse auction is higher than Rs. 2.87 per unit and that where the discovered tariff is up to Rs. 2.87 per unit. The Sub-Stations where the discovered tariff under the Competitive Bidding is upto Rs. 2.87 per unit, it is proposed to sign Power Purchase Agreements up to the notified capacity of the respective sub-station at the discovered tariff. Whereas in respect of Sub-Stations where the discovered tariff is exceeded Rs. 2.87 per unit, it is proposed to cap the tariff at Rs. 2.87 per unit, and counter-offer will be issued to such bidders for agreeing at the tariff of Rs. 2.87 per unit, without any adverse financial implication or penalty for non-acceptance of such counter offer, in strict chronological order. Upon acceptance thereof, Letters of Award shall be issued and Power Purchase Agreements will be executed with such bidders at the tariff of Rs. 2.87 per unit and for which approval is sought from the Commission by way of additional affidavit in the present matter so as to enable the Petitioner to issue counter offer to the bidder to agree at the tariff of Rs. 2.87 per unit.
- 2.6. He submitted that out of 28 (twenty-eight) applications for which e-Reverse Auction was conducted, in respect of 4 (four) applications the discovered tariff is upto Rs. 2.87 per unit, and therefore, it is proposed to issue Letters of Award and execute the Power Purchase Agreements

at the discovered tariff upto the notified capacity of the respective sub-stations. While in case of the balance 24 (twenty-four) applications, wherein the discovered tariff is exceeded Rs. 2.87 per unit, it is proposed to cap the tariff at Rs. 2.87 per unit and Letters of Intent will be issued by way of counter-offer for agreeing at the tariff of Rs. 2.87 per unit, without adverse financial implication or penalty for non-acceptance and PPA will be executed at the tariff of Rs. 2.87, if agreed by the bidder, in response to the counter offer made by the Petitioner.

- 2.7. The representatives appearing for the Petitioner further submitted that under the PM-KUSUM A Scheme, the applications were invited for 101 Nos. of notified Sub-Stations for aggregating solar capacity of 737.975 MW, against which participation was received for 32 Nos. of Sub-Stations from 71 nos. of applications through 53 Nos. of applicants for aggregating solar capacity of 128.820 MW; and upon evaluation, 37 Nos. applications aggregating to 68.82 MW were within the notified capacity and Letters of Awards are already issued on 08.12.2025 at the pre-fixed levelized tariff of Rs. 2.95 per unit and PPAs are signed with respective applicants at the tariff of Rs. 2.95 per unit thereafter. Whereas in respect of 5 (five) Sub-Stations where the Petitioner received 28 applications for aggregating solar capacity of 25.43 MW which exceeded the notified capacity of respective Sub-station, competitive bidding through e-reverse auction was conducted in accordance with Para 5.26 of the Order dated 06.05.2025 passed by the Commission and the relevant provisions of the EOI, pursuant to which the present Petition was filed seeking approval of the Commission for adoption of tariff discovered under Section 63 of the Electricity Act, 2003 and permission to issue Letters of Award to successful bidders and signing of the PPAs. It is further stated that in respect of the said 5 (five) Sub-Stations, Letters of Intents have not been issued due to pending approval of the

Commission for adoption of tariff discovered through Competitive Bidding Process.

- 2.8. He submitted that in respect of following bidders, the discovered tariff is lower than or upto Rs. 2.87 per unit:

Sr. No.	SS	Bidder Name	Notified MW	Applied MW	Rank as per payment	E-RA Rate offered by bidder (Rs./Unit)	Ranking after e-RA	Final Discovered Tariff after e-RA (Rs./Unit)	Acceptable tariff after 31.12.2025 (Rs./Unit)
01.	66 KV TATAM	Apollo Solar Power	5.5	2.0	L5	2.83	RL1	2.83	2.83
02.		A K Energy		2.0	L4	2.84	RL2	2.84	2.84
03.		Khimjibhai Mehrambhai Gabu		2.0	L10	2.86	RL3	2.86	2.86
04.	66 KV Vadadhera	Aditya Solar Power	8.0	2.0	L1	2.87	RL1	2.87	2.87

Accordingly, the Petitioner requested the Commission to permit the Petitioner for issuing the LoAs to the aforesaid bidders and signing of PPAs with them upto the notified capacity of respective Sub-Station with consideration that the discovered tariff in respect of these bidders are upto Rs. 2.87 per unit and therefore, there would not be any adverse financial implication for the Petitioner due to non-availability of PBI amount from the MNRE. In respect of balance Sub-Stations, where the discovered tariff is exceeded Rs. 2.87 per unit, the Petitioner requested the Commission to allow it to issue counter offer to such bidders to accept the tariff of Rs. 2.87 per unit without, any financial implications/penalty and issuing LoAs to such bidders who accepts ceiling tariff of Rs. 2.87 per unit and sign PPAs with them.

3. Heard the parties. We have considered the submissions made by the Petitioner PGVCL including additional submissions filed pursuant to the liberty granted in the Daily Order dated 17.01.2026 and other documents placed on record.

3.1. With regard to the request of the Petitioner to permit it for issuance of LoAs and signing of PPAs with the bidders wherein the discounted tariff is lower than Rs. 2.87 per unit is concerned, we note that the Commission in its Order dated 06.05.2025 in Petition No. 2247 of 2023 has approved tariff of Rs. 2.95 per unit as ceiling tariff for conducting competitive bidding process for the Sub-Stations where applied capacity is higher than notified capacity. Since, the Petition is seeking approval of the Commission for issuance of LoAs and signing of the PPAs with the bidders having discovered tariff upto Rs. 2.87 per unit, which is lower than ceiling tariff of Rs. 2.95 per unit, the Commission proceeds with to grant approval for the same, with consideration of Bid Evaluation Committee Report placed on record by the Petitioner to demonstrate that the Petitioner has conducted Competitive Bidding Process and discovered the tariff in a transparent manner. The Commission, accordingly, approves the tariff in respect of following bidders upto the notified capacity of respective Sub-Stations, as prayed for by the Petitioner:

Sr. No.	SS	Bidder Name	Notified MW	Applied MW	Rank as per payment	E-RA Rate offered by bidder (Rs./Unit)	Ranking after e-RA	Final Discovered Tariff after e-RA (Rs./Unit)	Acceptable tariff after 31.12.2025 (Rs./Unit)	Allocated Capacity (MW)
01.	66 KV TATA M	Apollo Solar Power	5.5	2.0	L5	2.83	RL1	2.83	2.83	2.0
02.		A K Energy		2.0	L4	2.84	RL2	2.84	2.84	2.0
03.		Khimjibhai Mehrambhai Gabu		2.0	L10	2.86	RL3	2.86	2.86	1.5
04.	66 KV Vadadhra	Aditya Solar Power	8.0	2.0	L1	2.87	RL1	2.87	2.87	2.0

3.2. With regard to the request of the Petitioner to permit it to make counter offer to the bidders in whose case the discovered tariff is higher than Rs. 2.87/unit is concerned, we note that the scope and purpose of the present Petition is to approve the tariff discovered through Competitive Bidding Process undertaken by the Petitioner for the Sub-Station

wherein the applied capacity is higher than notified capacities of the particular Sub-Stations. We also note that the Commission in its Order dated 06.05.2025 provided the ceiling tariff of Rs. 2.95 per unit for conducting Competitive Bidding Process for the Sub-Stations where applied capacity is higher than notified capacity. Therefore, we do not find any necessity for granting prior approval to the Petitioner for issuing counter offers to the bidders and/or negotiation of tariff etc. with bidders in so far as such negotiated tariff remains lower than ceiling tariff of Rs. 2.95 per unit. Accordingly, the Petitioner may negotiate/issue counter offer to the bidders at its sole discretions, if deemed it appropriate and circumstances, if any, so warrant. Further, in the given facts and circumstances of the present case, we grant liberty to the Petitioner to approach the Commission through additional submissions in the present matter placing on record the action taken in this regard, and seek approval for adoption of such tariff, if any, within two weeks' time, from the date of this Order.

4. Next date of hearing will be intimated separately.
5. Order accordingly.

Sd/-
[Hiren Shah]
Member

Sd/-
[Pankaj Joshi]
Chairman

Place: Gandhinagar.

Date: 21/02/2026.