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ODISHA ELECTRICITY REGULATORY COMMISSION
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Present: Shri Pradeep Kumar Jena, Chairperson
Shri S. K. Ray Mohapatra, Member
Shri B. Mohanty, Member

Case No. 96/2025

TPCODL, TPWODL, TPNODL & TPSODL Petitioners
Vrs.
OREDA & Others Respondents

**In the matter of: Application under Section 86 (1) (a) of the Electricity Act,2003 for
determination of Feed-In-Tariff for procurement of solar power
under PM-KUSUM Component-A.**

ORDER

Date of Hearing: 12.12.2025

Date of Order: 20.12.2025

M/s. TPCODL on behalf of all the four DISCOMs (M/s. TPCODL itself, M/s. TPNODL, M/s. TPSODL and M/s. TPWODL) has filed this application under section 86(1)(a) of the Electricity Act, 2003 seeking the Commission's intervention in the matter of determination of the Feed-in-Tariff for procurement of solar power under PM Kusum-A Scheme.

Background Facts:

- a) To provide energy and water security to the farmers in a bid to enhance their income, de-dieselize the farm sectors besides reducing environmental pollution, the Govt. of India decided to adopt various policy measures and, in the process, MNRE, Govt. of India had launched PM Kusum Scheme in the year 2019 having different components including PM Kusum-A and issued implementation guidelines. The Scheme aims at the setting up of 10,000 MW of decentralized Ground/Stilt Mounted Grid connected solar or other RE based Power Plants by the farmers on their land. The

timeline has been extended from time to time till March, 2026 by MNRE, Govt. of India.

- b) Keeping the spirit of Kusum-A Scheme in view, the State of Odisha through Department of Energy *vide* Notification No.2093 dated 20.02.2023 in due course declared all the four DISCOMs (TPCODL, TPNODL, TPWODL, TPSODL) of the State as implementing agencies for the smooth implementation of the Scheme. Accordingly, the Petitioner (M/s. TPCODL) in December 2023 had initiated the process of competitive bidding to discover the market-based tariff. The discovered tariff in the competitive bidding process with reverse auction was Rs.4.40/kWh which upon public hearing was approved by the Commission in Case No.49 of 2024 *vide* order dated 19.12.2024 for purchase of solar power up to capacity of 50 MW. The DISCOMs were allowed to implement the Scheme in respect of 30 MW whereas M/s. OREDA, which was initially the implementing agency for Kusum-A Scheme in the State, was given 20 MW for implementation.
- c) *Vide* order dated 31.01.2025, the MNRE reduced the sanctioned capacity for the State from 500 MW to 40 MW and subsequently, by order dated 26.05.2025 approved an additional capacity of 50 MW for the State.
- d) As applications for 96 MW were received by the DISCOMs, the Petitioner on behalf of all the DISCOMs of the State through Case No.27 of 2025 approached the Commission seeking extension of the aggregated capacity of solar plants from 50 MW to 200 MW at the same discovered tariff. The Commission keeping in mind the impact of the above discovered tariff on the consumers of the State, *vide* order dated 08.08.2025 in Case No.27/2025, rejected the prayer for approval of the Feed-in Tariff of Rs.4.40/kWh for the 2nd bucket capacity of 150 MW with a direction to the DISCOMs to carry out a fresh competitive bidding in a fair and transparent manner for discovery of fresh tariff giving liberty to the DISCOMs to approach it with a fresh proposal for determination of the same.
- e) The stand of the Petitioner-TPCODL is that pursuant to the order dated 08.08.2025 (*supra*), it on behalf of all four DISCOMs carried out a competitive bidding process for selection of the Solar Power Generators (SPG) under PM Kusum-A Scheme on a Build-Own-Operate (BOO) basis with the PPA tariff specified as a single levelized tariff for 25 years inclusive of the statutory dues/taxes as on the bill due date of 06.08.2025. In response to the above floated tender, published in different newspapers, 130 bidders purchased the tender documents, out of which 60 bidders submitted techno-

commercial bids. Finally, 34 bidders were found eligible and qualified and all of them were allowed to participate in the reverse auction process. The L-1 price that was discovered in the reverse auction process was Rs.3.76/kWh. Accordingly, the Petitioner has approached the Commission seeking approval of this discovered tariff of Rs.3.76/kWh as the Feed-in-Tariff and permission for execution of the Tripartite Power Purchase Agreement (TPPA) with the eligible SPGs and GRIDCO in line with the order dated 19.12.2024, passed in Case No.49 of 2024.

3. GRIDCO, the procurer of power for distribution amongst the DISCOMs in the State and the Government have filed affidavits in response to the petition of the DISCOMs though all the Respondents participated in the hearing thereof.

4. **Submission of GRIDCO:**

(i) While admitting the facts, narrated here-in-above at Para 2(a) to 2(d), GRIDCO has submitted that it has already executed TPAs for a total capacity of 40 MW out of 50 MW, approved by the Commission, with different SPGs including M/s. OREDA (Respondent No.1) with the Feed-in-Tariff being Rs.4.40/kWh, as approved by the Commission in Case No.49 of 2024. In its 1st affidavit dated 11.12.2025 GRIDCO seems to have raised question mark over the bidding process, initiated by the Petitioner that entailed the discovery of tariff, *inter-alia* on the ground that it was not a party to the bidding process. It is stated in the affidavit that the bidding document is the replica of the previous one which was the subject matter of Case No.49 of 2024 and has not been updated. Referring to some lapses in the tender document, it is stated in the affidavit that instead of the allocated solar capacity of 90 MW for the State, the Petitioner has made provisions for allocation of 500 MW in the bidding document/Request for Proposal (RfP). It is further stated that though the Petitioner-TPCODL plans to go ahead for procuring 1946 MW during the initial implementation phase of Kusum-A, it has considered the cumulative injection capacity of 1740 MW at DISCOM's PSS in the RfP document. It is alleged that though the discovered tariff of Rs.3.76/kWh is less than the tariff approved earlier by the Commission (Rs.4.40/kWh) in Case No.49 of 2024 yet, the same is still higher than GRIDCO's average Power Purchase cost of Rs.3.28/kWh. It is further alleged that the reduction of the GST on solar equipment was not taken into account in the process. The process of the Solar Projects in the first phase under PM-Kusum-A Scheme is not satisfactory and most of the SPGs have requested for grant of extension of project commissioning.

(ii) Taking U-turn from the above objections raised in the affidavit dated 11.12.2025, GRIDCO in its affidavit dated 12.12.2025 has supported the move of the Petitioner in material particulars. It is evident from the 2nd affidavit submitted by GRIDCO that the Petitioner has not only adopted a competitive bidding, but at the same time has followed fairness and transparency in the bidding process. GRIDCO raises no objection over the tariff of Rs.3.76/kWh discovered through this bidding contending that it is reasonably lower than the previously approved tariff of Rs.4.40/kWh. It has specifically averred in the affidavit that it is willing to purchase power under PM Kusum-A Scheme at the discovered tariff of Rs.3.76/kWh for meeting the distributed RE obligations. With this concession, GRIDCO has also requested the Commission to allow it to procure solar power under the PM Kusum-A scheme with the newly discovered tariff of Rs.3.76/kWh.

Submission of Department of Energy, Govt. of Odisha

The Additional Secretary of the Energy Department representing the State Govt. in course of the hearing has supported the prayer of the Petitioner submitting that it has no objection against the discovered tariff of Rs.3.76/kWh and subsequently it has been communicated vide the affidavit dated 12.12.2025.

Submission of OREDA

In course of the hearing, the representative of OREDA submits that it is still in the process of the execution of 20 MW solar project under the KUSUM-A Scheme, which was allocated in its favour besides contending that it would complete the process within the deadline fixed in the Scheme. We express our displeasure over the clunky approach of OREDA in the execution of the process of the Scheme, especially when the allocation of 20 MW was virtually approved by the Commission way back on 19.12.2024. However, we reserve our comments on the lackadaisical approach of OREDA now and will deal with the same separately at appropriate time.

Observation of the Commission

5. PM Kusum Scheme is aimed at promoting use of solar energy for agricultural purpose. Component A of the Scheme sets out the vision of the setting up of 10,000 MW of de-centralized Ground/Stilt Mounted Grid connected solar or other renewable energy-

based power plants (individual plant size from 500 KW to 2 MW) by the farmers on their land. Comprehensive guidelines have been issued by MNRE, Govt. of India (GoI) for effective implementation of the Scheme. It is pertinent to note that MNRE, GoI had initially allocated 500 MW capacity under the Scheme for the State of Odisha and reduced it to 40 MW. Subsequently, by order dated 26.05.2025 it was raised by additional 50 MW to 90 MW. Thus, as the matter stands now, the State has been allocated 90 MW capacity under Kusum-A Scheme and the timeline for execution of scheme has been extended by MNRE, GoI upto March, 2026.

6. M/s OREDA was initially designated as the implementing agency of the Scheme in the State. By order dated 20.12.2019 in Case No.82/2018, the Commission had approved the levelized tariff of Rs.3.08/kWh for 25 years for procurement of power generated under Kusum-A by GRIDCO/DISCOMs. The prayer for enhancement of tariff to Rs.3.33/kWh, advanced by M/s OREDA was rejected by order dated 09.06.2023 passed by the Commission in Case No.100 of 2022. In the meantime, the State Govt. has designated all the four DISCOMs of the State as the implementing agencies of Kusum-A Scheme. Accordingly, the Petitioner (M/s. TPCODL), on behalf of the four DISCOMs (TPCODL, TPNODL, TPWODL, TPSODL), initiated open competitive bidding process for determination of the Feed-in-Tariff. In a bid to woo the true beneficiaries and motivate their participation in the Scheme, the Commission, vide order dated 19.12.2024 in Case No.49/2024, had approved this tariff as Feed-in-Tariff for 50 MW giving liberty to the DISCOMs to approach it for the extension of the limit up to 500 MW subject to the sanction of the allocation by the MNRE, GoI.

7. The Petitioner representing the four DISCOMs moved an application under section 94(1)/86(1) of the Electricity Act, 2003 seeking extension of the solar power plant capacity from 50 MW to 200 MW under the Kusum-A Scheme in line with the direction, imparted in Case No.49 of 2024. The Commission felt it appropriate to go for a competitive bidding process to discover an appropriate tariff so as to reduce the burden on the consumers of the State. Keeping this in view, the Commission rejected the prayer for approval of the 2nd bucket capacity of 150 MW acting on the proposal dated 09.07.2025 of the Energy Department with a direction to the implementing agencies to carry out a fresh fair and transparent competitive bidding process to discover the tariff and approach the Commission for consideration. The DISCOMs in response to the above direction took up the bidding process that has resulted in the initiation of the instant proceeding.

8. The Petitioner, in support of its claim of undertaking a fair and transparent bidding process, has submitted the Request for Proposal (RfP) for selection of SPGs for development of grid connected solar PV project under PM Kusum-A on a B-O-O basis along with other relevant documents. At the preliminary hearing of the case, the Commission noticed that necessary information pertaining to the bidding process was not shared either with GRIDCO or with the Department of Energy, Govt. of Odisha and therefore, directed the Petitioner to share the same so that the stake-holders, in particular GRIDCO, on whose shoulder the procurement of power from those solar plant rests, shall examine the same and respond to the claim of transparency and fairness of the bidding process. The direction was carried out by the Petitioner.

9. It appears from the submission of GRIDCO and the Department of Energy that they have examined the tender document and other information shared with them. The Energy Department, in course of the hearing raised no objection and supported the submission of the Petitioner about the fairness and transparency of the bidding process. Certain objections were raised by GRIDCO in its affidavit dated 11.12.2025. To the utter surprise of the Commission, when the hearing was taken up, the representative of GRIDCO gave a complete go-bye to those objections and instead supported the Petitioner and the Department of Energy contending that no foul play was noticed in the bidding process of DISCOM. Thus, like the Department of Energy, GRIDCO during the hearing accepted the tender process as fair and transparent and therefore raised no objection over the tariff discovered through this tender process. GRIDCO has also placed its submission in shape of another affidavit dated 12.12.2025 and categorically averred therein that it agrees to purchase power under the PM Kusum-A Scheme at the discovered tariff of Rs.3.76/kWh.

10. We are conscious of our duty towards the Consumers as well as SPGs. Our focus is to ensure that the Consumers of the State should not suffer by the discovered tariff. At the same time, we need to follow the spirit of the Scheme that is meant for the welfare of the Consumers. Keeping this in mind, we are called upon to independently examine the tender document and the submission of the parties to find out if the bidding process is backed by transparency and fairness and the same has satisfied all the prescribed legal norms and if the discovered tariff is fair enough and puts no unnecessary financial burden on the Consumers.

11. The PM KUSUM Scheme is designed to provide farmers with a stable and continuous source of income through sale of the generated electricity to the grid. KUSUM-

A Scheme gives an opportunity to Individual Farmers/ Group of Farmers/ Cooperatives/ Panchayats, or Farmer Producer Organisations (FPOs) etc. to either install solar plants independently on their land or increase their earnings by leasing their land to the Developers to set up solar plants on their land. The entire power generated from the project covered under the scheme would be purchased by GRIDCO at a pre-fixed tariff. This would certainly provide the farmers an additional source of income over a substantial period. Besides, we may also achieve the following in the process:

- (a) There would be decentralized solar power generation in rural areas;
- (b) Transmission losses would substantially be reduced;
- (c) It would ensure reliability in the power supply during the solar hours and reduce carbon foot print;
- (d) It would help the DISCOMs meet their RPO/RCO targets;

12. It is evident that out of 130 bidders, who purchased the tender documents, 60 bidders submitted their Techno-Commercial Bids and after technical and commercial evaluation, 38 bidders were found Techno-Commercially qualified and their price bids were opened publicly. After disqualification of one bidder and withdrawal of one bidder, number of qualified bidders becomes 34, who were allowed to participate in reverse auction. Ultimately 11 bidders actively participated in reverse auction and the discovered L-1 rate was found to be Rs.3.76/kWh. It is understood, from the submission of GRIDCO and DoE, GoO, that the Petitioner has followed due procedure for the competitive bidding process to discover the price in a fair and transparent manner. As stated above, by order dated 19.12.2024 we had fixed the tariff at Rs.4.40/kWh which is higher by Rs.0.64 paise/kWh than the tariff discovered in the bidding process undertaken by the Petitioner. This reduction seems to be substantial one and the discovered tariff, in our opinion, would not put unnecessary burden on the Consumers of the State. DoE, GoO and GRIDCO, as noted above, have accepted the discovered tariff to be reasonable for procurement of power from these solar plants to be installed under the Kusum-A Scheme.

13. In view of the above observations, the Commission finds that the discovered price of Rs.3.76/kWh to be both attractive and financially viable though the same is slightly higher than the solar power purchase cost of GRIDCO for the FY 2024-25 (i.e. Rs.3.28/kWh) and would help GRIDCO in meeting distributed RE obligation. As stated above, the renewable solar power to be generated by the SPGs under the Kusum-A Scheme shall be consumed locally which in turn would reduce the overall Power Purchase Cost of

GRIDCO besides substantially reducing the burden arising out of cross subsidy as well as T&D loss. Hence, the Commission approves the development of additional quantum (50 MW) of the solar power by SPGs during the 2nd phase under the PM Kusum-A Scheme on Build-Own-Operate (B-O-O) basis at the pre-determined tariff of Rs.3.76/kWh discovered through a transparent competitive bidding process, as noted above with objective to extend benefit to farmers of the State. The DISCOMs as well as GRIDCO are directed to take up follow up action for the setting up of the solar plants by the SPGs up to the maximum capacity of 50 MW in accordance with the norms of RfP and PPA executed with respective DISCOMs. It is further directed that the installation of the project shall be complete in all respect on or before the deadline fixed by the MNRE for availing the benefit of Performance Based Incentives (PBI) of Rs.0.4/kWh purchased or Rs.6.6 lakhs/MW of capacity installed whichever is lower for a period 5 years from the CoD. The developers of solar power plants, who have land/already tied up with land owner (farmer) shall only be considered for allocation of quantum of solar power under PM Kusum-A scheme. The Commission also directs the Petitioner and GRIDCO to obtain the approval of their Board of Directors for implementation of additional quantum of solar power (50 MW) under KUSUM-A Scheme at the discovered price of Rs.3.76/kWh.

14. The Petitioner-TPCODL (on behalf of all four DISCOMs, who are nodal agencies for Kusum-A Scheme) is directed to inform the Commission about the status of implementation/execution of 50 MW of solar power approved earlier vide our order dated 19.12.2024 in Case No.49/2024.

15. The Commission further directs the Petitioner/GRIDCO to execute the Tripartite Power Purchase Agreement (TPPA) between SPG, GRIDCO and concerned DISCOM and Land Lease Agreement (LLA) between SPG and respective land owner, if applicable, in line with earlier approved agreements vide our above order dated 19.12.2024.

16. With the above findings and observations, the case is disposed of.

Sd/-
(B. Mohanty)
Member

Sd/-
(S.K. Ray Mohapatra)
Member

Sd/-
(P. K. Jena)
Chairperson