

**JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA AND UNION TERRITORIES)
GURUGRAM**

CORAM

Shri Alok Tandon, Chairperson

Petition No.: 187/2026

Diary no.: 30430/2026

Date of hearing (Virtual): 22.07.2026

Date of Order: 16.09.2026

In the matter of:

Petition under Section 86(1) (b) and (e) of the Electricity Act, 2003, read with Regulation 60 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 seeking approval of Power Sale Agreement with SECI for procurement Of 100 MW Solar Power With 50MW/200MWh Energy Storage System.

And in the matter of:

Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
(DNHDDPDCL)

.....Petitioner

Present: -

For the Hearing:

I. Sh. Jignesh Langaliya, Vice-President, DNHDDPDCL

ORDER

1. The instant petition has been filed by Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited, hereinafter referred to as the “Petitioner” or “DNHDDPDCL”, under Section 86(1) (b) and (e) of the Electricity Act, 2003, read with Regulation 60 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 seeking approval of Power Sale Agreement (“PSA”) with SECI for procurement of 100 MW Solar Power with 50MW/200MWh Energy Storage System (ESS) with the following prayers:

Approve PSA with SECI for procurement of 100 MW Solar Power with 50MW/200MWh Energy Storage System (ESS).

Petitioner’s Submission

2. DNHDDPDCL commenced its operations as a distribution licensee from 01.04.2022 as per the Transfer Scheme 2022 notified by the Hon'ble Administrator of the UT of Dadra and Nagar Haveli and Daman and Diu.
3. In exercise of the powers conferred under Section 181 read with Sections 61, 66, 86(1)(e) of the Electricity Act, 2003, the Commission on 28.05.2024 has notified the JERC (Procurement of Renewable Energy) (Fifth Amendment), Regulations 2024 (hereinafter referred as “RPO Regulations”). The Commission vide the RPO Regulations, has specified the minimum percentage for procurement of power from Wind, Hydro, Distributed RE and Other RE Sources as under:

Year	Wind	Hydro	Distributed RE	Other RPO	Total RPPO
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%

4. At present, DNHDDPDCL has tied up capacity of 19.3 MW of Solar & 50 MW Wind which is yet to be operational.
5. During FY 2025–26, DNHDDPDCL was required to fulfil the Renewable Purchase Obligation (RPO) target of around 3,172 Mus. In turn, DNHDDPDCL has procured 175.61 MUs of Renewable Energy (RE) power along with 108.09 MUs of RE attributes. For the balance RPO target, DNHDDPDCL has complied with its obligation through the purchase of Renewable Energy Certificates (RECs).

6. For FY 2026-27, based on the target specified under RPO Regulation, DNHDDPDCL is required to procure around 3,605 MUs of RE power whereas this requirement is projected to increase to around 4,940 MUs by FY 2029-30, in line with the increasing RPO trajectory prescribed under the RPO Regulations.
7. In order to fulfill the above RPO requirements, DNHDDPDCL, vide its Petition No. 144 of 2025 for approval of the Business Plan and Petition no. 145 of 2025 for approval of MYT for the Control Period from FY 2025-26 to FY 2029-30, has proposed the addition of 400 MW RE capacity during FY 2027–28, along with an additional 500 MW RE capacity from FY 2028–29 onwards. Same has been considered by the Hon'ble Commission while approving Power Procurement Plan vide its Order dated 02.09.2025 and 25.09.2025, respectively.
8. Further, CEA in its Resource Adequacy Study of DNHDDPDCL for FY 2025-26 to FY 2035-36, has envisaged total requirement of 900 MW from RE sources, along with 79 MW of 4h-BESS during the MYT Control Period to meet the Renewable Purchase Obligation. In turn, DNHDDPDCL proposes to procure Solar Power with ESS facility towards fulfillment of its RPO.
9. On 12.06.2025, SECI issued the Request for Selection (RfS) document along with Standard PPA & PSA documents for setting up of 2000 MW ISTS connected Solar PV Power Projects with 1000MW/4000 MWh Energy Storage System (Tranche-SECI-ISTS-XX), as per the guidelines and floated the same on ISN Electronic Tender System (ISN ETS) e-bidding portal vide RfS No. SECI/C&P/IPP/11/0004/25-26 dated 12.06.2025 (hereinafter referred as “Solar+ESS Project”). On 15.10.2025, an e-Reverse Auction was conducted through the ISN-ETS e-bidding portal, upon completion of which 11 bidders were declared successful in accordance with the RfS requirements. Tariff discovered is in range of Rs. 2.86 - 2.87 /kWh plus trading margin of Rs. 0.07/kWh to SECI.
10. On 27.10.2025, SECI issued Letters of Award dated 27.10.2025 to the 11 successful bidders. On 13.11.2025, DNHDDPDCL has expressed its interest to SECI for procurement of power from Solar + ESS Project. In response, SECI vide its letter dated 13.11.2025 has shared its offer. On 01.12.2025, DNHDDPDCL shared SECI's offer to UT administration to seek its NOC as per Clause 7.1(k) of the Shareholder Agreement dated 15.03.2022 under the Transfer Scheme 2022.
11. SECI filed the petition vide petition no. 975/AT/2025 under Section 63 of the Electricity Act, 2003, for the adoption of a tariff for 2000 MW Inter-State Transmission System (ISTS) Solar PV Power Projects with 1000 MW/4000 MWh Energy Storage Systems

(ESS) and selected through a competitive bidding process (SECIISTS-XX) as per the guidelines of the Government of India.

12. On 24.03.2026, CERC vide its Order in Petition No. 975/AT/2025 has adopted the tariff for the Solar Power Developers (SPD) for Solar + ESS project. Tariff adopted by the CERC is in range of Rs. 2.93- 2.94/kWh (i.e. Rs. 2.86 - 2.87 /kWh plus trading margin of Rs. 0.07/kWh to SECI). On 13.04.2026, in accordance with the terms of the Shareholders' Agreement under the Transfer Scheme, 2022, the UT Administration of Dadra & Nagar Haveli and Daman & Diu provided its NOC vide letter dated 13.04.2026 (Ref No. DNHDDPCL/CS/06/2025/05) for the signing of the PPA for procurement of 100 MW Solar Power with 50MW/200MWh ESS from M/s Solar Energy Corporation of India Limited (SECI).
13. On 30.04.2026, DNHDDPDCL provided its consent for procurement of power from Solar + ESS Project. On 26.05.2026, DNHDDPDCL entered into PSA with SECI for procurement of 100 MW Solar Power with 50MW/200MWh ESS at Rs. 2.93 (i.e. Rs. 2.86/kWh plus trading margin of Rs. 0.07/kWh to SECI), subject to approval of the Hon'ble Commission. As provided in Schedule-B to the PSA, SECI has identified Banyan Insolation Private Ltd. as the solar power developer. The aforesaid PSA includes assured peak period supply.
14. The tariff at which DNHDDPDCL has executed the current PSA is competitive and also adopted by CERC vide Order dated 24.03.2026 as mentioned above. The same will also be useful to fulfill the RPO of the Petitioner. Based on the above, the Petitioner requests the Commission to grant approval of Power Sale Agreement with SECI for procurement of 100 MW Solar Power with 50MW/200MWh Energy Storage System in accordance with Section 86(1) (b) and (e) of the Electricity Act, 2003, read with Regulation 60 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009.
15. The Commission vide its interim Order dated 22.07.2026 admitted the petition. In accordance with the said interim order, a deficiency note was sent separately. In response to the deficiency note the Petitioner submitted that SCOD of the project will be on 10th June 2028. During FY 2024-2025, the peak – hour (18:00 to 24:00) energy deficit of DNHDDPDCL is about 175 MW. The proposed power procurement arrangement will provide 50 MW of power for 4 hours during the peak period. Further on the query of the impact of a reduction in GST/Taxes on solar panels under the Change in law provisions of the proposed PSA, the Petitioner stated that in the Change in law notice issued by SECI, the revision in the GST is projected to lower the overall project cost by 4.90%. In turn, levelized tariff is expected to decrease by around 12-15 paise per unit.

Commission's Analysis

16. The instant Petition has been filed by the Petitioner for seeking approval of PSA executed by the Petitioner with SECI on 26.05.2026 for procurement of 100 MW Solar Power with 50 MW/200 MWh Energy Storage system+ BESS power at the discovered tariff of Rs 2.86/ kWh (plus trading margin of Rs Rs.0.07/kWh for SECI).
17. SECI had initiated a Tariff based Competitive Bidding Process for procurement of 2000 MW of the Power generated from the Grid connected Solar Power Projects with 1000 MW/4000 MWh ESS on the terms and conditions contained in the Request for Selection (RfS). SECI will execute Power Purchase Agreement (PPAs) with the Solar Power Developers selected under the RfS for procurement of Solar Power issued by SECI on 12.06.2025. These are back-to-back arrangements. SECI is an Intermediary to facilitate the promotion of Solar Power Projects and to purchase and re-sell the electricity to the buying entities to enable them to fulfil the Renewable Purchase Obligation/Energy storage obligations/energy demand and therefore, the sale of electricity by SECI to Buying Entity under the Power Sale Agreement.
18. The Petitioner has agreed to purchase 100 MW Solar power under the above RfS and accordingly SECI has agreed to sign PPAs with SPD Banyan Insolation Private Limited for procurement of 100 MW Solar power on a long-term basis, as indicated at Schedule B of the PSA.
19. A Petition bearing No.975/AT/2025 was filed by SECI before CERC U/s 63 of the Electricity Act, 2003, for the adoption of a tariff for 2000 MW ISTS Solar PV Power Projects with 1000 MW/4000 MWh ESS and selected through competitive bidding process (SECI-ISTS-XX) as per the guidelines of the Government of India. CERC vide order dated 24.03.2026 adopted the tariffs for respective SPD, as discovered and agreed to by the successful bidders (including Banyan Insolation Private Limited), the SPD, for 2000 MW ISTS-connected Solar PV Power Projects with 1000 MW/40000 MWh Energy Storage Systems (ESS) (SECI-ISTS-XX)). The terms and conditions of the PSA have been analysed and it is observed that the tariff is discovered through competitive bidding and are composite in nature, therefore, the tariff approved/adopted by CERC would be applicable in the instant PSA.
20. As per the order, the tariff adopted for the Solar Power Developer, Banyan Insolation Private Limited, is Rs 2.86/ kWh with an allocated capacity of 100 MW. However aforesaid adoption of tariff was subject to fulfilment of the provisions for the payment security mechanism, Clause (10) of Regulation 9 of the Central Electricity Regulatory

Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 which stipulates as follows;

“9. (10) The Trading Licensee shall make payment of dues by the agreed due date to the seller for purchase of the agreed quantum of electricity through an escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller. Such escrow arrangement or irrevocable, unconditional and revolving letter of credit in favour of the seller shall be equivalent to: one point one (1.1) times the average monthly bill amount (estimated average of monthly billing amounts for three months or actual monthly billing amount for preceding three months as the case may be) with a validity of one year for long term contracts; one point zero five (1.05) times of contract value for short term contracts.”

21. On the issue of trading margin, CERC held that the trading margin should be mutually agreed between the parties in agreement for Long Term Power Purchase and in case the distribution licensee agree to a trading margin of Rs 0.07/kWh which will be deemed to be in consonance with Regulation 8(1)(d) of the Central Electricity Regulatory Commission Trading License Regulation which stipulates that; *“8(1) (a) Provided that in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.”*
22. It is observed that the tariff in the instant matter has been determined through a competitive bidding process as per 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 issued by Ministry of Power, Government of India. Further, CERC in terms of Section 63 of the Act, has also adopted the individual tariff for the Solar Power Developers, including trading margin @Rs 0.07/- for SECI on mutually agreed terms for Long Term Purchase subject to fulfilment of the relevant provisions of CERC (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020.
23. It is also observed that as per Clause 7.1(k) of the Shareholding Agreement dated 15.03.20206 executed between UT Administration of Union Territory of Dadra & Nagar Haveli and Daman & Diu through Secretary Power and Torrent Power Ltd., and DNH and DD Power Distribution Corporation Ltd., the Distribution Company has to take approval of UT Administration for entering into any fresh Power Purchase Agreement for procuring power. The UT Administration of Dadra & Nagar Haveli and Daman & Diu provided its

NOC vide letter dated 13.04.2026 (Ref No. DNHDDPCL/CS/06/2025/05) for the signing of the PPA for procurement of 100 MW Solar Power with 50MW/200MWh ESS from M/s Solar Energy Corporation of India Limited (SECI).

24. The Commission finds that as per the Business Plan Order dated 02.09.2025 for the control period FY 2025-26 to FY 2029-30, the Petitioner had proposed the addition of 400 MW RE capacity during FY 2027-2028, along with an additional 500 MW RE capacity from 2028-2029 onwards which has been considered by the Commission while approving Power Procurement Plan.
25. As per MYT Order dated 25.09.2025, there is a shortfall of 321.07 MU in FY 2028-29 and 127.65 MU in FY 2029-30 towards meeting the RPO requirement. The said shortfall would otherwise have to be met through procurement of Renewable Energy Certificates (RECs). Therefore, the proposed procurement of 100 MW Solar Power along with 50 MW/200 MWh ESS would enable the Petitioner to procure additional renewable energy and meet its RPO requirement.
26. In view of above, the Commission approves procurement of 100 MW Solar power at the discovered tariff of Rs. 2.86/kWh plus trading margin of Rs Rs.0.07/kWh as adopted by CERC in Petition No. 975/AT/2025 vide Order dated 24.03.2026. The terms and conditions of PSA executed between DNHDDPDCL and SECI on 26.05.2026 is also approved.

Sd/-
(Alok Tandon)
Chairperson

(Certified Copy)


(Rajesh Dangi)
Secretary I/c

Place: Gurugram, Haryana

Date: 16th September, 2026

