याचिका संख्या/Petition No 200/AT/2026

कोरम/ Coram:

श्री जिश्नु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson

श्री रमेश बाबू व., सदस्य / Shri Ramesh Babu V., Member

श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member

श्री रविन्द्र सिंह ढिल्लो, सदस्य / Shri Ravinder Singh Dhillon, Member

आदेश दिनांक/ Date of Order: 2nd of November, 2026

IN THE MATTER OF:

Petition under Section 63 of the Electricity Act, 2003 for adoption of tariff for the 50 MW and 350 MW Solar Power Plants connected to the Inter-State Transmission System (ISTS) linked with setting-up of solar manufacturing plant, selected through competitive bidding process as per the Guidelines dated 03.08.2017 of the Central Government as amended from time to time and interpreted and modified by the Central Government vide subsequent communications.

AND IN THE MATTER OF:

Solar Energy Corporation of India Limited
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar
New Delhi-110023 **... Petitioner**

Versus

1 **Azure Power India Private Limited**
DSC-304, Second Floor,
DLF South Court, Saket District Centre
New Delhi - 110017

2 **Azure Solar Private Limited**
DSC-304, Second Floor,
DLF South Court, Saket District Centre

New Delhi – 110017

3 **Azure Power Fifty Two Private Limited**
DSC-304, Second Floor,
DLF South Court, Saket District Centre
New Delhi – 110017

4 **Tata Steel Limited**
Room No. 123, Works General Office (W-183)
Bistupur, Jamshedpur-831001
Jharkhand

5 **West Bengal State Electricity Distribution Company Limited**
7th Floor, Vidyut Bhawan,
DJ Block, Sector 11
Salt City, Kolkata-700091

…Respondents

Parties Present: Ms. Anushree Bardhan, Advocate, SECI
Ms. Ritika Singh, Advocate, SECI
Ms. Somya Sahni, Advocate, SECI
Ms. Rashmi Vaish, Advocate, SECI

आदेश /ORDER

The Petitioner, Solar Energy Corporation of India Limited (SECI), has filed the present Petition under Section 63 of the Electricity Act, 2003 (the Act) seeking adoption of the tariff for 50 MW and 350 MW ISTS-connected Solar Power Plants under the *"Guidelines for Tariff based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects"* dated 03.08.2017 issued by the Ministry of Power, Government of India.

2. Respondent No. 1, M/s. Azure Power India Private Limited has been selected as one of the successful bidders in the present competitive bidding process.

3. Respondent No. 2, M/s. Azure Solar Private Limited, and Respondent No. 3, M/s. Azure Power Fifty Two Private Limited, are the Special Purpose Vehicles formed by M/s. Azure Power India Private Limited for the implementation of the project in the present case.

4. Respondent No. 4, Tata Steel Limited, is one of the Distribution Licensees for supply of power in Jamshedpur as per the provisions of Section 14 of the Electricity Act, 2003 and has been operating the electricity distribution system in its licensed area.

5. Respondent No. 5, West Bengal State Electricity Distribution Company Limited, is a state-owned power utility in the state of West Bengal responsible for distributing electricity to ensure reliable power supply to consumers across the state.

6. The Petitioner has made the following prayers:

a) Adopt the tariff of Rs.2.54/kWh in respect of 50 MW under Package-I of Respondent No. 2- M/s Azure Solar Private Limited on the terms and conditions contained in the Power Purchase Agreement dated 02.01.2026 (read with the Power Sale Agreement dated 17.10.2025 entered by SECI with Respondent No. 4), and adopt the tariff of Rs.2.42/kWh in respect of 350 MW under Package-IV of Respondent No. 3- M/s. Azure Power Fifty Two Private Limited on the terms and conditions contained in the Power Purchase Agreement dated 03.02.2026 (read with the Power Sale Agreement dated 09.01.2026 entered by SECI with Respondent No. 5);

b) Approve Trading Margin of Rs.0.07/kWh as agreed to by the Respondent No. 4 in the signed PSA dated 17.10.2025 and Respondent No. 5 in the signed PSA dated 09.01.2026 in terms of Regulation 8 (1) (d) of the Trading License Regulations, 2020;

c) Permit SECI to place on record any subsequent PPA and PSA which SECI enters into during the course of the proceedings in the present case and permit SECI to claim adoption of tariff along with Trading Margin of Rs.0.07 /kWh; and

d) Pass any other or further order which this Hon'ble Commission may deem fit and proper in the facts and circumstances of this case.

Submission of the Petitioner:

7. The Petitioner has submitted that on 25.6.2019, it issued a Request for Selection (RfS) along with Standard Power Purchase Agreement (PPA) and Power Sale Agreement (PSA) documents for the 'Selection of Solar Power Developers for Setting-up of 7 GW ISTS Connected Solar PV Power Plants linked with Setting up of 2 GW (Per Annum) Solar Manufacturing Plant under Global Competitive Bidding' as per the Guidelines dated 3.8.2017 on the ISN Electronic Tender System (ETS) e-bidding portal. As per the Petitioner, the entire tender was split into two Bidding Packages (1) Package A: For setting up the Solar Manufacturing Plants related to Cells (500 MW) and Modules (500 MW); and (2) Package B: For setting up the Solar Manufacturing Plants related to Ingots (500 MW) and Wafers (500 MW). Two Blocks were to be allocated under each of the above two packages. The successful bidder was assured of the PPA up to 2000 MW against 500 MW of a Solar Manufacturing Plant under Bidding Package A and up to 1500 MW against 500 MW of manufacturing capacity under Package B. Thus, the aggregated Solar PV Power Plant capacity stipulated under the above arrangement was a maximum of 7000 MW for the aggregated manufacturing capacity of 2000 MW (1000 MW under Package A and 1000 MW under Package B). In response to the RfS, three bids were received offering an aggregate capacity of 8000 MW under Package A. However, no response was received under Package B. All three bids under Package A were found to fully meet the technical criteria and qualified for opening the financial bid. As per the eligibility criteria mentioned in the RfS, all three bidders were shortlisted for participating in the e-reverse auction under Package A. The e-reverse auction was conducted on 22.11.2019 on the ISN ETS e-bidding portal, and pursuant thereto, two bidders, namely, Azure Power Private India (in short "Azure Power") and Adani Green Energy Four Limited (in short "Adani Green") were allocated 2000 MW each at a tariff of Rs.2.92/kWh.

8. Thereafter, in terms of Amendment-VI to RfS, the under-subscribed capacity under Bidding Package-B, i.e., up to 3000 MW of the Solar PV Power Plant linked with 1000 MW of the Solar Manufacturing Plant, was transferred to Bidding Package A. The ratio of the Solar Manufacturing Plant to the Solar Power Plant was kept at 1:4 in terms of the provisions of RfS. Post transfer of capacity, the total tendered capacity under Bidding Package-A became 8000 MW of Solar PV Power Plant linked with 2000 MW of Solar

Manufacturing Plant. This additional capacity of 4000 MW of Solar PV Power Plant linked with 1000 MW of the Solar Manufacturing Plant was offered to all three bidders seeking their consent to accept the additional transferred capacity along with their bidding capacity in terms of the RfS. Of the three bidders, only Adani Green accepted the offer of the transferred capacity from unsubscribed Package B to the extent of the entire 4000 MW at a tariff of Rs.2.92/kWh. Accordingly, the entire transferred capacity of 4000 MW under Package B was allocated to Adani Green at a tariff of Rs.2.92/kWh. In terms of Clause 6.2 of the RfS document, the Bid Evaluation Committee recommended offering the Green Shoe Option to the two successful bidders, namely, Azure Power and Adani Green, equivalent to their allocated capacities in addition to their existing capacities. Since both bidders won a 2000 MW Solar PV Power Plant linked with a 500 MW Solar Manufacturing Plant, an additional 2000 MW was recommended for both successful bidders at Rs.2.92/kWh. Accordingly, SECI issued the Letters of Award (LoAs) on 10.12.2019 to both the successful bidders, inter alia, offering additional capacity under the Green Shoe Option. By letters dated 16.12.2019, both bidders accepted the capacities offered under the Green Shoe Option. On 8.6.2020 and 23.7.2020, SECI issued an addendum to the Letters of Award dated 10.12.2019 issued to the selected bidders, namely, Adani Green and Azure Power, respectively. In the addendum, SECI provided the final awarded capacity of 4000 MW to Azure Power and 8000 MW to Adani Green at a tariff of Rs 2.92/kWh.

9. It was stipulated in the bid that the PPAs shall be signed for four packages (Package I to IV; each package being 1/4th of the awarded Solar PV Project capacity) under Bidding Package A. Considering the total capacity of 12000 MW awarded under Package A, each Package comprised 3000 MW. On 15.7.2021, Adani Green and Azure Power furnished an undertaking with respect to a suo-motu reduction in the quoted tariff from Rs.2.92/kWh to Rs.2.54/kWh for Package-I (3000 MW) of the Manufacturing Scheme. Accordingly, the Petitioner entered into the PPAs with Adani Green and Azure Power at the said tariff and the PSAs for the total capacity of 1800 MW with the procuring entities, namely, GRIDCO Limited for 500 MW, Chhattisgarh State Power Distribution Company Limited for 300 MW, and Tamil Nadu Generation and Distribution Corporation Limited for 1000 MW under Package I. Similarly, both Adani Green and Azure Power, vide their undertakings dated 3.11.2021, reduced the quoted tariff to Rs.2.42/kWh in respect of the remaining

packages, i.e. Package II, Package III, and Package IV. The Petitioner entered into PPAs with both generators at a tariff of Rs.2.42/kWh and PSAs with the distribution utilities of Andhra Pradesh for 7000 MW.

10. Subsequently, SECI filed a Petition No. 286/AT/2021 for, inter-alia, adoption of the tariff of Rs 2.54/kWh in respect of the 1800 MW under Package-I i.e. 1200 MW of Adani Green Energy Four Limited and 600 MW of Azure Power India Private Limited, and the adoption of the tariff of Rs 2.42/kWh in respect of the 7000 MW under Package-II, Package-III, and Package-IV, i.e. 4667 MW of Adani Green Energy Four Limited and 2333 MW of Azure Power India Private Limited. On 22.3.2022, SECI amended the prayer in Petition No. 286/AT/2021 to incorporate an additional 100 MW of tied-up capacity for the adoption of the tariff. Thus, at the time of adjudication of Petition No. 286/AT/2021, the total capacity for which the PPAs and PSAs were signed by the parties, i.e. SECI and distribution licensees, was 8900 MW out of the total 12000 MW in Packages I, II, III, IV.

11. The Commission, vide order dated 2.4.2022, adopted the tariff for the 8900 MW of solar capacity tied up under various PPAs and PSAs. The relevant portions of the said order dated 2.4.2022 are extracted as under:

"*70. ..... It emerges that selection of the successful bidders has been done and the tariff of solar power projects has been discovered by the Petitioner, SECI through a transparent process of competitive bidding in accordance with Guidelines dated 3.8.2017 issued by Ministry of Power and suitably modified vide communications dated 20.4.2018, 14.8.2019, 9.10.2019 and 22.5.2020. It is also noted that, in accordance with Clause 20 of the Guidelines dated 3.8.2017, all the modification letters were issued by Ministry of New &*

Renewable Energy with the approval of Minister of State (I/C) for Power & MNRE. Admittedly, the Petitioner has been able to enter into PPA for a total capacity of 8900 MW i.e. 1900 MW under Package-I and 7000 MW under Package-II to Package-IV. Since the Petitioner is still in the process of identifying and finalizing the PSAs for balance capacity of 3100 MW, we deem it appropriate to restrict adoption of tariff, as prayed for by the Petitioner, only with respect to the quantum for which PPA has been executed with solar power developers for supply of power to the identified distribution

licensees through PSA with the Petitioner. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariffs for the solar power projects, as agreed to by the successful bidder(s), and for which PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, which shall remain valid throughout the period covered in the PPA and PSAs as under:

….

71. The Petitioner is further granted liberty to approach the Commission for adoption of tariff in respect of the balance capacity once such capacity is tied up and PPAs and PSAs for such capacity are executed and the same shall be considered by the Commission in accordance with the law."

12. Subsequent to the passing of the said order dated 02.04.2022 by the Commission in Petition No. 286/AT/2021, the Petitioner SECI signed the PPAs for an additional capacity of 334 MW of Solar power under Package-I with the successful bidders/ designated companies formed by successful bidders. On 05.11.2023, this Commission adopted the tariff for the 334 MW of Solar Power under the said scheme in Petition No. 224/AT/2023 in the matter of Solar Energy Corporation of India Limited -v-Azure Power India Limited and Others. The relevant part of the order reads as under:

"22. After going through the bid documents, including the communications of the MNRE, and other relevant documents placed on record, the Commission concluded in the order dated 2.4.2022 that the selection of the successful bidders has been done and the tariff of solar power projects has been discovered by the Petitioner through a transparent process of competitive bidding in accordance with the Guidelines dated 3.8.2017 issued by the Ministry of Power and suitably modified vide communications dated 20.4.2018, 14.8.2019, 9.10.2019, and 22.5.2020.

23. Since the present capacity is part of the same bid process conducted by the Petitioner, the Commission adopts the individual tariffs for the solar power projects with an aggregate capacity of 334 MW, as agreed to by the successful bidder(s), and for which a PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, which shall remain valid throughout the period covered in the PPA and PSAs.

24. The Petitioner is further granted liberty to approach the Commission for the adoption of a tariff in respect of the remaining balance capacity once such capacity is tied up and PPAs and PSAs for such capacity are executed, and the same shall be considered by the Commission in accordance with the law."

13. After the passing of the above-mentioned orders by this Commission, SECI has signed a PSA dated 17.10.2025 with Respondent No. 4- Tata Steel Limited for supply of the 50 MW of power at a tariff of ₹ 2.54/kWh plus the trading margin of ₹0.07/kWh. Subsequently, SECI signed a PPA dated 02.01.2026 with Azure Solar Private Limited, Respondent No. 2 (the project company formed by Respondent No. 1), for a capacity of 50 MW under Package I at a tariff of Rs. 2.54/kWh.

14. On 09.01.2026, SECI signed a PSA with Respondent No. 5 - West Bengal State Electricity Distribution Company Limited for 350 MW at a tariff of ₹ 2.42/kWh plus the trading margin of ₹ 0.07/kWh. SECI signed the corresponding PPA under Package-IV with M/S. Azure Power Fifty-Two Private Limited, Respondent No. 3 on 03.02.2026.

15. By this Petition, the Petitioner, SECI, is seeking adoption of a tariff of Rs. 2.54/kWh for a capacity of 50 MW of M/s. Azure Solar Private Limited under Package-I (for onward supply to Tata Steel Limited) and a tariff of Rs. 2.42/kWh for 350 MW of M/S. Azure Power Fifty-Two Private Limited under Package-IV, for onward supply to Respondent No. 5, in terms of the liberty granted by this Commission in Para 71 of the order dated 02.04.2022 in Petition No. 286/AT/2021 and Para 24 of the order dated 05.11.2023 in Petition No. 224/AT/2023.

16. The Petitioner has also submitted that the selected solar power projects will enable the distribution companies to meet their Renewable Purchase Obligations (RPOs) apart from providing power at very economical rates. It has further been submitted that, in addition to the tariff, a trading margin of Rs.0.07/kWh will be recovered from the distribution companies, which the distribution companies have duly agreed to in the PSAs.

Hearing dated 12.05.2026:

17. The Petitioner reiterated its submissions in the present Petition and submitted that out of the total awarded capacity of 12 GW under the RfS, the Commission adopted the tariff for aggregate capacity of 8900 MW Solar Power Projects (1900 MW under Package I and 7000 MW under Packages II to IV), for which the PPAs and PSAs were already executed, vide order dated 02.04.2022 in Petition No. 286/AT/2021. Thereafter, the Commission, vide order dated 05.11.2023 in Petition No.224/AT/2023, adopted the tariff for another 334 MW Solar Power Projects (Package I) as tied up by the Petitioner, and for the remaining capacity, the Petitioner was granted liberty to approach the Commission once such capacity is tied up under the PPAs and PSAs. Pursuant thereto, the Petitioner has further tied up another 400 MW of the remaining capacity and is, accordingly, seeking adoption of a tariff for such capacity. After hearing the learned counsel for the Petitioner, the Commission directed that the petition be admitted and notice be issued to the Respondents.

Hearing dated 11.06.2026

18. The Petitioner informed, during the hearing, of subsequent developments in the matter, that the Petitioner is soon expected to sign a PSA with PSPCL for 250 MW once the PSERC approves such procurement, for which the order has already been reserved. Accordingly, counsel sought liberty to bring on record these subsequent developments, along with the signed PPA and PSA for another 250 MW, by way of an additional affidavit. However, in response to a specific query of the Commission regarding the prayer for adoption of the tariff in the present Petition being limited only to 400 MW, bringing on record any subsequent PPA and PSAs may require a formal amendment and may also protract the present proceedings, the counsel for the Petitioner did not pursue her request to bring on record the subsequent developments. Considering the submissions made by the counsel for the Petitioner, the Commission reserved the matter for order.

Analysis and Decision:

19. The Commission has considered the submissions of the Petitioner and perused the documents placed on record. The Commission now proceeds to consider the prayer of the Petitioner as regards the petition under Section 63 of the Electricity Act, 2003 for adoption

of tariff for the 50 MW and 350 MW ISTS connected Solar Power Plants under the "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar Power Projects" vide Gazette Resolution dated 03.08.2017. issued by the Ministry of Power, Government of India.

20. Section 63 of the Act provides 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."*

21. Thus, in terms of Section 63 of the Act, the Commission is required to adopt the tariff on being satisfied that the transparent process of bidding in accordance with the Guidelines issued by the Central Government has been followed in determining such tariff.

22. However, in the present matter, the Commission has already examined the entire process of competitive bidding, including the communications of MNRE in Petition No. 286/AT/2021, in terms of Section 63 of the Act to hold that the tariff of the solar power projects has been discovered by the Petitioner through a transparent process of competitive bidding in accordance with the Guidelines dated 3.8.2017 issued by the Ministry of Power and suitably modified vide communications dated 20.4.2018, 14.8.2019, 9.10.2019 and 22.5.2020. The relevant extract of the order dated 2.4.2022 in Petition No. 286/AT/2021 is reproduced below:

> *"18. Further, in this case, in order to understand the scope of the bid process and linking of Solar Manufacturing Plants with setting-up of the Solar Power PV Projects, the aforesaid Guidelines have to be read with MNRE's communications dated 20.4.2017 (correct date is 20.4.2018), 14.8.2019, 9.10.2019 and 22.5.2020. On 20.4.2017, MNRE, Government of India, with the approval of Minister of State (I/C) for Power & NRE, directed SECI to invite bids for setting up of solar PV manufacturing plants linked with PPAs for Solar Power PV Plants, thereby stating the broad features for the said bid. However, it is observed that the said letter is inadvertently dated as 20.4.2017 in place of dated 20.4.2018 considering that (1) SECI's acknowledgment on the letter is dated April 2018, and (2) the letter itself refers to an earlier letter of MNRE dated 18.12.2017. Accordingly, the date of letter is considered as 20.4.2018 herein afterwards. As per the direction, SECI in the capacity of intermediary agency, invited proposals for setting up*

of ISTS-connected 7 GW Solar Power Plants linked with setting up of 2 GW Solar Manufacturing Plants, on all India basis, on "Build Own Operate" basis and procurement of Solar power from the projects being set up in relation thereto. As per the arrangement, SECI is to procure the solar power generated by the Solar Power Plants by entering into PPA(s) with the successful bidders and on back to back basis, PSA(s) resell the power to the distribution licensees/buying entities.

19. The key dates in the bidding process were as under:

Sr. No.	***Event/Milestone***	***Date***
1	*Issuance of RfS documents*	*26.6.2019*
2	*Amendments to RfS documents*	*11.10.2019 to 7.11.2019*
3	*Last date for submissions of online bid*	*13.11.2019*
4	*Opening of technical bid*	*14.11.2019*
5	*Opening of financial bid*	*21.11.2019*
6	*e-Reverse auction*	*22.11.2019*
7	*Issuance of Letter of Award*	*10.12.2019*

20. On 25.6.2019 SECI issued the RfS documents, along with Standard PPA and PSA documents on ISN Electronic Tender System (ETS) e-bidding portal, for "Selection of Solar Power Developers for Setting up of 7 GW ISTS Connected Solar PV Power Plants linked with Setting up of 2 GW (Per Annum) Solar Manufacturing Plant under Global Competitive Bidding". As per Clause 6.4 of the Guidelines, RfS notice is required to be published in at least two national newspapers and its own website to accord wide publicity. In this regard, SECI has placed on record documents demonstrating publication of RfS on the e-publishing system, Government of India. It has been further submitted that it did not publish the notices in the newspapers as per the advisory issued by Ministry of Information and Broadcasting, Government of India dated 17.5.2017 mandating e-publishing of advertisements in the relevant portal. Accordingly, on 3.7.2018, SECI published notification in the newspapers indicating that tenders of SECI would be published in its website and not in newspapers.

22. In accordance with the MNRE communication dated 20.4.2018 and subsequent communications dated 14.8.2019, 9.10.2019 and 22.5.2020, the broad contours of the bid were as follows:

(a) The entire tender was split into two Bidding Packages as under:

***(i) Bidding Package A:** For setting up a Solar Manufacturing Plants related to cell and modules only. Two blocks to be awarded under this package. Each block having a minimum annual production capacity as under*

Sr. No.	***Description***	***Minimum annual production capacity***
1	*Cells*	*Corresponding to 500 MW modules of manufacturing facility*
2	*Modules*	*500 MW*

***(ii) Bidding Package B:** For setting up of Solar Manufacturing Plants related to ingots and wafers only. Two blocks to be awarded under this Package. Each block, having a minimum annual production capacity as given below:*

Sr. No.	***Description***	***Minimum annual production capacity***
1	*Ingots*	*Corresponding to 500 MW modules of manufacturing facility*
2	*Wafers*	*Corresponding to 500 MW Modules of manufacturing facility*

(b) A cumulative annual solar manufacturing capacity of 2GW (2000 MW) per year will be allowed. The successful bidder was assured PPA (i) up to 2000 MW against 500 MW of Solar Manufacturing Plant under Bidding Package-A and (ii) up to 1500 MW against 500 MW of Solar Manufacturing Plant under Bidding Package-B. Thus, the aggregate Solar PV Power Plant capacity would be a maximum of 7000 MW for aggregate manufacturing capacity of 2000 MW (1000 MW under Package A and 1000 MW under Package B).

(c) Under Bidding Package-A, any bidder could quote up to 2000 MW of Solar PV Projects Capacity linked to 500 MW of manufacturing capacity corresponding to 1 Block. Under Bidding Package-B, any bidder could quote up to 1500 MW of Solar PV

Projects capacity linked to 500MW of manufacturing capacity corresponding to 1 bock.

(d) The maximum tariff payable to SPD is fixed at Rs.2.93/ kWh for 25 years. The successful bidder shall be selected through e-Reverse auction process.

(e) SECI shall enter into a PPA with the successful bidders selected through e-reverse auction, for a period of 25 years from the date. The PPAs shall be signed for 4 Packages under bidding as follows:

(i) *Package-I, comprising solar PV projects having a cumulative capacity of 1/4th (One Fourth) of the awarded solar PV project capacity;*

(ii) *Package-II, comprising solar PV projects having a cumulative capacity of 1/4th (One Fourth) of the awarded solar PV project capacity;*

(iii) *Package-III, comprising solar PV projects having a cumulative capacity of 1/4th (One Fourth) of the awarded solar PV project capacity; and*

(iv) *Package-IV, comprising solar PV projects having balance capacity of 1/4th (One Fourth) of the awarded solar PV project capacity.*

(f) As per RfS (Amendment-VI to RfS) document, in case of under bidding in any of the bidding Package (i.e. Package A or B), the under subscribed portion shall be transferred to other bidding Package which has been more than fully subscribed prior to e-reverse auction. However, this transferred capacity shall not be subject to e-reverse auction but shall be allocated at the lowest discovered tariff of the oversubscribed Package.

(g) The ratio of Solar Manufacturing Plant and Solar PV Power Plant for such transferred capacity shall be kept the same as that of the ratio for oversubscribed Package. This additional capacity so transferred will be offered to the bidders of the Package to which this additional capacity has been transferred in the order of preference of L1, L2, L3 and so on, till the total additional capacity is exhausted.

(h) SECI shall also provide a "Green-Shoe Option" (Amendment-I to RfS) to the successful bidder's equivalent to the capacity (ies) won by such successful bidders/ developers. In order to avail the Green-Shoe Option, the successful bidders/ developers need to match the lowest discovered tariff of the respective bidding

Packages (i.e. bidding Package-A and/ or bidding Package-B) of the tender (i.e. L1 tariff of the respective bidding Packages) corresponding to the entire quantities (i.e. the original allocated quantity and the Green-Shoe quantity).

(i) The "Green-Shoe Option" shall be indicated in the Letter of Award to be issued to the successful bidder's post completion of entire tendering activities. The successful bidders shall submit their acceptance for availing the "Green-Shoe Option" maximum within 7 (Seven) days from the date of issuance of LoA.

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26. Last date of submission of bid was 13.11.2019 and techno-commercial part of bid was opened on 14.11.2019. Response to RfS was received from the following three bidders.

Sr. No.	***Name of the Bidder***	***Bidding Package***	***Number of Blocks***	***Total Capacity quoted (in MW)***
1.	*Adani Green Energy Four Limited*	*A*	*2*	*4000 MW Solar PV Power Plant linked with 1000 MW Solar Manufacturing Plant (Cell and Module)*
2.	*Azure Power India Private Limited*	*A*	*1*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*
3.	*Navayuga Engineering Company Limited*	*A*	*1*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*

27. All three bidders qualified the technical criteria and the financial bids were opened on 21.11.2019. All the three bidders quoted tariff within the maximum ceiling (i.e. Rs.2.93/kWh) limit provided in the RfS document and were shortlisted for e-reverse auction which was carried out on 22.11.2019 on ISN ETS e-bidding portal.

…

29. Azure Power submitted its price at 13:08:57 hrs, whereas Adani Green submitted their price at 13:22:10 hrs. Thus, Azure Power emerged as L-1 bidder in the chronological order of last bid received. Azure Power was eligible for 2000 MW of Solar PV Power Plant linked with 500 MW of Solar PV Manufacturing Plant i.e. same as that of their quoted capacity. Adani Green was eligible for 2000 MW of Solar PV Power Plant linked with 500 MW of Solar PV Manufacturing Plant against their quoted capacity of 4000 MW of Solar PV Power Plant linked with 1000 MW of Solar PV Manufacturing Plant based on bucket filling methodology.

30. The final tariff and the selection of the bidders were arrived after completion of e-reverse auction. The result of e-reverse auction is as under:

Sr. No.	***Bidder***	***Bidding Capacity (MW)***	***Tariff (INR / kWh)***	***Allotted Capacity (MW)***
1	*Azure Power India Private Limited*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*	*Rs.2.92/kWh*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*
2	*Adani Green Energy Four Limited*	*4000 MW Solar PV Power Plant linked with 1000 MW Solar Manufacturing Plant (Cell and Module)*	*Rs.2.92/kWh*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*
3	*Navayuga Engineering Company Limited*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*	*Rs.2.93/kWh*	*NIL*

31. Bidding Package-A was over-subscribed by 4000 MW of solar plant capacity whereas bidding Package-B was under-subscribed as no response had been received for Package-B. In accordance with Amendment-VI of RfS, the under-subscribed capacity under bidding Package-B i.e. up to 3000 MW of Solar PV Power Plant linked with 1000

MW of Solar Manufacturing Plant was transferred to bidding Package-A. The ratio of Solar Manufacturing Plant and Solar Power Plant was kept as 1:4 in terms of the provisions of RfS. Accordingly, the total tendered capacity under bidding Package-A became 8000 MW of Solar PV Power Plant linked with 2000 MW of Solar Manufacturing Plant.

32. As per RfS, the transferred capacity was not to be subject to e-reverse auction and was to be allocated on lowest discovered tariff. Accordingly, on 22.11.2019, letters were sent by SECI to all the three bidders seeking their consent for acceptance of additional transferred capacity along with their bidding capacity in terms of RfS. The allocation was required to be done in the order of preference of L1, L2 and L3 till the total additional transferred capacity is exhausted.

33. In response, Azure Power declined the offer for the additional transferred capacity vide its letter dated 22.11.2019. However, Adani Green, vide its letter dated 22.11.2019 accepted the offer for transferred capacity from the unsubscribed Package B

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36. Further, in terms of Clause 6.2 of the RfS (Amendment-I to RfS), the Bid Evaluation Committee recommended that Green Shoe Option shall be offered to the two successful bidders equivalent to their capacities won in addition to their existing eligible capacities. Since both the bidders had won 2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant, the following capacities were recommended to be offered under Green Shoe Option subject to consent from the successful bidder:

Sr. No.	***Name of the Bidder***	***Additional Capacity offer under Green Shoe Option***	***Tariff (Rs./kWh)***
1.	*Azure Power India Private Limited*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*	*2.92*
2.	*Adani Green Energy Four Limited*	*2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module)*	*2.92*

38. On 10.12.2019, SECI issued Letters of Award (LOAs) to the selected bidders wherein SECI, inter-alia, offered additional capacity of up to 2000 MW Solar PV Power Plant linked with 500 MW Solar Manufacturing Plant (Cell and Module) at tariff of Rs.2.92/kWh under Green Shoe Option……

39. By separate letters dated 16.12.2019, both the selected bidders accepted the capacities offered under Green Shoe Option……

40. On 8.6.2020 and 23.7.2020, SECI issued Addendum to the Letters of Award dated 10.12.2019 given to the selected bidders, namely Adani and Azure Power respectively. In the said Addendum to the Letters of Award, SECI provided for the final awarded capacity as under

Sr. No.	*Name of the Successful Bidders*	*Awarded Capacity (MW)*	*Tariff (Rs./kWh)*
1.	*Azure Power India Private Limited*	*Solar PV Project Capacity - 4000 [out of the above, 2000 MW is under Green shoe Option]* *Solar PV manufacturing plant capacity- 1000 MW (per annum) [out of the above, 500 MW (per annum) is under Green shoe Option]*	*2.92*
2.	*Adani Green Energy Four Private Limited*	*Solar PV Project Capacity - 8000* *[out of the above, 4000 MW is under Transferred Capacity and 2000 MW is under Green shoe Option]* *Solar PV manufacturing plant capacity- 2000 MW (per annum)* *[out of the above 1000 MW is under transferred Capacity; 500 MW (per annum) is under Green shoe Option]*	*2.92*

41. Accordingly, total of 12000 MW of Solar PV Power Projects awarded through competitive bid is divided into four Packages of 3000 MW each in terms of the provisions of RfS documents for signing of the PPAs.

Package I (3000 MW)

42. On 15.7.2021, Adani Green and Azure Power furnished an undertaking offering reduction in quoted tariff from Rs.2.92/kWh to Rs.2.54/kWh for Package-I of Manufacturing Scheme. Till date, SECI has signed PSAs with the following buying utilities/distribution companies:

Package-II (3000 MW), Package-III (3000 MW) and Package-IV (3000 MW)

42. As regards Package-II, Package-III and Package-IV, Adani Green and Azure Power vide their respective undertakings dated 3.11.2021 reduced the quoted tariff to Rs.2.42/kWh for these packages. Till date, SECI has signed PSAs with the following buying utilities/distribution companies for Packages II to IV:

…….

70. ……. It emerges that selection of the successful bidders has been done and the tariff of solar power projects has been discovered by the Petitioner, SECI through a transparent process of competitive bidding in accordance with Guidelines dated 3.8.2017 issued by Ministry of Power and suitably modified vide communications dated 20.4.2018, 14.8.2019, 9.10.2019 and 22.5.2020. It is also noted that, in accordance with Clause 20 of the Guidelines dated 3.8.2017, all the modification letters were issued by Ministry of New & Renewable Energy with the approval of Minister of State (I/C) for Power & MNRE. Admittedly, the Petitioner has been able to enter into PPA for a total capacity of 8900 MW i.e. 1900 MW under Package-I and 7000 MW under Package-II to Package-IV. Since the Petitioner is still in the process of identifying and finalizing the PSAs for balance capacity of 3100 MW, we deem it appropriate to restrict adoption of tariff, as prayed for by the Petitioner, only with respect to the quantum for which PPA has been executed with solar power developers for supply of power to the identified distribution licensees through PSA with the Petitioner. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariffs for the solar power projects, as agreed to by the successful bidder(s), and for which PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, which shall remain valid throughout the period covered in the PPA and PSAs as under:

…….

71. The Petitioner is further granted liberty to approach the Commission for adoption of tariff in respect of the balance capacity once such capacity is tied up and PPAs and PSAs for such capacity are executed and the same shall be considered by the Commission in accordance with the law."

23. The Commission had adopted a tariff for 8900 MW of the solar project capacity out of the total capacity of 12000 MW vide order dated 02.04.2022, in Petition No. 286/AT/2021, for which the PPAs and PSAs had been executed by the Petitioner. Further, this Commission also adopted a tariff for an additional 334 MW of Solar Power under the said scheme vide Order dated 05.11.2023 in Petition No. 224/AT/2023 in the matter of Solar Energy Corporation of India Limited -v-Azure Power India Limited and Others. In Para 77 of the order dated 02.04.2022 and para 24 of the Order dated 05.10.2023, the Commission granted liberty to the Petitioner to approach the Commission for adoption of a tariff in respect of the balance capacity once such capacity is tied up and PPAs and PSAs for such capacity are executed.

24. Accordingly, the Petitioner has approached this Commission after signing a PSA with Respondent No. 4- Tata Steel Limited for supply of the 50 MW of power at a tariff of ₹ 2.54/kWh on 17.10.2025. Subsequently, the Petitioner also signed a PPA with Azure Solar Private Limited, Respondent No. 2, on 02.01.2026, for a capacity of 50 MW under Package I at a tariff of Rs. 2.54/kWh. Further, it is also observed that the Petitioner signed a PSA with Respondent No. 5, West Bengal State Electricity Distribution Company Limited, for 350 MW at a tariff of ₹ 2.42/kWh on 09.01.2026. The Petitioner also signed the corresponding PPA under Package-IV with M/S. Azure Power Fifty-Two Private Limited, Respondent No. 3 on 03.02.2026.

25. Pursuant to the liberty granted in the aforementioned orders, the Petitioner SECI has filed the present petition for adoption of tariff for 400 MW of the remaining capacity, which has been tied up and placed on record as under:

Contract	Capacity	Execution Date	Parties	Tariff
PPA	50 MW	02.01.2026	Azure Solar Private Limited (SPV)	Rs. 2.54/kWh

PSA	50 MW	17.10.2025	Tata Steel Limited	Rs. 2.54/kWh + Rs. 0.07/kWh margin
PPA	350 MW	03.02.2026	Azure Power Fifty Two Private Limited (SPV)	Rs. 2.42/kWh
PSA	350 MW	09.01.2026	West Bengal State Electricity Distribution Company Limited	Rs. 2.42/kWh + Rs. 0.07/kWh margin

26. After going through the bid documents, including the communications of the MNRE, and other relevant documents placed on record, the Commission concluded in the order dated 2.4.2022 that the selection of the successful bidders has been done and the tariff of solar power projects has been discovered by the Petitioner through a transparent process of competitive bidding in accordance with the Guidelines dated 3.8.2017 issued by the Ministry of Power and suitably modified vide communications dated 20.4.2018, 14.8.2019, 9.10.2019, and 22.5.2020.

27. The Petitioner submitted that M/s. Azure Solar Private Limited and M/s. Azure Power Fifty-Two Private Limited are Special Purpose Vehicles (SPVs) formed by the successful bidder, M/s. Azure Power India Private Limited, for implementing the projects. Since the present capacity is part of the same bid process conducted by the Petitioner, the Commission adopts the individual tariffs for the solar power projects with an aggregate capacity of 400 MW, as agreed to by the successful bidder(s), and for which a PPA has been entered into by SECI on the basis of the PSAs with the distribution licensees, which shall remain valid throughout the period covered in the PPA and PSAs as under:

S. No.	**Name of Successful Bidder**	**Awarded Capacity (MW)**	**Tariff (INR/kWh)**
1.	Azure Solar Private Limited	50	2.54
2.	Azure Power Fifty-Two Private Limited	350	2.42
	Total Awarded Capacity	**400 MW**	

28. Prayer (a) of the Petitioner is answered in terms of the paragraph above.

29. The Petitioner, SECI, under prayer (b) is seeking approval for the trading margin of Rs. 0.07/kWh to be paid by the Distribution Companies/Buying Entity(ies) as specified in the Guidelines. In this regard, Clause (1)(d) of Regulation 8 of the Trading Licence Regulations provides as under:

"For transaction under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller"

30. The above provision gives the choice to the contracting parties to mutually agree on a trading margin for long-term transactions. However, proviso to Regulation 8(1)(d) of the Trading Licence Regulations provides as under:

*"8(1) (d) * * * * **
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."

31. Regulation 8(1)(f) of the Trading Licence Regulations provides as under:

"For transactions under Back to Back 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."

32. The above two provisions are exceptions to the main provision as regards trading margin. In case the distribution licensees agree to a trading margin of Rs. 0.07/kWh, it will be deemed to be in consonance with Regulation 8(1)(d) of the Trading Licence Regulations. However, in case of failure by SECI to provide an escrow arrangement or an irrevocable, unconditional, and revolving letter of credit to the wind-solar hybrid power generators, the trading margin shall be limited to Rs. 0.02/kWh specified in Regulation 8(1)(d) and Regulation 8(1)(f) of the Trading Licence Regulations.

33. Prayer (b) of the Petitioner is answered in terms of the paragraph above.

34. Petition No. 200/AT/2026 is disposed of in terms of the above.

Sd/-	**Sd/ -**	**Sd/-**	**Sd/-**
रविन्द्र सिंह ढिल्लो	**हरीश दुदानी**	**रमेश बाबू व.**	**जिश्नु बरुआ**
सदस्य	**सदस्य**	**सदस्य**	**अध्यक्ष**