



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

IN CASE NO. OA – 479 / 24 – 25

IN-PRINCIPLE APPROVAL ALLOWING EXPENDITURE INCURRED OR TO BE INCURRED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) TO MEET SHORTFALL OF GOVERNMENT GRANT IN RESPECT OF 6 NOS. OF SOLAR PV PROJECTS.

DATE: 19.06.2026



In-Principle approval allowing expenditure incurred or to be incurred by West Bengal State Electricity Distribution Company Limited to meet shortfall of Government Grant in respect of 6 Nos. of Solar PV Projects.

Facts in brief:

1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) has submitted a petition on 24.04.2024 seeking in-principle approval for allowing expenditure incurred or to be incurred by WBSEDCL due to shortfall of grant fund received from the Government of West Bengal, sanctioned for Installation and Commissioning of 6 nos. of Solar PV Projects in the Aggregate Revenue Requirement of the relevant years under regulation 2.11.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (in short 'Tariff Regulations').

The Commission has admitted the petition in Case No. OA – 479 /24 – 25.

2.0 In the petition, WBSEDCL has inter-alia stated the following:

2.1 In order to fulfil the Solar Renewable Purchase Obligation (RPO) target, the Department of Power, Government of West Bengal, had entrusted WBSEDCL with undertaking necessary measures for setting up grid-connected Solar PV Power Plants at different districts of the State. Accordingly, WBSEDCL had submitted applications before the Commission seeking in-principle approval for installation and commissioning of 6 Nos. of 10 MW (AC) Solar PV Power Plants at Dhaka-I and Dhaka-II Blocks in Birbhum District, Chalbajpur in Paschim Bardhaman District, Salboni and Patina Blocks in Paschim Medinipur District, and Haptiagach-Chopra Block in Uttar Dinajpur District of West Bengal. The project costs, inclusive of taxes and maintenance cost for five years, were proposed to be entirely funded through grants from the State Government. The Commission had accorded approval to the proposals of WBSEDCL vide separate orders.

2.2 WBSEDCL has submitted that, out of the sanctioned amount of Rs. 36,313.01 lakh, work orders amounting to Rs. 32,100.77 lakh has been awarded for execution of the projects, whereas grant amounting to Rs. 28,647.28 lakh has so far been received from the Government of West Bengal. Consequently, a funding shortfall of Rs. 3,453.49 lakh has arisen, affecting the aforesaid projects. WBSEDCL has further submitted that the shortfall has primarily resulted from the transitional impact of the GST regime and subsequent revisions in GST rates during the execution period of the projects. WBSEDCL has also submitted that State Government has been also requested for allocation of additional funds



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to address the aforesaid shortfall and the matter is presently under consideration of the appropriate Department.

- 2.3 WBSEDCL has further submitted that, due to persistent demands from the Engineering, Procurement and Construction (EPC) contractors for settlement of dues in terms of the contractual obligations, it has incurred an amount of Rs. 432.00 lakh for FY 2022-23, Rs. 383.28 lakh for FY 2023-24, and Rs. 323.00 lakh for FY 2024-25 from its working capital resources towards partial adjustment of the total outstanding shortfall of Rs. 3,453.49 lakh.
- 3.0 In view of the above, WBSEDCL has submitted this application to allow the actual expenditures incurred during the respective financial years towards the aforesaid projects in the Aggregate Revenue Requirement (ARR) during the truing up process.

Observations of the Commission:

- 4.0 The Commission observes that the value of the awarded LOAs/work orders amounting to Rs. 32,100.77 lakh is well within the total sanctioned project cost of Rs. 36,313.01 lakh approved by the Government of West Bengal. Therefore, the Commission is of the considered view that the present issue does not arise on account of any commitment beyond the sanctioned project cost. It is primarily attributable to shortfall in receipt of the sanctioned grant amount by the Government of West Bengal.
- 5.0 The Commission further observes that WBSEDCL has stated that it has utilized its working capital resources for partial settlement of dues payable to EPC contractors during FY 2022-23, FY 2023-24 and FY 2024-25. In this regard, the Commission notes that the truing-up orders for FY 2022-23 and FY 2023-24 have already been passed, wherein the relevant claims are examined in accordance with the provisions of the Tariff Regulations, including the applicable framework governing such expenditures.
- 6.0 In view of above, WBSEDCL may submit application towards claim of expenditure incurred or to be incurred, to the extent of shortfall of Government Grant, in the truing up petition for year 2024-25 onwards.



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Order:

- 7.0 The Commission, after careful consideration of the facts and observations above, directs WBSEDCL to submit application for the expenditure incurred or to be incurred as laid down at Paragraph 6.
- 8.0 The petition is thus disposed of.
- 9.0 A copy of the order shall be posted in the website of the Commission.
- 10.0 WBSEDCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-
(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 19.06.2026

Sd/-
DEPUTY DIRECTOR, WBERC