



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF
CASE NO: PPA-146/25-26

APPROVAL OF POWER SALE AGREEMENT (PSA) BETWEEN DAMODAR VALLEY CORPORATION (DVC) AND NATIONAL HYDROELECTRIC POWER CORPORATION LTD (NHPC) FOR PURCHASE OF ISTS CONNECTED 'FIRM & DISPATCHABLE' RE (FDRE) POWER (ASSURED PEAK POWER SUPPLY) WITH ENERGY STORAGE SYSTEM (ESS).

DATE: 26.12.2025



Facts in brief:

- 1.0 The Damodar Valley Corporation (DVC) submitted an application vide letter dated 29.07.2025 (received on 06.08.2025) for approval of Power Sale Agreement (PSA) dated 11.06.2025 executed with National Hydroelectric Power Corporation Ltd (NHPC) in terms of Section 63 read with Section 86(1)(B) of the Electricity Act, 2003 for sale of Inter-State Transmission System (ISTS) connected 'Firm & Dispatchable RE' (FDRE) Power (assured peak power supply) with Energy Storage System (ESS) on Long Term basis for a contracted capacity of 250 MW Solar & 250MW/1150 MWh Battery Energy Storage System (BESS) on built, own and operate basis located at Kharnai, Tahsil – Rawatbhata, district- Chittogarh, Rajasthan in terms of regulation 7.4 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 and its amendments thereof (herein after referred as "Tariff Regulations"). The Commission admitted the application on 14.08.2025 in Case No. PPA – 146/25-26.
- 2.0 DVC vide their letter dated 19.09.2025 has also submitted the Copy of the Central Electricity Regulatory Commission (CERC) Tariff Adoption Order dated 19.06.2025 i.r.o above petition.
- 3.0 The application of DVC read with the Power Sale Agreement dated 11.06.2025 inter-alia state the followings:
- 3.1 NHPC, being a Renewable Energy Implementing Agency (REIA) of Ministry of New and Renewable Energy (MNRE), Government of India (GOI) has acted as an Intermediary Agency / Procurer for the procurement of power from the RE power projects of the RE Power Developers / Generator(s) (RPD/RE-PG) on Built, Own and Operate (BOO) basis in pursuance to a Tariff Based Competitive Bidding (TBCB) process for selection of RE-PGs / RPDs for development of 2350 MW firm and dispatchable Grid connected RE power projects coupled with ESS on anywhere in India for fulfilling the Renewable Purchase Obligations of Distribution Licensees in



accordance with the scheme and objective of the Electricity Act, 2003, the policies of the Government of India and the Policies of the State Governments.

- 3.2 NHPC initiated a TBCB Process for Selection of RE Power Developers for supply of 1200 MW FDRE Power (assured peak power supply) from ISTS – Connected RE Power Projects with ESS in India under TBCB on the terms and conditions contained in the Request for Selection (RfS) issued by NHPC vide Rfs No. 2024_NHPC_813414_1 dated 28.06.2024.
- 3.3 M/s ACME Solar Holding Limited (ACME SHL), a company incorporated under the Companies Act 1956, having its registered office at Plot No 152, Sector-44, Gurugram, Haryana, 122002, has been selected in a TBCB Process by NHPC and ACME SHL has agreed to establish a RE Power Project for supply of FDRE power (assured peak power supply) with an installed capacity of 250 MW Solar & 250 MW/1150 MWh BESS on built, own and operate basis. Power Purchase Agreement (PPA) was signed between NHPC and ACME SHL.
- 3.4 NHPC vide letters dated 06.02.2025 and 17.03.2025 had offered to sale RE power during the peak hours from its upcoming 2350 MW FDRE project and requested the consent of DVC as prospective buyer on long term basis.
- 3.5 DVC has obtained the approval for procurement of 250 MW solar power coupled with BESS from the FDRE project of ACME SHL in its 678th Board Meeting held on 11.04.2025.
- 3.6 This Commission vide Regulation (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (First Amendment) Regulations, 2020 has specified the year wise RPO target. In terms of the applicable order dated 30.10.2023 in case no. SM-37/23-24, the RPO target set for 2022-23 vide regulation as mentioned above will continue till further order of the Commission.
- 3.7 To meet the projected demand and fulfill its RPO targets, DVC expressed their interest for procuring 250 MW of power from NHPC at a quoted tariff of Rs. 4.63 per



unit (inclusive of NHPC's trading margin of Rs. 0.07 per unit vide email dated 19.04.2025.

- 3.8 DVC also submits that the purchase of solar power through this agreement shall meet RPO compliance against its obligation as a distribution licensee in Jharkhand and West Bengal based on the respective targets of RPO as mandated in the relevant Regulations of JSERC and WBERC.
- 3.9 Power Sale Agreement (PSA) was signed between DVC and NHPC on 11.06.2025 for procurement of 250 MW solar power by DVC under FDRE scheme (assured peak power supply) with energy storage system to be developed by ACME SHL. The details of energy availability from the contracted project are provided below and are also included in Schedule B of the PSA.

Developer	Declared CUF	Contracted Capacity	Min. Energy (85% of declared CUF)		Max. Energy (110% of declared CUF)		Peak Energy on Monthly Basis@ 90% of contracted capacity
			CUF (%)	MU	CUF (%)	MU	
RPD/RE-PG	%	MW	CUF (%)	MU	CUF (%)	MU	MU
ACME SHL	43	250	36.55	801	47.30	1036.60	27.00

- 3.10 As per Cl. No N (1) of the PSA, such PSA shall come into effect from the date of signing and shall remain operative for 25 years from the date of Scheduled Commissioning of the project based on the terms, conditions and provisions of the RfS and PPA.
- 3.11 DVC also mentioned that, the power purchase from the 250 MW Grid connected FDRE power coupled with ESS will be exempted from ISTS charges as per Ministry of Power (MoP) order dated 29.05.2023, followed by CERC regulations on the sharing of ISTS charges (2020, first amendment) dated 07.02.2023.
- 3.12 DVC submitted vide letter dated 19.09.2025 the copy of the Order No 87/AT/2025 dated 19.06.2025 of Central Electricity Regulatory Commission (CERC) wherein



CERC has adopted the above-mentioned price of the project of ACME SHL (i.e Rs 4.56 per Unit) and also trading margin of Rs 0.07 /unit as mutually agreed.

- 3.13 In view of the above, DVC filed the instant petition for approval of the PSA executed between them and NHPC from the Commission in accordance with Regulation 7.4 of Tariff Regulations.

Point of determination:

- 4.0 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that, while discharging its function, the State Commission shall regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State. Further, in terms of Regulation 7.4.1 of the Tariff Regulations, prior approval of the Commission is required for every agreement or arrangement for power procurement by a licensee entered into after 09.02.2007, except for short term procurement.

Observations of the Commission:

5.0 Requirement of power procurement:

From the submission of DVC, the Commission observed the following: -

- 5.1 This Grid connected FDRE power coupled with ESS with assured peak power supply procurement from stated ACME SHL's FDRE project will help DVC to reduce the peak power procurement cost on a sustainable basis.
- 5.2 The procurement of Solar power from ACME SHL's FDRE Project will provide reliability/flexibility in economic operation of overall DVC power system apart from assisting in fulfilment of its upcoming RPO.

6.0 Price of power purchase:



- 6.1 The Commission observes that CERC adopted the tariff of Rs. 4.63 per unit (inclusive of NHPC's trading margin of Rs. 0.07 per unit) vide CERC order dated 19.06.2025.
- 6.2 DVC also submitted that the power purchased from the 250 MW Grid connected FDRE power coupled with Energy Storage System will be exempted from ISTS charges as per Ministry of Power order dated 29.05.2023, followed by CERC regulations on the sharing of ISTS charges (2020, first amendment) dated 07.02.2023.
- 7.0 In view of the above observations, the finding of the Commission are as follows: -
- 7.1 This procurement of solar power coupled with BESS from the FDRE project of ACME SHL will help DVC to meet their demand during peak period.
- 7.2 This procurement of Power will provide flexibility in economic operation of overall DVC power system.

Order:

- 8.0 The Commission after considering the facts and further keeping in mind clause (b) of sub-section (1) of section 86 of the Act, approves the PSA dated 11.06.2025 executed between DVC and NHPC for sale of ISTS connected FDRE Power (assured peak power supply) with ESS for a contracted capacity of 250 MW Solar & 250MW/1150 MWh BESS from above stated ACME SHL's project at CERC adopted Tariff including Trading margin of Rs 0.07 per unit for a period of 25 years from the date of Scheduled Commissioning of the project, to the extent utilized in West Bengal, in terms of Regulation 7.4. of the Tariff Regulations.
- 9.0 The Commission also directs DVC to comply with the provisions of applicable law regarding scheduling as per the provisions of intra-state ABT, State Grid Code, etc.
- 10.0 The petition is thus disposed of.



Approval of Power Sale Agreement (PSA) between Damodar Valley Corporation (DVC) and National Hydroelectric Power Corporation Ltd (NHPC) for purchase of ISTS connected 'Firm & Dispatchable' RE (FDRE) power (assured peak power supply) with Energy Storage System (ESS)

11.0 A copy of the order shall be posted in the website of the Commission.

12.0 DVC 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: 26.12.2025

Sd/-

DEPUTY DIRECTOR, WBERC