

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

CORAM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Petition No.: 153/2025

Date of Hearing: 28.08.2025

Date of Order: 18.11.2025

In the matter of:

Petition under Section 86(1) (b) and (e) of the Electricity Act, 2003 and Regulation 60 of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 and other applicable provisions of the Regulations notified by the Hon'ble Joint Electricity Regulatory Commission.

And in the matter of:

1. Lakshadweep Electricity Department, Kavaratti, U.T. of Lakshadweep

.....Petitioner No. 1

2. Solar Energy Corporation of India Ltd, Block Tower 2, NBCC Tower, Block B, East Kidwai Nagar, New Delhi

..... Petitioner No. 2

Present: -

For the Petitioners:

1. Mr. Mohammed Irfan Khan, Junior Engineer, Lakshadweep.
2. Mr. Sandeep K Reddy, Sr. Manager, SECI.
3. Ms. Somya Sahni, Advocate



ORDER

1. The instant Petition has been filed by Petitioners on 05.08.2025 under Section 86(1) (b) and (e) of the Electricity Act, 2003 with following prayers:
 - a. Approve the procurement of power by Lakshadweep Electricity Department from SECI's project of 1.7 MW solar PV power plant with 1.4 MWh of BESS in terms of the PPA dated 09.01.2019 read with the MOU dated 07.10.2018 at the tariff determined by the Central commission vide order dated 16.03.2025 in Petition No. 136/GT/2024.
2. The Petitioner's submissions in brief are as under:
 - a. On 07.10.2018, the Lakshadweep Electricity Department and SECI entered into a Memorandum of Undertaking (MOU). The MOU deals with the utilization of the land and lagoon area in the union territory of Lakshadweep for setting up of cumulative capacity of 25.14 MW solar Power Projects comprising of re-powering of the existing Ground Mounted Solar PV system, Lagoon based floating Solar PV Projects as well as and Rooftop Solar PV installation with upto 75.71 MWh Battery Energy Storage System (BESS).
 - b. In pursuance of the above MOU, SECI executed a Power Purchase Agreement (PPA) dated 09.01.2019 wherein it was agreed between the parties that SECI would establish the solar Power Projects of 25.14 MW cumulative contracted capacity with BESS capacity up to 75.71 MWh and sale of the entire generated quantum will be to the Lakshadweep Electricity Department.
 - c. The capacity, as mentioned hereinabove, was to be established with solar Power projects inclusive of empowering the existing Ground Mounted Solar PV system, Roof Top Solar PV system as well as by setting up lagoon based floating Solar PV system presently identified to be located in 11 islands of the Union Territory of Lakshadweep. The projects details are as under:

Islands	Solar (MW)	Ground Based (MW)	PV Roof-Top PV (MW)	Floating PV (MW)	Storage (MWh)*
Agatti	3.00	0.31	0.30	2.39	9.00
Amini	2.75	0.25	0.25	2.25	8.55



Andrott	3.70	0.50	1.50	1.70	11.00
Bangaram	0.08	0.08	0.00	0.00	0.25
Bitra	0.13	0.09	0.04	0.00	0.41
Chetlat	0.75	0.15	0.20	0.40	2.10
Kadmat	2.00	0.55	0.13	1.32	6.40
Kalpeni	1.80	0.25	0.17	1.38	5.60
Kavaratti	5.80	1.40	1.90	2.50	17.00
Kiltan	1.43	0.35	0.25	0.83	4.40
Minicoy	3.70	0.40	1.50	1.80	11.00
Total	25.14	4.33	6.24	14.57	75.71

- d. As on date, out of the cumulative capacity of 25.14 MW agreed to between the parties, SECI has proceeded with the development and establishment of 1.7 MW ground mounted solar PV Power Project with 1.4 MWh BESS at Agatti and Kavaratti:

Sr. No	Island	Solar Capacity (KW)	BESS Capacity (KWh)
1	Agatti	300	0
2	Kavaratti	600	1400
3	Kavaratti	800	
Total		1700	1400

- e. SECI commissioned the above capacity as on :

Commissioned Date	Solar Capacity
20.07.2023	300 KW Solar Power Project at Agatti
04.10.2023	600 KW Solar Power Project at Kavaratti
03.11.2023	800 KW Solar Power Project at Kavaratti
23.12.2023	1400 KWh BESS at Kavaratti

- f. The Lakshadweep Electricity Department and SECI jointly had filed a petition on 14.10.2020 before this Hon'ble Commission under Section 86(1)(b) and (e) of the Electricity Act 2003 for approval of procurement of power at the tariff terms and



conditions to be approved by the Central Electricity Regulatory Commission (Central Commission).

- g. Vide letter dated 13.05.2021 this Commission returned the petition inter-alia informing Lakshadweep Electricity Department and SECI to file the petition afresh once the tariff for these projects owned by SECI is determined by CERC.
 - h. On 27.02.2024 in pursuance to the above, SECI filed petition No. 136/GT/2024 before the Central Commission, seeking determination of the tariff in respect of 1.7 MW Solar PV Power Plant with 1.4 MWh of BESS.
 - i. On 16.03.2025, the Central Commission decided the Petition no. 136/GT/2024 and approved the levelized tariff of Rs. **8.39/KWh** as against the Petitioner's claim of Rs. 8.89/KWh with actual CFA received.
 - j. In terms of the above facts and circumstances, the Lakshadweep electricity Department and SECI are seeking approval of this Commission in terms of section 86 (1)(b) and (e) of the Electricity Act 2003, for approval of the PPA dated 09.01.2019 at the tariff determined by CERC vide order dated 16.03.2025 in Petition No. 136/GT/2024.
3. The petition was heard on 28.08.2025. The Commission after hearing admitted the Petition. The Commission directed the Petitioners to submit their written submission on an affidavit within a week. The Petitioner No. 2, SECI's submission dated 25.09.2025 is as under:
- a). In case of any delayed payments the applicable rate of interest is computed in accordance with the Electricity (late Payment surcharge and Related matters) Rules, 2022 as amended in 2024 for raising Late Payment Surcharge. The Electricity (Late Payment surcharge and Related Matters) Rules, 2022 have been enacted under Section 176(1) of the Electricity Act, 2003 and Clause 13.13 of the PPA while dealing with compliance with law, provides as under:

"13.13 Compliance with Law:

Despite anything contained in this agreement but without prejudice to this Article, if any provisions of this agreement shall be in deviation or inconsistent with or



repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made thereunder, such provision of this agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time."

In view of the above, there may not be any requirement to modify the PPA provisions as the same deemed to be amended in light of Clause 13.13 of the PPA.

b). The BESS installed at Kavaratti has been designed, tested, and commissioned in accordance with the technical specifications and contractual framework to ensure reliable performance. A Site Acceptance Test (SAT) was conducted post-commissioning to validate the BESS performance, and it confirmed that the BESS can discharge 1400 KWh at the maximum allowable Depth of Discharge of 80%. The system is currently being deployed for capacity smoothing and peak management. Specifically, the 500 kW/1400 kWh BESS is integrated with the 1.4 MW Solar PV Plant at the 11 kV AC bus. It is charged from solar power during the day and dispatches the stored energy in the evening in a flat 500 kW profile for three hours, thereby ensuring reliable daily output. The provisions have already been made for battery replacement in the 11th year and again in the 21st year of the project life cycle. These replacements may involve battery pack replacement or complete rack replacement, depending on the technology and model available at that time and shall be implemented through a separate EPC contract.

c). There is no Government Guarantee provided by the Buying Entity, i.e., Lakshadweep Electricity department. On 17.04.2025, SECI wrote to Lakshadweep Electricity Department to open a Letter of Credit amounting to Rs. 16,86,610/-, However the same is awaited.

4. The Petitioner No. 1, Electricity Department, Lakshadweep's submission dated 03.10.2025 is as under:

a) The LED has not furnished any separate Government Guarantee to SECI under the said PPA. The Petitioner submitted that, being a government department under the Union Territory Administration and not a corporate or statutory body, LED does not have the mandate under the prevailing financial rules to issue or furnish



guarantees, nor to establish separate Letters of Credit or Escrow mechanisms unless specifically authorised by the Ministry of Finance, Government of India. The Petitioner further submitted that, all departmental procurements and payments are regulated in accordance with central government financial procedures and works manuals, whereby payments are made directly from sanctioned budgetary allocations through the prescribed Government financial system. The release of funds is subject to procedural approvals of the competent authority and availability of budget under the approved Demand for Grants, and therefore LED does not possess the authority or flexibility to maintain independent payment security mechanism such as Letters of credit as contemplated under Article 6.4 of the PPA.

- b) Being a government department, the release of payments by LED to the Solar Power Developer is necessarily subject to procedural approvals of the competent authority and the availability of budgetary funds under the sanctioned grants. Consequently, LED, not being a corporate or statutory body, is not vested with the power under the prevailing financial framework to issue or furnish guarantee or to establish a Letter of Credit mechanism.
- c) This Commission to take note of the peculiar position of the Lakshadweep Electricity Department as a government department functioning strictly within the framework of Central Government financial rules and procedures, and accordingly consider dispensing with the requirement under Article 6.4 of the Power Purchase Agreement relating to the Payment security Mechanism through the opening of a Letter of Credit.

Analysis and Decision

- 5. It is observed that SECI has executed a Power Purchase Agreement (PPA) dated 09.01.2019 with the Petitioner wherein it was agreed between the parties that SECI would establish the solar Power Projects of 25.14 MW cumulative contracted capacity with BESS capacity up to 75.71 MWh and sale of the entire generated quantum to the Lakshadweep Electricity Department.
- 6. Thereafter, on 14.10.2020 the petitioner had filed petition for approval of aforementioned PPA before this Commission 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 with following prayers:

- a) *Approve the procurement of power by Lakshadweep Electricity Department of the cumulative capacity of 25.14 MW Solar Power Projects being set up by SECI in a phased manner with BESS Capacity upto 75.71 MWh at the tariff to be determined by the Central Commission in terms of section 62 read with section 79 of the Electricity Act, 2003;*
- b) *Approve the procurement of power to the extent of 1.95 MW Solar PV project comprising of re-powering of the existing Ground Mounted Solar PV System with 2.15 MWH BESS in terms of the PPA dated 09.01.2019 at the tariff to be determined by the Central Commission in terms of Section 62 read with section 79 of the Electricity Act, 2003;*
- c) *.....*

7. The Secretary, JERC vide letter dated 13.05.2021 returned the above-mentioned petition with following observations:

"The reply submitted by you have been considered by the Commission and observed that SECI in its capacity as a Central Generating Company has not even filed a petition with CERC for determination of Solar Tariff for these projects so far. So, the Commissions is of the considered view that it shall neither be prudent nor in the interest of consumers to approve any power purchase agreement without its Tariff determination/adoption by Appropriate Commission.

You are requested to file the petition afresh once the Tariff for these projects owned by SECI is determined by CERC. The present petition is considered as deemed returned. However, the petition fees already deposited by you shall be considered for the fresh petition whenever it is filed."

8. Accordingly, the Petitioner filed a petition bearing no. 136/GT/2024 before the Central Commission seeking determination of tariff with respect to commissioned capacity of 1.7 MW Solar PV Plant with 1.4 BESS which are given here under;



Sr. No	Island	Solar Capacity	BESS Capacity
		(KW)	(KWh)
1	Agatti	300	0
2	Kavaratti	600	1400
3	Kavaratti	800	
Total		1700	1400

SECI commissioned the above capacity as on:

Commissioned Date	Solar Capacity
20.07.2023	300 KW Solar Power Project at Agatti
04.10.2023	600 KW Solar Power Project at Kavaratti
03.11.2023	800 KW Solar Power Project at Kavaratti
23.12.2023	1400 KWh BESS at Kavaratti

9. The Central Commission vide order dated 16.03.2025 disposed of the Petition No. 136/GT/2024 with following direction;

“67. The Commission notes that the Petitioner has communicated an initial tariff of Rs. 8.60 per KWh to the Respondent, and the Respondent has been making the monthly payments at an agreed tariff of Rs. 8.60 per KWh. The Respondent, in its submission, has prayed to approve the tariff of Rs. 8.60 per kWh. However, based on the approval of the aforesaid parameters for the 1.7 MW Solar Project with 1.4 MWh BESS, the tariff for the project life of the project is determined as Rs. 8.39 per KWh .

68. The Commission observes that the tariff approved by the Commission is significantly higher than the prices being discovered in the country. However, considering the remoteness of the project site, inaccessibility and hardship of the islands, challenges with logistics and the size of the individual project, limitation of land etc., the Commission is of the view that the said project should not be compared with the price of large-scale ground- mounted solar projects in the mainland. It is expected that the said solar power project with a Battery Energy Storage System (BESS) would reduce/minimize the use of diesel generating sets for



the generation of the electricity and thereby would lead to the protection of the environment by avoiding the use of fossil fuel.

69. Accordingly, the Commission approves the levelized tariff of Rs. 8.39/KWh as against the Petitioner's claim of 8.89/KWh with actual CFA received. SECI is hereby directed to raise bills for the energy generated from the project on the basis of the tariff approved as above and also to reconcile the paid amount as on date with the respondent in the subsequent bills.

70. The Petition No. 136/GT/2024 is disposed of in terms of the above."

10. During hearing on 28.08.2025 the Commission sought specific clarification on Article 6.4 of the PPA provision of any Government Guarantee and intent to provide such guarantee in the future. In response to above query the Petitioner no.1/LED vide affidavit 03.10.2025 submitted that Lakshadweep Electricity Department does not have mandate under prevailing financial rules to furnish guarantees, nor to establish separate Letter of Credit or Escrow mechanism under Article 6.4 of the PPA. LED vide email dated 01.05.2019, has communicated to SECI for deletion of opening of LC under Article 6.4. Therefore, the Petitioner No.1, sought dispensation from the Commission for consideration of the requirement under Article 6.4 of PPA relating to the Payment Security Mechanism through the opening of a LC. The Petitioner 2/SECI, submitted that no Government Guarantee has been provided by Buying Entity, i.e, LED. on 17.04.2025, SECI had written letter to LED to open a LC amounting to 16,86,610/-. However, the same is awaited.

11. The Petitioner No.1 has raised the issue for consideration by the Commission with respect to dispensing with the requirement of opening of LC. It is observed that the Power Purchase Agreement has already been executed way back on 09.01.2019. The Petitioner did not approach the appropriate Commission for any waiver/relaxation of the terms and condition contained in the standard bidding documents or the Power Purchase Agreement. It is trite law that regard is required to be had to the sanctity of the terms and provision of Power Purchase Agreement executed between the parties, it is impermissible for the Courts or adjudicating authorities to create or write or rewrite contracts between the parties. Contractual arrangements for supply/sale of electricity between the generating company and the procuring distribution licensee, the regulatory



frame-work as put in position, inter alia, by the Central Commission vests in the parties freedom of contract allowing them to mutually agree. It is impermissible to rewrite the contracts which have the approval of the appropriate Central Commission. Further, 1.7 MW Solar Project with 1.4 MWh BESS, has already been commissioned in the year 2023 and power is being supplied to LED. The parties to the Power Purchase Agreement dated 09.01.2019 have already acted upon the terms by their conduct. The dispensation sought by the Petitioner No. 1 cannot be considered at this stage.

12. In view of above, the Commission approves the Procurement of Power by Petitioner No. 1 in terms of the Power Purchase Agreement dated 09.01.2019 with a levelized tariff @ Rs 8.39/KWh for 25 years as decided by Central Commission with respect to the 1.7 MW Solar Project with 1.4 MWh BESS from the date of commissioning as mentioned at para 8 above. Lakshadweep Electricity Department, Kavaratti, is hereby directed to pay bills for energy drawn on the basis of tariff approved as above and reconcile the amount paid.

13. The instant petition is disposed of accordingly.

Sd/-
Jyoti Prasad
Member (Law)

Sd/-
Alok Tandon
Chairperson

Certified Copy


(S.D. Sharma)

Secretary I/c
एस.डी. शर्मा / S.D. SHARMA
सचिव (प्रशासी) / Secretary I/c
संयुक्त विद्युत विनियामक आयोग
(गोवा राज्य और संघ राज्य क्षेत्र)
JOINT ELECTRICITY REGULATORY COMMISSION
(For the State of Goa & Union Territories)
प्लॉट नं. 55-56, तीसरी व चौथी मंजिल, उद्योग विहार, फेज-4
Plot No. 55-56, 3rd Floor, Udyog Vihar, Phase-IV
सेक्टर-18, गुरुग्राम-122015, (हरियाणा)
Sector 18, Gurugram-122015 (Haryana)