



Chhattisgarh State Electricity Regulatory Commission

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Petition No. 37 of 2026

In the Matter of:

"Petition under Section 62 read with Section 86 (1) (b) of the Electricity Act, 2003 for approval of deviations in the Power Purchase Agreement dated 18.11.2025 executed by and between CSPDCL and M/s Chhattisgarh Hydro Power LLP from the Draft Power Purchase Agreement approved by the Commission vide Petition No. 25/2016 dated 09/02/2017 and further approval of the Power Purchase Agreement dated 18.11.2025 executed by and between CSPDCL and M/s Chhattisgarh Hydro Power LLP and long term procurement of 3 x 8.3 MW (24.90) MW of Hydro Power for a period of 40 years."

Chhattisgarh State Power Distribution Company Limited ... Petitioner

Versus

M/s Chhattisgarh Hydro Power LLP

... Respondent

PRESENT: Vivek Ganodwale, Member (Law)

Ajay Kumar Singh, Member (Technical)

ORDER

(June 19, 2026)

The Petitioner Chhattisgarh State Power Distribution Company Ltd. (*hereinafter referred as 'CSPDCL'*), a State-owned distribution licensee filed this Petition under Section 86 (1) (b) read with Section 62 of the Electricity Act, 2003 for approval of long term Power Purchase Agreement

(PPA) dated 18.11.2025, for procurement of 24.90 MW hydro power, executed by the CSPDCL between the Petitioner CSPDCL and Respondent M/s Chhattisgarh Hydro Power LLP (*hereinafter referred as 'CHPLLP'*) with deviation from the Draft PPA approved by the Commission vide order dated 09.02.2017 issued in Petition No. 25 of 2016 (*herein after referred as the 'Standard Draft PPA'*)

2. The Respondent CHPLLP has setup a small hydro power generating station on design, finance, build, own, operate and maintain basis, with an installed capacity of 3 x 8.3 MW (24.90 MW), situated at village Pasal, Tehsil Bhaiyathan, Distt. Surajpur (Chhattisgarh).

3. The petitioner has submitted that they are obligated to meet the consumers' requirement of electricity and also obligated to procure certain percentage of total consumption from renewable sources to fulfil its Renewable Purchase Obligations (RPO). Hence, CSPDCL has entered into this PPA dated 18.11.2025 for long term procurement of 24.90 MW of hydro power for a period of 40 years at the generic levelized tariff determined by the Commission as per relevant Tariff Regulations of the Commission. The Petitioner further submitted that this PPA has certain changes/deviations from Standard draft PPA stating that the said changes/deviations are essential and does not affect the rights and obligations of the parties. Hence the Petitioner prayed for approval of the PPA dated 18.11.2025 with deviation from standard draft PPA approved by the Commission.

4. Broad deviations from the Standard Draft PPA are as follows;

- i) Insertions of provisions related to "Performance Bank Guarantee" of Indian Rs. 10.00 Lakh per MW and its renewal
- ii) Deletion of the para related to provision of special purpose vehicle (SPV)
- iii) Provision related to purchase of excess energy beyond the contracted capacity

- iv) Provisions related to Liquidated damages has been incorporated.
- v) Provision related to payment of due amount has been made as 60 days against the 90 days as specified in Draft approved PPA.

It is also observed that many of the provisions are as per the regulations such as maintaining a Plant Load Factor, Minimum supply of energy etc.

5. The Commission vide public notice dated 12.03.2026 invited views/ comments/ suggestions from the stakeholders/ public and conducted a public hearing on 21.04.2026. A copy of the PPA was also served to State Govt in Energy Dept., Chhattisgarh State Power Transmission Company Ltd. and Members of the State Advisory Committee.

6. The Commission received two comments i.e., one from the respondent CHPLLP and second from M/s Savitri Power Projects. Summary of views/comments/suggestions of the stakeholders, their analysis and Commission's views are given in the subsequent paragraphs.

6.1. The Respondent CHPLLP in their submissions requested for inclusion of clause related to "Infirm Power" in the PPA, a provision already existing in the Standard draft PPA under Article 6.16.2. The petitioner submitted that their Hydel Project Plant was synchronized on 09.01.2025 and since then 7.28MU energy has been supplied as "Infirm Power" to CSPDCL from the date of Synchronization to the Commercial Operation Date (COD) on 08.07.2025.

The Petitioner CSPDCL objected to the above request of the Respondent CHPLLP stating that the Plant got commissioned on 08.07.2025 prior to the date of the PPA on 18.11.2025.

Commission's View

The Commission has deliberated its views in the table (in sr. no.5) in paragraph 7.

6.2. M/s Savitri Power Projects Pvt. Ltd. has submitted that the PPA dated 18.11.2025 has a Bank Guarantee clause despite there being no Bank Guarantee clause in the Standard Draft PPA as it is a burden on the developers/generators. M/s Savitri has further submitted that CSPDCL should not deviate from the Tariff related clauses from the standard draft PPA.

Commission's View

The issue raised by the petitioner which are in deviation with the standard draft PPA has been deliberated in detail while examining the deviations for approval/ disapproval.

7. Commission's Analysis and Viewson the deviations in PPA dated 18.11.2025 from the standard draft PPA dated 09.02.2017.

Table:

Sr. No.	Approved clauses in PPA approved by Commission vide order dated 09.02.2017 issued in Petition no 25 of 2016	Clauses inserted / modified in Power Purchase Agreement dated 18.11.2025 executed by and between CSPDCL and CHPLLP	Commission's analysis and views
1.	Article 1- Definition 1.1 "CSERC RE Tariff Regulations" means the Chhattisgarh State Electricity Regulatory Commission (Terms and conditions for determination of generation tariff and related matters for electricity generated by plants based on renewable energy sources) Regulations, 2012, and as amended from time to time.	"CSERC RE Tariff Regulations" means the relevant Regulations issued by Chhattisgarh State Electricity Regulatory Commission (CSERC) relating to the terms and conditions for determination of generation tariff and other related matters for electricity generated from renewable energy sources as amended, modified, or re-enacted from time to time and applicable as on the date of achievement of COD of the project.	It is observed that there is no material change in the deviation from the standard draft PPA as inserted by the petitioner CSPDCL. Therefore, the proposal of the CSPDCL is accepted.
2.	4.3 Performance Bank Guarantee Not applicable	Clause 4.3.1 (inserted) 4.3 "Performance Bank Guarantee" 4.3.1 The seller shall furnish performance bank guarantee of Indian Rs. 10.00 Lakhs per MW in favour of the Procurer simultaneously with the execution of the Agreement in the Format set Forth in Schedule 2. Without prejudice to any other rights (s) of the Procurer under this Agreement, the Performance Bank Guarantee may be invoked by the procurer in the event of any delay or failure in the commencement of the project and/or the supply of power during	Both the parties have mutually agreed for furnishing Performance Bank Guarantee by seller. It may be required to financially protect the buyer from supplier's default. A performance BG may be essential for several reasons such as risk mitigation, Guaranteed Compensation and

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		the term.	supplier's Credibility. Since parties to the petition are mutually agreeing, the proposal of the CSPDCL is accepted.
	4.4 Renewal of the Performance Bank Guarantee Not applicable	Clause 4.4 -Renewal of the Performance Bank Guarantee 4.4.1 The performance bank guarantee shall obtain, and where necessary renewed or extended periodically, to ensure that it remains valid throughout the term and for a period of three (3) months thereafter. 4.4.2 In case the performance bank guarantee is invoked by the procurer, in whole or in a part, the seller shall replenish or replace the performance bank guarantee to its full amount of Indian Rs. 2,49,00,000/- (Rupees Two crore forty-nine lac only) within seven (7) days of such invocation. 4.4.3 The seller's failure to furnish and maintain the performance bank guarantee in the manner said forth above shall be a material breach of this agreement by the seller.	
3.	6.4 Payments: 6.4.1 The Company shall: i. bear all costs relating to obtaining and maintaining all Consents, Clearances and Permits, statutory approvals, registrations, license fees, taxes and	6.4 Payments: 6.4.1 The Seller shall: i. Maintain Performance Bank Guarantee of Rs 2,49,00,000 (Rs. Two Crore Forty-Nine Lakhs Only) in terms of this agreement. ii. bear all costs relating to obtaining and	In view of the acceptance of BG, in previous para this insertion of 'i' is accepted.

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	duties applicable for setting up the Project; ii. bear the stamp duty for the execution of this Agreement; and iii. make any payment due to the GOCG and/or other government agencies under this Agreement.	maintaining all Consents, Clearances and Permits, statutory approvals, registrations, license fees, taxes and duties applicable for setting up the Project; iii. bear the stamp duty for the execution of this Agreement; and iv. make any payment due to the GOCG and/or other government agencies under this Agreement.	
4.	6.5[To be appropriately modified based on the Project Structure] Equity Lock- in of the Developer in the Company [To be modified base on the project structure and whether the project is being developed through a SPV] The Developer is developing the project through a Special Purpose Vehicle formed by the Developer, viz., the Company, with the approval of the Procurer. Any changes in the equity shareholding of the Developer [or Members of the Consortium in case of the Selected Bidder being a Bidding Consortium] shall be with approval from the nodal agency i.e., CREDA. i. The company shall obtain No Objection Certificate (NOC) from CREDA and	"Clause 6.5" is deleted in the PPA dated 18.11.2025, as the project has been developed by M/s CHPLLP themselves, without any involvement of SPV of consortium.	Proposal of the CSPDCL is accepted in view of project developer has completed its project without any involvement of SPV.

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	inform the procurer.		
5.	6.16 Installed Capacity & Energy Supply 6.16.1 The Company shall try its level best to maintain a plant load factor as per CSERC RE Tariff regulations.	6.15 Installed Capacity and Energy Supply 6.15.1 The Seller shall maintain a plant load factor of at least Thirty percent (30%) on an annualised basis. In case the energy supplied to the licensee at a load factor below 30% in any contract year then the seller shall be liable to pay compensation to the procurer. This compensation shall be equal to the compensation payable (including REC) by the procurer towards non meeting of RPO, if such compensation is ordered by the State Commission and proportionate to the amount of the shortfall in hydel energy during the contract year.	There is no any difference between this provision in standard draft PPA and PPA executed between the parties. CSPDCL has only copied the provisions as specified in the CSERC RE Tariff Regulations 2025. Therefore, the proposal of CSPDCL is accepted.
	6.16.2 Any energy supplied by the company from the Power Station to the Licensee prior to the date of Commencement of Commercial Operation shall be treated as "Infirm Power", and such Infirm Power shall be supplied at a Tariff as laid out in the CSERC RE Tariff Regulations.	There exists no clause in respect of 'infirm power' in a PPA dated 18.11.2025.	Further, the para related to infirm power should also be inserted as defined and specified in the CSERC RE Tariff Regulations 2025. Accordingly, CSPDCL need to insert this provision in its PPA.

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6.	No clause in respect of Minimum Purchase Obligations, in approved Draft PPA by Commission.	6.16- Minimum purchase obligation" 6.16.1 The seller hereby undertakes to supply, by the date of execution of this agreement from both parties, energy equivalent to Twenty-Four Point Nine Zero (24.90) MW, from the power station at a load factor of at least 30%(Hereinafter referred to "Contracted Energy") and up to a maximum amount of energy generated at One Hundred Percent (100%) load factor, on an annualized basis. However, the procurer shall procure the excess energy generated beyond the Contracted Capacity at the tariff under Article 11.1 of this Agreement. 6.16.2 The procurer shall be under no obligation to purchase energy from the Power Station beyond the contracted energy. However, the procurer shall retain the first right of refusal of any power beyond the contracted energy at the tariff under Article 11.1 of this Agreement and the seller hereby undertakes to first offer such excess power first to the Procurer.	As the deviation is in line with the clause 11.4 of the RE Tariff Regulation, 2025, the proposal of CSPDCL is accepted.
7.	6.17 Extension of Time.	In the PPA dated 18.11.2025, clause 6.17 in respect of Extension of Time , has been made as "NOT APPLICABLE".	The Commission agrees to this deviation as the project has already been developed and achieved CoD.

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8.	6.18 Liquidated Damages for delay in commencement of supply of power to the Procurer	In the PPA dated 18.11.2025, clause 6.18 in respect of Liquidated Damages , has been made as "NOT APPLICABLE" for delay in commencement of supply of power to the Procurer.	The Commission agrees to this deviation as the project has already been developed and achieved CoD.
9.	7.7 The Company shall conduct Commissioning Tests within fifteen (15) days from the Date of Synchronisation, in the presence of the Engineer from CREDA. The Engineer from CREDA shall submit a certificate of the tested capacity and necessary performance tests of the plant to the Procurer.	7.7 The seller has conducted Commissioning in the presence of the Engineer designated by the Procurer's representative. The procurer's Engineer has submitted a certificate if tested capacity and the necessary performance tests of the plant to the procurer. The Commercial Operation Date (COD) of the Project is 08.07.2025 as certified by the authorized representative of the Procurer.	The COD of the Project is on 08.07.2025, which is prior to the date of signing the agreement (18.11.2025). This has been certified by the authorized representative of the Procurer. As the commissioning has been conducted in the presence of procurer's representative, the Commission accepts this deviation.
10.	7.9 The Commercial Operation of a Unit shall have occurred as on the date such Unit successfully passes the Commissioning Test(s) and have been duly certified by the CREDA. The Company shall start commercial operations as soon as it receives	7.9 The Commercial Operation of a Unit shall be deemed to have occurred as on the date such Unit successfully passing the Commissioning Tests and is duly certified by the Procurer. The seller has commenced its commercial operations from the dated of its COD i.e. from 08.07.2025 as certified by the Procurer.	Proposal of the CSPDCL is accepted in view of acceptance of deviation article 7.7

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	communication in writing from the Procurer to such effect.		
11.	7.16 The Procurer shall allow the Company to interconnect its Generating Facility and operate it in parallel with the Procurer's system, subject to the terms and provisions of this Agreement. The Company shall run the Generating Facility as a part of the integrated system to generate power in parallel with the Grid and shall inject three-phase 50 Hz(nominal) AC supply into the Procurer's system at 33kV.	7.16 The Procurer shall allow the Company to interconnect its Generating Facility and operate it in parallel with the Procurer's system, subject to the terms and provisions of this Agreement. The Company shall run the Generating Facility as a part of the integrated system to generate power in parallel with the Grid and shall inject three-phase 50 Hz(nominal) AC supply into the Procurer's system at 220/132/33KV.	Proposal of the CSPDCL is accepted as there is no material change in the proposed deviation from the standard draft PPA.
12.	11.1 Sale of Energy by the Company 11.1.1 The Procurer shall purchase the number of Units in accordance with the provisions of Article 6.16 The "Tariff" for supply of energy shall be determined pursuant to the relevant tariff regulations of the CSREC as applicable for small hydro power projects.	11.1 Sale of Energy by the Seller 11.1.1 The Procurer shall purchase the number of Units in accordance to with the provisions of Article 6.15 and 6.16. The "Tariff" for supply or of energy shall be applicable "Generic/Levelized Tariff" determined pursuant to the relevant tariff regulations of the applicable CSERC (CSERC RE Tariff Regulations) as applicable for small hydro power projects.)	There is no material change in the proposed deviation from the standard draft PPA. As the deviation is in line with the provision specified in the RE Tariff Regulations, 2025, the proposal of CSPDCL is accepted.
	11.1.2 The Company shall ensure exclusive sale of the energy to the Procurer and shall not sell such energy at any time to any third party during the period of this PPA, subject to the	11.1.2 The Seller shall ensure exclusive sale of the energy to the Procurer and shall not sell such energy at any time to any third party during the period of this PPA, subject to the	There is no material change in the proposed deviation from the standard draft PPA. Hence, the proposal of CSPDCL is

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	provisions of Article 12.5.	provisions of Article 12.5.	accepted.
	11.1.3 [Insert as applicable] Banking of Electricity shall [not] be allowed	11.1.3 Banking of Electricity shall not be allowed.	
13.	In the approved draft PPA, there exists no clause under Article 11, for liquidated damages.	11.2 Liquidated Damages payable to the Procurer by the Seller for the shortfall in supply of Units. 11.2.1 If the cumulative energy supplied by the seller is less than the minimum number of energy units guaranteed by the seller to be supplied to the Procurer, then the seller shall pay compensation for the loss incurred by the procurer, which shall be equal to penalty imposed by CSERC to CSPDCL an amount in proportion of non-fulfilment of RPO obligation due to non-supply of such power.	As parties to the PPA have agreed to the liquidated damages, the Commission accepts this deviation which protect the interest of CSPDCL of any penalty to CSPDCL.
14.	17.2 Procurer's Event of Default. 17.2.1 (f)- failure to pay to the Company any amount payable and due under this PPA within ninety (90) Calendar days after receipt of Monthly Invoice: and	17.2 Procurer's Event of Default. 17.2.1 (f)- Failure to pay to the seller any amount payable and due under this PPA within sixty (60) calendar days after receipt of monthly invoices; and	The RE Tariff Regulations 2025 specifies for late payment surcharge for delayed payment beyond a period of 45 days from the date of presentation of bills. Hence, deviation from standard draft PPA is allowed as per provisions in RE Tariff

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			Regulations 2025.
15.	17.4- Procedure for cases of Procurer's Event of Default. 17.4.4- After a period of seven (7) days, following the expiry of the Cure Period and unless the Parties shall have otherwise agreed to the contrary or the 'Procurer Event of Default giving rise to the Cure Period shall have ceased to exist or shall have been remedied, CSPDCL shall reach the CSERC for direction for determination of Termination Payment. Upon approach by the either party CSERC shall asses the termination payment. Provided that, any refusal or dispute in payment to the Company by the Procurer on account of a Procurer's Event of Default shall be settled in accordance with the petition filed before the CSERC under 86(1)(f) of the Electricity Act 2003. Provided further that, at the end of three (3) months period from the period mentioned in this Article 17.4.4, this Agreement may be terminated by the Company.	17.4- Procedure for cases of Procurer's Event of Default. 17.4.4- After a period of seven (7) days, following the expiry of the Cure Period and unless the Parties shall have otherwise agreed to the contrary or the Procurer Event of Default giving rise to the Cure Period shall have ceased to exist or shall have been remedied, either of the party shall reach the CSERC for direction for determination of Termination Payment. Upon approach by the either party CSERC shall asses the termination payment. Provided that, any refusal or dispute in payment to the Seller by the Procurer on account of a Procurer's Event of Default shall be settled in accordance with the petition filed before the CSERC under 86(1)(f) of the Electricity Act 2003. Provided further that, at the end of three (3) months period from the period mentioned in this Article 17.4.4, this Agreement may be terminated by the Seller.	As options of approaching the Commission for termination payment (after curing period) is available to both the parties to PPA, the Commission agrees to this deviation.
16.	20.2 - Permitted Charges:	20.2 - Permitted Charges:	The Commission allows

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	Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement.	Neither party shall create or permit to subsist any encumbrance over all or any of its rights nor shall benefits under this Agreement without prior written approval of the other party, the approval thereof not be inordinately delayed by either party.	this deviation being more accountable towards parties to the PPA.
17.	21.3 Binding Effect This PPA shall be binding upon and ensure to the benefit of the Parties hereto and their respective successors, legal representatives and permitted assigns.	21.3 Binding Effect: This PPA shall be binding upon and enure to the benefit of the Parties hereto and their respective successors, legal representatives and permitted assigns.	The Commission approves this deviation as being no material change from standard draft PPA.
18.	23 SCHEDULE - 2, FORMAT FOR CONTRACT PERFORMANCE GUARANTEE, "NOT APPLICABLE".	23 SCHEDULE - 2, FORMAT FOR CONTRACT PERFORMANCE GUARANTEE, "APPLICABLE"	In view of the acceptance of performance bank guarantee in this PPA, the deviation is allowed.
19.	24 SCHEDULE – 3 LIST OF BANKS FROM WHICH THE COMPANY CAN SUBMIT ITS PERFORMANCE BANK GUARANTEE "NOT APPLICABLE".	24 SCHEDULE – 3 LIST OF BANKS FROM WHICH THE COMPANY CAN SUBMIT ITS PERFORMANCE BANK GUARANTEE "APPLICABLE".	In view of the acceptance of performance bank guarantee in this PPA, the deviation is allowed.

- 8.** With the observations and the Commission's view as deliberated above against each of the deviations from the Standard draft PPA, the Commission approves the PPA dated 18.11.2025. The parties are directed to implement these changes/insertions through an amendment in PPA. The amendment/ modification shall be incorporated in the PPA dated 18.11.2025 through supplementary PPA and duly be submitted to the Commission.

With the above observations, the case is disposed off.

Sd/-
(Ajay Kumar Singh)
Member (Tech.)

Sd/-
(Vivek Ganodwale)
Member (Law)