Chhattisgarh State Electricity Regulatory Commission
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Petition No. 80 of 2026

In the Matter of:

"Petition under Section 62 read with Section 86 (1) (b) of the Electricity Act, 2003 and under Small Hydro Policy notified by Government of Chhattisgarh vide notification dated 23.02.2012 for setting up of Small Hydro Project upto 25 MW in the State of Chhattisgarh.

AND

for approval of deviations in the Power Purchase Agreement (hereinafter referred to as "PPA") dated 25/03/2022 executed by and between CSPDCL AND M/S Malka Renewable Energy Pvt. Ltd. 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 25/03/2022 executed by and between CSPDCL AND M/S Malka Renewable Energy Pvt. Ltd. for long term procurement of 8 MW of Small Hydro Power for a period of 35 years to be installed on Mand river at village and Tehsil Dharamjaigarh, Raigarh, Chhattisgarh."

Chhattisgarh State Power Distribution Company Limited … Petitioner

Versus

M/s Malka Renewable Energy Pvt. Ltd. … Respondent

PRESENT: **Vivek Ganodwale, Member (Law)**

Ajay Kumar Singh, Member (Technical)

ORDER

(October 30, 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:

i) Approval of deviations in the PPA dated 25.03.2022 executed by and between the Petitioner CSPDCL and M/S Malka Renewable Energy Pvt. Ltd.(M/s MREPL) from the Draft PPA approved by the Commission under Petition No.25 of 2016 dated 09.02.2017.

ii) Petitioner CSPDCL AND M/S MREPL. for long term power procurement.

2. The Respondent MREPL has setup a small hydro power generating station on design, finance, build, own, operate and maintain basis, with an installed capacity of 8 MW, situated at village and Tehsil Dharamjaigarh, Raigarh, Chhattisgarh and approached the Petitioner CSPDCL for execution of the PPA.The petitioner has submitted letter dated 22.10.2025 and 23.10.2025 of Meter Testing Department, CSPDCL, which indicates that the plant has achieved its Commercial Operation Date (COD) on 17.10.2025.

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 25.03.2022 for long term procurement of 8 MW of hydro power for a period of 35 years at the generic levelized tariff determined by the Commission as per relevant Tariff Regulations of the Commission.

4. 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 18.11.2025with deviation from standard draft PPA approved by the Commission.

5. 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.

6. The Commission vide public notice dated 01.08.2026 invited views/ comments/ suggestions from the stakeholders/ public and conducted a public hearing on 02.09.2026. 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.

7. No comments/suggestions/objections were received from any stakeholders.

8. Commission's Analysis and Views on 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.	**4.3 Performance Bank Guarantee** Not applicable	Clause 4.3.1 (inserted) **4.3 "Performance Bank Guarantee"** **4.3.1** The Supplier 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 the term.	Both the parties have mutually agreed for furnishing Performance Bank Guarantee by supplier. 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 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	

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		is invoked by the procurer, in whole or in a part, the supplier shall replenish or replace the performance bank guarantee to its full amount of Indian Rs. 80 Lakhs (Rupees Eighty Lakhs only) within seven (7) days of such invocation. 4.4.3 The Supplier's failure to furnish and maintain the performance bank guarantee in the manner set forth above shall be a material breach of this agreement by the supplier.	
2.	**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 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.	**6.4 Payments:** 6.4.1 The Company shall: i. Maintain Performance Bank Guarantee of Rs. 80 Lakhs (Rupees Eighty Lakhs only) in terms of this agreement. ii. bear all costs relating to obtaining and 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.	In view of the acceptance of BG, in previous para this insertion of sub clause **'i' in para 6.4.1** is accepted.
3.	**6.16 Installed Capacity & Energy**	**6.16 Installed Capacity and Energy Supply**	There is no difference

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	Supply **6.16.1** The Company shall try its level best to maintain a plant load factor as per CSERC RE Tariff regulations.	**6.16.1** The Supplier 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.	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.	The clause with respect to "infirm power" in the PPA dated 25.03.2022 has been inserted in clause 6.17.2, which is as follows: **6.17.2** 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 is no difference between this provision in standard draft PPA and PPA executed between the parties. Therefore, the clause related to infirm power do not require any express approval.
4.	No clause in respect of Minimum Purchase Obligations, in approved Draft PPA by	**6.17- Minimum purchase obligation"** **6.17.1** The supplier hereby undertakes to	As the deviation is in line with the clause 11.4 of the RE Tariff Regulation, 2025,

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	Commission.	supply, by the date of execution of this agreement from both parties, energy equivalent to Eight (08) 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.	the proposal of CSPDCL is accepted.
5.	**6.17 Extension of Time.** 6.17.1 In the event that the Company is prevented from performing its obligations under Article 6.1 by the Scheduled Commissioning Date due to: a. any Procurer's Event of Default; or b. Force Majeure Events affecting the Procurer; or c. Force Majeure Events affecting the Company, then the Scheduled Commissioning Date and the Expiry Date shall be deferred for a reasonable period but not less than 'day for day' basis, to permit the Company or the Procurer, through the use of due diligence, to overcome the effects of the Force Majeure Event(s) affecting the	**6.18 Extension of time:** 6.18.1 In the event that the Company is prevented from performing its obligations under Article 6.1 by the Scheduled Commissioning Date due to: a. any Procurer's Event of Default; or b. Force Majeure Events affecting the Procurer; or c. Force Majeure Events affecting the Company, then the Scheduled Commissioning Date and the Expiry Date shall be deferred for a reasonable period but not less than 'day for day' basis, to permit the Company or the Procurer, through the use of due diligence, to overcome the effects of the Force Majeure Event(s) affecting the Company or the Procurer, or till such time such Event of Default(s) is rectified	There is no deviation of the clause apart from the numbering of clause, hence requires no express approval.

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	Company or the Procurer, or till such time such Event of Default(s) is rectified by the Procurer or the Company. 6.17.2 In case of extension occurring due to reasons specified in Article 6.17.1 (a), any of the dates specified therein can be extended, subject to the condition that the Scheduled Commissioning Date would not be extended by more than six (6) months or the date on which the Company elects to terminate this Agreement, whichever is later. 6.17.3 In case of extension due to reasons specified in Article6.17.1 (b) and Article 6.17.1 (c), and if such Force Majeure Event continues even after a maximum twelve (12) months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 17.5. 6.17.4 If the Parties have not agreed within thirty (30) days after the Affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the Scheduled Commissioning Date or the Expiry Date should be deferred by, any Party may	by the Procurer or the Company. 6.18.2 In case of extension occurring due to reasons specified in Article 6.18.1 (a), any of the dates specified therein can be extended, subject to the condition that the Scheduled Commissioning Date would not be extended by more than six (6) months or the date on which the Company elects to terminate this Agreement, whichever is later. 6.18.3 In case of extension due to reasons specified in Article6.18.1 (b) and Article 6.18.1 (c), and if such Force Majeure Event continues even after a maximum twelve (12) months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 17.5. 6.18.4 If the Parties have not agreed within thirty (30) days after the Affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the Scheduled Commissioning Date or the Expiry Date should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 18.	

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	raise the Dispute to be resolved in accordance with Article 18. 6.17.5 As a result of such extension, the Scheduled Commissioning Date and the Expiry Date newly determined shall be deemed to be the Scheduled Commissioning Date and the Expiry Date for the purposes of this Agreement. Long Term PPA between CSPDCL and ……[Insert name of the Company]. 6.17.6 Notwithstanding anything to the contrary contained in this Agreement, any extension of the Scheduled Commissioning Date arising due to any reason envisaged in this Agreement shall not be allowed beyond twelve (12) months from the Scheduled Commissioning Date of the Project.	6.18.5 As a result of such extension, the Scheduled Commissioning Date and the Expiry Date newly determined shall be deemed to be the Scheduled Commissioning Date and the Expiry Date for the purposes of this Agreement. 6.18.6 Notwithstanding anything to the contrary contained in this Agreement, any extension of the Scheduled Commissioning Date arising due to any reason envisaged in this Agreement shall not be allowed beyond twelve (12) months from the Scheduled Commissioning Date of the Project.	
6.	**6.18 Liquidated Damages for delay in commencement of supply of power to the Procurer** In the draft PPA, there is no Article with respect to liquidated damages for delay in commencement of supply of power to the Procurer related to penalty on account of non-fulfilment of RPO requirement of	**6.19- Liquidated Damages for delay in commencement of supply of power to the procurer.** 6.19.1- In case of default by the company to commence supply of power by the scheduled commissioning date, the penalty on account of non-fulfilment of RPO requirement as imposed by CSERC to CSPDCL shall be levied in pro-rata	As the parties to the PPA has agreed passing of the RPO penalty to the Developer, imposed on the CSPDCL by the Commission, if any, the Commission accepts the deviation to protect the interest of the CSPDCL.

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	CSPDCL.	basis to project developer.	
7.	**6.19 Third Party Verification** 6.19.1 The Company shall be further required to provide entry to the site of the Power Project at all times during the term of the Agreement to the Procurer and any third party nominated by any Indian Governmental Instrumentality for inspection and verification of the works being carried out by the Company at the site of the Project, subject to security of the operations and the personnel. 6.19.2 The third party or the Procurer may verify the construction works/operation of the Project being carried out by the Company and if it is found that the construction works/operation of the Project is not as per the Prudent Utility Practices, it may seek clarifications from the Company.	**6.20 Third Party Verification** 6.20.1 The Company shall be further required to provide entry to the site of the Power Project at all times during the term of the Agreement to the Procurer and any third party nominated by any Indian Governmental Instrumentality for inspection and verification of the works being carried out by the Company at the site of the Project, subject to security of the operations and the personnel. 6.20.2 The third party or the Procurer may verify the construction works/operation of the Project being carried out by the Company and if it is found that the construction works/operation of the Project is not as per the Prudent Utility Practices, it may seek clarifications from the Company.	There is no deviation of the clause apart from the numbering of clause, hence its requires no express approval.
8.	**6.20 Employment of foreign nationals**. 6.20.1 The Company acknowledges,	**6.21 Employment of foreign nationals.** 6.21.1 The Company acknowledges, agrees and undertakes that employment of foreign	There is no deviation of the clause apart from the numbering of clause, hence its requires no

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
	agrees and undertakes that employment of foreign personnel by the Company and/ or its contractors and their sub-contractors shall be subject to grant of requisite regulatory permits and approvals including employment/ residential visas and work permits, if any required, and the obligation to apply for and obtain the same shall and will always be of the Company and, notwithstanding anything to the contrary contained in this Agreement, refusal of or inability to obtain any such permits and approvals by the Company or any of its contractors or sub-contractors shall not constitute a Force Majeure Event, and shall not, in any manner, excuse the Company from the performance and discharge of its obligations and liabilities under this Agreement.	personnel by the Company and/ or its contractors and their sub-contractors shall be subject to grant of requisite regulatory permits and approvals including employment/ residential visas and work permits, if any required, and the obligation to apply for and obtain the same shall and will always be of the Company and, notwithstanding anything to the contrary contained in this Agreement, refusal of or inability to obtain any such permits and approvals by the Company or any of its contractors or sub-contractors shall not constitute a Force Majeure Event, and shall not, in any manner, excuse the Company from the performance and discharge of its obligations and liabilities under this Agreement.	express approval.
9.	Article 9.6.3 In case of matter(s) not resolved by consensus, the Committee or either Party may refer such matter(s) to the Chief Engineer (Commercial) of CSPDCL or such authority designated by CSPDCL for the purpose from time to time, to resolve the matter of disagreement.	Article 9.6.3 In case of matter(s) not resolved by consensus, the Committee or either Party may refer such matter(s) to the **Executive Director (RA&PM)** of CSPDCL or such authority designated by CSPDCL for the purpose from time to time, to resolve the matter of disagreement.	The Commission do not find any material change / deviation from the standard draft PPA. hence, the approval of deviation as desired by the CSPDCL is approved.

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10.	Approved draft PPA is not having any clause under Article 11 for Liquidated damages payable to the procurer by the seller for the short fall in supply of units.	However, in the PPA dated 25.03.2022 clause 11.2 has been inserted under article 11 is respect of liquidated damages, which is, as under: **11.2 Liquated damages payable to the procurer by the seller for the short fall 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 supply to the procurer, than the seller shall pay compensation for the loss incurred by the procurer, which shall be equal to penalty impose by CSERC to CSPDCL an amount in proportion of non-fulfilment of RPO obligation due to non-supply of such power.	As the parties to the PPA have agreed to the liquidated damages and in view of the acceptance by the Commission in sl. No. 6 of this table, the Commission accepts this deviation which protect the interest of CSPDCL.
11.	**11.2 Purchase of Power by the Company**: 11.2.1 During construction of the Project, the Company may purchase power from CSPDCL as per the then prevailing terms, conditions and tariff for similar consumers of the CSDPCL.CSPDCL shall, however, not be liable to pay any damage/compensation to the Company in the event of non-supply of construction power for reasons beyond its control. The	**11.3 Purchase of Power by the Company:** 11.3.1 During construction of the Project, the Company may purchase power from CSPDCL as per the then prevailing terms, conditions and tariff for similar consumers of the CSDPCL.CSPDCL shall, however, not be liable to pay any damage/compensation to the Company in the event of non-supply of construction power for reasons beyond its control. The Company	There is no deviation of the clause apart from the numbering of clause, hence its requires no express approval.

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
	Company shall make its own standby arrangements for meeting the power requirements of the Project during the periods when CSPDCL is not in a position to make un-interrupted supply of power available to the Company. 11.2.2 After Commissioning Date of the Project, the electricity connection provided by CSPDCL to the Company shall be withdrawn and the Company shall install its own DG set at its own cost for shut down/ start up operations.	shall make its own standby arrangements for meeting the power requirements of the Project during the periods when CSPDCL is not in a position to make un-interrupted supply of power available to the Company. 11.3.2 After Commissioning Date of the Project, the electricity connection provided by CSPDCL to the Company shall be withdrawn and the Company shall install its own DG set at its own cost for shut down/ start up operations.	
12.	In the approved draft PPA, this has been mentioned under clause 18.2 – Dispute Resolution Parties shall approach to the CSERC under section 86(1)(f) of the Electricity Act 2003 for the dispute resolution	In PPA dated 25.03.2022, there is clause 18.2 namely Dispute Resolution under Article 18 as under: Clause 18: Governing Law and Dispute Resolution. xxxxxxxxx **18.2. Dispute Resolution:** 18.2.- Parties shall try to resolve the disputes mutually on mutual consent basis. However, if it is not possible to resolve the dispute then the parties shall approach CSERC under section 86(1)(f) of the Electricity Act, 2003 for Dispute Resolution.	The Commission do not find any material change / deviation from the standard draft PPA. hence, the approval of deviation as desired by the CSPDCL is approved.

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
13.	In the approved Draft PPA, Article 23 SCHEDULE - 2, which is a FORMAT FOR CONTRACT PERFORMANCE GUARANTEE, had been made "NOT APPLICABLE".	In the PPA dated 25.03.2022, Article 23 SCHEDULE - 2, which is a FORMAT FOR CONTRACT PERFORMANCE GUARANTEE, had been made "APPLICABLE".	In view of the acceptance of performance bank guarantee in this PPA, the deviation is allowed.
14.	In the approved Draft PPA Article 24 SCHEDULE – 3 which is a LIST OF BANKS FROM WHICH THE COMPANY CAN SUBMIT ITS PERFORMANCE BANK GUARANTEE had been made "NOT APPLICABLE" as there was no clause for performance bank guarantee	In the PPA dated 25.03.2022, there exists clause for performance bank guarantee Article24 SCHEDULE – 3, which is a LIST OF BANKS FROM WHICH THE COMPANY CAN SUBMIT ITS PERFORMANCE BANK GUARANTEE has been made "APPLICABLE" and provides Axis Bank Ltd. as name of the Bank.	In view of the acceptance of performance bank guarantee in this PPA, the deviation is allowed.
15.	In the approved Draft PPA Article 28 **SCHEDULE – 7: METERING SYSTEM** clause 1.2 provides Each mater comprising the Metering System shall have an accuracy class of +0.2	In the PPA dated 25.03.2022, Article 8 **SCHEDULE-7: METERING SYSTEM** Clause 1.2 provides- Clause 1.2.- Each meter comprising the Metering System shall have an accuracy class of +0.2S.	The Commission agrees to the upgradation of accuracy class. hence, metering system shall have an accuracy of class 0.2S is approved.

9. 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 25.03.2022. The parties are directed to implement these changes/insertions through an amendment in PPA. The amendment/ modification shall be incorporated in the PPA dated 25.03.2022 through supplementary PPA and duly be submitted to the Commission.

With the above observations, the case is disposed of.

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

Sd/-
(Vivek Ganodwale)
Member (Law)