



Chhattisgarh State Electricity Regulatory Commission
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Petition No. 81 of 2026

In the Matter of:

"Petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003, read with applicable Guidelines issued by the Ministry of Power, Government of India and other enabling provisions seeking adoption of tariff discovered through transparent process of competitive bidding for procurement of power."

Chhattisgarh State Power Distribution Company Limited
Vidyut Sewa Bhavan
Danganiya, Raipur – 492013

..... Petitioner

Versus

M/s Shreyas Energy 1 Private Limited
H.No. 301, Sahara Uphar,
Near Udaya Public School, Daudpur,
Gorakhpur Sadar, Gorakhpur – 273001

..... Respondent

PRESENT: Vivek Ganodwale, Member (Law)

Ajay Kumar Singh, Member (Technical)

Appearance : Shri Rishab Garg and Shri Harsh Gupta, counsels along with Biplab Dutta, EE for Petitioner CSPDCL.

Shri Jitendra Kumar, authorised representative of the respondent.

ORDER

(October 01, 2026)

The petitioner Chhattisgarh State Power Distribution Company Limited (CSPDCL), a State-owned distribution licensee has filed this petition under section 63 and 86(1)(b) of the Electricity Act, 2003 seeking adoption of tariff discovered through the process of competitive bidding undertaken in accordance with the applicable Guidelines issued by the Ministry of Power, Govt. of India.

2. The respondent M/s Shreyas Energy 1 Private Limited is a company incorporated under the provisions of the Companies Act, which is also an Special Purpose Vehicle (SPV) of M/s Shreyas Sortex Industries Pvt. Ltd. and is *interalia* engaged in the business of generation, development, implementation, supply of electricity projects and participated in the procurement process initiated by the Petitioner.
3. The petitioner and respondent have executed Battery Energy Storage Purchase Agreement / Power Purchase Agreement (BESPA / PPA) on 07.05.2026 for procurement of 125 MW/500 MWh power from Battery Energy Storage System (BESS) on a long-term basis.

Brief history:

4. The NRE Section of the Ministry of Power, Government of India, vide letter dated 09.06.2025, issued Operational Guidelines for the Viability Gap Funding (VGF) Scheme for development of BESS through the Power System Development Fund (PSDF). Under the Scheme, VGF at the rate of ₹18 lakh per MWh is to be provided for development of 30 GWh BESS capacity, involving total financial support of ₹5,400 crore from the PSDF, including 25 GWh allocated among fifteen (15) States and additional 5 GWh allocated to NTPC for supporting energy storage requirements, optimum utilization of existing generation and transmission infrastructure, and reliable and economical power supply during non-solar and peak-demand periods.
5. The BESS projects are to be implemented through tariff-based competitive bidding under Section 63 of the Electricity Act, 2003, with the contractual framework and tenure specified in the Request for Selection (RfS) documents in accordance with the applicable BESS-TBCB Guidelines. The Operational Guidelines also provides for commissioning of the BESS projects within eighteen (18) months from execution of the BESPA/PPA, as applicable. The projects are

envisaged to be developed primarily on Build-Own-Operate (BOO) or Build-Own-Operate-Transfer (BOOT) basis, preferably for a contractual period of twelve (12) to fifteen (15) years.

6. Under the aforesaid scheme, the State of Chhattisgarh has been allocated 500 MWh of BESS capacity and against the said allocation, the State is eligible for VGF assistance of ₹90 crore. As per the Guidelines, the prospective bidders are required to quote annualized fixed charges in ₹ per MW per month or ₹ per kWh, after factoring in the VGF specified in the RfS document, while the land and connectivity for the project are to be provided by the Petitioner.
7. The petitioner, CSPDCL received offers from two Central Agencies for implementation of the allocated 500 MWh BESS capacity under the VGF Scheme.
 - a) The first offer was received from Solar Energy Corporation of India Limited (SECI) for engagement as the Renewable Energy Implementing Agency (REIA) for the entire life cycle of the project, for the proposed contractual period of twelve (12) to fifteen (15) years. SECI would undertake implementation and facilitation of the project throughout the contractual period and would be entitled to levy a trading margin of ₹0.07 per kWh or 0.5% of the capacity charges, as applicable, on the petitioner.
 - b) The second offer was received from NTPC Vidyut Vyapar Nigam Limited (NVVNL) for engagement as the Bid Implementing Agency (BIA), limited to conducting the competitive bidding process. NVVNL would not levy any direct charges on the petitioner and would recover its fees from the participating bidders, comprising a success fee of ₹1 lakh per MW plus applicable GST, a document fee of ₹22,500/- inclusive of GST, and a document processing fee of ₹15 lakh plus applicable GST, as specified in its offer.

8. The two proposals envisaged distinct implementation structures, with SECI proposing long-term engagement as the Renewable Energy Implementing Agency for the entire project lifecycle, whereas NVVNL proposed a limited role confined to conduct and management of the bidding process. The petitioner chose NVVNL.

Petitioner's Submissions:

9. CSPDCL has issued Letter of Award (LoA) on 03.07.2025, appointing NVVNL as Bid Processing Coordinator. NVVNL issued the RfS on 01.12.2025 for procurement through tariff-based global competitive bidding for a 125 MW / 500 MWh STU-connected standalone BESS project in Chhattisgarh for CSPDCL under the VGF Scheme. The bidding process was conducted through a structured, transparent and competitive mechanism under the supervision of NVVNL as Bid Processing Coordinator. According to the petitioner, the process provided for adequate publicity, equal opportunity to all bidders, uniform qualification and evaluation criteria, technical and financial evaluation, and a reverse auction mechanism, thereby facilitating objective evaluation and competitive price discovery without any preferential treatment to any bidder.
10. After the bid opening on 13.02.2026 and during techno-commercial evaluation of 13 participated bidders on 07.03.2026, one bidder was excluded from the reverse auction in accordance with the applicable bidding framework. The reverse auction was conducted on 11.03.2026, wherein the respondent emerged as lowest bidder with a tariff of ₹2.98 per kWh. NVVNL thereafter recommended award of the project to the respondent vide communication dated 16.03.2026.
11. On the recommendation of the NVVNL, petitioner issued LoA on 07.04.2026 in favor of the respondent for development and implementation of the 125 MW/500 MWh BESS project in accordance with the RfS and tender documents. The Respondent

accepted the LoA on 10.04.2026, and NVVNL subsequently received its applicable success fee on 23.04.2026 and issued a Compliance Certificate on 24.04.2026 certifying that the tendering process undertaken for procurement and development of the 125 MW/500 MWh BESS project in the State of Chhattisgarh under the VGF Scheme supported through the PSDF had been carried out in compliance with the applicable guidelines and prescribed tendering framework.

12. Pursuant to the issuance and acceptance of the LoA and completion of the tendering process, a BESPA / PPA dated 07.05.2026 was executed between the Petitioner and the Respondent for procurement of 125 MW/500 MWh BESS capacity on a long-term basis.
13. With the above submissions, the petitioner prayed for the followings:
 - a. Adopt, under Section 63 of the Electricity Act, 2003, the tariff discovered through the competitive bidding process undertaken for development of 125 MW/500 MWh BESS capacity.
 - b. Approve procurement of 125 MW/500 MWh BESS capacity pursuant to the completed bidding process;
 - c. Take on record and approve the BESPA / PPA dated 07.05.2026 executed between the petitioner and the respondent;
 - d. Approve procurement arrangements arising from the bidding process conducted through NVVNL;

Respondent's Submission:

14. Respondent has no objection to the adoption of tariff as discovered through the competitive bidding process and acknowledges that the rate has been discovered through a fair, transparent and competitive

process. Further, the respondent shall be strictly governed by the terms of the RfS and BESPAs.

15. The implementation of the project and performance obligations shall remain subject to necessary statutory and regulatory approvals, availability of land, infrastructure and grid connectivity.

Technical Validation and Public Hearing

16. During the course of hearing, the Commission vide order dated 02.07.2026 directed for conducting Technical Validation Session (TVS). TVS was conducted on 16.07.2026 and the TVS report was submitted on 30.07.2026.
17. The Commission invited comments/suggestion/ objections from the various stakeholders vide public notice dated 11.08.2026. A copy of petition was also served to State Govt in Energy Dept., Chhattisgarh State Power Transmission Co. Ltd. and Members of the State Advisory Committee. Hearing was held on 02.09.2026 in the Commission's office. No comments, suggestions or objections are received from any public participant or stakeholder.

Analysis and Decision

Heard the parties in length

18. Section 63 of the Electricity Act, 2003 provides for adoption of tariff determined through a transparent bidding process conducted in accordance with the guidelines issued by the Central Government. Relevant para of the Act is reproduced below:-

*"Section 63. (Determination of tariff by bidding process):
Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."*

19. Further, under Section 86(1)(b) of the Act, this Commission is empowered to regulate the electricity purchase and procurement

process of a distribution licensee, including the price at which electricity is procured from generating companies, licensees or other sources. Relevant para is reproduced below:-

"Section 86. (Functions of State Commission):

(1) xxxxx

(b) 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";

20. We are of the view that the development of BESS would support the peak power demand and its management. While ensuring optimal utilization of renewable energy resources, it will also ensure grid stability during the solar hours, thereby, reduction in backing down of the thermal generating stations.
21. Considering the submissions made by the parties, the Commission approves:
- (i) The tariff of ₹2.98 per kWh discovered through the competitive bidding process for development of 125 MW/500 MWh Battery Energy Storage System;
 - (ii) Procurement of 125 MW/500 MWh BESS capacity;
 - (iii) BESPA / PPA dated 07.05.2026 executed between the Petitioner and the Respondent;
 - (iv) The procurement arrangements arising from the bidding process conducted through NVVNL.

We order accordingly.

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

Sd/-
(Vivek Ganodwale)
Member (Law)