ODISHA ELECTRICITY REGULATORY COMMISSION

SKV Law Offices Secures OERC Approval for NHPC's 470 MW FDRE Procurement: A Major Boost to Reliable Green Power in Odisha

SKV Law Offices represented NHPC Limited in a significant development for renewable energy procurement in Odisha. The Odisha Electricity Regulatory Commission (OERC), by its order dated 05.11.2026 in Case No. 112 of 2026, has approved the procurement of 470 MW of ISTS-connected Firm and Dispatchable Renewable Energy (FDRE) power by GRIDCO Limited through NHPC as the Renewable Energy Implementing Agency (REIA). The Power Sale Agreement between NHPC and GRIDCO, the back-to-back Power Purchase Agreement between NHPC and Avaada MP Solar Private Limited, and the Supplementary Agreement between GRIDCO and Avaada stand approved on their executed terms.

Background

The power will flow from a hybrid project combining 550 MW of solar, 140 MW of wind and 470 MW/1880 MWh of battery storage, at a tariff of ₹4.38/kWh discovered through NHPC's competitive bidding and adopted by CERC, plus NHPC's trading margin of ₹0.07/kWh. A further rebate of ₹0.13/kWh from the developer brings the effective tariff down to ₹4.32/kWh, with the project set to be commissioned before June 2028 to secure the 25% ISTS waiver.

Mr. Shri Venkatesh, Founding Partner, appearing for NHPC, submitted that NHPC acts as the REIA and intermediary trading licensee on a strictly back-to-back basis, that the approval was a time-bound condition precedent under the PSA and the PPA, and that the Supplementary Agreement, to which NHPC is not a party, can create no right, obligation or liability on NHPC or any ground for deduction or set-off against NHPC's dues under the PSA.

Decision of the Commission and Significance

The Commission accepted the case for the procurement, found no legal impediment, and approved all three agreements as executed, within the contractual timeline. It expressly recorded that the Supplementary Agreement cannot create any right, obligation or liability on NHPC.

The order secures firm and dispatchable renewable power for Odisha, overcoming the intermittency of standalone solar and wind. It strengthens the State's renewable consumption compliance through physical procurement and positions the power as input for its upcoming pumped storage and battery storage projects. It also affirms the REIA model: back-to-back contracts, a trading margin that forms part of the approved tariff, and an intermediary insulated from arrangements to which it is not a party.

SKV Team

The SKV team appearing for NHPC comprised Mr. Shri Venkatesh (Founding Partner), Mr. Akash Lamba (Counsel), Mr. Adarsh Singh (Associate) and Divyansh Yadav (Trainee Associate) at SKV Law Offices.

FOR FURTHER INFORMATION PLEASE CONTACT

Kanika Chugh
MANAGING PARTNER
Kanika.chugh@skvlawoffices.com

© 2026 SKV LAW OFFICES · ALL RIGHTS RESERVED