ODISHA ELECTRICITY REGULATORY COMMISSION

SKV Successfully Secures OERC Approval in Favour of NHPC for 400 MW Solar Power Procurement by GRIDCO

SKV Law Offices represented NHPC Limited in another significant development for renewable energy procurement in Odisha. The Odisha Electricity Regulatory Commission (OERC), by its order dated 06.11.2026 in Case No. 92 of 2026, has approved the procurement of 400 MW of ISTS-connected Solar 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 Agreements between NHPC and M/s. Jagaluru Solar Power Private Limited (300 MW) and M/s. Shudh Solar Power Private Limited (100 MW), and the Supplementary Bi-lateral Agreements between GRIDCO and the said Solar Power Generators stand approved on their executed terms.

Background

The power will be procured at a tariff of ₹2.56/kWh discovered through NHPC's competitive bidding and adopted by CERC, plus NHPC's trading margin of ₹0.07/kWh, taking the tariff under the PSA to ₹2.63/kWh. Under separate Supplementary Bi-lateral Agreements between GRIDCO and the two Solar Power Generators, the parties have agreed to a reimbursement of ₹0.03/kWh against incidental cost, bringing GRIDCO's effective tariff to ₹2.60/kWh — lower than GRIDCO's cost of procurement from other sources.

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 between the PPAs and the PSA, that the approval of the agreements was subject to a time-bound condition precedent under the PSA and the PPAs, and that the Supplementary Bi-lateral Agreements, to which NHPC is not a party, can create no right, obligation or liability on NHPC, and that any default by the Solar Power Generators or dispute thereunder cannot be a ground for any deduction, set-off or withholding of amounts payable by GRIDCO to NHPC under the PSA.

Decision of the Commission and Significance

The Commission accepted GRIDCO's case for the procurement and accorded approval to the PSA, the back-to-back PPAs and the Supplementary Bi-lateral Agreements, as executed. It expressly recorded that, since NHPC is not a party to the Supplementary Bi-lateral Agreements, they cannot create any right, obligation or liability on NHPC.

The order adds 400 MW of ISTS-connected solar power to GRIDCO's portfolio at a tariff lower than its other sources, aiding RCO compliance and its upcoming PSP/BESS plans. For NHPC, the order is a clean win: its REIA/intermediary role and undiluted PSA dues stand fully protected, with the Commission affirming that the Supplementary Agreement binds GRIDCO and the SPGs alone.

SKV Team

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

FOR FURTHER INFORMATION PLEASE CONTACT

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