

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY  
COMMISSION AT RANCHI**

**Case No. 39 of 2024**

Steel Authority of India Ltd. (SAIL-Bokaro)  
and Solar Energy Corporation of India Limited (SECI)..... Petitioner

**CORAM: HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)  
HON'BLE MR. ATUL KUMAR, MEMBER (TECH)**

For the Petitioner : Mr. Rajul Harkerni, General Manager (Ta-Electrical),  
SAIL- Bokaro and Mr. Mudit Jain, Deputy Manager,  
SECI, New Delhi

**Date – 27<sup>th</sup> February, 2025**

1. The Petitioner- Steel Authority of India Ltd -Bokaro has filed the instant petition under clause 6.29 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2020 and its amendment thereof, for approval of Power Sale Agreement (PSA) between SAIL-Bokaro and Solar Energy Corporation of India Ltd. for purchase of 100 MW solar power from SECI.
2. The Prayers of the petitioner are as under: -
  - (a) To approve the PSA between SAIL-Bokaro and SECI for purchase of 100 MW Solar Power from SECI for fulfillment of RPO requirement as per the JSERC (Renewable Energy Purchase Obligation and its Compliance) (Second amendment) Regulations, 2024.
  - (b) To pass any other order as the Commission may deem fit and appropriate in the interest of justice.
  - (c) To condone any error/omission and to give opportunity to rectify the same.

**Submissions of the Petitioner**

3. The representative of the Petitioner SAIL-Bokaro submitted that the SAIL-BSL is the sanction holder of power supply in Bokaro Steel City under Section 28(1) of the erstwhile Indian Electricity Act, 1910 and has been managing the power distribution in Bokaro Steel City since its inception and post the enactment of the Electricity Act, 2003 as per the provision of the Section 14 of the Act, SAIL-BSL has been granted Distribution Licensee status by the State Commission.

4. It was submitted that the Bokaro Steel Plant is having two sources of power supply i.e Captive Generation from BPSCL and from DVC. The SAIL-Bokaro Steel Plant is Distribution Licensee and is responsible for supply of power to domestic as well as commercial establishments of Bokaro Steel City. Sail-BSL is buying power from DVC at 220 kV at 220/132 KV main receiving substation at Bokaro Steel Plant from where it is further distributed for end use in plant and township.
5. It was further submitted that SAIL-Bokaro being an obligated entity under JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016 and its amendments thereof, it is a regulatory obligation on the part of Sail-Bokaro Steel Plant to consume a certain quantum of electricity from renewable sources of energy as percentage of total consumption and SAIL-Bokaro is trying to fulfill such regulatory obligation by purchasing renewable power.
6. It was stated that Solar Energy Corporation of India Ltd (SECI) has to sell and made available 100 MW of electricity to SAIL-Bokaro Steel Plant as distribution Licensee after procuring 100 MW (out of total 1200 MW bidding quantum) from Solar project to be developed by the Solar Power Developers (SPDs) and the petitioner (SAIL-Bokaro Steel Plant) has agreed to purchase 100 MW solar Power, which in turn is to be procured by SECI from ISTS-Connected Solar projects to be developed by SPDs on the terms and conditions contained in the Agreement.
7. It was clarified that SECI has been designated as the nodal agency to facilitate the implementation of National Solar Mission by setting up of grid connected solar/wind projects. Accordingly, SECI entered into an agreement with SAIL-Bokaro for 100 MW Solar Power to be developed by Solar Power Developers (SPD).
8. It was also submitted that the Cost of this proposed solar power shall remain constant for the next 25 years, however per unit cost of Power from DVC source will increase in course of time. Existing per unit cost of DVC power is Rs. 4.05/kvah. Which may increase in course of time, however per unit cost of solar power from SECI will remain fixed for 25 years (subject to change of Law).The total per unit cost of Solar Power from SECI at source is Rs. 2.85/kwh (SPD rate - Rs. 2.50/kwh + SECI trading margin -Rs.0.07/kwh + SPD would claim tentatively Rs. 0.28/kwh as financial impact on tariff due to implication of Basic Custom Duty (BCD) and GST or at actual based on the documents produced by SPD). Any other event under Change in Law shall be governed by the terms & conditions of the PPA and PSA (STU charges, losses and miscellaneous charges are extra). Inter-State Transmission System (ISTS) transmission charges shall not be applicable on offered solar power from SECI in line with CERC Regulation, 2023 dated 07.02.2023 for all projects commissioned by 30<sup>th</sup> June, 2025.
9. It was also pointed out that as per notification of Ministry of Power dated 21.06.2021, no interstate transmission charges will be levied on transmission of electricity through the interstate transmission system for sale of power by such projects commissioned till 30<sup>th</sup> June 2025 for 25 years from the date of commissioning of the project, which will benefit the end consumers.

10. It was prayed by the petitioner to approve the PSA for procurement of 100 MW Solar Power proposed to be established by SECI under MNRE on long term basis (25 years).

**Commission’s observation and findings**

11. The Commission has considered the submissions made by the petitioner and perused the materials available on records.

12. Under Section 86(1)(b) and 86 (1)(e) of the Electricity Act, 2003, the State Commission has the responsibility to regulate the electricity purchase and procurement process of distribution licensees and promote co-generation and generation of electricity from renewable sources of energy. The relevant Section of the Electricity Act, 2003 reads as under: -

**“Section 86 Function of State Commission:** - (1) *The state Commission shall discharge the following functions, namely: -*

.....

*(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;*

.....

*(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;*

.....

13. It is evident that, under section 86(1)(b) of the Act, the distribution licensee is obligated to get the Power Purchase Agreement, approved by the Commission, and under section 86(1)(e) of the Act, the Commission discharges the function of promoting the generation of electricity from renewable sources and also specifies a percentage of renewable purchase by a distribution licensee.

14. It is observed that the aforesaid PPA is meant to meet the Renewable Purchase obligation by the Petitioner-SAIL-Bokaro as specified by the Commission vide JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016 and its amendments thereof.

15. In the result, it is ordered as;

**ORDER**

16. Considering the facts and circumstances of the case, the prayers of the

parties are allowed. The Commission in order to promote procurement of renewable energy by SAIL-Bokaro to fulfill their Renewal Energy Purchase obligation and taking into account, the provisions of Section 86 (1) (e) of the Electricity Act, 2003 approves the purchase of 100 MW Solar Power from SECI subject to the condition that SAIL-Bokaro shall procure power from the project at Rs.2.85/kWh(SPD rate - Rs. 2.50/kwh + SECI trading margin -Rs.0.07/kwh + SPD would claim BCD tentatively Rs. 0.28/kwh or as per actual).

17. Accordingly, the petition stands disposed off with the aforesaid directions.

Sd/-  
Member (Tech)

Sd/-  
Member (Law)