IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Case No. 09 of 2026

Tata Steel Limited (TSL) (Distribution Licensee)………………… Petitioner

Versus

Solar Energy Corporation of India (SECI) ……………………… Respondent

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)

For the Petitioner : Mr. P.A.S. Pati, Sr. Advocate.
For the Respondent : Mr. Shibasish Das, DGM(EMD), SECI.

ORDER

Date – 04th August, 2026

1. The Petitioner – Tata Steel Limited (Distribution Licensee) has filed the instant petition under section 86(1)(b), 86(1)(e) and 94 of the Electricity Act 2003 and clause 5.2 of Regulation A5 of JSERC (renewable Energy Purchase Obligation and its compliance) Regulations, 2024, for approval of Power Sale Agreement (PSA) between Solar Energy Corporation of India Limited (SECI) and Tata Steel Limited (Distribution Licensee).

2. The Prayers of the Petitioner are as under: -
   (a) Pass suitable order approving the Power Sale Agreement between Solar Energy Corporation of India Limited (SECI) and Tata Steel Limited (Distribution Licensee), wherein TSL desires to procure renewable energy power of 50 MW from SECI.
   (b) Pass specific orders for a reasonable prospective 'appointed date' whereafter the approved agreement shall be effective in the larger public interest.
   (c) Condone any inadvertent omissions/errors/shortcomings and permit Tata Steel Limited to add/change/modify/alter this filing

and make further submissions as may be required at a future date.

(d) Pass such order/orders as this Ld. Commission may deem fit and proper.

Submissions of the Petitioner

3. The Learned counsel for the petitioner submitted that the petitioner company - Tata Steel Limited is a steel manufacturing company and has one of its steel manufacturing plants at Jamshedpur. Tata Steel Limited is also a distribution licensee for Jamshedpur based area under the license granted by Jharkhand State Electricity Regulatory Commission (JSERC), who is the Petitioner in the present case.

4. Petitioner submitted that SECI and discom Tata Steel Limited (Distribution Licensee) have entered into a Power Sale Agreement (PSA) dated 17th October 2025 for 50 MW solar capacity under the Inter-State Transmission System (ISTS) manufacturing scheme and in consonance with the policy of the Government of India for promotion of solar power. Likewise, through competitive bidding, SECI has entered into a Power Purchase Agreement (PPA) with M/s Azure Solar Private Limited, a Solar Power Developer (SPD) on 02nd January 2026 for 50 MW capacity under the said scheme, wherein the applicable tariff is Rs. 2.61/kWh (fixed tariff of Rs. 2.54/kWh plus trading margin of Rs. 0.07/kWh) in order to supply power to the Petitioner (Distribution Licensee).

5. Petitioner has submitted that the Ministry of Power (MOP) in consultation with Bureau of Energy Efficiency (BEE) specifies the minimum share of electrical energy consumption from renewable energy for designated consumers, who are electricity distribution licensees, open access consumers and captive users. The specified minimum share of electrical energy from renewable energy sources as percentage of total electrical energy consumption, referred to as Renewable Consumption Obligation (RCO) as given under Clause 5.2 of Regulation A5 of JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2024, shall be as per the details given in the table below:

Sl. No.	Year	Wind energy	Hydro energy	Distributed renewable energy	Other renewable energy	Total renewable energy
1	2024-25	0.67%	0.38%	1.50%	27.36%	29.91%
2	2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
3	2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
4	2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
5	2028-29	2.95%	1.42%	3.90%	33.09%	41.36%
6	2029-30	3.49%	1.33%	4.50%	34.02%	43.33%

6. Petitioner has further submitted that in order to comply with at least 33.01% Renewable Purchase Obligation, Tata Steel Limited as distribution licensee with a desire of purchasing 50 MW electricity has entered into a long-term contract in the nature of PSA on mutually agreed terms and conditions mentioned therein with SECI, a government agency that has been designated as one of the Renewable Energy Implementing Agencies (REIAs) by Ministry of New and Renewable Energy.

7. Further Petitioner submitted that Section 86(1)(b) of Electricity Act, 2003 empowers State Commission to regulate electricity purchase and procurement process of distribution licensee including the price. And Section 86(1)(e) of Electricity Act, 2003 also enables State Commission to promote purchase of electricity from renewable sources of energy.

8. In view of the above, the Petitioner most humbly submitted instant petition before the Commission praying for Approval of Power Sale Agreement between Tata Steel Limited and Solar Energy Corporation of India Limited (SECI) to purchase renewable energy power of 50 MW from SECI.

Replies of the Respondent

9. Respondent submitted that Solar Power Project of M/s Azure Solar Private Limited is being established under Power Purchase Agreement dated 02.01.2026 executed between Azure and SECI for supply of 50 MW Solar Power to the Petitioner under the PSA on back-to-back basis.

10. Respondent submitted that SECI has filed Petition bearing Diary No. 109 of 2026 before the Hon'ble CERC for adoption of tariff for the said capacity of Azure under Section 63 of Electricity Act, 2003, which is pending before the Hon'ble CERC.

11. Further, Respondent submitted that in the facts and circumstances, the Commission may be pleased to approve the procurement of 50 MW Solar Power at tariff of Rs. 2.54/kWh plus Trading Margin of Rs. 0.07/kWh by the Petitioner from SECI under the PSA dated 17.10.2025 read with PPA dated 02.01.2026.

Commission's Observation and findings

12. The Commission considered the submissions made by the parties and perused the materials available on records.

13. The Petitioner has sought approval of the PSA executed with SECI for procurement of 50 MW Solar Power under the ISTS-connected Manufacturing Linked Scheme for fulfillment of its Renewable Purchase Obligation (RPO). The Commission notes that Tata Steel Limited, being a distribution licensee in its licensed area, has proposed to procure the allocated solar power through SECI, which has been designated by the Government of India as the nodal agency for implementation of the said scheme.

14. The Commission notes that under Article 5 of the PSA, the applicable tariff for supply of power has been specified as Rs. 2.54/kWh, together with a Trading Margin of Rs. 0.07/kWh payable to SECI for the services rendered as an intermediary procurer. The terms relating to metering, scheduling, energy accounting, payment mechanisms and other commercial arrangements have been duly incorporated in the PSA.

15. 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;*
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> *…………………"*

16. The Commission is of the view that procurement of renewable energy through competitive bidding conducted under the Central Government scheme is consistent with the objectives of Sections 86(1)(b) and 86(1)(e) of the Electricity Act, 2003, which mandate promotion of renewable energy and regulation of power procurement by entities under the Commission's jurisdiction.

17. The Commission also finds that the proposed procurement would contribute towards fulfillment of the Petitioner's Renewable Purchase Obligation and facilitate increased integration of renewable energy in the State, thereby advancing the statutory objective of promoting sustainable and environment friendly sources of electricity generation.

18. In view of the foregoing discussions, the Commission is satisfied that

approval of the PSA would be in the larger public interest, promote renewable energy procurement, and enable compliance with the applicable Renewable Purchase Obligation framework.

ORDER

19. In exercise of the powers conferred under the Electricity Act, 2003 and the applicable provisions of the JSERC Regulations, the Commission hereby accords approval to the Power Sale Agreement (PSA) dated 17.10.2025 executed between Tata Steel Limited (Distribution Licensee) and Solar Energy Corporation of India Limited (SECI) for procurement of 50 MW Solar Power under the ISTS-connected manufacturing linked scheme.

20. The procurement of power under the approved PSA shall be at the tariff specified therein, namely **Rs. 2.54/kWh together with the applicable Trading Margin of Rs. 0.07/kWh**, subject to any order, approval or adoption by the competent regulatory authority, wherever applicable.

21. The energy procured under the aforesaid PSA shall be eligible for reckoning towards compliance of the Renewable Purchase Obligation of Tata Steel Limited in accordance with the applicable regulations in force from time to time.

Accordingly, with the above observations and directions, the instant Petition stands **allowed and disposed of**.

Sd/-	Sd/-
Member (L)	Chairperson