Delhi Electricity Regulatory Commission

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi –110 017.

F.11(2389)/DERC/2025-26/8628

Petition No. 62/2025

In the matter of: **Petition seeking approval for procurement of 120 MW Capacity of Firm & Dispatchable Renewable Energy (FDRE) Power from ISTS connected firm & Dispatchable Renewable Energy Power Plant (with Energy Storage System) by New Delhi Municipal Council (NDMC) through NHPC Ltd. (as Intermediary Procurer/Renewable Energy Implementing Agency "REIA") and for taking on record the Power Sale Agreement (PSA) executed between NHPC and NDMC dated 25.07.2025, pursuant to the provisions of Section 86(1)(b), Section 86(1)(e) and Section 61(h) of the Electricity Act, 2003 read with applicable Regulations of the Commission.**

New Delhi Municipal Council … Petitioner

and

NHPC Ltd.

Coram:

Sh. S.C.L. Das, Chairperson
Sh. Ajay Kumar Jain, Member (Legal)

Appearance:

1. Mr. Ravi Kishan Chandna, Ld. Counsel for the Petitioner
2. Mr. Siddhant Choudhary, Ld. Counsel of the Petitioner

ORDER

(Date of Order: 06.11.2026)

1. The Instant Petition has been filed by New Delhi Municipal Council/NDMC, for seeking approval of the Commission for procurement of 120MW Capacity of Firm & Dispatchable Renewable Energy (FDRE) Power from ISTS connected firm & Dispatchable Renewable Energy Power Plant (with Energy Storage System) by New Delhi Municipal Council (NDMC) through NHPC Ltd. (as Intermediary Procurer/Renewable Energy Implementing Agency "REIA") and for taking on record the Power Sale Agreement (PSA) executed between NHPC and NDMC dated 25.07.2025.

2. The Petitioner has made *inter-alia* the following prayers in its Petition:

   i. Admit the petition as per the provisions of section 86 (1) (b), 86 (1)(e), 61 (h) of the Electricity Act 2003 read with clause 4 and 9 of the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations 2021;

ii. Allow the Petitioner (NDMC) for procurement of 120 MW Firm & Dispatchable Renewable Energy from ISTS connected Renewable Energy power plant with ESS at the price as offered by NHPC on long term basis for a period of 25 years (from COD / SCSD as applicable) i.e. at the Tariff of Rs 4.55 / kWh + ₹ Rs 0.07 / kWh as NHPC's trading margin.

iii. Take on record the Power Supply Agreement (PSA) signed between the Petitioner and NHPC for procurement of the above power.

iv. Condone any error/omission and to give opportunity to rectify the same.

v. Allow the Petitioner to make further submissions, additions and alterations to the petition as may be required under the provisions of law;

vi. Pass such other and further orders as the Commission may deem fit and proper in the facts and circumstances of the present case.

Petitioner's Submissions

3. The Petitioner has submitted the following;

i. The Ministry of Power (MoP), Government of India (GoI), have issued the notification for Tariff Based Competitive Bidding Process for procurement of Firm and Dispatchable Power from grid Connected Renewable Energy Power Projects with Energy Storage Systems vide Resolution no. 23/03/2023 – R&R dated 09th June 2023 (including subsequent amendments and clarifications thereof) if any, read with Electricity (Amendment) Rules 2022 dated 29th December 2022 and its subsequent amendments issued until 22nd December 2023, with specific objectives, such as; to provide Firm and Dispatchable Power to the DISCOMs from renewable energy sources to facilitate renewable capacity addition and fulfilment of Renewable Purchase Obligation (RPO) requirement of DISCOMs.

ii. The procurement of energy from Renewable Energy Power Generators (RE-PGs) is also an endeavour of NDMC to fulfil its obligation of RPO for promoting green energy and optimising the cost of power purchase, which is for the benefit of the electricity consumers in New Delhi Municipal Area. The MoP had issued a notification dated 20th October 2023, vide which it had mandated power distribution companies (i.e., DISCOMs) to prepare RPO roadmap. Further, MoP, vide said notification dated 20th October 2023, has given the new RPO trajectory from FY 2024-25 to FY 2029-30 as tabulated below:

Year	Wind RPO	Hydro RPO	Other RE	Distributed RE	Total
2024-25	0.67%	0.38%	27.35%	1.50%	29.91%
2025-26	1.45%	1.22%	28.24%	2.10%	33.01%
2026-27	1.97%	1.34%	29.94%	2.70%	35.95%
2027-28	2.45%	1.42%	31.64%	3.30%	38.81%

2028-29	2.95%	1.42%	33.10%	3.90%	41.36%
2029-30	3.48%	1.33%	34.02%	4.50%	43.33%

iii. MoP, through the aforesaid notification has provided the criteria to meet the RPO against each category, however, 100% fungibility has been provided between Wind, Hydro, and Other Renewable sources under the notification. The criteria have been outlined below:

a. Wind: shall be met from the Wind Power Projects commissioned after 31.03.2024.
b. Hydro: shall be met only from Hydro Power Projects (including Pump Storage and Small Hydro Projects) commissioned after 31.03.2024.
c. Distributed RE: shall be met only from energy generated from RE projects that are less than I0MW in size.
d. Other RPO: can be met by energy produced from any RE projects other than specified under Wind, Hydro, and Distributed Energy and shall comprise energy from all WPPs and Hydro Power Projects (including Pump Storage and Small Hydro Projects), including free power, commissioned before the 01.04.2024.

iv. Guideline No. 6 of the aforesaid MoP Notification dated 20th October 2023 provides that any shortfall in meeting RPO targets will be treated as non-compliance and penalty may be imposed in accordance with the provisions under sub-section (3) of section 26 of the Act. The aforementioned considerations and challenges to meet RPO targets in future, NDMC has signed PSA with National Hydroelectric Power Corporation to meet the RPO targets.

v. That National Hydroelectric Power Corporation (hereinafter called as NHPC), in accordance with the Electricity Act and the Guidelines for Tariff Based Competitive Bidding (TBCB) process, has been designated as Intermediary Procurer/Renewable Energy Implementing Agency (REIA) by Ministry of New and Renewable Energy (MNRE), GoI for developing and facilitating the establishment of the grid connected RE power capacity in India.

vi. NHPC has agreed to act as intermediary agency / procurer for the procurement of 120 MW FDRE Capacity from the FDRE power project to be established, operated and maintained by the RE-PG on build own and operate bases in pursuance to a tariff based competitive bidding process of selection of 120 MW firm & dispatchable grid connected RE power projects coupled with ESS on anywhere in India, in order to enable NDMC to purchase Power for the purpose of fulfilling RPO in accordance with the scheme and objectives of the Electricity Act, 2003, the Policies of the Government of India and the Policies of the State Government.

vii. That the NHPC had initiated a Tariff Based Competitive Bidding Process by issuing Request for Selection (RfS) document For selection of RE power developers for supply of 1500 MW Firm & Dispatchable Renewable Power (for 25 years) from ISTS connected Renewable Energy Power Projects coupled with Energy Storage Systems on anywhere in India basis the terms and conditions contained in the Request for selection(herein after referred to as "RFS") issued by NHPC vide RfS dated 31.10.2023 including its subsequent amendments and clarifications.

viii. That BN Hybrid Power-1 Private Limited (RE-PG / REPD) participated in the NHPC TBCB process, was declared a successful bidder. The RE-PG has agreed to establish a RE power Project with energy storage system for supply of 120 MW FDRE power on built, own and operate bases on the land located in Rajasthan and agreed to sell the power generated from the Project to NHPC to enable onward sale to NDMC who has consented to purchase the power from NHPC.

ix. The Petitioner has agreed to purchase 120 MW (FDRE) power under the above RfS and accordingly, NHPC has agreed to sign Power Purchase Agreements (PPAs) with BN Hybrid Power -1 Private Limited (hereinafter referred to as "RE-PGs") for procurement of FDRE power on a long-term basis, as indicated at schedule.

x. Pursuant to the aforesaid objective, the Parties being desirous of entering into a Power Sale Agreement ("PSA") i.e. a definitive agreement regarding purchase of power from the Project. The Parties have accordingly agreed to enter into this PSA to record their understanding and agreements with regard to the purchase of power to be generated from the project and in respect to the matter's incidental or ancillary thereto, upon the terms and conditions set out in the said agreement.

xi. That the Petitioner and the supply of Power is regulated and Governed by the Delhi Electricity and Regulatory Commission (Renewable Purchase obligation and Renewable Energy Certificate Framework Implementation) Regulations 2021 issued by this Commission vide Delhi Gazette Notifications dated 13.04.2021 (hereinafter called as the Regulations).

xii. That the NHPC and NDMC have executed a Power Sale Agreement (PSA) on a back-to-back basis for the resale/transfer of the Contracted Capacity to NDMC and the PSA executed between NHPC and NDMC has been signed and is dated 25th July 2025 (the PSA sets out that NHPC will act as intermediary/procurer and sell the Contracted Capacity to NDMC on back-to-back terms).

xiii. That the NHPC, thereafter signed the Power Purchase Agreement dated 12th August 2025 with the BN Hybrid Power -1 Private Limited selected under the RfS mentioned herein below(hereinafter referred to as "PPA ") for procurement of the Contracted Capacity of 120 MW Firm & Dispatchable Renewable Energy from ISTS connected RE power Project coupled with Energy Storage Systems selected under the provisions of RfS dated 31.10.2023 including its subsequent amendments and clarifications.

xiv. NHPC had filed Petition No. 88/AT/2025 before the Central Electricity Regulatory Commission (CERC) under Section 63 of the Electricity Act, 2003 for adoption of Tariff for 1400 MW Firm & Dispatchable Power from ISTS-connected Renewable Energy Power Projects coupled with Energy Storage System selected through Competitive Bidding process as per the Guidelines issued by MoP dated 09th June 2023 and its amendments thereof.

xv. The CERC vide its Order 30th May 2025 in Petition No. 88/AT/2025 took a note that out of 1400 MW FDRE capacity, UPPCL has provided consent to procure for 1280 MW capacity and NDMC has provided consent to procure 120 MW FDRE capacity. Where, the PSA/PPA of 1280 MW was signed by UPPCL and balance 120 MW was pending for signing. The Commission had kept in view the overall emphasis of the Guidelines on the expeditious adoption of the tariff, and considered it appropriate to proceed with the adoption of the tariff without waiting for tying up of the entire awarded capacity under the PPAs and PSAs subject to the NHPC tying of the balance awarded capacity under the PPAs and PSAs.

xvi. CERC, vide its Order dated 30th May 2025 in Petition No. 88/AT/2025, has adopted the individual tariff for the Renewable Energy Power Generators with total capacity of 1400 MW including 120 MW to be supplied to NDMC.

xvii. The PPA between the NHPC and BN Hybrid Power-1 Private Limited records the discovered levelized tariff offered by the RE-PG to NHPC of ₹ 4.55 per kWh (levelized) for the Contracted Capacity, and the NHPC scheme provides for a trading margin of ₹ 0.07 / kWh (to be charged by NHPC from the Buying Utility/NDMC in addition to the discovered tariff) as per RfS / NHPC communications. The PPA and NHPC offer/LOA therefore together determine the commercial terms (tariff + trading margin) the Petitioner proposes to accept for procurement.

4. The matter was listed for hearing on 03.12.2025 wherein the Petitioner is directed to file Resource adequacy plan clearly stating therein the relevant details including the actual requirement of procurement of power. In compliance of the same the Petitioner has inter-alia submitted the following information -

Year	Coal	Gas	Hydro	Nuclear	Wind	Solar	Hybrid(solar+Wind+BESS	Waste to Energy	Storage (MW)	DRE	STOA	Total
2023-24	217.55	205.99	13.35	12.84	0	0		2.44	0	0	120	572.17
2024-25	281.04	225.68	66.4	15.10	0	0		2.44	0	0	55	645.66
2025-26	196.00	200	0	0	0	0		2.44	0	0	0	398.44
2026-27	196.00	200	0	0	0	200		2.44	0	0	0	638.84
2027-28	196.00	200	0	0	0	200		2.44	0	0	0	638.84
2028-29	196.00	100		0	0	200	120	2.44	0	0	0	618.44
2029-30	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44
2030-31	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44
2031-32	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44
2032-33	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44
2033-34	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44
2034-35	0	100	Upto 220	0	0	200	120	2.44	0	0	0	642.44

*Hydro Power upto 220MW is subject to final allocation from MoP

Source of supply	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**Remarks**
PPCL-I (Gas Based Plant)	85 MW	85 MW	85 MW	Nil (PPA expired)	Nil	Clean Fuel based Power
PPCL-III (Bawana) (Gas Based Plant)	25 MW	25 MW	25 MW	25 MW	25 MW	Clean Fuel based Power
B-V Shakti Policy of GoI, Coal based	197 MW	197 MW	197 MW	197 MW	Nil	Coal Base Power
Solar Energy Corporation of India	Nil	200 MW	200 MW	200 MW	200 MW	Green Power
National Hydro Power Corporation	Nil	Nil	Nil	120 MW	120 MW	Green Power
BESS from IPGCL	Nil	Nil	25	25	25	
Solar Wind BESS Power from M/s SECI	Nil	Nil	Nil	50 MW	50 MW	Green Power
M/s SJVN Ltd (Sunni Dam HEP)	Nil	Nil	Nil	Nil	220MW	Green Power
Anticipated Peak Demand	387MW (Actual Demand)	480MW	510MW	540MW	575MW	

5. The matter was further listed for hearing on 13.02.2026 wherein the petitioner is directed to file an affidavit to clarify as to how their procurement is not matching with the resources adequacy plan considered and approved by the CEA. In compliance of the ROP dated 13.02.2026 the Petitioner has filed an affidavit and submitted as follows:

i. That it is respectfully submitted that the Resource Adequacy Planning for the NDMC area was initially carried out assuming an annual demand growth of

approximately 5% over the previous year's demand. The said assumption was made by Delhi SLDC while preparing the Anticipated Summer Supply Position and Anticipated Winter Supply Position, wherein demand growth of approximately 4% to 5% over the previous year's SEM load is considered.

ii. That upon review and recommendation of the Chief Engineer (Power), it was observed that the peak demand growth in NDMC area is expected to remain moderate due to redevelopment and vacation of certain areas, particularly in the DIZ area. In view thereof, the earlier assumption of 5% demand growth was reconsidered and revised.

iii. That the projected demand growth was rationalized and more realistic growth rates of approximately 1.5% to 2.5% per annum were adopted for projecting peak demand and energy requirement for the forthcoming financial years.

iv. That on the basis of the revised projections, the peak demand for NDMC area is estimated to increase gradually from approximately 392 MW in the financial year 2025-26 to around 478 MW by the financial year 2035-36, with corresponding incremental increase in energy requirement during the said period.

v. That the above projections were communicated to the Central Electricity Authority during the year 2026 as part of the Resource Adequacy Planning exercise.

vi. That it is respectfully submitted that the procurement of power proposed by the Petitioner, including procurement through NHPC Limited, has been planned keeping in view the above projected demand trajectory so as to ensure adequacy of power supply for consumers within the NDMC area.

vii. That the proposed procurement has been undertaken keeping in view the projected demand, planning margins, seasonal demand variations and operational contingencies so as to ensure reliability and security of power supply.

viii. That it is respectfully submitted that the procurement proposal of the Petitioner is consistent with the Resource Adequacy Planning exercise and does not result in any unwarranted or excessive procurement of power"

Commission Analysis

6. The Instant Petition has been filed by New Delhi Municipal Council/NDMC, for seeking approval of the Commission for procurement of 120MW Capacity of Firm & Dispatchable Renewable Energy (FDRE) Power from ISTS connected firm & Dispatchable Renewable Energy Power Plant (with Energy Storage System) by New Delhi Municipal Council (NDMC) through NHPC Ltd. (as Intermediary

Procurer/Renewable Energy Implementing Agency "REIA") and for taking on record the Power Sale Agreement (PSA) executed between NHPC and NDMC dated 25.07.2025.

7. The present Petition was listed for hearing on 03.12.2025 and admitted thereon. The Commission has carefully considered the petition, the Submissions made by the Petitioner, the documents placed on record, the affidavits dated 12.01.2026 and the subsequent affidavit dated 13.02.2026.

8. Ministry of Power, GOI vide resolution dated 09.06.2023 had issued guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems. In accordance with these guidelines, NHPC had issued the Request for Selection (hereinafter referred to as RfS) No 2023_NHPC_773818_1 dt 31.10.2023 including its subsequent amendments and clarifications for selection of RE-PGs / REPDs for development of 1500 MW firm & dispatchable grid connected RE power projects coupled with ESS on anywhere in India basis under Tariff Based Competitive Bidding (TBCB) process. Based on e-RA conducted by NHPC following bidders were found successful: -

S. No.	**Name of RE-PG**	**Allocated Capacity (MW)**	**Tariff (Rs./kWh**
1.	BN Hybrid Power-1 Private Limited	120	4.55
2.	Hero Solar Energy Private Limited	100	4.63
3.	Solarcraft Power India 20 Private Limited	50	4.63
4.	Juniper Green Energy Private Limited	200	4.64
5.	Renew Solar Power Private Limited	250	4.64
6.	ACME Cleantech Solutions Private Limited	680	4.64
	Total	**1400**	

Out of the allotted capacity of 1400 MW, UPPCL had provided consent for procurement of 1280 MW capacity and NDMC vide its letter dated 07.06.2024 had provided "in principal approval" for procurement of 120 MW of FDRE power being offered by BN Hybrid Power-1 Private Limited, Gurugram, Haryana at discovered tariff of Rs 4.55/Unit (excluding trading margin of 7 paisa/Unit).

9. The Commission observes that the Hon'ble Central Electricity Regulatory Commission vide its Order dated 30.05.2025 passed in Petition No. 88/AT/2025, adopted the discovered tariff of ₹4.55/kWh, along with NHPC's trading margin of ₹0.07/kWh over and above this tariff, through the competitive bidding process applicable to the Petitioner for 120 MW capacity.

10. The Commission notes that the Petitioner, via its affidavit dated 09.01.2026, provided details of its existing and proposed contracted capacity, as outlined in paragraph 4 of this Order. Furthermore, the Commission observes an anticipated capacity shortfall of 85MW starting in FY 2028-29 due to the expiration of the PPA with PPCL-I.

This deficit will further increase to 282 MW in FY 2029-30, driven by the non-availability of 197 MW of coal-based power under the BV Shakti policy.

11. The Commission further notes that vide the Record of Proceedings (ROP) dated 13.02.2026, the Petitioner was directed to clarify the discrepancy between its proposed procurement and the Resource Adequacy Plan approved by the Central Electricity Authority (CEA). However, the Petitioner failed to submit the requisite Resource Adequacy (RA) Report. On *suo-moto* examination of the latest report published on the CEA website for FY 2024–25 to FY 2033–34, the Commission observed the year-wise capacity additions projected by the CEA across diverse sources, as summarized below: -

Table 10 Year-wise capacity projections (in MW)

Year	COAL	GAS	BIOMASS	HYDRO	SOLAR	HYBRID	TOTAL	BATTERY	DRE	STOA
2024/25	387	200	2.44	0	200	170	959	25/50	0	0
2025/26	237	200	2.44	50	200	170	859	25/50	0	71
2026/27	237	200	2.44	50	200	170	859	25/50	38	76
2027/28	237	200	2.44	100	200	170	909	25/50	48	39
2028/29	237	200	2.44	150	200	170	959	25/50	60	39
2029/30	0	200	2.44	150	200	170	722	25/50	73	106
2030/31	0	200	2.44	150	200	170	722	25/50	77	119
2031/32	0	200	2.44	150	200	170	722	25/50	81	133
2032/33	74	200	2.44	150	200	170	797	32/78	86	86
2033/34	99	200	2.44	150	200	170	821	32/78	90	100

From the foregoing table, it is evident that the Petitioner has an assessed requirement of 170 MW of Hybrid power. The present procurement will directly assist NDMC in meeting this projected requirement.

12. The Resource Adequacy (RA) Report further highlights that, despite existing and planned capacity additions, NDMC is likely to experience an energy deficit ranging from 100 to 450 MUs across different years between FY 2029–30 and FY 2033–34. Additionally, to achieve Renewable Purchase Obligation (RPO) compliance, renewable-energy-based generation (comprising hydro, solar, hybrid, biomass, and distributed renewable energy) is projected to account for approximately 67% of NDMC's total installed capacity. Accordingly, the Petitioner (NDMC) is directed to ensure that all future power procurement strictly conforms to the Resource Adequacy Plan and to submit an updated Resource Adequacy Report to the Commission on a half-yearly basis.

13. The Petitioner submitted that it entered into a Power Sale Agreement (PSA) with NHPC on 25.10.2025. However, Regulation 27(3) of the Delhi Electricity Regulatory Commission (Conduct of Business) Regulations, 2001, mandates that a transmission or distribution utility must obtain prior approval of the Commission—including approval of procurement tariffs—before executing any power purchase contract with a generating company. The Petitioner executed the PSA without seeking this requisite prior approval but this omission of the Petitioner in present facts and

circumstances stands condoned. The Petitioner is further directed to strictly comply with the Conduct of Business Plan Regulations in the future and to file an appropriate Petition before the Commission seeking prior approval before signing any Power Purchase Agreement (PPA) or Power Sale Agreement (PSA).

14. Further, the Commission observes that as per the PSA, availability of Energy from 120MW power is given below:

RE-PG	Source wise installed capacity	Availability Energy (MUs)					Rate including Trading margin @7 paisa per Unit
		Contracted Capacity	Declared Annual CUF (>40%)	Monthly (30 days) Peak Energy for 4Hrs. in a day @90% availability	Min Annual Generation @85% declared CUF	Max. Annual Generation @110% of declared CUF	
FDRE	MW	MW	%	MU	MU	MU	Rs/kWh
BN Hybrid Power-1 Private Limited	Solar – 115 MW Wind -189 MW ESS-25MW/50MWh	120MW	74%	12.96	661.66	856.26	4.62
Total		120MW		12.96	661.66	856.26	

The data in the table above indicates that the procured power will assist the Petitioner in meeting its deficit. Furthermore, as this constitutes green power (Solar and Wind), it will also aid the Petitioner in fulfilling its Renewable Purchase Obligation (RPO) targets.

15. Accordingly, the Commission hereby allows the Petition and accords approval to NDMC for procurement of 120 MW of Firm and Dispatchable Renewable Energy (FDRE) power from ISTS-connected renewable energy power projects coupled with Energy Storage Systems through NHPC Limited, for a period of 25 years from COD/SCSD, as applicable, at the discovered tariff of ₹4.55/kWh along with NHPC's trading margin of ₹0.07/kWh and also taken on record the signed PSA dated 25.10.2025.

16. Ordered accordingly.

Sd/-
(Ajay Kumar Jain)
Member

Sd/-
(S.C.L. Das)
Chairperson