

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/Petition No. 3 of 2026
IA No. 02 of 2026 (Application for Urgent Listing)
IA No. 03 of 2026 (Application for Interim Relief)
Date of Hearing : 05.03.2026
Date of Order : 12.03.2026

In the Matter of

Petition under Section 86(1)(b) of the Electricity Act, 2003 as read with the applicable provisions under the HERC Framework for Resource Adequacy Regulations 2024 HERC Conduct of Business Regulations 2019 and HERC Terms and Conditions for determination of Tariff from Renewable Energy Sources Renewable Purchase Obligation and Renewable Energy Certificate Regulations 2025 seeking approval for the procurement of 13 MW of power as per the Ministry of Powers Allocation from the 600 MW Kameng Hydro Electric Project owned and operated by North Eastern Electric Power Corporation Ltd and renewal of the Power Purchase Agreement for the balance life of the Kameng HEP.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Respondent

North Eastern Electric Power Corporation Ltd. (NEEPO)

Present on behalf of the Petitioner

1. Ms. Reeha Singh, Advocate
2. Ms. Poorva Saigal, Advocate
3. Ms. Anupama Tiwari, Xen

Present on behalf of the Respondent

1. Mr. N.J. Gogoi, Advocate

Quorum

Shri Nand Lal Sharma
Shri Mukesh Garg
Shri Shiv Kumar

Chairman
Member
Member

ORDER

Brief background of the case

1. The present petition has been filed by HPPC, seeking approval for procurement of 13 MW power from 600 MW Kameng Hydro Electric Project of NEEPCO situated in Arunachal Pradesh for the balance life of the Plant in terms of the Draft PPA, at the tariff to be decided by Hon'ble Central Electricity Regulatory Commission (CERC).
2. The Petitioner has submitted as under: -
 - 2.1. That the Respondent, North Eastern Electric Power Corporation Limited ('NEEPCO'), is a Government of India enterprise and a Central Generating Company, which owns, operates and maintains the Kameng Hydro Electric Project ('Kameng HEP') (600 MW) situated in West Kameng District, Arunachal Pradesh, from which HPPC has been

procuring power, w.e.f, June, 2020, in terms of a duly executed Power Purchase Agreement dated 09.07.2004.

- 2.2. That the PPA was valid for a period of five (5) years commencing from the commissioning of the last unit of the Kameng HEP, i.e.12.02.2021 and is expiring on 11.02.2026, unless the PPA is formally renewed, extended or replaced.
- 2.3. That HPPC is filing the present Petition seeking renewal/continuation of the Power Purchase Agreement for the balance life of the Kameng HEP.
- 2.4. That the power procured from Kameng HEP would be utilized towards meeting the “Other Renewable Purchase Obligations” as notified in terms of the Ministry of Power’s Renewable Purchase Obligations Guidelines dated 27.09.2025.
- 2.5. That pursuant to the execution of the PPA dated 09.07.2004 and the approval accorded thereto by this Hon’ble Commission, HPPC has continuously been procuring power from the Kameng HEP, w.e.f, June, 2020, the details of which are as under:

S.No	Financial Year	No. of units utilized (MWh)	Provisional Tariff paid as per CERC orders
1.	FY2020-21 (From June 2020)	30293.255	4
2.	FY 2021- 22	55014.162	4
3.	FY 2022-23	62344.857	4
4.	FY 2023-24	56473.736	4
5.	FY 2024-25	58690.249	4
6.	FY 2025-26 (Upto Dec. 2025)	54467.040	4

- 2.6. That on 08.08.2023, the Central Electricity Regulatory Commission (‘Central Commission’) passed an order in Petition No. 51/GT/2021, filed by NEEPCO seeking approval of tariff. In the said order, the Central Commission, directed that the provisional tariff of Rs. 4.00 per kWh, which was being recovered by NEEPCO on the basis of the decision taken in the 35th Commercial Committee Meeting of the North Eastern Regional Power Committee (NERPC) held on 21.03.2018, shall continue to remain in force until the tariff of the generating station is finally determined on the basis of the approved Revised Cost Estimate (RCE).
- 2.7. That NEEPCO has filed a tariff petition seeking the true-up for the period 2019–24, as well as the tariff petition for the control period 2024–29, before the Central Commission under Section 62 of the Electricity Act, 2003, seeking determination and finalization of tariff for the Kameng HEP. In the said Petition, NEEPCO has sought an approximate tariff for the Control Period 2019–2024 and the Control Period 2024–2029, as set out below:

FY	2021-22	2022-23	2023-24
AFC (Rs. in Lakhs)	162325.443	158844.789	155397.525
SDE (in Lus)	29211.336	29211.336	29211.336
Approximate tariff (in Rs.)	5.56	5.44	5.32

Approximate rate as per the True up Petition for the Control Period 2019-24:

FY	2021-22	2022-23	2023-24
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AFC (Rs. in Lakhs)	158581.05	154303.17	150609
SDE (in Lus)	29211.336	29211.336	29211.336
Approximate tariff (in Rs.)	5.43	5.28	5.16

Control Period 2024-29:

FY	2024-25	2025-26	2026-27	2027-28	2028-29
AFC (Rs. in Lakhs)	146389.70	143323.35	140729.26	138082.20	135980.39
SDE (in LUs)	29211.336	29211.336	29211.336	29211.336	29211.336
Approximate Tariff (in Rs.)	5.01	4.91	4.82	4.73	4.66

- 2.8. That on 03.07.2024, the MoP has issued the revised allocation order for the Kameng HEP. The allocation of the State of Haryana remains at 13 MW.
- 2.9. That subsequently, on 15.01.2026, NEEPCO proposed a draft of the PPA to be entered into between HPPC and NEEPCO. The salient aspects of the Proposed PPA are as under:
- (a) The terms of the PPA shall extend for the balance life of the Kameng HEP.
- (b) The tariff shall be determined by the Central Commission from time to time
- 2.10. That Central Electricity Authority (CEA), in its Resource Adequacy Plan for Haryana, records that as on November 2025, the State has a total contracted capacity of 16,994 MW, of which hydro power constitutes about 21.9% (3,722 MW), and observes that the existing and planned capacity may be inadequate to meet future Renewable Purchase Obligation requirements. The CEA further projects a significant increase in both energy requirement and peak demand up to FY 2035-36 and accordingly recommends expansion of generation capacity with emphasis on hydro power and flexible resources, projecting the hydro capacity requirement to increase to about 4,028 MW. In this context, continued procurement of power from the Kameng Hydro Electric Project aligns with the resource adequacy requirements identified by the CEA and supports strengthening of the State's hydro mix and renewable compliance.
- 2.11. That considering that commissioning of several allocated and planned generation projects is expected during the period 2026–2031, continued procurement of hydro power will play a crucial role in bridging the projected demand-supply gap of the State. The Demand-Supply Projection Chart for FY 2026-27 to FY 2035-36 (with respect to the Projected Mode of peak demand and Normative availability considering all sources), as under, demonstrates the need for reliable and flexible generation resources to meet the State's growing demand:

Demand - Availability Scenario considering all sources as on 01.01.2026										
	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	Surplu s (+)/ Deficit (-)	Surplus (+)/ Deficit (-)								
April	1171	1278	812	938	-1055	-1116	-1108	-1722	-2363	-3032
May	1098	504	31	24	-2071	-2226	-2271	-2940	-3638	-4368
June	-323	-1132	-2005	-2227	-4551	-4356	-5162	-6005	-6885	-7804

July	-1048	-1619	-2802	-3077	-5459	-5296	-6141	-7025	-7947	-8910
Aug	1509	1224	349	408	-1616	-1066	-1724	-2411	-3129	-3878
Sept	-436	-932	-2032	-2218	-4508	-4246	-5009	-5805	-6637	-7506
Oct	997	817	52	-106	-1413	-733	-1265	-1819	-2396	-2996
Nov	2904	2854	2442	1989	1294	2108	1716	1309	886	446
Dec	1376	1255	1448	143	-540	189	-291	-791	-1312	-1854
Jan	2135	2055	2290	1030	989	1172	744	298	-166	-648
Feb	1500	1393	1602	315	458	611	151	-327	-824	-1341
March	2751	2703	2964	1731	1931	2143	1744	1330	899	451
Avg	1136	867	429	-87	-1378	-1068	-1551	-2159	-2792	-3453
Avg. Deficit	-602	-1228	-2280	-1907	-2652	-2720	-2872	-3205	-3530	-4234

- 2.12. That the tariff applicable for procurement of power from the Kameng HEP is a regulated tariff, presently being recovered at provisional tariff of Rs. 4.00 per kWh in terms of the order dated 08.08.2023 passed by the Central Commission. The said tariff is prudent and economical, while simultaneously assisting in meeting Renewable Purchase Obligation requirements. Accordingly, approval of the source and renewal/continuation of the Power Purchase Agreement merits consideration by this Hon'ble Commission.
- 2.13. That the following prayers have been made: -
- Approve the procurement of electricity from the Kameng HEP, for the balance life of the Plant in terms of the Draft PPA (Annexure P/11);
 - In the alternative, direct that the cost of power procurement from Kameng HEP for the period after 11.02.2026, be a pass through for the period up until the deallocation/surrender of the contracted capacity of HPPC by the Central Government; and
 - Pass such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.
3. HPPC has also filed an IA No. 2 of 2026 seeking urgent listing of petition and IA No. 3 of 2026, seeking interim relief to ensure continuity of power till the adjudication of main petition, as the PPA is going to expire on 11.02.2026.

Proceedings of the Case

4. The case was first taken up for hearing upon mentioning on 03.02.2026 by the Ms. Reeha Singh, the learned counsel appearing on behalf of Haryana Power Purchase Centre (HPPC), seeking urgent listing as well as interim relief as the Power Purchase Agreement (PPA), which is valid for five years from the Commercial Operation Date of the last unit, i.e. 12.02.2021, and is due to expire on 11.02.2026. Considering the urgency cited by the petitioner, the Commission accepted the application for early hearing, wherein the petitioner submitted that the duly approved Power Purchase

Agreement dated 09.07.2004, is valid up to 11.02.2026 (midnight) and that the Petitioner has been continuously procuring power from the said project, at a provisional tariff of Rs. 4.00/kWh.

5. Considering, the reasonableness of the rate at which hydro power is being procured from a Central Public Sector Enterprise, as well as to ensure continuity of supply of such power, the Commission, vide its order dated 03.02.2026, has allowed the petitioner to continue to procure power from the Kameng Hydro Electric Project of NEEPCO, pending final adjudication of the present petition.

Commission's Analysis and Order

6. The case was finally heard on 05.03.2026, wherein the learned counsel appearing for the petitioner, mainly reiterated the contents of its petition, which for the sake of brevity, has not been reproduced herein.
7. The Commission has considered the petition as well as submissions of the learned counsel Ms. Reeha Singh. HPPC has justified at length, the procurement of 13 MW Hydro power from 600 MW Kameng Hydro Electric Project of North Eastern Electric Power Corporation Limited ('NEEPCO'), situated in Arunachal Pradesh, for the balance life of project which is estimated to be around 35 years, at the tariff to be determined by the Hon'ble CERC. The power is currently being procured at the interim tariff of Rs. 4/kWh. M/s. NEEPCO, in its tariff petition filed before Hon'ble CERC, has claimed tariff of Rs. 4.82/kWh for the FY 2026-27. For the subsequent years, the tariff claimed indicates a declining trend. The justification advanced in support of the procurement included the benefits of hydro power as a peaking station as well as its role in catering to the increasing base load demand in Haryana.
8. The Commission observes that HPPC is also obligated to meet its Renewable Power Purchase Obligation (RPO) targets specified by the Ministry of Power, vide its notification dated 27.09.2025, under the Energy Conservation Act, 2001. The proposed procurement shall help HPPC in meeting its 'Other Renewable Purchase Obligations (RPO)'.
9. The Commission has further taken note of the deficits in power availability scenario projected by HPPC, wherein in the months of April to October the power deficit has ranged between 436 MW (September, 2026) to 8910 MW (July, 2036). As the peak demand months are underway, the deficit is expected to touch about 1048 MW in the current summer season only. Further, given the continuing constraints on coal supply front including import of coal involving cost, logistic as well as technical issues of blending, the supply of power from coal based thermal generating stations with which Haryana has long term Power Purchase Agreement(s), may also become un-reliable. Non-availability of certain intra-state thermal generators due to technical glitches/unforeseen circumstances, cannot be ruled out.

10. The Commission has also observed that the State has witnessed the peak demand of 13055 MW in the FY 2023-24 (August, 2023) and 14662 MW in the FY 2024-25 (July, 2024), which is expected to increase with the Haryana's GDP growth. The Commission has considered the fact that 70% of the power from Hydro Source comes in the peak season and therefore, the hydropower is most viable option to meet the peak demand of the State.
11. Analyzing the present offer on the anvil of the current demand and supply scenario as well as the trade-off between sourcing power from the power exchange (s) and the instant Hydro Power; the Commission, is of the considered view that hydro power would add a lot of flexibility for the HPPC / Discoms to manage its intra-day demand fluctuations. Additionally, the short-term rates of power are expected to be exorbitant during the peak months as the power demand in the entire northern region increases during these months. Hence, the Commission, has considered the trade-off between the loss of production due to non-availability of grid power including harassment and inconvenience faced by the consumers and purchase of expensive short-term power. Further, the hydro power would also have the spin off RPO benefits.
12. In view of the above discussions and in the interest of the electricity consumers of Haryana, the procurement of 13 MW power from the Kameng HEP, for the balance life of the Plant in terms of the Draft PPA, at the tariff to be determined by Hon'ble CERC, is hereby approved.
13. The present petition along with the IAs filed in the matter, are disposed of in terms of the above order.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 12.03.2026.

Date: 12.03.2026	Sd/-	Sd/-	Sd/-
Place: Panchkula	(Shiv Kumar)	(Mukesh Garg)	(Nand Lal Sharma)
	Member	Member	Chairman