



SOLAR POWER DEVELOPERS ASSOCIATION

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SPDA/PG/2020/227

Nov 5, 2020

To,

Shri Amitesh Kumar Sinha

Joint Secretary

Ministry of New and Renewable Energy

Government of India.

Subject: Request your intervention and resolution of billing and short-payment issues by PSPCL impacting RE projects in Punjab.

Dear Sir,

This is concerning the monthly meeting held under the Chairmanship of Secretary MNRE on 4th November 2020, where we discussed the payment related issues faced by solar power developers in Punjab.

We want to submit that Punjab State Power Corporation Limited (PSPCL) has taken several adverse steps that do not align with the signed contract and have sent notices that cite low power demand in the State due to the impact of the Covid-19 pandemic as the reason for these actions. The notifications issued by the Government of Punjab/PSPCL have adversely impacted solar power developers (like Renew, Acme, Adani, etc.) in these challenging times. We want your kind intervention to resolve the following issues faced by the industry:

1. **Short Payment of April- June Invoices:** PSPCL has deducted approx. 5% amount from April to June's gross monthly invoices submitted by the developers while releasing payments. It is understood that this deduction is on account of the Covid-19 pandemic. Further, it is also understood that full payments have been made on the invoices to Centre projects (SECI). In contrast, the state projects having PPAs with State Discom are still awaiting their payments against the unlawful deduction.



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Such deductions have a huge financial implication on the developer's ability to meet financial obligations towards lenders.

2. **Meter reading is not recorded for the first week of April 2020:** PSPCL has not recorded meter readings for the first week of April 2020. PSPCL, during Joint Meter Reading conducted for April generation, had considered 8th April 2020 as the first day of the month and taken readings from 8th April to 30th April 2020 for the month instead of taking the readings from 1st April 2020. MNRE notification dated 01st April and 04th April 2020 urged states to uphold the MUST RUN status of renewable energy during the lockdown and had instructed that Renewable Energy should not be curtailed. This discrepancy is faced across the industry for developers in Punjab.

We want to emphasize that PSPCL is obliged to purchase all energy injected by the Solar Power Project operational in the State and make payment as per the PPA tariff within the due date. Further, even MNRE notifications and government orders mandating that regular payments be made to renewable energy-based generators. The Ministry of New and Renewable Energy, Government of India ("MNRE") vide its office memorandum dated March 24, 2020 bearing ref. no. 40-3/2020-DM-I(A) issued direction whereby generation, transmission, and electricity distribution have been notified as essential services. After that, MNRE vide its office memorandum dated April 01, 2020, clarified that payments to renewable energy-based generators be made by DISCOMs, as was being done before the lockdown. Further, the Ministry of Power ("MoP") issued a clarification dated April 06, 2020, whereby MoP has among other things clarified that even during the COVID-19 pandemic and the consequent lockdown, "the obligation to pay for power within 45 days of the presentation of the bill or as provided in the PPA remains unchanged."

Developers are entitled to receive full payments against the energy bills as per the PPA tariff as they have continued to generate and supply power even during the pandemic.

Furthermore, we would like to inform you that our operation cost during the Covid-19 pandemic has also escalated due to SPDs' additional safety precautions while operating their plants. The reduced payments of dues for ongoing supply by PSPCL is causing significant hardship. Hence, we humbly request your immediate intervention in this matter be taken up with the concerned authorities and request that:



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- 1. PSPCL be advised to pay the invoices for April/May/June 2020 without any deductions**
- 2. The meter reading should be corrected for the first week of April 2020, and payments must be made to the SPDs at the earliest.**

We look forward to your kind consideration of the above request.

Thanking you.

Yours Sincerely

Praveen Golash

Joint Secretary- SPDA

CC:

- 1. To,
Shri Ruchin Gupta,
Director
Ministry of New & Renewable Energy
CGO Complex, New Delhi**