

**Press Release**

**New Delhi | 19<sup>th</sup> August 2019**

**Power producers receive relief under supervisory powers of APTEL**

Three solar power producers, namely, Ayana Renewable, Sprng Energy and SB Energy represented by their legal counsel HSA Advocates, breathed a sigh of relief after the Appellate Tribunal for Electricity (APTEL) stepped in to save their projects and investments in the Kadappa Solar Park (Phase-II – 750 MW) and Ananthpuramu Solar Park (Phase-II - 750 MW) in Andhra Pradesh.

These developers had, pursuant to a bidding process conducted by NTPC/SECI and the JNNSM Scheme promoted by the MNRE, invested a substantial amount of money in implementing solar projects in the State of Andhra Pradesh and signed PPA/PSA with the AP Discoms with NTPC/SECI acting as an intermediary trader.

Even though the bidding was carried out under the aegis of the Central and State Government and with due knowledge of the Andhra Pradesh Electricity Regulatory Commission (APERC), the solar developers were faced with a peculiar situation, where the PPA/PSAs had not been formally approved by the APERC for over a year and a half, creating issues with the lenders. To add to their woes, the PPA/PSA incorporated a clause of deemed termination if the stated orders were not given by the APERC in a time bound manner, which was due to expire on 31 July, 2019. Facing such risk on projects and the regulatory uncertainties in the State of Andhra Pradesh are writ large, the power producers were advised to promptly approach APTEL urging it to exercise its supervisory powers under Section 121 of the Electricity Act, 2003 (Act).

Section 121 empowers APTEL to issue such orders, instruction, directions as it may deem fit to any appropriate commission for performance of its statutory functions under the Act. APTEL admits petition under Section 121 of the Act in rarest of the rare cases and unless it is not satisfied that the issue has nexus with the performance of the statutory functions of any Regulatory Commission and has far reaching implications, gravely affecting the electricity sector of the country.

Due to timely intervention of the APTEL, on 29<sup>th</sup> and 30<sup>th</sup> July 2019, the developers secured interim orders restraining the AP DISCOMS and APERC not to initiate any precipitative or coercive action against the developers including cancellation or termination or deemed/automatic termination of PPA and PSA, till such time the APERC decides/issues order pertaining to adoption of tariff, trading margin and approval of procurement of contracted capacity.

HSA Advocates represented Ayana Renewable, Sprng Energy and SB Energy and was led by Hemant Sahai (Founding Partner), along with Pragya Ohri (Partner), Puja Priyadarshini (Associate Partner), Molshree Bhatnagar (Principal Associate), Aditya Kumar Singh (Principal Associate) Aayush Chandra (Principal Associate), Nived Veerapaneni (Associate), Anukriti Jain (Associate) and Aditi Soni (Associate).