

1.0 | THE AUCTION AND THE INVESTMENT QUESTION

Inside Haryana's ₹2.35 lakh storage bid

What the 265 MW/530 MWh auction reveals about costs, cash flow and investment risk.



AI-generated editorial illustration of a battery installation; not the Haryana project or its design.

The auction display places **NLC India Renewables lowest at ₹2,35,000/MW/month**. Full billing would produce ₹74.73 crore a year. That is the price of the capacity service—not a measure of profit or evidence of the bidder's return.

The next bid is only ₹811/MW/month higher: **₹25.79 lakh a year** across the project. Our analysis examines what sits behind that narrow gap: construction costs, grant timing, operating obligations and financing. [1–3]

265 MW

Contracted power

530 MWh

Beginning-of-life rating

2 hours

Nominal duration

12 years*

Operating-term convention

FIGURE 01 How closely were the bids priced?

Bidder	Bid (₹/MW/month)	Premium over L1	Annual fee ₹ crore/year
NLC India Renewables	2,35,000	—	74.73
Rama Reflection India	2,35,811	0.35%	74.99
Solarworld Energy Solutions	2,38,000	1.28%	75.68
Pace Digitek	2,45,999	4.68%	78.23
Sun Drops Energia	2,50,000	6.38%	79.50
Oriana Power	2,58,000	9.79%	82.04

0 5 10%

Auction display: 24 September 2026. Full annual billing; all bids compete for the same capacity. Premium is measured from L1. [1]

265 MW × ₹2,35,000 × 12 months

₹74.73 crore/year

*The model adopts 144 operating months after COD under its RfS-based convention. Conflicting draft term wording is retained for confirmation. "Displayed L1" is not an executed award. [2, 3, 6]

2.0 | THE BUYER'S ELECTRICITY COST

A capacity tariff is not an energy tariff

The buyer still pays for charging electricity.

A fixed monthly payment becomes a different cost per discharged kWh at different utilisation. At beginning of life, two equivalent full cycles a day deliver **386.90 GWh/year**. The resulting capacity-charge equivalent is **₹1.93/kWh**.

At an assumed ₹3/kWh charging price and 85% round-trip efficiency, charging adds **₹3.53 per discharged kWh**. The selected total is ₹5.46/kWh. This excludes unpriced network, trading, tax and other costs; it is not all-in LCOS. [3, 4, 6]

FIGURE 02 Utilisation changes the selected cost

Equivalent full cycles/day	Charging electricity price (₹/kWh)				
	2	3	4	5	6
0.5	10.08	11.26	12.43	13.61	14.78
1.0	6.22	7.39	8.57	9.75	10.92
1.5	4.93	6.10	7.28	8.46	9.63
2.0	4.28	5.46	6.64	7.81	8.99

Cell values: selected cost per discharged kWh

Beginning-of-life illustration: 530 MWh/full cycle, 365 days, full fee payment and 85% round-trip efficiency. No ageing or unavailability in this heatmap. [6]

How the selected cost is built up

Cycles/day	Discharge GWh/year	Capacity fee ₹/kWh	Charging ₹/kWh	Selected total ₹/kWh
1.0	193.45	3.86	3.53	7.39
1.5	290.18	2.58	3.53	6.10
2.0	386.90	1.93	3.53	5.46



Buyer

Provides charging electricity.



Developer

Receives the capacity fee and operates the BESS.



Developer

Separately purchases auxiliary electricity.

The denominator changes as the battery ages

The separate operating-year scenario includes ageing and delivery assumptions. Its selected buyer cost rises from **₹5.52/kWh in year 1 to ₹6.30/kWh in year 12**. That trajectory must not be substituted for the beginning-of-life heatmap: the two analyses use different discharge quantities. [6]

A low capacity fee becomes valuable electricity only when utilisation and charging economics support it.

Basis: published charging responsibility [4]; efficiency requirement [3]; Firstgreen buyer-cost calculations [6]. Zero entries for additional charges mean unpriced—not exempt.

3.0 | CAPITAL AND GRANT TIMING

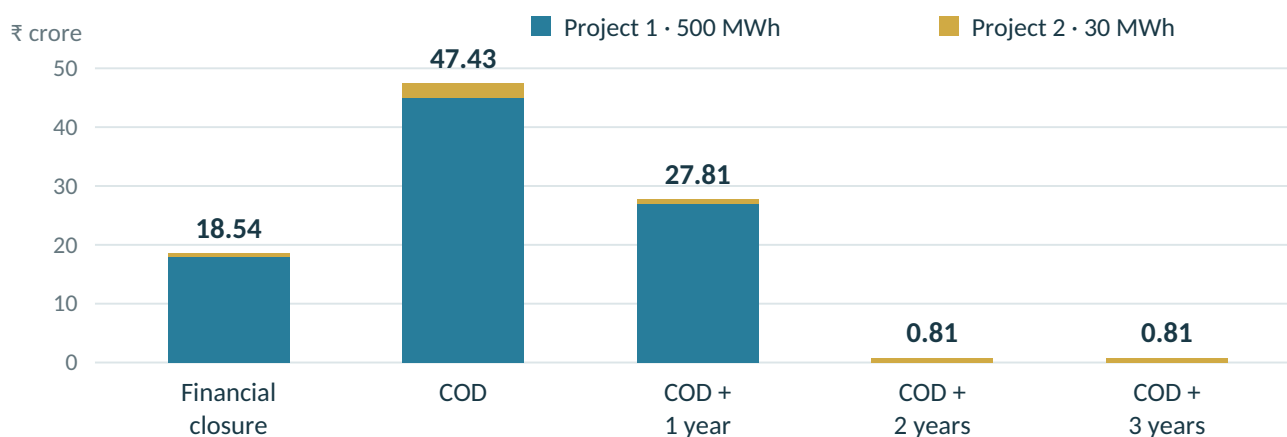
The grant does not arrive on day one

VGF reduces the capital burden—not the need to fund construction.

The reference EPC budget is **₹424 crore**. Owner costs, contingency, success charges and the non-refundable payment security deposit take the initial cost to **₹476.97 crore**, before financing and guarantee-related costs.

The conditional **₹95.40 crore VGF ceiling** follows two milestone schedules. At the assumed maximum support, ₹65.97 crore is scheduled by COD and ₹29.43 crore afterwards. Eligibility, certification and release conditions still have to be met. [2, 4–6]

FIGURE 03 When support reaches the project



Maximum qualifying support assumed. Project 2 is subject to the lower of its per-MWh limit and 30% of allocated capital cost. Receipt timing is conditional. VGF = viability gap funding; COD = commercial operation date. [2, 4, 6]

The entry-cost bridge

Component	₹ crore	Basis
EPC budget	424.00	Assumption
Owner/development	7.50	Assumption
EPC contingency	12.72	Assumption
Success fee + GST	6.254	Tender calculation
Non-refundable PSD	26.50	Clarification
Initial cost*	476.974	Calculated total

*Before finance, guarantees and reserves. EPC is a full-scope scenario budget, not an equipment quotation. PSD = payment security deposit.



Illustrative battery enclosures; AI-generated artwork.

₹31.80 crore

Performance-guarantee face value—not an equal cash payment. Fees and collateral are separate. The ₹26.50 crore PSD has **no assumed refund**. [2, 5, 6]

Construction payments are funded by dated debt draws, equity contributions and eligible grant receipts—not by treating VGF as day-one cash or operating revenue.

The funding plan must bridge the calendar between spending capital and receiving support.

4.0 | COLLECTIONS AND OPERATING RESILIENCE

Revenue is not cash available for debt service

Billing, collection and performance are different parts of the risk.

The reference case invoices **₹74.73 crore** in operating year 1, but collects **₹62.28 crore**: the 50-day payment assumption is placed in a two-month lag. After cash costs and the cash-tax proxy, **₹47.03 crore** is available for debt service.

Against ₹45.39 crore of scheduled payments, annual cash coverage is **1.04×**, versus **1.31×** on the invoice-based measure. This is a timing result—not an assumed default. Annual coverage can still conceal monthly cash deficits. [3, 6]

FIGURE 04 Cash available versus scheduled payments



Base scenario: 97% availability, 85% RTE and ten-year equal-principal amortisation. Debt service is zero after repayment; DSCR is not shown for debt-free years. [6]

Operating year 1 • ₹ crore

Cash reconciliation	Amount
Gross fees invoiced	74.73
Cash collected	62.28
Cash OPEX	(12.09)
Cash-tax proxy	(3.15)
Cash available for debt service	47.03
Scheduled debt service	(45.39)



A narrow bid gap

One applicable month at **94% availability** against 95% required produces **₹12.46 lakh** of damages—nearly half the ₹25.79 lakh annual L1–L2 difference.

Separate downside example, after the exemption and with no relief assumed. It is not the base-case performance outcome. [3, 4, 6]

CFADS = cash available for debt service; DSCR = debt-service coverage ratio. Grants, new funding and reserve releases are excluded. Totals use unrounded values.

1.04× cash DSCR versus 1.31× invoice-based DSCR

The model assumes sponsor funding of negative monthly cash; no actual lender covenant or automatic reserve draw is established.

Debt capacity depends on when cash is available—not only on the amount invoiced.

5.0 | INVESTMENT HEADROOM

The tariff is fixed. The investment outcome is not.

Cost and financing assumptions change what is left for equity.

At **₹0.80 crore/MWh EPC** and 9% nominal debt interest, our reference case produces **negative ₹37.31 crore equity NPV** at a 12% hurdle. At ₹0.70 crore/MWh, the same financing-rate case moves to positive ₹6.81 crore.

This identifies a tested range—not a precise break-even quotation. Financing, grant treatment, performance and the cash-tax proxy remain part of every result. None of these cases reveals **NLC's actual costs or expected return.** [6]

FIGURE 05 Which combinations meet the assumed hurdle?

Nominal debt interest	EPC budget (₹ crore/MWh)				
	0.60	0.70	0.80	0.90	1.00
7%	60.7	18.8	(23.2)	(65.1) ×	(107.0) ×
8%	55.8	12.8	(30.2)	(73.2) ×	(116.3) ×
9%	50.9	6.8	(37.3)	(81.4) ×	(126.0) ×
10%	46.1	0.8	(44.4) ×	(89.6) ×	(135.9) ×
11%	41.2	(5.1)	(51.5) ×	(97.8) ×	(146.2) ×

NPV at 12% effective annual equity hurdle; ₹ crore

× Cash DSCR below 1.0; outlined cell = reference case

25 separately calculated monthly scenarios. No smoothed break-even contour or interpolated bid recommendation. A 1.0× coverage reference is not a supplied lender covenant. [6]

EPC ₹ crore/MWh	Debt interest	Equity NPV ₹ crore	Equity IRR*	Min. cash DSCR
0.70	9%	6.81	12.77%	1.196×
0.80	9%	(37.31)	8.14%	1.036×
0.80	10%	(44.39)	7.47%	0.998×

*Annualised monthly IRR is diagnostic: cash flows are non-conventional and uniqueness is not globally established. NPV is primary. Retained assumptions include a 12% effective annual equity hurdle, 25% cash-tax proxy, debt at 70% of core cost less eligible VGF, and equal-principal repayment. [6]

Executed terms

Award, operating term and final settlement schedules.

Quoted costs

EPC scope, O&M and OEM performance commitments.

Financing

Debt terms, reserves and distribution restrictions.

Grant + tax

Eligibility, dated releases and qualified tax treatment.

Sources and scope. [1] Supplied auction display, 24 Sep 2026. [2] SJVN RfS, 24 Jul 2026. [3] Draft BESPA, 24 Jul 2026. [4] Amendment 1, 23 Aug 2026. [5] Clarification 1, 23 Aug 2026. [6] Firstgreen tender analytics v2, 28 Sep 2026. Term wording and the RTE worked-example discrepancy remain open; fees, grants and tax are not legally validated. Full conventions and evidence gaps remain in the analytical companion. No market-data refresh.

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