

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**

**Petition No. 1874 of 2020**

**In the matter of:**

**Petition under Section 63 read with Section 86 (1) (b) of the Electricity Act, 2003 for adoption of tariff discovered under Competitive Bidding process for procurement of power from Grid connected Solar PV projects in Gujarat through RfS No. GUVNL / 500 MW / Solar (Phase VIII) dated 07.02.2020.**

Petitioner : Gujarat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhavan, Race Course Circle,  
Vadodara 390 007.

Represented by : Ms. Sailaja Vachhrajani

**CORAM:**

**Shri Anand Kumar, Chairman  
Shri P. J. Thakkar, Member**

**Date: 20.07.2020**

**ORDER**

1. The present Petition has been filed by M/s Gujarat Urja Vikas Nigam Limited (GUVNL), with the prayer of seeking adoption of the tariff discovered by the Petitioner as mentioned at para 16 of the Petition in the procurement process conducted by the Petitioner through RfS Nos. GUVNL/Competitive/500 MW/Solar (Phase-VIII) dated 07.02.2020 for procurement of power from Grid connected Solar PV projects in Gujarat.
2. Facts mentioned in the Petition are detailed below:
  - 2.1. Government of Gujarat notified Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 in May, 2003 for reorganization of the entire power sector in the State of Gujarat. Pursuant to this the Gujarat Electricity Industry

Reorganization and Comprehensive Transfer Scheme, 2003 notified under the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, erstwhile Gujarat Electricity Board was reorganized and its functions have been vested in different entities.

- 2.2. The activities of Generation, Transmission, Distribution, Bulk power purchase and supply undertaken by erstwhile Gujarat Electricity Board have been entrusted to separate seven functional entities. The generation activity is assigned to Gujarat State Electricity Corporation Limited (GSECL), transmission activity is assigned to Gujarat Energy Transmission Corporation Limited (GETCO), and the distribution activity is assigned to four distribution companies viz. Uttar Gujarat Vij Company Limited (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Dakshin Gujarat Vij Company Limited (DGVCL) and Paschim Gujarat Vij Company Limited (PGVCL). Further, the function of bulk purchase and bulk sale of power is assigned to the Petitioner, Gujarat Urja Vikas Nigam Limited, as per the re-organization scheme.
- 2.3. Distribution companies are mandated to procure power from Renewable Energy Sources as per the provisions of Section 86(1)(e) of the Electricity Act, 2003 and in terms of the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 as amended from time to time.
- 2.4. The Petitioner on behalf of its four Distribution companies has been entering into Power Purchase Agreements amongst others with various Renewable Energy Generators for procurement of power from time to time.
- 2.5. Section 63 of the Electricity Act, 2003 provides that the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.
- 2.6. Ministry of Power (MoP), on 03.08.2017, has notified the "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects". However, Standard Bidding Documents are yet to be published by MoP, Government of India. Section 3.1.1 of the said Guidelines provides that the Procurer shall prepare the bid documents in

accordance with these Guidelines and Standard Bidding Documents (SBDs) [consisting of Model Request for Selection (RfS) Document, Model Power Purchase Agreement (PPA) and Model Power Sale Agreement (PSA)], notified by the Central Government, inform the Appropriate Commission about the initiation of the bidding process and shall seek approval of the Appropriate Commission for deviations, if any, in the draft RfS, draft PPA, draft PSA (if applicable) from these Guidelines and/or SBDs, in accordance with the process described in Clause 18 of the said Guidelines. It also provides that till the time SBDs are notified by the Central Government, for the purpose of clarity, if the Procurer while preparing the draft RfS, draft PPA and other Project agreements provides detailed provisions that are consistent with the Guidelines, such detailing will not be considered as deviations from these Guidelines even though such details are not provided in the Guidelines.

- 2.7. The Petitioner GUVNL is conducting competitive bidding process for procurement of Solar Power from time to time pending the issuance of Standard Bidding Documents by Central Government, based on Bid Documents prepared by the Petitioner containing detailed provisions that are consistent with the Guidelines and deviations approved by the Commission.
- 2.8. The above referreed Guidelines dated 03.08.2017 issued by MoP have been amended from time to time on 15.06.2018, 07.01.2019, 11.07.2019 and lastly on 23.10.2019.
- 2.9. As per the last amendment vide Resolution dated 22.10.2019 (notified on 23.10.2019) in the Guidelines, various provisions relating to adoption of tariff by Appropriate Commission have been modified and relevant provisions of the same are as under.

*“Clause 10.4 – “Subject to provisions of the Act, the distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for adoption of tariffs by the Appropriate Commission in terms of Section 63 of the Act. In case, the Appropriate Commission does not decide upon the same within sixty days of such submission, the tariffs shall be deemed to be have been adopted by the Appropriate Commission”.*

*Clause 12 (c) – “It is presumed that in terms of Clause 10.4 of these Guidelines, the tariff will be adopted by the Appropriate Commission within 60 days of such submission. However, notwithstanding anything contained in these Guidelines, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in financial closure.”*

*Clause 14 (iii) “It is presumed that in terms of Clause 10.4 of these Guidelines, the tariff will be adopted by the Appropriate Commission within 60 days of such submission. However, notwithstanding anything contained in these Guidelines, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in scheduled commissioning date.”*

2.10. The Petitioner on behalf of its four subsidiary Distribution companies initiated the tendering process for procurement of 500 MW grid connected power from Solar PV projects through competitive bidding (followed by e-reverse auction) vide RfS No. GUVNL/500 MW/Solar (Phase VIII) dated 07.02.2020 under intimation to the Commission vide letter dated 06.02.2020. The Petitioner had also published a public notice dated 08.02.2020 of ‘Notice Inviting Tender’ in two national newspapers regarding this tender and the Tender/Bid Documents viz. RfS and PPA including addendums were hosted on the website of GUVNL for information as well as on e-bidding portal for downloading the official copy of the Tender Documents for participation in bidding procedure including e-reverse auction. Further, the Petitioner also held a Pre-Bid Meeting on 24.02.2020 wherein presentation covering key bid parameters, provisions of bid documents & timelines was made and the queries raised by the Prospective Bidders were addressed by the Petitioner for which minutes were also issued and hosted on websites of GUVNL and on e-bidding portal. The copy of Notice Inviting Tender with relevant extract of newspapers, Bid Documents including addendums are filed with the Petition.

2.11. The last date of bid submission in the tendering process was 07.03.2020. The Technical Bid Opening was held on 09.03.2020 in presence of the Bid Evaluation Committee. The report of the Bid Evaluation Committee is also filed with the Petition. The said tender was undersubscribed and the Petitioner had received online bids from 3 bidders viz. M/s Tata Power Renewable Energy Limited offering 200 MW capacity, M/s Juniper Green Energy Pvt. Ltd. offering 190 MW and M/s Vena Energy Clean Power Private Limited offering capacity of 40 MW,

thus aggregating to 430 MW against the tendered capacity of 500 MW. These three bidders were technically qualified as per the Bid Evaluation Committee and in accordance with the said report, the Financial Bids of these three bidders were opened on 18.03.2020 on e-bidding portal in presence of the Bid Evaluation Committee.

2.12. As per terms and conditions of tender, in case of under-subscription of the tender, e-reverse auction for 80% of the capacity for which bids have been received has to be conducted. Accordingly, the Petitioner conducted e-reverse auction for allocation of 350 MW capacity out of 430 MW for which the bids were received.

2.13. The e-auction report generated at the TCIL's portal is also filed with the Petition. Following prices were discovered at the closure of e-reverse auction held on TCIL's portal:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Rs./Unit</b>	<b>Quoted Capacity (MW)</b>	<b>Allocated Capacity (MW)</b>
1	Vena Energy Clean Power Private Limited	2.61	40	40
2	Juniper Green Energy Private Limited	2.63	190	190
3	Tata Power Renewable Energy Limited	2.64	200	120
	<b>Total</b>		<b>430</b>	<b>350</b>

2.14. The Petitioner has issued Letter of Award (LoA) on 11.06.2020 to the bidders mentioned in above table at the corresponding rates quoted by them and allocated capacity. In case of M/s Tata Power Renewable Energy Limited, there is a partial capacity allocation of 120 MW as against their quoted capacity of 200 MW. As per terms and conditions of tender, the PPAs are to be signed with above successful bidders within 30 days from issuance of LOA.

2.15. In view of the above and in accordance with the Ministry of Power Guidelines and in accordance with Section 63 read with Section 86 (1) (b) of the Electricity Act 2003, the Petitioner has filed the present Petition for adoption of tariff discovered

by the Petitioner in Competitive Bidding Process conducted through RfS No. GUVNL/Competitive/500 MW/Solar (Phase-VIII) dated 07.02.2020 for procurement of power from Grid connected Solar PV projects in Gujarat.

3. The matter was kept for hearing on 16.07.2020 through Video Conferencing, physical presence being not insisted on account of prevailing COVID 19 pandemic and containing its spread.
4. Ms. Sailaja Vachhrajani, on behalf of the Petitioner, reiterated the submissions as stated in para 2 above.
  - 4.1. She submitted that the Petitioner initiated the competitive bidding process for procurement of 500 MW Solar Power from the solar projects to be set up as Non-Solar Park projects in Gujarat followed by e-reverse auction vide RfS No. GUVNL/Competitive/500 MW/Solar (Phase-VIII) dated 07.02.2020. However, the Petitioner received online bids from only 3 bidders offering aggregate capacity of 430 MW as against the tendered capacity of 500 MW. As per Bid Evaluation Committee Report, after Technical Evaluation all the three bids were qualified. Further, as per the provisions of the bidding documents, in case of under-subscription of the capacity offered and quoted by bidders, e-reverse auction for 80% of the capacity for which bids have been received has to be conducted. Accordingly, e-reverse auction was conducted for 350 MW capacity on TCIL's portal, bidders competed and at the end of e-reverse auction M/s Vena Energy Clean Power Private Limited emerged as L1 bidder with tariff of Rs. 2.61 per unit, M/s Juniper Green Energy Private Limited emerged as L2 bidder with tariff of Rs. 2.63 per unit and M/s Tata Power Renewable Energy Limited as L3 bidder with tariff of Rs. 2.64 per unit. The Petitioner issued LOA on 11.06.2020 to these three bidders at the corresponding rates quoted by them and allocated capacity. However, in case of M/s Tata Power Renewable Energy Limited, there is a partial capacity allocation of 120 MW as against their quoted capacity of 200 MW because out of 350 MW capacity to be allocated only 120 MW capacity remained after allocating 40 MW capacity as quoted by L1 bidder and 190 MW capacity as quoted by L2 bidder. As per terms and conditions of tender, the PPAs were to be signed with above successful bidders within 30 days from issuance of LOA and accordingly, the Petitioner has signed the PPAs with them.

- 4.2. She submitted that the Petitioner including the present tender has till date initiated eight tenders of competitive bidding process through e-reverse auction which includes two for procurement of Wind Power and six for procurement of Solar Power. The approval and adoption of tariff sought in the present Petition is for the eighth tender for Non-Solar Park based Solar PV projects. Further, shortly two more tenders of competitive bidding process for procurement of Solar power through e-reverse auction for balance capacity at Raghnesda Solar Park and Dholera Solar Park will be floated by the Petitioner.
- 4.3. She further submitted that it is necessary to draw the attention of Commission regarding timeline of 60 days from the date of filing of Petition as per the last amendment issued vide Resolution dated 22.10.2019 (notified on 23.10.2019) in the Guidelines. She submitted that various provisions relating to adoption of tariff by Appropriate Commission have been modified and referred the relevant provisions at Clause 10.4, Clause 12 (c) and Clause 14 (iii). She also submitted that the said provisions have been quoted by the Petitioner in the Petition filed before the Commission. She submitted that as per the provisions of Clause 14 (iii) of amended guidelines any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in scheduled commissioning date.
- 4.4. On a query from the Commission regarding Clause 10.4 of the amended guidelines which provides that in case, the Appropriate Commission does not decide regarding adoption of tariff within sixty days of submission of Petition, the tariffs shall be deemed to have been adopted by the Appropriate Commission, she submitted that the said Clause enables the bidders to go forward with various activities pending the approval and adoption of tariff by Appropriate Commission. On a further query from the Commission regarding the total capacity for which PPAs have been signed for procurement of Solar Power and the timelines regarding commissioning of Solar projects, she submitted that GUVNL has signed Solar PPAs for around 2750 MW out of which around 565 MW capacity is commissioned and balance capacity has different timelines as per the provisions of the respective PPAs. As regards query from the Commission regarding compliance of Solar RPO target, she submitted that for the FY 2019-20 against the

target of 5.50% the Petitioner could achieve around 3.56% because the CUF of Solar projects is less and therefore, against the installed capacity the Solar energy generation is less. Moreover, as per PPAs executed by GUVNL, different capacities are likely to be commissioned by November-2020, March-2021, December-2021 etc. Also, two more tenders of competitive bidding process for procurement of Solar power through e-reverse auction for balance capacity at Raghnesda Solar Park and Dholera Solar Park are being issued by the Petitioner. As regards further query from the Commission regarding any ceiling tariff being specified in the present tender, she submitted that no ceiling tariff was stipulated by the Petitioner.

- 4.5. She submitted that the Petitioner has filed the present petition for adoption of tariff discovered by the Petitioner as mentioned at para 16 of the Petition in the competitive bidding process for procurement of power from Grid connected Solar PV projects in Gujarat through RfS Nos. GUVNL/Competitive/500 MW/ Solar (Phase-VIII) dated 07.02.2020.
5. We have carefully considered the submissions made by the Petitioner. The Petitioner has sought the approval of the Commission for adoption of tariff of Rs. 2.61 per unit quoted by M/s Vena Energy Clean Power Private Limited, Rs. 2.63 per unit quoted by M/s Juniper Green Energy Private Limited and Rs. 2.64 per unit quoted by M/s Tata Power Renewable Energy Limited discovered by the Petitioner vide RfS No. GUVNL/500 MW/Solar (Phase VIII) dated 07.02.2020. The Petitioner has sought these reliefs in terms of Section 63 read with Section 86(1)(b) of the Electricity Act, 2003.
- 5.1. The Petitioner is purchasing power in bulk for and on behalf of four Distribution Licensees, namely, DGVCL, MGVCL, PGVCL and UGVCL. The Petitioner also procures the renewable power by entering into agreements with the developers for its four Distribution Licensees towards fulfilment of their RPO as specified by the Commission in the GERC (Procurement of Energy from Renewable Energy Sources) (Second Amendment) Regulations, 2018. In the said Regulations, the Commission has stipulated the RPO requirement of Distribution Licensees till FY 2021-22 as under:



Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)			
	Wind (%)	Solar (%)	Others (Biomass, Bagasse, Hydro and MSW) (%)	Total (%)
(1)	(2)	(3)	(4)	(5)
2018-19	7.95	4.25	0.50	12.70
2019-20	8.05	5.50	0.75	14.30
2020-21	8.15	6.75	0.75	15.65
2021-22	8.25	8.00	0.75	17.00

From the above table it is apparent that the Petitioner is required to procure substantial quantum of solar power, since the Commission has increased the Solar RPO in view of the requirement stipulated by the Government of India. Accordingly, in order to meet the Solar RPO target the Petitioner initiated the competitive bidding for procurement of power from Non-Solar Park based Solar PV Projects to be set up in Gujarat.

- 5.2. The Petitioner has sought the Commission's approval under Section 63 read with Section 86(1)(b) of the Electricity Act. It is, therefore, necessary to refer these Sections as reproduced below:

*"Section 63:*

*Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government;"*

As per above Section, whenever competitive bidding is conducted under Section 63 of the Electricity Act, 2003 in accordance with the guidelines issued by the Central Government, the tariff discovered under such bidding has to be adopted by the Commission.

*"Section 86(1) The State Commission shall discharge the following functions, namely: -----*

*(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the*

*generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.”*

As per the provisions of above Section, the Commission has to regulate the power procurement of the Distribution Licensees, including the procurement process, the price at which electricity shall be purchased from the generating company or the Licensees or through other sources through agreement for purchase of power for distribution and supply within the State.

- 5.3. Thus, it is apparent from the provisions of above referred Sections that the Petition filed by the Petitioner is within the purview of the Commission's jurisdiction and in terms of the powers vested by the Electricity Act, 2003 and Regulations framed thereunder, the Commission decides to admit the said Petition.
- 5.4. It is observed that the Petitioner started the competitive bidding process (followed by e-reverse auction) as per Section 63 of the Electricity Act vide RfS No. GUVNL/500 MW/Solar (Phase VIII) dated 07.02.2020 for procurement of 500 MW from the Grid connected Solar PV based Power projects to be set up at Non-Solar Parks under intimation to the Commission vide letter dated 06.02.2020. The Petitioner gave wide publicity to the said tender by publishing a notice in two National newspapers having maximum readership to seek wide participation from the participating bidders. The Petitioner also hosted the Bid Documents & Addendums on its website as well as on the e-bidding portal. Further, the Petitioner also held a Pre-Bid Meeting on 24.02.2020, wherein presentation covering key bid parameters, provisions of bid documents & timelines was made and the queries raised by the Prospective Bidders were addressed by the Petitioner for which minutes were also issued and hosted on the websites of GUVNL and on e-bidding portal. The last date of bid submission in the tendering process was 07.03.2020.
- 5.5. We note that the Petitioner received three bids and the technical bid opening was held on 09.03.2020 in the presence of Bid Evaluation Committee consisting of following officials:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1	Shri K P Jangid	General Manager, Commerce
2	Smt. Sailaja Vachhrajani	General Manager, IPP
3	Shri Parthiv Bhatt	Company Secretary, GUVNL
4	Shri J. N. Pancholi	Chief Finance Manager, F&A

5.6. It is observed that three bids were received offering 430 MW capacity against the tendered capacity of 500 MW. These bids were evaluated by the Bid Evaluation Committee and the technical evaluation report prepared and signed by the Members of the Committee and submitted with the Petition is reproduced below:

***“TECHNICAL BID EVALUATION REPORT***

***RFS NO. GUVNL / 500 MW / SOLAR (PHASE VIII) DATED 07.02.2020***

***TENDER FOR 500 MW SOLAR POWER FROM NON-PARK BASED PROJECTS***

***13<sup>TH</sup> MARCH, 2020***

**1. Background**

*Gujarat Urja Vikas Nigam Limited (GUVNL) intends to procure 500 MW Solar Power through competitive bidding process (conducted through electronically facilitated online web based portal followed by reverse auction) from Non-Solar Park based projects as notified via RfS No. GUVNL / 500 MW / Solar (Phase VIII) dated 07.02.2020. The RfS was floated on 07.02.2020. The last date for submission of technical bid and financial bid by the registered bidders was 07.03.2020 (1700 Hrs.).*

*GUVNL had constituted a committee for evaluation of the bids (Evaluation Committee), consisting of the following members:*

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri K P Jangid	General Manager, Commerce
2.	Smt. Sailaja Vachhrajani	General Manager, IPP
3.	Shri Parthiv Bhatt	Company Secretary, GUVNL
4.	Shri J N Pancholi	Chief Finance Manager (F&A)

*This report outlines the responses of all the bidders in respect of Non-Financial (technical) bid evaluation and recommendations of committee.*

## 2. Details of Tender

<b>RfS Reference No.</b>	<i>RfS No. GUVNL / 500 MW / Solar (Phase VIII) dated 07.02.2020.</i>
<b>Capacity</b>	<i>Total 500 MW Non-Solar Park based</i>
<b>Minimum Bid Capacity</b>	<i>25 MW</i>
<b>Term of PPA</b>	<i>25 years from S.C.O.D.</i>
<b>Technology</b>	<i>Commercially established Solar Photovoltaic technology</i>

## 3. Response to RFS

*The technical bid opening event was convened on 09.03.2020. A total of 3 (three) responses for aggregate capacity of 430 MW received by GUVNL. The list of the bidders and the capacity offered is as below:*

<b>Sr. No.</b>	<b>Name of Bidder</b>	<b>MW</b>
<i>1.</i>	<i>Vena Energy Clean Power Private Limited</i>	<i>40</i>
<i>2.</i>	<i>Juniper Green Energy Private Limited</i>	<i>190</i>
<i>3.</i>	<i>Tata Power Renewable Energy Limited</i>	<i>200</i>
	<b>Total</b>	<b>430</b>

## 4. Principles of Evaluation

*The approach to evaluation has been that all the bidders who qualify under the terms specified in the bidding documents, the financial bid of such qualified bidders shall be opened. Also, in case of a perceived non-responsiveness, clarifications were sought from the concerned bidders.*

*Following conditions relating to qualification requirements have been specified in the RFS documents –*

### **Net worth:**

- (i). The Net-Worth of the Bidder or its Affiliate or Parent / Ultimate Parent as on date of financial year ending 31.03.2019 or 31.12.2019 as the case may be, shall not be less than INR 0.08 Crores per MW (of the capacity quoted).*

- (ii). *The net worth to be considered for the above purpose will be the cumulative net-worth of the bidding company or consortium together with the networth of those Affiliates of the bidder(s) that undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.*
- (iii). *For avoidance of doubt, "net worth" as per section 2 (57) of the Companies Act 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
- (iv). *For meeting the above financial eligibility criteria, if data is provided by the Bidder in USD, equivalent rupees of Net Worth and other financial parameters will be calculated by Bidder using Reserve Bank of India's reference rates prevailing on the date of closing of accounts for the respective financial year.*
- (v). *Pursuant to evaluation of Net Worth Criteria as part of technical bid, if it is found by GUVNL that the Bidder is eligible for lesser quantum than the quantum for which bid has been submitted, then the Bidder shall be qualified for such lesser quantum, provided that such quantum is not less than minimum bid capacity.*
- (vi). *GUVNL shall accept the Provisional Accounts which are duly certified by a practicing Chartered Accountant of India provided that an undertaking is submitted by the bidder confirming that Final Audited Annual Accounts for the financial year are not available as on date of bid submission.*
- (vii). *The companies which have recently raised funds and are not able to meet net-worth as per the Clause 3.4.4 (i) i.e. as on 31.03.2019 or 31.12.2019, then the certificate issued by a Chartered Accountant certifying net worth as on latest available date based on certified copy of Balance Sheet, Profit & Loss account Schedules and cash flow statement supported with bank statement shall be*

*required to be submitted. The financial accounts shall have to be certified by at least two Directors or Company Secretary instead of one Director.*

## **5. Technical Bid Opening**

*The bid opening event was convened on 09.03.2020 at 11:00 hours before the Bid Evaluation Committee at GUVNL, Vadodara, where following members were present:*

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	<i>Shri K P Jangid</i>	<i>General Manager, Commerce</i>
2.	<i>Smt. Sailaja Vachhrajani</i>	<i>General Manager, IPP</i>
3.	<i>Shri Parthiv Bhatt</i>	<i>Company Secretary, GUVNL</i>
4.	<i>Shri J N Pancholi</i>	<i>Chief Finance Manager (F&amp;A)</i>

*The Bid Evaluation Committee deliberated the issues in detail about responsiveness of the submitted bids.*

## **6. Responsiveness Issues**

*On scrutiny of the bid documents submitted by participating bidders, some of the responsiveness issues were observed on which clarifications / queries were raised by GUVNL on TCIL portal. The queries raised by GUVNL and the response / compliance of bidders thereon are discussed in the subsequent section.*

## **7. Specific Issues**

### **(i). Vena Energy Clean Power Private Limited**

*Upon scrutiny of documents submitted, it was observed that the provisional annual accounts of the entity whose Net-worth has been used for technical qualification (Vena Energy Wind (india) Infrastructure Pte Ltd) are signed by only 1 director. As per terms and conditions of RFS document, the same are required to be signed by at least two directors or a company secretary instead of one director. Accordingly, the provisional annual accounts signed by at least two directors or a company secretary instead of one director were sought.*

**Bidder's Response:** *The Bidder has submitted the provisional annual accounts signed by a director and a company secretary.*

**(ii). Tata Power Renewable Energy Limited**

*Upon scrutiny of documents submitted, it was observed that the Bank Guarantee submitted towards EMD is not in line with the Format 6.3 A. It was provided in the Bank Guarantee that the claim for encashing the BG is to be raised at a Branch located in Mumbai which is not in line with the Format 6.3 A of RFS. GUVNL had sought the amended / revised Bank Guarantee in line with the Format of RFS.*

**Bidder's Response:** *The Bidder has submitted amended Bank Guarantee removing the requirement of raising the claim at Mumbai Branch.*

**(iii). Juniper Green Energy Private Limited**

*Upon scrutiny of documents submitted, following issues were observed.*

- it was observed that in the covering letter of Bank Guarantee submitted towards EMD, Indusind Bank had mentioned a condition that "Claims, if any under this Guarantee to be lodged only with the Issuing Branch (Branch at Delhi)". The above condition is not in line with format 6.3 A of Bank Guarantee provided in the RFS Document and it is also contradicting para 6 of original Bank Guarantee issued on Stamp Paper which provides that GUVNL can raise the demand in any format at a Branch Located in Vadodara. GUVNL had sought necessary clarification / amendment in the covering letter for removing the condition regarding lodging claim at "Issuing Branch only".*
- it was observed that the provisional financial statements of M/s Juniper Green Energy Private Limited as on 6<sup>th</sup> December, 2019 were submitted for technical qualification; however, the Bank Account Statements in support of provisional financial statements were not submitted. GUVNL had sought the Bank Statements for ensuring technical qualification.*

**Bidder's Response:** *The Bidder has submitted revised covering letter issued by the Bank and Bank Statements in support of the balances mentioned in provisional financial statements..*

## 8. Evaluation of Responses

The Status in brief is indicated in the following table:-

<b>Sr. No.</b>	<b>Name of the bidder</b>	<b>Capacity Offered (MW)</b>	<b>Status</b>
1.	<i>Vena Energy Clean Power Private Limited</i>	40	Qualified
2.	<i>Juniper Green Energy Private Limited</i>	190	Qualified
3.	<i>Tata Power Renewable Energy Limited</i>	200	Qualified
	<b>Total</b>	<b>430</b>	

## 9. Way Forward

Based on the above results, the Financial bid of above 3 (three) bidders may be opened.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Signature</b>
1.	<i>Shri K P Jangid</i>	<i>General Manager, Commerce</i>	<i>Sd/-</i>
2.	<i>Smt. Sailaja Vachhrajani</i>	<i>General Manager, IPP</i>	<i>Sd/-</i>
3.	<i>Shri Parthiv Bhatt</i>	<i>Company Secretary, GUVNL</i>	<i>Sd/-</i>
4.	<i>Shri J N Pancholi</i>	<i>Chief Finance Manager (F&amp;A)</i>	<i>Sd/-</i>

.....”

From the Technical Evaluation Report it is apparent that all the three bidders offering capacity of 430 MW were found to be responsive and hence were deemed qualified for opening of their financial bids. Accordingly, the financial bids were opened on 18.03.2020 on e-bidding portal in presence of the Bid Evaluation Committee.

- 5.7. In view of the above situation, due to under subscription, as per Clause 4.3.2 of the RfS documents, the Petitioner has to conduct e-reverse auction for 80% of the subscribed capacity i.e. 80% of 430 MW i.e. the Petitioner was required to auction 350 MW capacity by rounding off. In this regard it is necessary to refer Clause 4.3.2 of the RfS document as reproduced below:

### **“4.3 Reverse Auction (Step-3)**



.....

4.3.2. Total eligible bidders for reverse auction shall be decided as mentioned below:

Assuming

$T$  = Total number of techno-commercially qualified bidders, and

$S_T$  = Capacity of the total number of techno-commercially qualified bidders

$S_K$  = Cumulative capacity till the 'k<sup>th</sup> serial number bidder (not the 'k<sup>th</sup> rank bidder) after ranking is done in ascending order from L1 onwards

$S_M$  = Total capacity of techno-commercially qualified bidders after ranking is done in ascending order from L1 onwards) such that ( $S_{M-1} < S_E$  MW and  $S_M \geq S_E$

$S_E$  = Eligible Capacity for Award

$S_E$ = (Eligible capacity for award)	(i) In case $S_T < 500$ MW; $S_E = 0.8 \times S_T$ , (ii) In case $S_T \geq 500$ MW; $S_E = 0.8 \times S_T$ , subject to maximum eligible capacity being 500 MW.	
$n = \{$	$T$ , if $T = m$ or $m + 1$	Where $m$ = Total number of techno-commercially qualified bidders (after ranking is done in ascending order from L1 onwards) such that ( $S_{M-1} < S_E$ MW and $S_M \geq S_E$ ) and $1 \leq m \leq T$
	$m + (T - m) / 2$ , if $S_m \geq S_E$ and	
	$m + (T - m + 1) / 2$ , if $S_m \geq S_E$ and	

Total eligible bidders for e-Reverse Auction = Bidders from Sl. No. 1 to Sl. No.  $n$ .

For e.g. (Shortlisting of bidders for reverse auction):

Total bid capacity of techno-commercially shortlisted bidders =  $S_T = 770$  MW

Eligible capacity for award =  $S_E = 500$  MW

$S_M = 550$  MW

Therefore,  $n = [7 + 11 - 7] / 2 = 9$  as per the above formula.

Sl. No.	Techno commercially qualified Bidder	Rank	Capacity (MW)	T	M	$S_E$	N	Shortlisted Bidders
1	B8	L1	55	11	7	500 MW	9*	B8
2	B5	L2	45					B5
3	B1	L3	125					B1
4	B4	L4	75					B4
5	B2	L5	80					B2
6	B3	L6	95					B3
7	B7	L7	75					B7
8	B6	L8	60					B6

9	B10	L9	50					B10
10	B9	L10	55					
11	B11	L11	55					

\* Though,  $n = 7 + (11 - 7)/2 = 9$  as per the above formula.

5.8. As per above referred clause Eligible Capacity for Award ( $S_E$ ) when capacity ( $S_T$ ) of the total number of techno-commercially qualified bidders is less than 500 MW is equal to  $0.8 \times S_T$  i.e. 80% of 430 MW and hence, the Petitioner rounded off to 350 MW. Thus, the aforesaid action of the Petitioner is valid as per the provisions of bidding documents.

5.9. The E-Reverse auction was conducted on 18.03.2020 on TCIL portal and a report generated from the portal is reproduced below:

S#	Bidder's Pseudo Identity	Quoted Value	Loaded Value	Currency	Date/Time of Bidding	Bidder's Quantity	Special Remarks	Difference in % (Bid-Value Vs Start-Price)
1	Vena Energy Clean Power Private Limited	2.61	2.61	Indian Rupee	18-March-2020 12:21:39 RTZ	40.00	Field Not Filled	0%
2	Juniper Green Energy Private Limited	2.63	2.63	Indian Rupee	18-March-2020 14:00:16 RTZ	190.00	Field Not Filled	-0.77%
	Tata Power Renewable Energy Limited	2.64	2.64	Indian Rupee	18-March-2020 12:21:39 RTZ	200.00	Field Not Filled	-1.15%

5.10. It can be observed from above that at the end of E-Reverse auction three bidders had submitted their bids at the tariff of Rs. 2.61 per unit, Rs. 2.63 per unit and Rs. 2.64 per unit and accordingly, at the end of e-reverse auction M/s Vena Energy Clean Power Private Limited emerged as L1 bidder with tariff of Rs. 2.61 per unit, M/s Juniper Green Energy Private Limited emerged as L2 bidder with tariff of Rs. 2.63 per unit and M/s Tata Power Renewable Energy Limited as L3 bidder with tariff of Rs. 2.64 per unit. However, as the allocation was to be 350 MW, there is partial capacity allocation of 120 MW in case of M/s Tata Power Renewable Energy Limited in terms of Clause 4.4.2 of the RfS document.

5.11. We further note that as per Clause 4.4 of the RFS document pertains to 'Selection of Successful Bidders'. It is therefore necessary to refer Clause 4.4 of the RFS documents which reads as under:

“ .....

#### 4.4 Selection of Successful Bidders

4.4.1 *The bids shall be selected in the ascending order with lowest quoted tariff (being L1) till the capacity is exhausted. Some of the possible scenarios including, but not limited to, are shown below:*

<i>Scenario - 1</i>	<i>Scenario - 2</i>	<i>Scenario - 3</i>	<i>Scenario - 4</i>
<i>Rs. 2.30/kWh</i>	<i>Rs. 2.30/kWh</i>	<i>Rs. 2.30/kWh</i>	<i>Rs. 2.25/kWh</i>
<i>Rs. 2.50/kWh</i>	<i>Rs. 2.60/kWh</i>	<i>Rs. 2.70/kWh</i>	<i>Rs. 2.30/kWh</i>
<i>Rs. 2.65/kWh</i>	<i>Rs. 2.70/kWh</i>	<i>Rs. 2.80/kWh</i>	<i>Rs. 2.60/kWh</i>

4.4.2 *The lowest quoting bidder will be allotted its qualified project capacity and then, next higher bidder will be allotted its qualified project capacity and so on, till the total capacity is exhausted by following the rules specified in Section 3*

*As detailed in Section 3, while allocating the project capacity to a bidder, if the balance project capacity is less than the total project capacity mentioned by the bidder or then the balance capacity shall be awarded to the bidder till the total capacity is exhausted subject to a minimum allocation of 100 MW as the case may be and a bidder shall have to accept such partial allocation. In case a bidder refuses to accept such partial capacity offered by GUVNL, the Bank Guarantee against EMD submitted by such Bidder shall be encashed by GUVNL.*

....”

5.12. As already recorded earlier, the Petitioner ensured wider participation and competition by publishing the Notice Inviting Tender in English Newspapers having large readership, organised pre-bid conference and also incorporated necessary changes suggested by the prospective bidders by issuing addendum to the bid documents. As the Bid Evaluation Committee evaluated the technical bids and declared 3 bidders as qualified for opening the financial bids, their financial bids were opened in their presence and e-reverse auction was conducted as per the eligibility criteria mentioned in the RfS document in respect of 3 eligible bidders for capacity of 350 MW.

5.13. In view of the foregoing, the Commission is satisfied with the entire tendering process including the e-reverse bidding conducted by the Petitioner in a transparent manner to determine M/s Vena Energy Clean Power Private Limited as L1 bidder with tariff of Rs. 2.61 per unit, M/s Juniper Green Energy Private

Limited as L2 bidder with tariff of Rs. 2.63 per unit and M/s Tata Power Renewable Energy Limited as L3 bidder with tariff of Rs. 2.64 per unit and therefore, accords its approval for the same.

- 5.14. As regards the adoption of respective tariffs of Rs. 2.61 per unit, Rs. 2.63 per unit and Rs. 2.64 per unit quoted by above referred three bidders, we note that this tariff was discovered through transparent process of competitive bidding. Moreover, the said tariffs are at par with the tariff earlier approved and adopted by the Commission in its Order dated 19.06.2019 in Petition No. 1787 of 2018. The Commission, therefore, decides to adopt the respective tariffs of Rs. 2.61 per unit, Rs. 2.63 per unit and Rs. 2.64 per unit quoted by above referred three bidders for aggregate capacity of 350 MW of Solar PV projects to be set up in Gujarat.
- 5.15. As the Petitioner issued the LoAs to all the three bidders on 11.06.2020 and signed the PPAs with them because as per terms and conditions of tender, the PPAs were to be signed with successful bidders within 30 days from issuance of LOA. We note that the Petitioner has not submitted the copy of the said PPAs and therefore, we direct the Petitioner to submit copies of duly executed PPAs to the Commission. We also direct the Petitioner to host the PPAs and other requisite details on its website for 30 days in terms of Clause 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

## 6. SUMMARY OF DECISIONS:

- 6.1 We decide to adopt the tariff discovered under the transparent competitive bidding process conducted by the Petitioner as under:

Sr. No.	Name of the Bidder	Quoted Capacity (MW)	Allocated Capacity (MW)	Tariff (Rs./kWh)
1	Vena Energy Clean Power Private Limited	40	40	2.61
2	Juniper Green Energy Private Limited	190	190	2.63
3	Tata Power Renewable Energy Limited	200	120	2.64

- 6.2 We direct the Petitioner to submit the copies of duly executed PPAs to the Commission. We also direct the Petitioner to host the PPAs and other requisite details on its website for 30 days in terms of Clause 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.
7. We order accordingly.
8. With this order the present petition stands disposed off.

**Sd/-**  
**[P. J. THAKKAR]**  
**Member**

**Sd/-**  
**[ANAND KUMAR]**  
**Chairman**

Place: Gandhinagar.

Date: 20.07.2020