

Before the  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
World Trade Centre, Centre No.1, 13<sup>th</sup> Floor, Cuffe Parade, Mumbai 400005.  
Tel. 022 22163964/65/69 Fax 22163976  
Email: [mercindia@merc.gov.in](mailto:mercindia@merc.gov.in)  
Website: [www.merc.gov.in](http://www.merc.gov.in)

**Case No. 69 of 2021**

**Case of KRC DISCOMs for approval of Power Purchase Agreement and Adoption of Tariff determined through transparent bidding process for a Short-Term procurement of power up to 14MW (RTC) for one year starting from 1 July, 2021 to 30 June, 2022 through combined power procurement as approved by the Commission in Case No. 231 of 2020.**

1. M/s Mindspace Business Parks Private Limited
  2. M/s Gigaplex Estate Private Limited
  3. M/s KRC Infrastructure and Projects Private Limited
- } ..... Petitioners

Appearance:-

For Petitioners: -

.....Shri Palaniappan M ( Rep)

**Coram**

**Sanjay Kumar, Chairperson  
I.M.Bohari, Member  
Mukesh Khullar, Member**

**ORDER**

**Date:30 June, 2021**

1. M/s Mindspace Business Parks Private Limited (**MBPPL**) ; M/s Gigaplex Estate Private Limited (**GEPL**); M/s KRC Infrastructure and Projects Private Limited (**KRCI PPL**) in short [ **KRC DISCOMs**] have filed the Petition on 31 May, 2020 under Section 86(1)(b) read with Section 63 of the Electricity Act, 2003 (**EA**) seeking approval of Power Purchase Agreements (**PPA**) and Adoption of Tariff determined through transparent bidding process for a combined Short-Term procurement of power of 14 MW Round the clock (**RTC**) for one year starting from 1 July, 2021 to 30 June, 2022.

2. **KRC DISCOM's main prayers are as under:**

- a) *Adopt the tariff of Rs. 3.18/kWh at Maharashtra State Periphery for Combined procurement of power up to 14 MW Power of KRC DISCOMs (6.5 MW for MBPPL, 4.5 MW for GEPL and 3 MW for KRCIPPL) for a period of one year from July 1, 2021 to June 30, 2022, discovered through competitive bidding, under Section 63 of the Electricity Act, 2003;*
- b) *Approve the PPAs signed between MBPPL, GEPL and KRCIPPL and M/s Kreate Energy (I) Pvt Ltd for a period of one year from July 1, 2021 to June 30, 2022, under Section 86(1)(b) of the Electricity Act, 2003 at the tariff of Rs. 3.18/kWh*

3. **KRC DISCOM in its Petition has stated as follows:**

- 3.1 KRC DISCOMs had entered into PPAs with trader/generators on Short/Medium Term basis to supply the electricity in their respective SEZ areas. These PPAs are set to expire on 30 June 2021. Therefore, to meet the demand in the licence area and to achieve price competitiveness, KRC DISCOMs initiated the process to procure power through combined power purchase process after seeking approval of the Commission through Case No. 231 of 2020.
- 3.2 The Commission, in its Order in Case No. 231 of 2020 dated 31 January, 2021 approved the combined power procurement of 12.5 MW for FY 2021-22 from July 2021 to March 2022, comprising 6 MW for MBPPL, 4 MW for GEPL, and 2.5 MW for KRC Infra on short-term basis.
- 3.3 However, considering the present loading conditions and expected loading conditions in next one year in MBPPL, GEPL and KRCIPPL based on discussion with the consumers, KRC DISCOMs felt it appropriate to procure 14 MW of power on short-term basis rather than procuring 12.5 MW, as sought by KRC DISCOMs and approved by the Commission. Further, KRC DISCOMs decided to procure short-term power for the maximum period of 1 year rather than 9 months envisaged earlier to capitalise on the expected lower rates.
- 3.4 Hence, MBPPL on behalf of KRC DISCOMs, floated a Bid for procurement of power up to 14 MW power at the Maharashtra State periphery on RTC basis in combined power procurement mode for the one-year period from 1 July 2021 to 30 June 2022 in accordance with the e-Tendering and e-Reverse Auction (**e-RA**) process laid down under Standard Bidding Guidelines issued by Ministry of Power (**MoP**), Government of India (**GoI**) dated 30 March 2016.
- 3.5 The details of Licensee-wise quantum and minimum overall bid quantity are as given below:

Sr. No	Distribution Licensee	Base Load in MW	Peak Load in MW excluding Saturday, Sunday and Public Holidays	Quantum (in MW) and Timings (in hrs) quoted in Bid	Minimum Bid Quantity (in MW)	Delivery Point
1	MBPPL	5MW	1.5 MW ( 08:00 to 23:00 Hrs)	Up to 6.5 MW* (0000 – 2400 Hrs)	14	Maharashtra State Periphery
2	GEPL	2 MW	2.5 MW ( 08:00 to 23:00 Hrs)	Up to 4.5 MW* (0000 – 2400 Hrs)		Maharashtra State Periphery
3	KRCIPPL	2 MW	1 MW ( 07:00 to 21:00 Hrs)	Up to 3 MW* (0000 – 2400 Hrs)		Maharashtra State Periphery

*Note: \* The actual schedule shall be intimated by the Distribution Licensee and may vary based on the working/non-working days and actual/projected demand during peak hours*

- 3.6 KRC DISCOMs issued a Public Notice in the Hindustan Times (Delhi) and in Business Standard (Mumbai) on 19 April 2021, for procurement of power based on e-Tendering and e-Reverse Auction process in accordance with the Standard Bidding Guidelines.
- 3.7 The e-Tender/RfP for procurement of power up to 14 MW (00:00-24:00 hours) RTC Power for a period of one year from 1 July 2021 to 30 June 2022 was issued on 19 April 2021 to the bidders through the Discovery of Efficient Electricity Price (DEEP) Portal on the website [www.mstccommerce.com](http://www.mstccommerce.com) in accordance with the Guidelines, without any deviations.
- 3.8 In accordance with Clause 3.1 of the Standard Bidding Guidelines, KRC DISCOMs appointed PFC Consulting Limited (PFCCL) as the Authorised Representative to conduct the e-bidding as per the above-mentioned Guidelines.
- 3.9 KRC DISCOMs on receipt of requests from prospective bidders revised the timelines for the bidding. The Petitioners extended the timeline for submission of Bids from 26 April 2021 to 11 May 2021 via Corrigendum I.
- 3.10 The bids were technically evaluated by the Standing Committee, which included one external member as per the Standard Bidding Guidelines and after examining the bid documents, the Standing Committee technically qualified the bids on 14 May 2021. The necessary recommendation was forwarded to PFCCL for opening the price bids and conducting the e-RA.
- 3.11 The Initial Price Offers quoted by the five bidders are as follows:

Sr.No.	Bid submitted online on MSTC website	Initial Price Quoted (Rs./kWh)
1.	Maharashtra State Electricity Distribution Co. Ltd. - MSEDCL Surplus Power - Intra-State	5.39
2.	Kreate Energy (India) Pvt. Ltd. - Sikkim Govt Surplus Power - Inter-State	3.99
3.	Manikaran Power Limited - Sai Wardha - Intra-State	4.27
4.	GMR Energy Trading Limited - GMR Kamalanga Energy - Inter-State	3.86
5.	Arunachal Pradesh Power Corporation Pvt. Ltd. - M/s Magpie & Co. (J&K) - Inter-State	4.35

3.12 The e-RA session was conducted on 14 May 2021 from 13:30 hrs, and the final price bids were discovered as below:

Particulars	Manikaran Power Ltd – Sai Wardha	Kreate Energy (I) Pvt Ltd – Power Department of Sikkim	GMR Energy Trading Ltd – GMR Kamalanga	MSEDCL – Surplus Power	Arunachal Pradesh Power Corp – Magpie & Co
Bid Quantity in MW	14	14	14	14	14
Bid Price (Rs/kWh) – Maharashtra State Periphery	3.35	<b>3.18 (L1)</b>	3.19	5.39	3.81

3.13 Thus, M/s Kreate Energy (I) Pvt Ltd (Source – Surplus Power, Govt of Sikkim, Inter-State) (**KEIPL**) was L1 with a price of Rs. 3.18/kWh and emerged as the Successful Bidder. The price discovered through the competitive bidding is so far the lowest since commencement of Distribution Licensee business by KRC and is better than the market trends; hence, the Evaluation Committee recommended the issuance of Letter of Award (**LoA**) to KEIPL.

3.14 MBPPL, GEPL and KRCIPPL issued LOAs for the respective quantum to KEIPL vide letter dated 19 May 2021. KEIPL conveyed its unconditional acceptance of the LOAs.

3.15 Subsequently, MBPPL, GEPL and KRCIPPL and KEIPL signed PPA(s) for supply up to 6.5 MW, 4.5 MW and 3 MW, respectively, at the rate of Rs. 3.18/kWh at the Maharashtra State periphery for the period from 1 July 2021 to 30 June 2022 on 27 May 2021, with all the terms and conditions mentioned.

3.16 Clause 11.4 Standard Bidding Guidelines dated 30 March 2016, stipulates as under:

*“11.4. If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted*

*by the Appropriate Commission.”*

- 3.17 The quantum of power procured by KRC DISCOMs is lower than the quantum of power purchase approved by the Commission in the respective MYT Orders. The rate of power purchase discovered through competitive bidding, i.e., Rs. 3.18/kWh, is much lower than the rate of Rs. 3.92/kWh approved by the Commission in the respective MYT Orders for power purchase in FY 2021-22. Hence, in accordance with the Competitive Bidding Guidelines, the competitively discovered rate is deemed to have been adopted by the Commission, and it is not mandatory for KRC DISCOMs to approach the Commission for adoption of tariff and approval of the PPA. KRC DISCOMs also, in the past, have not approached the Commission for adoption of tariff and approval of the PPA, in cases where the rate discovered through competitive bidding is lower than the rate approved by the Commission in the applicable MYT/MTR Orders.
- 3.18 However, this is the first time that KRC DISCOMs have undertaken combined power purchase, as all earlier Bids were invited by each DISCOM separately. KRC DISCOMs sought the Commission’s approval for the proposal to purchase power in a combined manner in view of certain perceived benefits.
- 3.19 It is therefore requested to adopt the tariff discovered through competitive bidding, and approve the PPAs between MBPPL, GEPL and KRCIPPL and KEIPL, for procurement up to 6.5 MW for MBPPL, 4.5 MW for GEPL and 3 MW for KRCIPPL for a period of one year from 1 July 2021 to 30 June 2022.
4. At the time of E-hearing dated 18 June 2021, representative from KRC DISCOMs reiterated their submission mentioned in the Petition.

#### **Commission’s Analysis and Ruling**

5. KRC DISCOMs namely MBPPL, GEPL and KRCIPPL are deemed Distribution Licensees in its IT &ITeS Special Economic Zone (SEZ) located at Kalwa Thane, Airoli Thane and Karadi Pune, respectively and taken on record as deemed distribution licensees by the Commission vide its Orders in Case No. 157 of 2011 dated 11 April 2012, in Case No 198 of 2014 dated 26 October 2015 and in Case No 75 of 2018 dated 25 June 2018 respectively.
6. KRC DISCOMs have filed this Petition seeking approval for PPA and adoption of Tariff determined through transparent bidding process for a Short-Term procurement of power up to 14MW (RTC) for one year starting from 1 July 2020 to 30 June 2022 through combined power procurement as approved by the Commission in Case No 231 of 2020.
7. Presently KRC DISCOMs had entered into PPAs with trader/generators on Short/Medium Term basis to supply the electricity in their respective SEZ areas. These PPAs are set to expire on 30 June 2021. As the PPAs are expiring in due course of time, KRC DISCOMs initiated the process to procure power through combined power purchase process. Accordingly, KRC DISCOM had approached the Commission in Case

No. 231 of 2020 for allowing combined power procurement and in the same Petition have also requested for revising their power procurement projections approved in MYT Order on account on impact of COVID-19 circumstances.

8. The Commission in its Order in Case No. 231 of 2020 dated 31 January 2021 approved the combined power procurement KRC DISCOMS as follows:

9.8 Accordingly, **the Commission approves short-term purchase for FY 2021-22 (July to March 2022), and a mix of short-term and medium-term purchase from FY 2022-23 to FY 2024-25 under Scenario 1. Accordingly, the Commission approves power purchase requirement as follows:**

...

**Table: Energy Demand for KRC DISCOMs for Power Purchase in (MW)**

<b>Particulars</b>	<b>FY 2021-22*</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
<b>MBPPL</b>				
Medium-Term	-	6.50	6.50	6.50
Short-Term	6.00	5.00	5.00	5.00
<b>Total</b>	<b>6.00</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>
<b>GEPL</b>				
Medium-Term	-	3.50	3.50	3.50
Short-Term	4.00	5.00	5.00	5.00
<b>Total</b>	<b>4.00</b>	<b>8.50</b>	<b>8.50</b>	<b>8.50</b>
<b>KRCIPPL</b>				
Medium-Term		2.50	2.50	2.50
Short-Term	2.50	6.00	6.00	6.00
<b>Total</b>	<b>2.50</b>	<b>8.50</b>	<b>8.50</b>	<b>8.50</b>
<b>Combined</b>				
Medium-Term	-	12.50	12.50	12.50
Short-Term	12.50	16.00	16.00	16.00
<b>Total</b>	<b>12.50</b>	<b>28.50</b>	<b>28.50</b>	<b>28.50</b>

\*Combined Power Purchase for July to March of FY 2021-22

9.18...Therefore, **short-term purchase for FY 2021-22 (July to March 2022), and a mix of short-term and medium-term purchase from FY 2022-23 to FY 2024-25 is approved under combined power purchase as follows:**

**Combined Power Procurement Plan for KRC DISCOMs (MW)**

<b>Particulars</b>	<b>FY 2021-22*</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
<b>Combined</b>				
Medium-Term	-	12.50	12.50	12.50
Short-Term	12.50	7.00	7.00	7.00
Solar	-	2.09	2.75	3.53
Non-Solar	-	15.22	16.54	18.12
<b>Total</b>	<b>12.50</b>	<b>36.90</b>	<b>38.80</b>	<b>41.20</b>

\*Combined Power Purchase for July to March of FY 2021-22”

9. The Power Purchase Cost in the MYT Orders, for the above respective quantum for all the three Distribution Licensees was approved at Rs 3.92/kWh.
10. The Commission notes that as against approved 12.5 MW power for nine months (July 2021 to March, 2022), KRC DISCOMS has floated the tender for procurement of 14 MW Power for 1 year (July, 2021 to June, 2020). While specifying reason for the same KRC DISCOMS stated that it has considered the present and future loading conditions based on discussion with the consumers and increased the span of Power purchase from nine months to 1 year to get more attractive rates. The Commission notes that Distribution Licensee whose licence area is limited to few buildings under IT&ITeS SEZ is in better position to predict its demand after discussing with their consumers and therefore the Commission accepts the submission of KRC DISCOMs.
11. The Commission observes that KRC DISCOMs have published notice in the Hindustan Times (Delhi) and in Business Standard (Mumbai) on 19 April 2021 and floated e-Tender through DEEP Portal as per Standard Bidding Guidelines without any deviation. The Commission further observes that KRC DISCOMs have appointed PFCCCL as the Authorised Representative to conduct the e-bidding as per Guidelines.
12. The Commission notes that KRC DISCOMs have revised the last date for submission of bid from 26 April 2021 to 11 May, 2021 via Corrigendum I on the request of the prospective bidders.
13. The Commission notes that 5 bidders have participated and qualified in the bidding process and subsequently in the e-Reverse Auction process. KEIPL (Inter- State) has emerged as the lowest Bidder with a tariff rate of Rs.3.18/kWh. Accordingly, subsequent to issuance of LoA dated 19 May 2021, KRC DISCOMs namely MBPPL, GEPL, KRCIPPL have separately signed PPAs with KEIPL (Inter- State) for supply up to 6.5 MW, 4.5 MW and 3 MW respectively.
14. The Commission notes that Clause 11.4 of the standard bidding Guidelines dated 30 March 2016, stipulates as under:

*“11.4. If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission.”*

The Commission notes that the rate discovered by KRC DISCOMs through competitive bidding process i.e. 3.18/kWh is much lower than the rate of Rs. 3.92/kWh approved by the Commission in the respective MYT Orders of these KRC DISCOMs. However, quantum of power procurement i.e. 14 MW is higher than that approved in Order dated 31 January 2021 i.e. 12.50 MW for FY 2021-22 (as reproduced in para 8 above).

15. As far as issue of higher quantum of power procurement (14 MW vis-à-vis 12.5 MW approved), the Commission has already held that KRC DISCOMs are better placed to

project its demand based on discussion with their limited number of consumers. Hence, the Commission is allowing procurement of 14 MW power by KRC DISCOM. On the issue of rate discovered through competitive bidding, the Commission notes that in recent past it has adopted following Short Term power procurement rates for various SEZ based Discoms:

Sr No	Particulars	Approved Quantum in MW	Adopted Rate in Rs/ kWh
1	Eon Kharadi Infrastructure Private Limited Phase I and Phase II (Case No 171 and 172 of 2020)	7 & 3 MW (RTC)	Rs 3.97/ kWh including transmission and distribution loss
2	Laxmipati Balaji Supply Chain Management Limited (Case No 211 of 2020)	1MW (RTC)	Rs 4.48 / kWh including transmission and distribution loss
3	Jawaharlal Nehru Port Trust ( Case No 5 of 2021)	2MW (RTC)	Rs 3.60 / kWh excluding transmission and distribution loss

In view of above, the rate discovered by KRC DISCOMs i.e. Rs 3.18/ kWh at Maharashtra State Periphery is lower than above adopted rate and is reflective of market rate.

16. As far as issue of combined power procurement is considered, the Commission vide its Order dated 31 January 2021 has already allowed KRC DISCOMs to initiate power procurement on combined basis. Present bidding process and rate discovered is outcome of such process. Hence, there is no reason to deny approval for combined power procurement.
17. Section 63 of the EA, 2003 mandates the Commission to adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government and if such rate is reflective of market rates.
18. In view of the foregoing, the Commission notes that Power Procurement rate discovered by KRC DISCOMs fulfils mandates and requirements for adoption as set out in Section 63 of the EA, 2003. Accordingly, the Commission adopts following Power Procurement rate for the period of one year from 1 July 2021 to 30 June 2022.

Sr. No.	Distribution Licensee	Period	Quantum (in MW) and Timings (in hrs)	Successful Bidder	PPA Tariff (Rs./kWh)
1	MBPPL	01 July 2021 to 30 June 2022	Up to 6.5 MW* (Up to 5 MW RTC and up to 1.5 MW between 0800 and 2300 hours)*	Kreate Energy (I) Pvt. Ltd. – Power Department of Sikkim	3.18
2	GEPL	01 July 2021 to 30 June 2022	Up to 4.5 MW* (Up to 2 MW RTC and up to 2.5 MW between 0800 and 2300 hours)*		



Sr. No.	Distribution Licensee	Period	Quantum (in MW) and Timings (in hrs)	Successful Bidder	PPA Tariff (Rs./kWh)
3	KRCIPPL	01 July 2021 to 30 June 2022	Up to 3 MW* (Up to 2 MW RTC and up to 1 MW between 0800 and 2300 hours)*		

*Note: \* The actual schedule shall be intimated by the Distribution Licensee and may vary based on the working/non-working days and actual/projected demand during peak hours*

19. The Commission also notes that PPAs signed with KEIPL are in line with Standard Bidding documents issued by MoP. Accordingly, the Commission approves PPAs signed with KEIPL at the rate and for the quantum mentioned in above tables in para 17. KRC DISCOMs shall submit copies of final PPAs for records of the Commission.
20. Hence following Order.

### ORDER

1. Case No 69 of 2021 is allowed.
2. Under Section 63 of the Electricity Act, 2003, the Commission adopts Short Term Power Procurement for the period of 1 July 2021 to 30 June 2022 by KRC DISCOMs as stated in para 17 above.
3. Accordingly, the Commission approves PPA dated 27 May 2021 entered between KRC DISCOMs (MindSpace Business Parks Private Limited; Gigaplex Estate Private Limited; KRC Infrastructure and Projects Private Limited) and Kreate Energy (I) Pvt. Ltd. – Power Department of Sikkim. KRC DISCOMs, to submit copies of Final PPAs to the Commission for records.

Sd/-  
(Mukesh Khullar)  
Member

Sd/-  
(I.M. Bohari)  
Member

Sd/-  
(Sanjay Kumar)  
Chairperson

  
 (Abhijit Deshpande)  
 Secretary

