

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2049/2022.

In the Matter of:

Petition approval of Short-Term Power Purchase arrangement for sourcing of power to cater to the demand of Ahmedabad/Gandhinagar and Surat area under the provisions of the Guidelines for Power Procurement by distribution Licensees issued by the Commission read with Section 86 (1) (b) of the Electricity Act, 2003, for the period from 18.01.2022 to 31.03.2022.

Petitioner : Torrent Power Limited,

Represented By : Mr. Chetan Bundela, Mr. Jignesh Langalia & Ms. Luna Pal

CORAM:

**Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member**

Date: 10/03/2022.

DAILY ORDER

1. The present matter was listed for hearing on 23.02.2022 through V.C.
2. Mr. Chetan Bundela, appearing for the Petitioner torrent Power Limited, submitted that the present Petition has been filed under Section 86 (1) (b) of the Electricity Act, 2003 read with the Guidelines for Power Procurement by distribution Licensees issued by the Commission for approval of Short-Term Power Purchase arrangement for sourcing of power to cater to the demand of Ahmedabad/Gandhinagar and Surat area.
- 2.1. It is submitted that the Petitioner is having long term power purchase arrangement with AMGEN, SUGEN, UNOSUGEN and Renewables as approved by the Commission and balance power is being procured from power exchange/ other bilateral arrangements. Accordingly, the Petitioner has estimated the demand and shortfall in power purchase for the period from 18.01.2022 to 31.03.2022.

- 2.2. It is submitted that in order to cater to the demand of its consumers, the Petitioner has planned to procure day power i.e. from 0700 hours to 2200 hours and Round the Clock (RTC) power i.e. from 0000 hours to 2400 hours during the period through short term bidding process from 18.01.2022 to 31.03.2022.
- 2.3. It is also submitted that the Petitioner has made two deviations viz, (i) Take or Pay Penalty which is at the rate of Rs. 2 per Unit and (ii) Take or Pay Quantum which is 80%, from the MoP bidding guidelines for availing better terms and flexibility to reduce the overall cost of power procurement. It is submitted that these two deviations have been approved by the Commission vide its Order dated 24.04.2017 in Petition No. 1636/2017. It is also submitted that copy of RFP and PPA are filed alongwith this petition.
- 2.4. Subsequently, the Petitioner has published a tender notice on 22.12.2021 for procurement of power on short term basis through e-tendering and on Reverse Auction basis in Business Standard (All India Edition) and Mint (All India Edition) Newspapers.
- 2.5. It is submitted that the bidders were required to bid on MSTC's website www.mstcecommerce.com (DEEP Portal). The last date for submission of offers was 28.12.2021.
- 2.6. It is submitted that pursuant to said notice, bids from seven (7) bidders were received at IPO stage and e-reverse auction was conducted on MSTC's portal on 30.12.2021. Since the rate discovered in e-Reverse Auction were on higher side, TPL-D asked all bidders to submit their best offer in terms of reduction in rate and increase in quantum. Based on final offers received from bidders, the Petitioner has approached the Bid evaluation Committee with all the details. In turn, the Committee recommended to issue Letter of Award (LOA) to certain bidders as under:

Month	Time Slot	Bidder/Ref. No.	Source	Revised volume and rate	
				Quantity (MW)	Price (Rs./unit)

Month	Time Slot	Bidder/Ref. No.	Source	Revised volume and rate	
				Quantity (MW)	Price (Rs./unit)
18.01.2022 to 31.01.2022	00:00 to 24:00 Hrs	Tata Power Trading Company Limited /74176	Jindal Power Limited	50	4.89
		Tata Power Trading Company Limited /74185	Sembcorp Energy	50	
	07:00 to 22:00 Hrs	Tata Power Trading Company Limited /74176	Jindal Power Limited	50	5.90
01.02.2022 to 28.02.2022	00:00 to 24:00 Hrs	Tata Power Trading Company Limited /74176	Jindal Power Limited	50	4.77
		Tata Power Trading Company Limited /74185	Sembcorp Energy	50	
	07:00 to 22:00 Hrs	Tata Power Trading Company Limited /74185	Sembcorp Energy	100	5.76
		Tata Power Trading Company Limited /74176	Jindal Power Limited	50	
01.03.2022 to 31.03.2022	00:00 to 24:00 Hrs	Tata Power Trading Company Limited /74176	Jindal Power Limited	50	4.70
		Tata Power Trading Company Limited /74185	Sembcorp Energy	50	
		Manikaran Power Limited/ 78172	DB Power Limited	50	
	07:00 to 22:00 Hrs	Manikaran Power Limited/ 78172	DB Power Limited	50	5.28
		Tata Power Trading Company Limited/ 74185	Sembcorp Energy	100	

- 2.7. It is submitted that the Standing Committee Certificate is also provided and annexed with the Petition in compliance to MoP guidelines and the Petitioner has issued the LOA to the successful bidders and the bidders have accepted the same.
- 2.8. Based on the above, it is requested to approve the power purchase arrangement for supply of day power and Round the Clock (RTC) power for the period from 18.01.2022 to 31.03.2022 through short term bidding process in accordance with provisions of Section 86(1)(b) of the Act read with the Guidelines for Power Procurement by Distribution licensee issued by the Commission.
3. On a query of the Commission that the present petition has been filed by the Petitioner under Section 86 (1) (b) of the Electricity Act, 2003, which it requires public hearing, he submitted that the Commission has issued Notification No. 2 of 2013 in respect of “Guidelines for Procurement of Power by Distribution Licensee” which also referred

Section 86 (1) (b) and mode of power procurement has been defined by the Commission. He also submitted that as per Electricity Act, there are two options available i.e., under Section 62 of the Act through cost plus or under Section 63 through competitive bidding. The Petitioner has carried out the competitive bidding process under Section 63 of the Electricity Act for procurement of power on short term basis through e-tendering and reverse action basis and discovered the competitive rate whereas Section 86 requires the approval of the Commission for adoption of tariff discovered under competitive bidding process. Accordingly, the Petitioner has approached the Commission for adoption of tariff discovered under competitive bidding process. It is clarified that the present petition is filed under Section 86 (1) (b) of the Electricity Act, 2003 read with GERC Power Procurement Guidelines. He is agreed to clarify the same by filing the affidavit before the Commission.

- 3.1. On further query from the Commission in respect to negotiation carried out with the bidders and reduction of 2 paisa per unit in the rate also by bidders and whether there are any supporting documents filed thereto by the Petitioner, he submitted that it is mentioned in the Petition that since the rate discovered in e-Reverse Auction were on higher side, all bidders were asked to submit their best offer in terms of reduction in rate and increase in quantum and based on final offers received from bidders, the Petitioner approached the Bid Evaluation Committee with all the details. He also referred the Standing Committee Certificate and submitted that original rate and revised rate offered by bidders was already stated and based on final offers the Petitioner approached Committee and it was recommended by the Committee to issue LOA to the successful bidders. He requested the Commission to grant some time to file an affidavit clarifying the queries raised and to submit the documents.
4. We note that the present petition has been filed by the Petitioner under Section 86 (1) (b) of the Electricity Act, 2003 read with Notification No. 2 of 2013 in respect of "Guidelines for Procurement of Power by Distribution Licensee" notified by the Commission for adoption of tariff discovered under Competitive Bidding Process for procurement of power from Grid connected Solar PV projects in Gujarat through RfS No. TPL/Short/21-22/ET/89 and TPL/Short/21-22/RA/81 dated 21.12.2021.

- 4.1. We note that the submission of the Petitioner that the present petition has been filed by the Petitioner under Section 86 (1) (b) of the Electricity Act, 2003 read with GERC Power Procurement Guidelines. We also note that the Petitioner has carried out the competitive bidding process under Section 63 of the Electricity Act for procurement of power on short term basis through e-tendering and reverse auction and the competitive rate has been discovered for the period from 18.01.2022 to 31.03.2022. Accordingly, the Petitioner has approached the Commission for adoption of tariff discovered under competitive bidding process. With regard to clarification that the petition is filed under Section 63 and 86 (1) (b) of the Act, we direct the Petitioner to file affidavit for amendment in cause title appropriately, within week time.
- 4.2. The Petitioner is directed to submit the documents exchanged between the bidders and the Petitioner in respect of negotiation, within week time.
- 4.3. We have considered that the Petitioner has carried out competitive bidding process to cater the demand of its consumers for the period of 18.01.2022 to 31.03.2022 and also submitted copy of the RFP, Draft PPA, tender notice, standing committee certificate, copy of LOA etc.
- 4.4. As such the Petitioner has completed the submissions in the present matter and accordingly, we direct the Petitioner to file additional submissions on affidavit as agreed within week a time from the date of this Order. The matter is now reserved for order.
5. We order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.
Date: 10/03/2022.