

5.8. After closing of e-Reverse Auction, L1 matching Event appeared on the screen and at the end of the event the system generated report informed that three bidders matched the L1 rate with the revised quantum and the details of bidders are as below:

Sl. No.	Name of the Bidder	Bid Quantity (in MW)	Fixed Cost	Cost of Generation	Cost of Transmission Charges	Cost of Transmission Losses	Total Cost
			(Rs. / Kwh)				
1	GMR	102	2.02	2.02	0.44	0.18	4.66
2	Jindal Power	200	2.29	2.29	0.44	0.20	5.22
3	DB Power	100	2.62	2.62	0.44	0.23	5.91
4	MB Power	175	2.25	2.25	0.44	0.20	5.14
	Total	577					

5.9. The letters were addressed to the four selected bidders requesting to negotiate the rate further and also to increase the quantum for two bidders (M/s.GMRKamalanga and M/s.DB Power). On response to the above, none of the bidders reduced the price and increased the quantum.

5.10. Since only three bidders matched L1 rate, and the quantum tied up with L1 rate was only 577 MW, in order to procure the remaining capacity of 953 MW, letters were addressed to the remaining qualified bidders requesting to match L1 rate and to submit fresh bids matching L1 rate.

In response to the above M/s.OPG, M/s.Shree Cement and M/s.RaipurEnergen had replied their inability to match the L1 price and no reply was received from others.

But M/s.DB Power Ltd vide letter dated 16.02.2022 without reducing the price increased the quantum from 100 MW to 150 MW. The offer of M/s.DB Power after L1 matching process in the DEEP e Portal was accepted by TANGEDCO since the increased quantum is at the L1 rate of Rs.4.66 per unit. With this the offered quantum in the medium term tender is 627 MW @ Rs.4.66 per unit. The details are as below:

Sl. No.	Name of the Bidder	Bid Quantity (in MW)	Fixed Cost	Cost of Generation	Cost of Transmission Charges	Cost of Transmission Losses	Total Cost
			(Rs. / Kwh)				
1	GMR	102	2.02	2.02	0.44	0.18	4.66
2	Jindal Power	200	2.29	2.02	0.44	0.18	4.66
3	DB Power	150	2.62	2.02	0.44	0.18	4.66
4	MB Power	175	2.25	2.02	0.44	0.18	4.66
	Total	627					

5.11. The following is the justification of price discovered in medium term tender:

1. Details of Medium Term Tender in other States:

a) GUVNL's Tender Medium Term/Lumpsum Tariff/2021-22/ET-5:

During August 2021, GUVNL had finalized medium term tender for purchase of 1000 MW RTC power for a period of 23 months i.e from September 2021 to July 2023 and PPA signed. The details are as below:

Sl. No.	Name of the Bidder	Bid Quantity (in MW)	Fixed Cost	Cost of Generation	Cost of Transmission	Cost of Transmission	Total Cost
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					Charges	Losses	
			(Rs. / Kwh)				
1	Adani Enterprises / Essar Power	500	1.535	1.535	0.48	0.13	3.68
2	TATA Power Trading / Jindal India Thermal Power Plant	200	1.535	1.535	0.48	0.13	3.68
3	Semcorp Energy India Ltd	100	1.545	1.545	0.48	0.11	3.68
4	GMR Warora Energy	150	1.535	1.535	0.48	0.13	3.68
5	Manikaran Power / DB Power	50	1.54	1.54	0.48	0.12	3.68
	Total	1000					

b) REMCL Medium Term tender:

Railway Energy Management Company Ltd (REMCL) during December 2021 had finalized medium term tender for purchase of 600 MW RTC power for a period of three years and PPA signed. The details are as below:

Bid Result (e-Reverse Auction dated 28.12.2021)

Sl. No.	Name of the Bidder	State	Bid Quantity (in MW)	Fixed Cost	Cost of Generation	Cost of Transmission Charges	Cost of Transmission Losses	Total Cost
				(Rs. / Kwh)				
1	Jindal Power	Uttar Pradesh	60	1.75	1.75	0.49	0.13	4.12
2	Jindal Power	Jharkhan	70	1.77	1.77	0.47	0.13	4.14

		d						
3	Jindal Power	Gujarat	90	1.77	1.77	0.46	0.13	4.13
4	Jindal Power	Madhya Pradesh	120	1.8	1.8	0.42	0.13	4.15
5	Dhariwal	Maharashtra	210	1.735	1.735	0.5	0.13	4.10
6	TPTCL	Karnataka	50	1.805	1.805	0.39	0.13	4.13
	Total		600					

2. Short Term Tender

To meet out the demand, TANGEDCO had placed short term tender for the months from Oct'21 to Dec'21 and from Mar'22 to May '22 for RTC and peak power. Since the rate was high in some tenders, TANGEDCO had lodged the tenders and only for Mar'22 LOA was issued the details are tabulated below:

Tender No.	Period	Quantum floated (MW)	Quantum offered by Bidders (MW)	Rate offered by bidders Rs./Kwh	Remarks
Tender 14	October 2021/ RTC Power	500	220	6.49 to 7.50	Lodged due to high price
	October 2021 / Peak Power	600	40	14.00	
Tender 15	November 2021 & December 2021 / Peak Power	600	-	-	No response
Tender 16	November 2021 / Peak Power	600	340	6.90 to 9.42	Lodged due to high price
	December 2021 / Peak	600	340	7.00 to 9.42	

	Power				
Tender 17	March 2022 / RTC Power	1000	515	5.02 to 8.95	*

*After Negotiation, LOA was issued for purchase of 475 MW out of 515 MW at the rate of Rs.4.82 to Rs.4.84 per kwh.

3. Power purchased through Exchanges

Further, to meet the demand in case of shortage of wind and solar power, outages of our plant, power purchase through exchange was made. The average cost of purchase during the months from Apr'21 to Jan'22 was Rs.5.51 per unit at TANGEDCO periphery. The details of power purchase made through exchanges and bilateral are tabulated below:

Month	Short Term Purchase		Energy Purchase	
	Energy in MU	Avg Rate (Rs./Kwh)	Energy in MU	Avg Rate (Rs./Kwh)
April 2021	649.017	3.29	407.81	4.09
May 2021	464.733	3.30	301.43	3.55
June 2021			428.33	4.45
July 2021			243.33	4.03
August 2021			483.71	4.82
September 2021	107.506	4.50	381.52	6.25
October 2021			961.38	8.15
November 2021			396.37	4.68
December 2021			250.30	5.74
January 2022			286.79	4.63
Total	1221.256	3.40	4140.96	5.51

4. LOI issued under short term for Mar'22 to May'22:

To meet the summer demand, TANGEDCO floated short term tender for procurement of 1000 MW RTC power and 1000 MW Peak power (17 to 23 Hrs)

for the months for March'22 to May'22. The price bids were opened on 16.02.2022 and the rates offered by the bidders @ TANGEDCO Periphery (inclusive of transmission charges and losses) are too high as detailed below:

Period	RTC/Peak	Quantum Floated (MW)	Quantum offered by Bidders (MW)	Rate offered by bidders Rs./Kwh	Details of LOI issue in process after negotiation	
					Quantum (MW)	Rate (Rs./Kwh)
March 2022	RTC	1000	350	5.24 to 6.75	50	4.82
April 2022		1000	505	5.24 to 6.75	250	5.10 to 5.24
May 2022		1000	445	5.24 to 6.75	150	5.10 to 5.24
March 2022	Peak (17 to 23 Hrs.)	1000	200	9.97	-	-
April 2022		1000	300	8.95 to 9.97	-	-
May 2022		1000	300	8.95 to 9.97	-	-

The landed cost discovered through the short-term tender is too high as compared to the tariff under medium term tender @ Rs.4.66/kwh (inclusive of transmission charges and losses) at TANGEDCO Periphery.

5. Long Term Tender Power Purchase Cost:

The per unit tariff of long term generators for the month January 2022 is detailed below:

Sr. No.	Bidder Name	Contracted quantum	Capacity Charge	Energy Charge	Cost of Transmissi	Cost of Transmission	Total Cost
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		(MW)			on Charges	Losses	
	Long Term		All figures are in Rs./Kwh				
1	PTC	100	2.9410	1.4161	0.4400	1.9312	4.87
2	Dhariwal	100	1.2003	2.8764	0.4400	3.4506	4.65
3	BALCO 1	100	1.0706	3.1424	0.4400	3.7274	4.80
4	BALCO 2	100	1.0707	3.1424	0.4400	3.7274	4.80
5	GMR	150	2.1762	2.2994	0.4400	2.8503	5.03
6	DB	208	2.1050	2.3474	0.4400	2.9002	5.01
7	Jindal	400	2.2540	2.1770	0.4400	2.7229	4.98
8	KSK	500	2.0000	2.4355	0.4400	2.9919	4.99
9	OPG	74	1.5000	4.5495	0.4400	-	6.05
10	IL&FS	540	1.8012	3.1906	0.4400	3.7775	5.58
11	Coastal	558	1.4740	4.1647	0.4400	4.7911	6.27
	Medium Term						
12	IL&FS (Pilot I)	550	0.1000	4.2300	0.4400	4.8590	4.96
	Total	3380					

5.12. The reasonableness of the discovered tariff in the present MTOA tender:

- * The tariff discovered under Pilot Scheme-II was for 3 years, GUVNL tender was for 23 months only and REMCL tender was for 3 years i.e. at different timeframes and for different contract durations. Further, with the capacity being already tied up in these tenders, there is limited bid capacity based on domestic coal is available. Therefore, it may not be prudent to compare the tariff discovered under the subject tender with tenders floated earlier.
- * It is well known fact that revision in coal prices and freight rates are due from some time and are expected to be revised once elections in five states are completed. At-least two such revisions are expected during a period of 5 years.
- * It is pertinent to mention that domestic coal supply constraints are still prevailing and there is limited availability of coal in spot e-auctions leading

- to higher prices. Further, prices of imported coal are still very high and are not expected to reduce in near future.
- * Due to coal related issues as mentioned above, electricity prices at power exchanges are high and very volatile.
 - * Generators are generally inclined to have firm contract for longer duration with certainty of price and dispatch of power which helps them in meeting financial commitments to lenders and other mandatory expenses, instead of selling power on power exchanges on day ahead basis or on short term basis for few months.
 - * The tariff structure is purely based on the Coal price at the time of bidding, the period of supply and duration of payment of monthly bills.
 - * The cost of Domestic coal was Rs.640 Per Tonne during Bid Due Date (06.03.2013) which has increased to Rs.955 Per Tonne as on Dec'21.
 - * Each State have different financial structure and unique system of payment and some Discom make payment within 5 days of receipt of invoices after availing 1% rebate for early payment.
 - * In spite of advance payment made by TANGEDCO for purchase of power through Exchanges, the actual cost of expenditure incurred for purchase for the year 2021-22 was Rs.5.51 per unit (including transmission charges and losses).
 - * Supply through long term contracts commenced during August 2015, where the tariff of generators using domestic coal was less than Rs.4.00 per unit and with imported coal tariff was Rs.5.29 per unit excluding transmission charges and losses.
 - * The Exchange rate during March 2013 was Rs.53.46 per dollar and now it has reached to the extent of Rs.75.0153 per Dollar. The exchange rate determines the tariff of imported coal based plants and likely to increase further.

- * Imported coal price of Indonesian coal jumped from \$60/tonne in March'2013 to \$200 in September'2021 / October'2021 of 5000 GAR (Gross as received) coal. The imports decreased in comparison to 2019-20 due to import substitution and rising prices. The reduction in imports is compensated by the domestic coal for power generation, hence increasing the demand for domestic coal further.
- * Thermal power plant outages on account of coal shortage were reported for a capacity of about 13,000 MW which led to increase in power exchange prices up ₹20/kWh. After intervention of CMT, now the outage has come down to 6,960 MW and power exchange prices are at about ₹7 per kWh.
- * Under long term contract, tariff for the plant using domestic coal is computed by escalating the quoted tariff by the escalation rate notified by the CERC once in six months based on the increase in WPI index for cost of the coal and transportation cost notified by Railways.
- * This has resulted in increase of tariff and the present tariff for the month of Jan'22 for domestic coal is in the range of Rs.4.65 to Rs.5.03 per unit and imported coal is in the range of Rs.5.58 to Rs.6.27 per unit including transmission charge and losses around 62 paise per unit which is likely to increase further in upcoming days till expiry of contract in 2028.
- * Tariff under this medium term tender of Rs.4.66/Kwh @ Tamil Nadu State Periphery excluding trading margin of Rs.0.0173/Kwh is more competitive than the tariff at which TANGEDCO is getting power under long term PPAs and the tariff discovered under short term tenders floated by TANGEDCO recently i.e on 16.02.22 is in the range of Rs.5.12 to Rs.6.15 per unit for RTC power and Rs. 8.83 to 9.85 per unit for supply of power from March'22 to May'22 unit including the transmission charge and losses.
- * The tariff discovered in the present Medium term Tender under FOO guidelines is Rs.4.04 per unit (excluding transmission charges and losses)

Every year, the base price of Fixed Charge and Variable Charge will be escalated to the extent of 20% and 50% of increase in the WPI index of all commodities respectively. It is expected that the tariff will increase approximately five to six paise in the total tariff for every year.

- * To sum up, the comparative statement of tariff at interconnection with CTU for all type of tenders is detailed below:-

Type of Tender	Tariff (Fixed and Variable Charges at Interconnection point excluding Transmission charges and losses (Rs./Kwh)
Medium Term Tender FOO method (RTC Power)	4.04
Long term tender (RTC Power)	4.07 to 6.05
Power purchased through Exchanges during 2021-22	5.39
Short term tender (RTC Power for March 2022)	4.70
Discovered tariff in Short Term Tender (April 2022 to May 2022)	4.98 to 5.12

In view of the above points, the discovered tariff of Rs 4.66 per kwh at Tamil Nadu state periphery appears to be reasonable considering 5 years tenure with a nominal WPI escalation when compared to other short term, long term and purchase through Power exchanges.

6. Objections filed by M/s. Manikaran Power Limited (Trading Licensee) and M/s. SaiWardha Power Generation Pvt. Ltd.

6.1. The Intervenor/Respondent No.1, Manikaran Power Limited is a company existing under the provisions of the Companies act, 2013 having its registered

office at Manikaran Tower, Kilburn Colony, P.O. Hinoo, Ranchi, Jharkhand-834002 and Corporate office at 3rd Floor, D21 Corporate Park, Dwarka Sector 21, New Delhi-110077. The Respondent No.1 is an interstate trading licensee, having been granted a license under Category-1 by the Central Electricity Regulatory Commission.

6.2. The Intervenor/Respondent No. 2, M/s SaiWardha Power Generation Pvt. Ltd., is a generating company, owning and operating a 540 MW coal-based generating station at Warora in the state of Maharashtra. The Respondent No. 2 has been supplying electricity to another distribution licensee namely, BEST in the State of Maharashtra through the Respondent.

6.3. The objections being made herein are to the bidding process being undertaken by the Petitioner, Tamil Nadu Generation and Distribution Company Limited (hereinafter called TANGEDCO) and more particularly to the terms and conditions of the bidding documents circulated by TANGEDCO.

6.4. The primary challenge to the bidding terms and conditions is the condition of excluding traders from participating in the present bidding process, which is in deviation of the standard bidding documents notified by the Government of India for the purposes of medium-term procurement on the DEEP Portal.

6.5. It is also evident from the records publicly available that TANGEDCO has also not taken the prior approval of the Commission for the bidding terms and conditions and the deviations from the standard bidding documents notified by the Government of India.