

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/Petition No. 12 of 2022

Date of Hearing : 16.03.2022
Date of Order : 16.03.2022

In the Matter of

Application under Section 86(1) (b) and Section 63 of the Electricity Act, 2003 for approval of source by the Commission for quantum of 750 MW power discovered in NIT-93/HPPC dated 04.02.2022 floated for procurement of 750 MW RTC power on short term basis through tariff based competitive bidding process.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Present on behalf of the Petitioner through Video Conferencing

1. Sh. Amit Dewan, Director (Finance), UHBVN

Quorum

Shri R.K. Pachnanda
Shri Naresh Sardana

Chairman
Member

ORDER

1. The present petition has been filed by HPPC seeking approval for procurement of 750 MW RTC power, on short term basis from 01.05.2022 to 15.10.2022 at a tariff discovered through transparent process of competitive bidding (NIT-93) under section 63 of the Electricity Act, 2003.
2. HPPC has submitted that Haryana will face shortage in power due to non-availability of power from Adani Power Ltd., CGPL Mundra and FGPP. The petitioner has submitted as under:-
 - i) Adani Power Ltd. and CGPL Mundra has not been supplying any power to Haryana due to abnormal increase in the price of imported coal and unaffordable generation.
 - ii) Adani Power Ltd. has proposed supply of some capacity from alternate source which is under deliberation.
 - iii) No power is available from Faridabad Gas plant due to non-availability of cheaper gas.
 - iv) HPPC shall face acute shortage of power during summer/paddy season in the FY 2022 to the tune of 1300 MW to 3800 MW in various time slots of the day.
 - v) The rates in IEX during the summer/paddy season of 2021 were higher than corresponding period in 2020. The rates in power exchanges for the peak hours are

significantly on higher side. The rates in peak hours are touching Rs. 20/unit since August 2021 (except January, 2022 where the maximum rate was Rs. 11.27/unit).

- vi) In order to bridge the gap between demand and availability during 01.05.2022 to 15.10.2022, NIT was floated by this office through NIT No. 93/HPPC dated 04.02.2022.
- vii) On last date of submission of bid, i.e. 10.02.2022, five bidders namely M/s Tata Power, M/s Manikaran Power Ltd, M/s PTC India Ltd., M/s NNVN and M/s NHPC Ltd submitted their bids.
- viii) The e-reverse auction was held on 14.02.2022. The rate discovered for bucket filling after e-reverse auction, is as under:-

Period	Name of Bidder	Quantum (In MW)	Rate Quoted (Rs/unit)	Weighted Avg. Rate (Rs/unit)
01.05.22 to 31.05.22	NHPC, NTPC, PTC India, Manikaran Power, Tata Power	750	5.07 to 6.75	5.18
01.06.22 to 30.06.22	NHPC, NTPC, PTC India, Manikaran Power, Tata Power	750	5.07 to 5.45	5.11
01.07.22 to 31.07.22	NTPC, PTC India, Manikaran Power, Tata Power	750	4.81 to 5.45	4.83
01.08.22 to 31.08.22	NTPC, PTC India, Manikaran Power, Tata Power	750	4.89 to 4.93	4.90
01.09.22 to 30.09.22	NTPC, PTC India, Tata Power	750	5.03 to 5.25	5.04
01.10.22 to 15.10.22	NHPC, NTPC, PTC India, Tata Power	670	4.95 to 7.50	5.47
Weighted average rate at Haryana Periphery for the period 01.05.22 to 15.10.22 (Rs/unit)				5.05

- ix) The 63rd SCPP meeting held on 13.03.2022 considered the proposal and approved the purchase of 750 MW power on RTC basis from 01.05.2022 to 15.10.2022.

3. HPPC has prayed that the Hon'ble Commission may accord source approval on an urgent basis as bids are valid up to 16th March 2022 only.
4. At the onset, the Commission observes that the entire bidding process was completed on 14.02.2022. However, the petitioner, despite its averment of urgency and the professed position of protecting consumers interest, continued with its lackadaisical approach and filed the present petition on the penultimate date of the validity of the bids, thereby praying for urgent approval of the present petition. The submission of Director (Finance), UHBVNL

that the delay happened because of the change in top management of the company is not tenable.

5. The Commission has taken a very serious view of the aforesaid casual approach and indifferent attitude of the petitioner in handling an urgent matter which would have caused avoidable harassment to the electricity consumers of Haryana by way of disruption in electricity supply during the peak power demand months. . Hence, the Commission directs the Managing Director of UHBVNL to file an explanation, within 7 days, regarding the delay caused in filing the present petition.
6. The Commission has considered the submission and justification of the petitioner for procurement of 750 MW RTC power during the months from May 2022 to October 2022 at the tariff discovered through competitive bidding (NIT-93) under Section 63 of the Electricity Act, 2003.
7. Given the requirement for power, largely due to power not available from two large sources. viz. Adani Power Ltd. and Coastal Gujarat Power Ltd. (Mundra) and Faridabad Gas Power Plant (NTPC), due to non-availability of cheaper APM Gas, the Commission approves as under:-
 - i. The Commission accords ex-past-facto approval to the deviation made from the SBD. The petitioner may note that in future, in such cases of deviation, the petitioner ought to seek prior approval.
 - ii. The source which does not fulfill the minimum bid criteria of 50 MW has also been considered as the same has been done by following 'bucket filling' approach, whereas the minimum offered quantum from such sources were also 50 MW or above.
 - iii. The Commission is conscious of the fact that with the surge in demand during the months of May to October, due to power requirement of AP tube-well as well as air conditioning load, the supply of power is often inadequate. The supply side in FY 2023 is further constrained because of non-availability of power from certain sources as previously mentioned. Added to this would be surrender of power from the expensive gas based sources such as Anta, Auraiya and Dadri as well as uncertainty in power availability from one unit of RGTPS.

Additionally, the short-term rates in the power exchanges are also exorbitant and are expected to continue during the peak months as the power demand in the entire northern region increases during these months. Hence, the Commission, has considered the trade-off between the loss of production due to non-availability

of grid power including harassment and inconvenience faced by the consumers and purchase of a little expensive short-term power limited to 750 MW. Since rates quoted by different bidders in a particular month are uniform except a few, the Commission has considered it appropriate to accord source approval as prayed for in the petition except a small quantum with comparatively higher rate(s).

- iv. Accordingly, the Commission approves sources of power as proposed by the petitioner, on a short-term basis, except from the following sources:-
- a. TATA Power Trading Co. Ltd./ NBEIL 70 MW @ 5.45 (May, 2022).
 - b. NTPC Vidyut Vyapar Nigam Ltd./ NBVLCPP 30 MW @ 6.75 (May, 2022).
 - c. TATA Power Trading Co. Ltd./ NBEIL 20 MW @ 5.45 (July, 2022).
 - d. TATA Power Trading Co. Ltd./ NBEIL 70 MW @ 6.00 (October, 2022).
 - e. TATA Power Trading Co. Ltd./ NBVLIPP 50 MW @ 6.00 (October, 2022).
 - f. NTPC Vidyut Vyapar Nigam Ltd. / NBVLIPP 50 MW @ 6.75 (October, 2022).
 - g. PTC India Limited / SEIL-P2 50 MW @ 7.50 (October, 2022).
8. The petitioner may assess the power demand and supply position on a continuous basis. Accordingly, the State Generator i.e. HPGCL (M.D.) is directed to maintain sufficient Coal Stock of at least up to the normative PLF.
9. The present petition brought before the Commission is disposed of in terms of the above order.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 16.03.2022.

Date: 16.03.2022
Place: Panchkula

(Naresh Sardana)
Member

(R.K. Pachnanda)
Chairman