

GUJARAT URJA VIKAS NIGAM LIMITED

Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390007

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Ref. No.: GUVNL : GM (Com.) : 124
Date : 10.02.2022

To
Secretary
Gujarat Electricity Regulatory Commission
6th Floor, GIFT ONE
Road 5C, Zone 5, GIFT City
Gandhinagar, Gujarat - 382355

Sub: Petition under Section 86 read with Section 63 of the Electricity Act 2003 for Approval of Deviations to the Ministry Of Power Guidelines Dated 06.03.2019 for Procurement of upto 3000 MW Electricity on Long Term basis for 15 years – Reg.

Sir,

Please find attached herewith 1 - original plus 4 - copies on affidavit on above subject matter. Further, requisite fees of Rs. 10,000/- in accordance with the GERC (Fees, Fines and Charges) Regulations, 2005, is remitted on 05.02.2022 in the Canara Bank account of Hon'ble GERC through Cheque Transfer vide No. 122036178854-862270.

Kindly acknowledge the receipt of the same.

Thanking You,

Yours faithfully,

(K.P. Jangid)
General Manager (Comm.)

Encl: As above

As per M.N. 2948
dt. 11/2/22 of Rs. 10,000/-
Received from M.N. on 11/2/22
4/2/22
C.A. 11/2/22

Pl. accept the fees of Rs. 10,000/-
Subject to verification of GERC
(Fees, fines & charges) Regulations,
2005.
10/2/2022
AD (Legal)

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
AT GANDHINAGAR**

PETITION NO.....OF 2022

IN THE MATTER OF:

**MISCELLANEOUS PETITION UNDER SECTION 86 READ WITH SECTION 63
OF THE ELECTRICITY ACT 2003 FOR APPROVAL OF DEVIATIONS FROM
THE MINISTRY OF POWER GUIDELINES FOR LONG TERM PROCUREMENT
OF ELECTRICITY FROM THERMAL POWER STATIONS SET UP ON
DESIGN, BUILD, FINANCE, OWN AND OPERATE (DBFOO) BASIS AND
SOURCING FUEL AS PROVIDED UNDER MODEL BIDDING DOCUMENTS
INCLUDING ALLOCATION OF COAL UNDER B (I), B (III) AND B (IV) OF
SHAKTI POLICY**

Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhawan
Race Course, Vadodara 390007
Gujarat

Petitioner

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For Gujarat Urja Vikas Nigam Ltd

Place – Vadodara, Gujarat

Date – 08.02.2022

**BEFORE THE GUJARAT ELECTRICITY REGULATORY
COMMISSION, GANDHINAGAR**

Filing No:

Petition No:

IN THE MATTER OF

**MISCELLANEOUS PETITION UNDER SECTION 86 READ WITH
SECTION 63 OF THE ELECTRICITY ACT 2003 FOR APPROVAL OF
DEVIATIONS FROM THE MINISTRY OF POWER GUIDELINES FOR
LONG TERM PROCUREMENT OF ELECTRICITY FROM THERMAL
POWER STATIONS SET UP ON DESIGN, BUILD, FINANCE, OWN
AND OPERATE (DBFOO) BASIS AND SOURCING FUEL AS
PROVIDED UNDER MODEL BIDDING DOCUMENTS INCLUDING
ALLOCATION OF COAL UNDER B (I), B (III) AND B (IV) OF SHAKTI
POLICY**

PETITIONER Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara - 390 007



MOST RESPECTFULLY SHOWETH:

- 1) The Petitioner, Gujarat Urja Vikas Nigam Limited (herein after referred to as "GUVNL") is a Company incorporated under the provisions of the Companies Act, 1956 with registered office at Sardar Patel Vidyut Bhawan, Race Course, Vadodara (Gujarat). The Petitioner is engaged in the activities of bulk purchase and bulk supply of electricity for & on behalf of its four Distribution companies viz. Uttar Gujarat Vij Company Ltd. (UGVCL), Madhya Gujarat Vij Company Ltd. (MGVCL), Dakshin Gujarat Vij Company Ltd. (DGVCL) and Paschim Gujarat Vij Company Ltd. (PGVCL) and is a

licensee for the said activities under the provisions of the Electricity Act, 2003.

2) The Petitioner have been tying up power on long term, medium term as well as short term basis from time to time in order to ensure availability of adequate power as per the requirement at competitive rates.

2.1 As on 31.12.2021, GUVNL has tied up capacity of 19,099 MW from Conventional sources on long / medium term basis out of which around 2,645 MW capacity is Gas based capacity.

2.2 The peak power demand of State DISCOMs has reached upto 17,300 MW during the year 2021.

2.3 State has implemented Kisan Suryodaya Yojana (KSY) with an objective to enable utilization of generation from upcoming solar capacity for meeting power demand of agriculture sector during day period instead of present arrangement of supplying power to Agriculture sector under various groups during day & night period.

2.4 With implementation of scheme, State has witnessed increase in power demand during day period (5 AM–9 PM) due to shifting of Agriculture load. Further, with shifting of additional load in phased manner in upcoming period, the day power demand to be catered by State DISCOMs is anticipated to increase considerably.

2.5 It is to humbly submit that there are no new thermal units / capacity under development stage in the State of Gujarat. Further, the existing coal / lignite based capacity would have to be decommissioned / retired in phased manner during upcoming years.



- 2.6 State is having 8969 MW wind capacity operational out of which capacity of Petitioner is 4280 MW. Further, State is having total 6158 MW Solar Capacity operational out of which capacity of Petitioner is 3007 MW. The generation from wind and solar is contingent to wind velocity and solar irradiance and is infirm in nature. Accordingly, same cannot be considered as firm capacity for meeting peak demand and adequate thermal generation capacity is required to be operated for balancing the grid requirement.
- 3) Govt. of Gujarat had requested Ministry of Power, Govt. of India for allocation of domestic coal under SHAKTI scheme to enable State to invite competitive bids for around 4000 MW capacity for meeting future power requirements. Ministry of Power vide Office Memorandum dated 03.05.2018 has recommended Ministry of Coal, Govt. of India to assign coal quantity of 19.712 MTPA (Grade 13 grade) to Gujarat. Standing Linkage Committee (Long Term), Ministry of Coal has recommended the allocation of 19.712 MTPA (Grade 13) coal to Gujarat. (Copy of MOP Office Memorandum and Standing Linkage Committee recommendation placed herewith as Annexure – A & Annexure – B respectively)
- 4) It is to further submit that Coal India has conveyed that supply of coal would commence from the year 2022-23 based on coal availability at different collieries during that period.
- 5) It is humbly submitted that with implementation of Kisan Suryodaya Yojana, it is anticipated that aggregate load curve may witness incremental load (due to load shift) of around 4250 MW by 2022-23 assuming power is supplied in two shifts during a day. This incremental load during day period would be in addition to growth of demand for other category of consumers.
- 6) The details of anticipated demand-supply scenario for GUVNL / State DISCOMs during next five years are placed herewith at



Annexure-C. The summary of the anticipated demand-supply scenario is as under:

(in MW)

Year	Capacity	Demand @ 7% incl. KSY Load	Capacity required at 85%	Total RE availability during peak	(Deficit) after excl. SPOT gas based capacity
As on Dec-21	19099	17370	20435	2408	-1328
2021-22	20999	19620	23082	3170	-1313
2022-23	20843	22568	26551	5195	-2757
2023-24	20003	23851	28060	8521	-1779
2024-25	19593	25223	29674	9923	-2402

- 7) In the above background it is respectfully submitted that it would be necessary to have in-place adequate conventional generation capacity available as balancing generation for meeting base / peak load and ensuring uninterrupted power supply to the consumers of the State at economical rates more specifically when Renewable Generation is unavailable.
- 8) It is to submit that domestic coal linkage allocated by Ministry of Coal under SHAKTI Policy to the Petitioner (equivalent to 3915 MW capacity) wherein coal supply is envisaged from 2022-23 onwards can be put to use by tying up coal based capacity on long term basis through tariff based competitive bidding for meeting future power demand of State DISCOMs.
- 9) With regard to domestic coal allocation, it is kindly submitted that M/s Coal India has confirmed that coal supply would be based on coal availability at different collieries during relevant period at trigger level of model Fuel Supply Agreement (FSA). In case, coal availability is less, requirement may be met from other coal companies, where coal is available.
- 10)It is humbly submitted that in order to meet the power requirement of its subsidiary DISCOMs and with an objective to meet its long



term demand-forecast, the Petitioner intends to procure power through competitive bidding process on long term basis (15 years) for the period from 2023 onwards.

11) It is submitted that Ministry of Power vide letter dated 05.03.2019 has issued Model Bidding documents and vide resolution dated 06.03.2019 has issued Guidelines for long term Procurement of Electricity from Thermal Power Stations set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under Model Bidding Documents including allocation of coal under B (I), B(III) and B(IV) of SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy. The guidelines mainly provides as under:

11.1 The aforesaid Guidelines provides for Model Bidding Documents comprising RFQ, RFP & PSA.

11.2 The application of these Guidelines shall be restricted to projects constructed and operated in accordance with a Power Supply Agreement signed for Supply of electricity for a period of 7 years and above upto a period of 25 years from the Date of Commencement of supply of Power with provision of extension of 5 years at the option of either party in accordance with the Power Supply Agreement

11.3 The tariff determined through the bidding process based on these Guidelines comprising the Model Bidding Documents shall be adopted by the Appropriate Commission in pursuance of the provisions of section 63 of the Act.

11.4 Any deviation from the Model Bidding Documents shall be made only with the prior approval of the Appropriate Commission. Provided, however, that any project specific modifications expressly permitted in the Model Bidding Documents shall not be construed as deviations from the Model Bidding Documents



The copy of Ministry of Power Letter dated 05.03.2019 & Guidelines dated 06.03.2019 is placed herewith as Annex-D colly.

12) Hon'ble Commission vide Notification dated 2/2013 has issued Guidelines for Procurement of Power by Distribution Licensee wherein Para 7 provides as under:

"7. In case of procurement of power through competitive bidding, the Distribution Licensees shall initiate the process for long-term / medium-term power procurement in accordance with the Ministry of Power's 'Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees' notified by the Ministry of Power on 19/01/2005 and in force from time to time. As provided in the MoP Guidelines:

- a. The bid documentation shall be prepared in accordance with the MoP guidelines and the approval of the GERC shall be obtained unless the bid documents are as per the standard bid documents issued by the Central Government. In the latter case, intimation shall be sent by the Distribution Licensee to the GERC about initiation of the bidding process.*
- b. Approval of the GERC shall be sought in the event of any deviations from the bidding conditions contained in the MoP guidelines, and in following the process described in the MoP guidelines.*
- c. Approval of the GERC shall be sought prior to initiating the bidding process with regard to the following aspects:*
 - i. For the quantum of capacity / energy to be procured, in case the same exceeds the projected additional demand forecast for the next three years following the year of expected commencement of supply proposed to be procured. Such demand forecast shall be based on the latest available (at the time of issue of RFQ) Electric Power Survey published by the Central Electricity Authority (Both for Case 1 and Case 2)....."*

13) It is to humbly submit that the proposed quantum of capacity for which tender is to be floated by the Petitioner is within the projected additional forecast for the next three years following the year of expected commencement of supply under the aforesaid tender based on SHAKTI coal i.e. 2023.



- 14) It is respectfully submitted that in accordance with above Guidelines, the Petitioner vide letter no. 927 dated 26.08.2021 has apprised Hon'ble Commission regarding the initiation of stakeholders consultation process for tie up of upto 3000 MW power on long term basis. (the copy of letter dated 26.08.2021 is placed herewith at Annexure-E)
- 15) It is to humbly submit that the Petitioner has published a Notice Inviting Tender in 2 national newspapers and 1 newspaper of vernacular language on 25.08.2021. Further, Petitioner has also uploaded the Draft Bid Documents (RFQ, RFP & PSA) on DEEP Portal of Ministry of Power and Petitioner's website to accord wider publicity. As per the Guidelines, the Petitioner has invited the suggestions / queries from the prospective bidders. The Petitioner has received queries / comments as well as suggestions from various bidders. The Petitioner has released the Clarification to the Queries of interested bidders. (the copy of Notice Inviting Tender is placed herewith at Annexure-F and Clarification issued with regard to queries received from prospective Bidders is attached herewith at Annexure-G)
- 16) The Petitioner has prepared draft bid documents based on Model Bid Documents of Ministry of Power. However, the Petitioner intends to make certain deviations to Model Bidding Documents in order to ensure commercial clarity with regard to contractual provisions and in order to safeguard the interest of the Petitioner. Further, certain modifications in the Bid Documents are proposed in order to align contractual terms in accordance with prevailing Rules & Regulations, taking into consideration the concessional fuel being allocated to Supplier by the Petitioner and to avoid undue cost implication on the end consumers.
- 17) The Petitioner is seeking following major deviations / modifications from the Model Bidding Documents (MBD) for simplification of



commercial aspects and to optimize the overall cost of power procurement.

a. Delivery Point – Definition

MBD: Delivery Point means any point in the intra-state Grid where the electricity supplied under this Agreement is received by the Utility.

Revised: As various intra-State & inter-State Generators are expected to participate, the delivery point has been suitably amended for ensuring evaluation of bid on uniform basis.

Delivery Point is modified as Gujarat / GETCO Periphery i.e.

For Projects connected with Gujarat State Transmission Utility (STU) network i.e. GETCO – Delivery Point shall be Interconnection of Generator & Gujarat STU in intra-state Grid where supply is received by Utility

For Projects connected to network other than Gujarat State Transmission Utility i.e. GETCO – Delivery Point shall be Interconnection Point of Central Transmission Utility (CTU) with Gujarat STU network

It is to submit that the above modification is proposed in order to have clarity with regard to evaluation of bids from projects connected at different network and to have landed cost working of all Projects at equal interconnection point for comparison and to have parity for evaluation of bids for projects in Gujarat or outside Gujarat.

b. Minimum Capacity for participation (in MW): (Clause 1.1.1 & 1.1.4 - RFQ)

MBD: As per the Model Bid documents, Minimum Capacity to be submitted by the bidders shall not be less than 25% of Capacity required (in MW) under the tender.



The aforesaid tender proposed to be invited by the Petitioner is for total 3000 MW for which 25% of capacity works out to 750 MW.

Revised: Various requests have been received requesting to reduce the aforesaid capacity on the grounds that considerable capacities are lying unutilized with the operational projects which can be offered under this bid at competitive rates. Further, it has been stated that if such minimum capacity criteria is kept, huge sub-critical technology based capacity with operational project would not be able to participate who would be having competitive rate of generation.

Taking into consideration that total quantum requirement of GUVNL is 3000 MW and the selection under the bid being on L1 matching mechanism on DEEP Portal, it is essential to encourage participation to ensure discovery of competitive rate.

Further, the Petitioner has allowed operational projects to submit bids under the tender so as to ensure better participation and competitive rates. Accordingly, under the draft Bid Documents, category of projects have been defined as under:

Type 1: Projects / Units that are already commercially operationalised on or after 1st January 2013

Type 2: New Projects that are yet to be commercially operationalized

It is respectfully submitted that the Petitioner has proposed the minimum MW requirement at 300 MW under the tender i.e. 10% which would enable larger capacity to participate under the tender more particularly from operational projects.

c. Right to accept or reject any Bid / Application (Clause 2.7.2 - RFQ)

The Petitioner at present is having litigations pending with Generator(s) regarding non-fulfilment of contractual obligations



Revised: In order to avoid any implications under the pending litigations of the Petitioner (i.e. Utility), an additional clause has been incorporated in the Draft Bid Documents under RFQ (Clause 2.7) clarifying that the Petitioner shall have a discretion to accept / reject such bids at qualification stage.

MBD: Bidder to provide Bank Guarantee issued by Nationalized Bank or Scheduled Bank in India having a net worth of at least Rs. 1000 Crores. Further it is provided that in case BG is issued by Foreign Bank outside India, nationalized bank in India shall be required to confirm the same.

e. Appendix 1 – Letter comprising of Bid (RFP)

Revised: Petitioner has incorporated certain conditions regarding bid component of transmission charges & losses for uniformity.



Further, principle has been clarified with regard to charges / losses to be quoted by the Bidder and adjustment for the variation in the same after Bid Due Date.

The same is to ensure parity in evaluation of various bids having connectivity at STU & CTU level. It is proposed to include following clarification at the end of aforesaid Appendix-I:

Bid parameters	Unit	Rs and paise (in two decimals)
Fixed Charge for the base year ----- (1)	per kWh	
Fuel Charge = Sum of (a)+(b)+(c) ----- (2)		
(a) Cost of Fuel	Per kWh	
(b) Cost of transportation	Per kWh	
(c) Cost of Washing	Per kWh	
Transmission Cost = Sum of (a) + (b)----- (3)		
(a) ISTS Transmission Charges* (for Drawal State)	Per kWh	
(b) ISTS Transmission Losses* (for Drawal State)	In %	
ISTS Transmission Losses (for Drawal State)	Per kWh	
Total Tariff = Sum of (1) + (2) + (3)	per kWh	

**To be pre-specified by Utility prior to bid submission date*

Additional clarifications regarding submission of bid:

- Utility to pre-specify transmission charges in Rs./unit (ISTS network) to be quoted by Bidder while submitting the bid online on DEEP Portal while variation thereafter shall be adjusted in tariff as per the Bid Documents.
- Utility to pre-specify transmission losses (in %) (ISTS network) for the purpose of online bid submission by bidders on DEEP Portal while variation thereafter shall be adjusted in tariff as per the Bid Documents. Transmission losses (in Rs./unit) is to be quoted by Bidder based on ISTS losses (in %) pre- specified by Utility.
- In the DEEP Portal bid; field of "Cost of Fuel in Rs per Kwh", Bidder to input single figure after summing "Cost of Fuel" & "Cost of Washing". While both this components have to be separately quoted



and submitted as per the Appendix-1 of the RFP (i.e. Letter comprising the Bid)

- iv. Intra-State Transmission charges & losses for the host State (other than the state of Gujarat) wherein Generator / Bidder is located, if any applicable from time to time, shall be on the account of Generator / Bidder at all times during the contract tenure. Further, all applicable charges (SLDC, RLDC, Open Access charges etc.) for delivery of contracted capacity at Delivery Point shall be on account of Supplier at all times during the contract tenure. Bidders are advised to factor in such costs in the tariff. No separate reimbursement / adjustment shall be allowed under Contract.
- v. For the Projects connected with Gujarat STU, the "Transmission Cost" Parameter under above Table shall be assumed as NIL.
- vi. At Sr. 34 of Appendix I under RFP, following additional details are to be submitted:

Sr.	Particulars	Unit	Details
1	CIL's Notified Price of Coal	Rs./Tonne	
2	GCV of Coal	Kcal/kg	
3	Freight payable to Indian Railways for coal transportation (inclusive of taxes)	Rs./Tonne	
4	Distance considered for transportation of coal from mines to plant location	Kms.	

**Bidder to refer clause 22.2.1 & 22.2.4 of PSA*

f. Cost of Transmission Charges & Losses: (Clause 5.5, 5.6 & 21.13 of PSA)

MBD: Transmission charges & losses upto delivery point are to be borne by Bidder / Supplier out of the tariff offered as on bid due date and any changes thereafter are pass through under the agreement.

Revised: In this regard, it is to mention that as per present CERC Sharing of Inter State Transmission Charges & Losses, only drawl charges for each State is applicable. Further, the transmission bill is raised by PGCIL on drawee utility on monthly basis.

Accordingly, in order to have uniformity for the purpose of bid parameters, prior to Bid Due date, the Petitioner shall specify the

