

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 129 of 2022

Case of the Tata Power Company Ltd – Distribution seeking approval for the Bidding Documents for long term procurement (25 years) of 225 MW capacity from grid connected Wind-Solar Hybrid Power Projects through competitive bidding process for meeting its Renewable Purchase Obligations.

The Tata Power Company Ltd – Distribution (TPC-D) ...

Petitioner

Coram

Sanjay Kumar, Chairperson

I.M. Bohari, Member

Mukesh Khullar, Member

Appearance

For the Petitioner

: Shri. Prashant Kumar (Rep.)

ORDER

Date: 28 November 2022

1. The Tata Power Company Ltd – Distribution (TPC-D) has filed the present Petition on 16 June 2022 under Regulation 19 of MERC (Multi Year Tariff) Regulations, 2019 (MYT Regulations, 2019) and Regulation 92 and 94 of MERC (Conduct of Business) Regulations, 2004 (CB Regulations, 2004). In present Petition, TPC-D is seeking approval for the bidding Documents (Draft Request for Selection [RFS] and Power Purchase Agreement [PPA]) for long term procurement (25 years) of 225 MW capacity from grid connected Wind-Solar Hybrid Power Projects through competitive bidding process for meeting the Renewable Purchase Obligations (RPO).

2. **TPC-D's major prayers are as follows:**

- a) *To admit the Petition as per the provisions of the Regulation 19 of MYT Regulations 2019 and 92 & 94 of the Maharashtra Electricity Regulatory Commission (Conduct of Business) Regulations, 2004;*
- b) *To approve the proposed Bidding Documents (Draft RFS and Draft PPA) prepared for procurement of power from grid connected wind solar hybrid power projects.*
- c) *To permit initiation of competitive bidding process for procurement of 225 MW power from grid connected Wind Solar Hybrid Power Projects through competitive bidding process (To be conducted through appropriate e-procurement platform).*
- d) *To allow the procurement of such power from grid connected Wind Solar Hybrid Power projects towards meeting the Renewable Purchase Obligation (RPO) of Tata Power-D.
...”*

3. **TPC-D in its Case has stated as follows:**

3.1. The Commission notified the RPO Regulations, 2019 on 27 December 2019 for the control period starting from FY 2020-21 to FY 2024-25. As per the prevalent Regulations, TPC-D has to procure certain percentage of its power requirement through Renewable Sources to meet its RPO.

3.2. As per Para 6.4 (2) of the National Tariff Policy, 2016 (NTP), States are encouraged to procure power from RE sources above the notified capacity through competitive bidding to keep the Tariff low. Further, Clause 5.12.2 of the National Electricity Policy, 2005 (NEP) stipulates that progressively the share of electricity from non-conventional sources need to be increased as prescribed by State Commissions. Such purchase by distribution companies shall be through Competitive Bidding process.

3.3. **Future Power Requirement of TPC-D:**

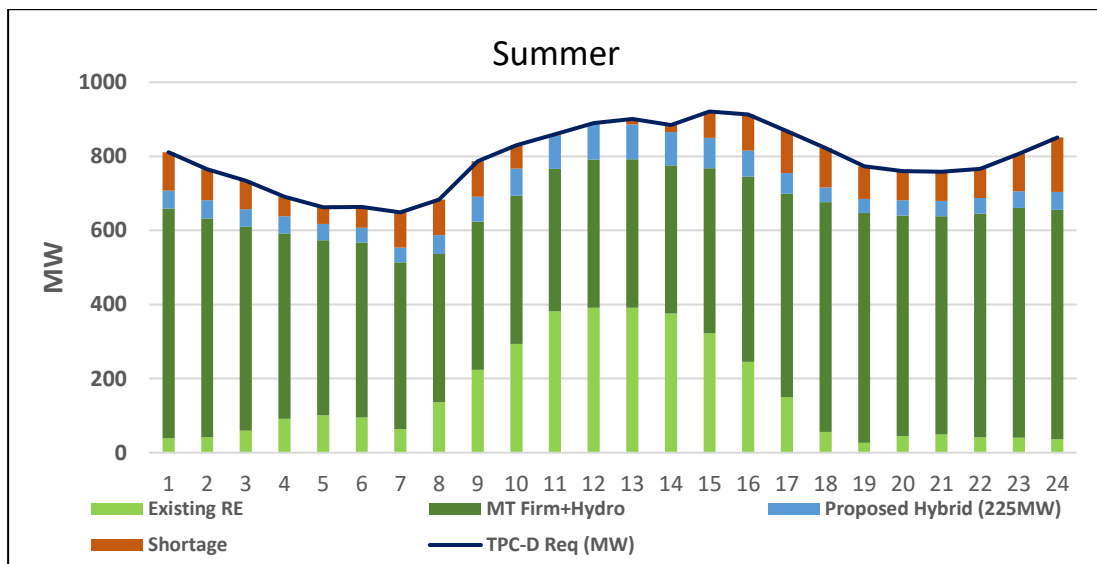
3.3.1 TPC-D has forecast the demand of the consumers based on the actual sale up to FY 2021-22 and the same is escalated considering the CAGR of approximately 3%. Further, TPC-D has estimated the additional load requirement of more than 100 MW from FY 2024-25 onwards on account of power supply requirement from Metro services and new EV charging stations. In addition to this TPC-D has already initiated to offer 100% green power to consumers opting for it as approved in Case No. 134 of 2020.

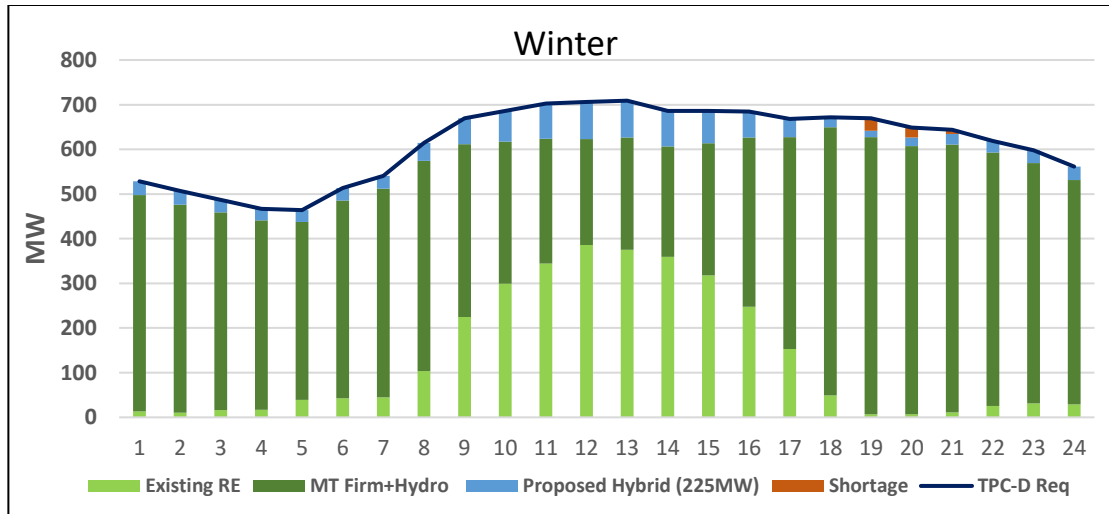
3.3.2 MoP has specified the total RPO trajectory (21.18%) vide notification dated 29 January 2021 which is higher than the existing RPO trajectory (17.50%) approved by the Commission in its RPO Regulations, 2019 for FY 2021-22. It is expected that the future RPO targets will also be higher and additional RE power is required to fulfill the same.

3.3.3 The existing medium-term power purchase agreement of TPC-D with TPC-G for 700 MW (Thermal- 482 MW and Hydro- 218 MW) will be expiring on 31 March 2024. TPC-D has presented following Energy Balance from FY 2022-23 to FY 2029-30:

		<i>in 'MUs</i>							
Particulars		FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
TPC-D Energy Requirement at G<>T	A	5234	5382	5539	5658	5781	5908	6037	6188
Energy from Existing Firm Sources*	B	3610	3610	3610	3610	3610	3610	3610	3610
RE Purchase from Existing Sources	C	1134	1190	1190	1135	1135	1090	1090	1045
Expected RE Purchase from Proposed Hybrid**	D	0	0	295	591	591	591	591	591
Estimated Short-Term Purchase***	E=A-B-C-D	490	582	444	322	445	617	746	942
% of Green Power (after subtracting hydro)	F=(C+D)/(A-710)	25%	25%	31%	35%	34%	32%	32%	30%

3.3.4 The proposed hybrid power procurement may help in optimizing the power purchase cost for TPC-D consumers based on the load pattern with seasonal variation. Typical load curves for summer and winter, considering the proposed 225 MW hybrid power procurement are shown below:





Proposed hybrid project will be helpful in meeting the demand and the same will be helpful in reducing the short-term power procurement as the generation profile in hybrid matches with the load profile.

3.4. **TPC–D’s proposal to procure 225 MW wind solar hybrid power from grid connected hybrid power projects through Competitive Bidding Process**

3.4.1 Regulation 19.3 of MYT Regulation, 2019 has specified the principle to be followed for future procurement of power. Regulation 19.3 reads as below:

“

19.3 All future procurement of short-term or medium-term or long-term power, including Renewable Energy, shall invariably be undertaken through competitive bidding in accordance with Guidelines notified by the Government of India under Section 63 of the Act:”

3.4.2 Regarding procurement of renewable power, the Regulation 7.1 of RE Tariff Regulations, 2019 has specified that tariff should be determined through a competitive bidding process as follows –

“

7.1 The tariff shall invariably be determined through a transparent process of competitive bidding in accordance with the Guidelines issued by the Central Government under Section 63 of the Act, inter-alia for the following types of RE Projects:

- (a) Wind Energy Power Projects;*
- (b) Solar PV Power Projects;*
- (c) Non-Fossil Fuel-based Co-Generation;*
- (d) Biomass based Projects;*

(e) Hybrid RE Power Projects.

...”

In view of the above, TPC-D proposed to procure wind - solar hybrid power from grid connected hybrid projects in India on long term basis (25 years), through competitive bidding process through an appropriate e-procurement portal to meet the demand of consumers and incidentally meeting RPO as per RPO Regulations, 2019, so as to reduce overall power purchase cost.

3.5. Key Highlights of the bidding Documents:

Sr. No.	Clause	Details	Rationale
1.	RfS document fees	INR 25,000/- (plus applicable GST)	TPC-D has set the tender document fee in line with similar tenders floated by other Indian states and SECI.
2.	Processing fees	Rs.3 lakhs (plus applicable GST)	TPC-D has set the tender document fee in line with similar tenders floated by other Indian states.
3.	Financial Closure	Within 12 months from the execution of the PPA	TPC-D has set the Financial Closure according to bidding guideline.
4.	Net-worth	The Net-worth of the Bidder as per the latest available audited financial statements shall not be less than Rs. 1.0 Crores per MW (of the capacity quoted).	TPC-D has set the Net Worth in line with the SECI tenders and other state tenders
5.	Liquidity	A minimum annual turnover of Rs. 75 Lakhs per MW of the quoted capacity as per the latest available audited financial statements. 'Other Income' as indicated in the annual accounts of the Bidder shall not be considered for arriving at the annual turnover.	TPC-D has set the Liquidity in line with the MSEDCL tender

Sr. No.	Clause	Details	Rationale
6.	Delivery Point/Interconnection Point/Metering Point	Delivery/Interconnection Point/Metering Point to be at Maharashtra STU Periphery.	Delivery/Interconnection Point/Metering Point has been specified for clarity.
7.	SCOD	Within 24 months from the date of execution of the PPA	TPC-D has kept the SCOD in line with standard bidding guidelines
8.	Capacity Utilization Factor (CUF)	Not less than 30% at the Delivery Point.	TPC-D has kept the CUF in line with standard bidding guidelines.

3.6. Deviations:

Sr. No.	Clause	Approval Sought	Rationale
1.	Definition of Project/Wind Solar Hybrid Power Project/Power Project	shall mean the Hybrid Power Project, comprising Solar PV and Wind Power generation facilities, where the rated power capacity of solar power project shall not be more than 33% of the total contracted capacity, having a single point or separate points of injection into the grid at the Delivery Point/Interconnection Point/Metering Point at CTU/STU substation or in case of sharing of transmission lines, by separate injection at CTU/STU substation and having control systems and metering. The Project shall include all units/ modules and auxiliaries and associated facilities, bay(s) for transmission system in the switchyard, dedicated transmission line up to the Delivery Point and all the	<p>It is estimated that during FY25 winter season, TPC-D day-time requirement (08 hrs to 17 hrs) would be from 615MW (minimum) to 710MW (maximum).</p> <p>As per the present RE contracts, TPC-D is having the RE availability of 400MW (25MW Palaswadi+150MW LT solar+225MW LT hybrid) during the same period, having must-run status.</p> <p>Also, TPC-D is planning to contract around 680MW of firm power (mix of thermal + hydro) on medium-term basis from FY25, for which the technical minimum would be around 240MW.</p> <p>Considering all these sources and generation pattern of solar, it is observed that TPC-D can't absorb more than</p>

		other assets, buildings/structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility, whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power to TPC-D.	75MW of additional solar power during daytime (load curves are as shown above). So, solar quantum is limited to 33% of the total proposed capacity of 225MW. Also, more quantum of wind would help in meeting evening time demand economically.
2.	<p>‘Change in Law’ shall refer to the occurrence of any of the following events after the last date of the bid submission, including:</p> <p>(i) the enactment of any new law; or (ii) an amendment, modification or repeal of an existing law; or (iii) the requirement to obtain a new consent, permit or license; or (iv) any modification to the prevailing conditions prescribed for obtaining an consent, permit or license, not owing to any default of the Solar Power Generator; or (v) any change in the rates of any Taxes, Duties and Cess which have a direct effect on the Project.</p>	<p>‘Change in Law’ shall refer to the occurrence of any of the following events only after the last date of the bid submission, including: (i) the enactment of any new law in India; or (ii) an amendment, modification or repeal of an existing law in India; or (iii) the requirement to obtain a new consent, permit or license in India; or (iv) any modification to the prevailing conditions prescribed in India for obtaining an consent, permit or license, not owing to any default of the Solar Power Generator; or (v) any statutory change in the rates of any Taxes including any duties and cess or introduction of any new tax made applicable for setting up the power project and supply of power from the Project by the HPD which have a direct effect on the Project in India, resulting in change in project cost.</p>	<p>As the power from the hybrid Power project shall be utilized for supply to the electricity to the consumers of India only, the Change in Law clause should be restricted to Indian Laws and regulations only.</p>

	However, Change in Law shall not include any change in taxes on corporate income or any change in any withholding tax on income or dividends.		
3.	The Procurer shall provide payment security to the Solar Power Generator through: (b) Payment Security Fund, which shall be suitable to support payment for at least 3 (three) months' billing of all the Projects tied up with such fund;	Clause not to be used.	TPC-D has a good payment record to the banks and its creditors. Hence, TPC-D requested the Commission to allow removing the clause regarding Payment Security Fund as a revolving Letter of Credit has already been provided in the Draft PPA as a payment security mechanism.
4.	The PPA period should thus be not less than 25 (twenty-five) years from the date of the Scheduled Commissioning Date (SCD)	Term of PPA is 25 years from Commercial Operation Date for new projects and 25 years from signing of PPA for existing projects	The purpose of this clause is to purchase power for 25 years. If there is delay in the COD (with respect to SCOD), the effective period gets curtailed by this delay while a tariff period of 25 years is desired.

3.7. Clause 23 of the guidelines provides that in case of any deviation in the bid document from the approved guidelines, prior approval of the commission is required for such deviation.

3.8. TPC-D clarified that deviations listed in Sr. Nos. 2, 3 and 4 in the table above are already approved by the Commission vide its Order dated 1 June 2020 in Case No. 88 of 2020.

3.9. On completion of the bidding process followed by e-Reverse Auction, TPC-D shall again approach the Commission for adoption of Tariff discovered through the Competitive bidding process under Section 63 of the Electricity Act, 2003.

4. At the E-hearing held on 18 October 2022, Representative of TPC-D re-iterated the rationale for proposed power procurement. Considering submission on record, the Commission

directed TPC-D to provide clarification regarding its demand projections, its volatility with reference to parallel licensing scenario and how its proposed procurement will comply with RPO trajectory stipulated by the Commission and MoP.

5. TPC-D vide its additional submission dated 2 November 2022 stated as below:

- 5.1. TPC-D has been and will continue to maintain a mix of generation portfolio which has a mix of base and peaking power. This will ensure optimum management of power procurement portfolio, power availability and to have operating flexibility to efficiently manage seasonal demand variations.
- 5.2. 225 MW of hybrid is proposed to meet the additional demand from FY-25 onwards and the quantum is decided based on the estimated winter load (lowest in the year), without being surplus. Demand volatility could be either on the higher side or lower side, in case the demand goes higher the additional power procurement can be met through maximizing generation from the tied-up portfolio and procurement from the market depending upon the period of requirement. In case the demand goes lower, the excess power can be sold in the open market to achieve the revenue to reduce the power purchase cost of the consumers.
- 5.3. For projecting the demand, TPC-D has escalated the actual sale of FY 2021-22 by 3% based on last five years CAGR of sales to arrive at sales of FY 2022-23. Further, sale of prospective consumers has been added to arrive at the total projected sales of FY2022-23. For the future years, natural growth of 2%-3% has been considered based on last five-year CAGR of sales.
- 5.4. According to the MNRE Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected Wind-Solar Hybrid Projects dated 14 October 2020, clause 3 (iii) (e) the wind or Solar power procured under the hybrid project shall be considered for meeting the Wind or Solar Renewable Purchase Obligation. Therefore, wind generation from hybrid projects shall be considered for RPO of respective sources and this would be in line with the requirements of GOI notification dated 22 July 2022 regarding renewable purchase obligation and Energy storage obligation Trajectory till FY 2029-30.

Commission's Analysis and Rulings

6. The Commission notes that TPC-D has projected that it will require about 225 MW of Renewable Energy to meet its future demand to meet its RPO Targets from FY 2024-25 onwards. After study of seasons demand patterns, TPC-D has proposed to procure power from the Wind-Solar Hybrid project through competitive bidding process.

7. TPC-D has contended that it has prepared the bidding documents (RfS & PPA) based on ‘Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects’ issued by MNRE dated 14 October 2020 and its subsequent amendments dated 23 July 2021 & 9 March 2022, MYT Order in Case No. 326 of 2019 dated 30 March 2020, and SECI Hybrid tender dated 22 October 2021 with necessary changes.
8. Based on submissions on record, the Commission frames following issues for its consideration:
 - a. Whether proposed quantum of loan term power procurement is in line with demand-supply projection?
 - b. Whether deviations sought from competitive bidding guidelines by TPC-D in present Petition are justified?

The Commission is addressing above issues in the following paragraphs.

9. **Issue A: Whether proposed quantum of loan term power procurement is in line with the demand-supply projection ?**
 - 9.1 The Commission notes that TPC-D has proposed long term procurement of 225 MW of Wind-Solar Hybrid power with the objective of fulfilling its RPO as well as meeting the consumer demand. For justifying such quantum, TPC-D has projected demand – supply position till FY 2029-30. The Commission is analyzing it in the following paragraphs:
 - 9.2 Demand estimation:
 - 9.2.1 TPC-D has stated that it has forecasted demand based on the actual sale up to FY 2021-22 and escalated it by considering the CAGR of approximately 3%. TPC-D has also estimated the additional load requirement of more than 100 MW from FY 2024-25 onwards on account of power supply requirement from Metro services and new EV charging stations. In addition to that TPC-D has considered impact of providing green power to consumers as per option enabled by Commission vide Order dated 22 March 2021 in Case No. 134 of 2020.
 - 9.2.2 While replying to the query on demand volatility, TPC-D stated that in case the demand goes higher than estimates, then additional power requirement can be met through maximizing generation from the tied-up portfolio and procurement from the market. In case

the demand goes lower, the excess power can be sold in the open market to realise the revenue to reduce the power purchase cost of the consumers.

- 9.2.3 The Commission notes that the Commission in its Order in Case No.326 of 2019 has approved following sales forecast:

Sales approved for 4th Control Period (MU)

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Direct Sales	3076.15	3243.15	3434.95	3655.30	3908.83
Change-over Sales	1602.31	1598.49	1596.66	1596.27	1597.04
Total	4678.46	4841.64	5031.61	5251.57	5505.87
Y-o-Y Rise in sales		3.49%	3.92%	4.37%	4.84%

Based on estimates approved in TPC-D's MYT Order average Y-o-Y rise works out to be 4.16%. Thus, CAGR of 3% used by TPC-D in present Petition for escalating demand projections till FY 2029-30 is inline (lower) with the projections approved in MYT Order.

- 9.2.4 Regarding additional load requirement of above 100 MW on account of Metro and EV Charging Stations, the Commission notes that TPC-D's assumption that such future load will come only on its system is not entirely correct. Mumbai has competing parallel Distribution Licensee and these upcoming loads including existing load shift from one licensee to another is mainly based on tariff difference. However, considering the fact that annual escalation considered by TPC-D is within approved level of MYT Order, the Commission is considering such additional power projections which is 1 to 2% of total demand.

9.3 Adequacy of existing power procurement contracts:

- 9.3.1 TPC-D in its submission has mentioned that existing medium-term power purchase agreement of TPC-D with TPC-G for 700 MW (Thermal- 482 MW and Hydro- 218 MW) will be expiring on 31 March 2024. TPC-D has also submitted that the proposed hybrid project will be helpful in meeting the demand and the same will be helpful in reducing the short-term power procurement as the generation profile in hybrid matches with the load profile. Further, TPC-D has emphasized higher RPO trajectory notified by MoP for justifying hybrid power procurement.

- 9.3.2 The Commission notes that vide its Order in Case No. 44 of 2019 dated 26 March 2019, it has approved the Power Purchase Agreement of TPC-D with TPC-G for 700 MW power for a period of five years from 1 April 2019 to 31 March 2024. However, while presenting

the Energy Balance from FY 2022-23 to FY 2029-30, TPC-D has not knocked off this expiring contracted capacity. Instead, it has stated that TPC-D is planning to contract around 680MW of firm power (mix of thermal + hydro) on medium-term basis from FY 2024-25. In this regard, the Commission notes that in its MYT Order dated 30 March 2020, considering expiry of PPA with TPC-G in FY 2023-24, the Commission had directed TPC-D to approach the Commission well in advance for procurement of power for FY 2024-25 considering time required for procurement of power through competitive bidding. Therefore, TPC-D's assumption that its existing PPA for firm contracted capacity would be continuing till FY 2029-30 is not in accordance with the direction given in MYT Order. However, such assumption is not affecting decision in the present matter as the total demand is more than the existing firm contracted sources.

- 9.3.3 With regards to short term power procurement, TPC-D has taken the stand that the proposed procurement will reduce the dependence on short term power procurement. The Commission in its Order dated 30 March 2020 in Case No.326 of 2019 approved following short term power purchase:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Bilateral Power Purchase (MU)	687.31	813.67	574.63	625.80	603.47
Rate of Purchase (Rs./kWh)	3.56	3.56	3.56	3.56	3.56
Cost of Bilateral Power Purchase (Rs. Crore)	244.57	289.54	204.48	222.69	214.74

- 9.3.4 After perusal of FAC submission of last one (1) year, actual reported short term power purchase quantum is as below:

Sr. No.	Month	Approved (MU)	Actual (MU)	Proportion of each Source in Actual Purchase
1.	June-2022	47.89	136.82	26.62%
2.	May-2022	47.89	125.40	23.69%
3.	April-2022	47.89	104.74	20.45%
4.	March-2022	67.81	103.64	21.80%
5.	February-2022	67.81	98.86	26.71%
6.	January-2022	67.81	104.79	27.46%
7.	December-2021	67.81	133.69	32.44%
8.	November-2021	67.81	95.15	21.29%
9.	October-2021	67.81	87.26	18.32%
10.	September-2021	67.81	38.34	9.02%
11.	August-2021	67.81	25.41	6.06%
12.	July-2021	67.81	23.19	5.67%

It is evident that except for the period from July-2021 to September-2021; reported short term procurement is above the approved quantum.

9.4 It is always advisable to manage base load requirement through long term/medium term power purchase contracts and peaks/exigencies through short term power procurement. After perusal of seasonal Load Curves, it is evident that the proposed hybrid procurement righteously fits into TPC-D's load curve.

9.5 Considering above, the proposed quantum of 225 MW of hybrid power procurement is justified.

10. Issue B: Whether deviations sought from competitive bidding guidelines by TPC-D in present Petition are justified?

10.1. The Commission observes that apart from general changes, TPC-D has sought deviation in four (4) parameters which are dealt as under:

10.2. Capacity configuration of the Project:

10.2.1. The Commission observes that as per the 'Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects' notified on 14 October 2020, for a system to be recognized as hybrid, the rated power capacity of one resource (Wind or Solar) shall be at least 33% of the other resource.

10.2.2. TPC-D has estimated that during FY 2024-25 winter season, TPC-D's day-time requirement (0800 hrs to 1700 hrs) would be from 615MW (minimum) to 710MW (maximum).

10.2.3. As per the present RE contracts, TPC-D is having the RE availability of 400MW (25MW Palaswadi+150MW solar+225MW hybrid) during the same period, having must-run status. Also, TPC-D is planning to contract around 680MW of firm power (mix of thermal + hydro) on medium-term basis from FY2024-25, for which the technical minimum would be around 240MW. Considering all these sources and generation pattern of solar, it is observed that TPC-D can't absorb more than 75MW of additional solar power during daytime. So, solar quantum is limited to 33% of the total proposed capacity of 225MW i.e. 74.25 MW. Also, more quantum of wind would help in meeting evening time demand economically.

10.2.4. The Commission notes that considering the availability of power and system constraints, TPC-D has capped solar power quantum to 33% of total contracted capacity. TPC-D has categorically stated that it needs power during evening period. It means that TPC-D is willing to absorb more wind power.

10.2.5. Apart from above, the Commission notes that MERC RPO Regulations, 2019 stipulates RPO trajectory till FY 2024-25. Whereas Ministry of Power vide its Order dated 22 July 2022, has stipulated the long-term growth trajectory of RPO as follows:

Year	Wind RPO	HPO	Other RPO	Total RPO
FY 22-23	0.81%	0.35%	23.44%	24.61%
FY 23-24	1.60%	0.66%	24.81%	27.08%
FY 24-25	2.46%	1.08%	26.37%	29.91%
FY 25-26	3.36%	1.48%	28.17%	33.01%
FY 26-27	4.29%	1.80%	29.86%	35.95%
FY 27-28	5.23%	2.15%	31.43%	38.81%
FY 28-29	6.16%	2.51%	32.69%	41.36%
FY 29-30	6.94%	2.82%	33.57%	43.33%

- (a) Wind RPO shall be met only by energy produced from Wind Power Projects (WPP) commissioned after 31st March 2022.
- (b) HPO shall be met only by energy produced from LHPs (including PSPs), commissioned after 8 March 2019.
- (c) Other RPO may be met by any RE projects not mentioned in (a) and (b) above.

10.2.6. MERC RPO Regulations, 2019 clearly stipulate that Distribution Licensee shall endeavor to achieve total RPO target notified by the Central Government.

10.2.7. Considering above, the Commission finds it appropriate to give impetus to wind power and adopt the deviation.

10.3. Only new enactments of any new law in India will be considered for Change in Law;
Deletion of Payment Security Fund provision;
Tenure of PPA- Term of PPA is 25 years from Commercial Operation Date for new projects;
and 25 years from signing of PPA for existing projects.

10.3.1. Following rationale has been provided by TPC-D for above deviations:

Clause	Clause as per MoP guideline/SECI Tenders	Approval Sought	Rationale
Change in Law	'Change in Law' shall refer to the occurrence of any of the	'Change in Law' shall refer to the occurrence of any of the	As the power from the hybrid Power project shall

	<p>following events after the last date of the bid submission, including:</p> <p>(i) the enactment of any new law; or (ii) an amendment, modification or repeal of an existing law; or (iii) the requirement to obtain a new consent, permit or license; or (iv) any modification to the prevailing conditions prescribed for obtaining an consent, permit or license, not owing to any default of the Solar Power Generator; or (v) any change in the rates of any Taxes, Duties and Cess which have a direct effect on the Project.</p> <p>However, Change in Law shall not include any change in taxes on corporate income or any change in any withholding tax on income or dividends.</p>	<p>following events only after the last date of the bid submission, including: (i) the enactment of any new law in India; or (ii) an amendment, modification or repeal of an existing law in India; or (iii) the requirement to obtain a new consent, permit or license in India; or (iv) any modification to the prevailing conditions prescribed in India for obtaining an consent, permit or license, not owing to any default of the Solar Power Generator; or (v) any statutory change in the rates of any Taxes including any duties and cess or introduction of any new tax made applicable for setting up the power project and supply of power from the Project by the HPD which have a direct effect on the Project in India, resulting in change in project cost.</p>	<p>be utilized for supply to the electricity to the consumers of India only, the Change in Law clause should be restricted to Indian Laws and regulations only.</p>
Payment Security Fund	<p>The Procurer shall provide payment security to the Solar Power Generator through:</p> <p>(b) Payment Security Fund, which shall be suitable to support payment for at least 3 (three) months' billing of all the Projects tied up with such fund;</p>	<p>Clause not to be used.</p>	<p>TPC-D has a good payment record to the banks and its creditors.</p> <p>Hence, TPC-D requested the Commission to allow removing the clause regarding Payment Security Fund as a revolving Letter of Credit has already been provided in the Draft PPA as a payment security mechanism.</p>
Power Purchase Agreement	<p>The PPA period should thus be not less than 25 (twenty-five) years from the date of the Scheduled Commissioning Date (SCD)</p>	<p>Term of PPA is 25 years from Commercial Operation Date for new projects and 25 years from signing of PPA for existing projects</p>	<p>The purpose of this clause is to purchase power for 25 years.</p> <p>If there is delay in the COD (with respect to SCOD), the effective period gets curtailed by this delay while</p>

			a tariff period of 25 years is desired.
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10.3.2. The above-mentioned stipulations have also been considered by the Commission in its Order in Case No.88 of 2020 dated 1 June 2020 (approval for the Bidding Documents for long term procurement (25 years) of 225 MW capacity from grid connected Wind-Solar Hybrid Power Projects) and had approved such deviation. The Commission finds it appropriate to continue with the earlier approved deviations in present matter also.

10.3.3. The Commission also notes that in table at para 3.6 above, TPC-D has proposed various fees/charges for RfS Document, conditions of Net worth, requirement of Liquidity etc. in the bidding document. The Commission assumes that all such charges and financial requirement are proposed by TPC-D after proper due diligence and therefore the same are accordingly approved by the Commission.

11. Hence, the following Order:


ORDER

- 1. The Case No. 129 of 2022 is allowed.**
- 2. The Commission accords its approval to the bidding documents for long term procurement (25 years) of 225 MW capacity from grid connected Wind-Solar Hybrid Power Projects through competitive bidding process in accordance with its observations on deviations sought as dealt at para 10 above.**

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary

