

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 43 of 2023

Case of Maharashtra State Electricity Distribution Company Ltd. seeking approval for adoption of tariff discovered for long term procurement of 150 MW solar power under ‘Mukhyamantri Saur Krishi Vahini Yojana’ from 2 to 10 MW capacity projects connected to distribution network

M/s Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)... Petitioner

M/s. National Federation of Farmers Procurement Processing & Retailing
Cooperatives of India Ltd (NACOF)... Respondent

Coram

Sanjay Kumar, Chairperson
I.M. Bohari, Member
Mukesh Khullar, Member

Appearance:

For the Petitioner : Smt. Kavita Gharat (Rep.)

For the Respondent : None

ORDER

Date: 11 May 2023

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) filed the present Petition, being Case No.43 of 2023 on 28 March 2023 seeking approval for the adoption of tariff for long term procurement of 150 MW solar Power under ‘Mukhyamantri Saur Krishi Vahini Yojana (MSKVY) from 2 MW to 10 MW Capacity Projects connected to Distribution Network. The said Petition is filed under provisions of Section 63 of the Electricity Act, 2003 (the EA) for meeting its Solar Renewable Purchase Obligations (RPO).

2. **MSEDCL's main prayers are as follows:**

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a) *To admit the Petition as per the provisions under Section 63 of the Electricity Act (EA), 2003.*

b) *To accord approval for adoption of tariff as mentioned in table under para 3.6 and signing of PPA with successful bidder for 150 MW solar power as discovered through Competitive bidding conducted by MSEDCL.*

c) *To accord approval to make this power eligible for meeting the Solar RPO requirement of MSEDCL.*

....”

3. **MSEDCL in its Case has stated as follows:**

3.1 The Commission vide Order dated 16 May 2020 in Case No. 80 of 2020 had approved ceiling tariff of Rs. 3.30 P.U. for decentralized project under Mukhyamantri Saur Krishi Vahini Yojana (MSKVY). Subsequently, considering the market conditions, MSEDCL revised the ceiling tariff to Rs 3.10 P.U. for decentralized solar tenders.

3.2 Recently, due to the increase in costing of solar modules on account of the impact of increased GST, Basic Customs Duty and dollar exchange rates, MSEDCL received poor response for decentralized tenders at ceiling tariff of Rs 3.10 P.U.

3.3 Considering market conditions, MSEDCL floated tender without ceiling tariff and received 2 nos of bids with cumulative capacity of 52 MW at tariff in the range of Rs 4.00 to Rs 4.10 P.U. Even after negotiation the rates offered were much higher than market conditions. Hence, MSEDCL decided to float tender with ceiling tariff to avoid abnormal/haphazard discovered tariff.

3.4 Thereafter MSEDCL floated 230 MW Solar tenders under MSKVY specifically on available private lands from MSEDCL land portal to procure solar power through competitive bidding on 11 November 2022 with ceiling rate of Rs. 3.30 P.U. The last date of bid submission was 16 December 2022.

3.5 One bid was received with a capacity of 150 MW. The technical bid is opened on 19 December 2022. Details are as given below:

Sr. No	Tender No.	Name of Bidder	Capacity per location (MW)
1	T-12	National Federation of Farmers Procurement Processing & Retailing Cooperatives of India Ltd	150

3.6 The bidder was technically qualified. As per RfS Clause No 4.2 B (iv), in Techno-commercial bid evaluation, if it is found that only one bidder is eligible, opening of the financial bid of the bidder will be at the discretion of MSEDCL.

3.7 A financial bid was opened on 23 December 2022. The rates quoted by the bidders are as below:

Sr. No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1	T-12	National Federation of Farmers Procurement Processing & Retailing Cooperatives of India Ltd	150	3.30

3.8 The single bid capacity of 150 MW covers 35 nos. of locations (substations) within the state of Maharashtra.

3.9 The Commission vide Order dated 17 March 2023 in Case No. 26 of 2023 had approved ceiling tariff for decentralized project as 3.30 P.U. through competitive bidding process under Section 63 of the Electricity Act, 2003.

3.10 MSEDCL in this Petition prayed to the Commission for adoption of Tariff for 150 MW solar power discovered through competitive bidding process under Section 63 of the Electricity Act, 2003.

4. At the e-hearing through video conferencing held on 11 April 2023, the Petitioner reiterated the submissions made in the Petition. The Commission directed MSEDCL to file details of Respondent/ Successful bidder including organization details and its expertise in project implementation.

5. **MSEDCL in its additional submission dated 12 April 2023 submitted as follows:**

5.1 M/s NACOF has submitted bid in consortium with M/s Nithin Sai Construction and M/s Unipaam Organics Pvt. Ltd. As per the tender document to qualify for 150 MW bid, bidders need minimum net worth of Rs 82.5 Crores and Turnover of Rs 37.5 Crores. M/s NACOF in consortium with bidding partners has met the above minimum criteria to be eligible to bid for 150 MW.

- 5.2 M/s NACOF is multi-state Farmer's Federal Co-operative in India with its headquarter in New Delhi and branch / regional offices in almost all the states across India a Co-operative Society incorporated in India as per Society Act. It is registered on 4th November 2009 under section 7 of the Multi-State Cooperative Societies Act, 2002 (39 of 2002).
- 5.3 The turnover of NACOF is around 3672 Crores and Networth of Rs 29.42 Crores for the year 2021-22 as per C.A certified certificate. The turnover of M/s Nithin Sai Construction is ~ Rs. 403 Crores and Networth of Rs.108.6 Crores. M/s Unipaam Organics Pvt. Ltd is a newly formed company.
- 5.4 M/s NACOF is a successful bidder for 106 MW under KUSUM A in MSEDCL. The Commission has done the tariff adoption of the same in its Order in Case No. 182 of 2022.

Commission's Analysis and Rulings

6. MSEDCL has filed the present Petition for adoption of Tariff discovered for 150 MW Solar capacity through competitive bidding process under Section 63 of the EA, 2003 and approval for power procurement at the discovered Tariff of Rs. 3.30 per unit.
7. The Commission notes that for seeking more participation, MSEDCL had earlier floated the tender without ceiling where in tariff of Rs 4.00 to 4.10 per unit was discovered. Considering such high rate, MSEDCL has again floated the tender with ceiling of Rs. 3.30 per unit. With reference to ceiling tariff, the Commission in its various Orders has stated that it is up to Distribution Licensee to specify ceiling in bidding process and the Commission shall analyse the same at the time of tariff adoption.
8. The Commission notes that MSEDCL has received bid from single bidder for 35 locations with cumulative capacity of 150 MW as follows:

Sr. No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1	T-12	National Federation of Farmers Procurement Processing & Retailing Cooperatives of India Ltd	150	3.30

9. Tariff discovered in the present bidding process i.e. Rs. 3.30 per unit is similar to that which has been adopted vide its Order dated 17 March 2023 in Case No. 26 of 2023 and seems reflective of current market trends.

10. The Commission directed MSEDCL to submit the organisation details including project implementing experience of the single bidder. In response, MSEDCL submitted organisation details but with respect to project implementation experience, it submitted that the same bidder has already got selected for implementation of 106 MW solar project under PM-KUSUM scheme. The Commission notes that the said project is yet to be commissioned. The Commission presumes that MSEDCL has verified project implementation capability of the successful bidder before submitting this Petition for tariff adoption. Hence, the Commission is not going further into details of successful bidder.
11. The Commission notes that MSEDCL has undertaken transparent bidding process to discover tariff for solar project under MSKVY. Accordingly, in line with the mandate under Section 63 of the Electricity Act, 2003, the Commission deems it fit to adopt and approve tariff as highlighted in above para (8) for 150 MW cumulative Solar projects on a long-term basis (for the period of 25 years).

Hence, the following Order.

ORDER

- 1. Case No. 43 of 2023 is allowed.**
- 2. The Commission accords its approval for procurement of 150 MW on long-term basis from the Solar power projects connected to the Distribution Network under 'Mukhyamantri Saur Krishi Vahini Yojana' as stated in Para (8) and allows MSEDCL to enter into Power Purchase Agreement with the successful bidder for a period of Twenty-Five years.**
- 3. The Solar Power procured from these projects shall be eligible towards fulfilment of Maharashtra State Electricity Distribution Co. Ltd.'s Solar RPO for the respective periods.**

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra Ambekar)
I/c Secretary

