

- 2.16. It is submitted that the GUVNL intended to sign PPAs with the GSECL for procurement of power from Solar PV Projects being set up under the Government of Gujarat's Scheme notified vide G.R. No: JMN-3919-259-A1 dated 07.03.2019 for allocation of government wasteland in the vicinity of existing GETCO Sub-Stations to the PSUs operating under Energy & Petrochemicals Department, Government of Gujarat.
- 2.17. It is also submitted that draft Power Purchase Agreement (PPA) to be executed with the Respondent GSECL by GUVNL/Discoms has been prepared in line with the PPAs signed under Competitive Bidding, which have been perused and approved by the Commission from time to time. The only modification proposed is in the provision of 'Change in Law' referring to occurrence of any of the events mentioned in the PPA notified after the 'date of issuance of letter by the GSECL to their EPC Contractor for the Project' instead of the 'bid-deadline' as provided under the Competitive Bidding PPAs.
- 2.18. Based on the above the Petitioner requested to grant relief sought by the Petitioner.
3. The matter was heard on 22.11.2021 by the Commission. The Commission vide Daily Order dated 14.12.2021 directed the Petitioner GUVNL for impleading Distribution Licensees in Petition No. 2013 / 2021 as party Respondents. The Commission has also directed to the Petitioner to upload the Petition on its website and inviting comments and suggestions from the stakeholders. The Commission has also directed the Staff of the Commission to upload the Petition on Commission's website for inviting comments and suggestions from the Stakeholders.
- 3.1. The Commission in the said Daily Order dated 14.12.2021 also directed the Respondent GSECL to provide (i) the details of the bidding process carried out by GSECL for selection of the EPC contractor, tendering documents, EPC contract price, subsidy available on such projects and effective tariff of the

power generated from these projects, and (ii) to provide details of locations where such projects are proposed to be developed and status thereof, CUF quoted by the developers, cost of various projects, provisions for LD in case of delay in project execution etc.

4. In compliance to the above directive issued by the Commission, the Petitioner filed “Amended Memo of Parties” arraying the State DISCOMs as party Respondents in the present Petition and also served copy of Petition along with the Affidavit to all the Respondents.
- 4.1. Pursuant to the directives of the Commission regarding issuance of Public Notice and inviting comments/suggestions from the Stakeholders, it is submitted that the Petitioner issued a Public Notice in two daily Gujarati Newspapers on 18.01.2022 and one English Newspaper on 28.01.2022.
- 4.2. Moreover, in accordance with the directives of the Commission, the Petitioner has also uploaded Petition No. 2013/2021 on its website to enable the Stakeholders to download it and file their comments/objections/suggestions to the Petition, if any, on affidavit within 21 days from the date of issuance of Public Notice. The said Petition has also been uploaded on the Commission’s website and invited comments and suggestions from stakeholders.
5. The Respondent, GSECL filed its reply vide affidavit dated 24.12.2021 and submitted that Energy and Petrochemicals Department, Government of Gujarat vide G.R. No. SLR/1 1/2019/675/B1 dated 16.08.2019 has resolved that the Respondent GSECL shall develop 2500 MW Solar Capacity under the above Scheme in the ensuing years at an estimated project cost of Rs. 4 Crores/ MW out of which 50% amount would be extended by the State Government as capital subsidy to GSECL.
- 5.1. Considering the impact of land availability at token rate of Rs. 1 / hectare and grant of capital subsidy by the State Government equivalent to 50% of the project cost, it is envisaged that the resultant tariffs of the Solar Projects

proposed to be set up by GSECL under the aforesaid Scheme shall be very competitive and lower than the market tariffs discovered under the Competitive Bidding Process under Section 63 of the Electricity Act, 2003

- 5.2. In view of above and considering the increasing trend of RPO being notified by the Commission and in view of the aforesaid Scheme facilitating land allotment at token rate of Re. 1 / hectare and 50% capital subsidy by the State Government, GUVNL vide letter dated 20.06.2020 conveyed "In-Principle" approval to the GSECL for purchase of power on cost-plus basis from Solar Projects to be developed on government waste-land in the vicinity of GETCO's sub-stations through Competitive Bidding under the Revenue Department, GoG's G.R. dated 07.03.2019 and EPD, GoG's GR dated 16.08.2019 subject to the approval of the Commission (GERC) and subject to the approval of capital grant by the State Government to GSECL.
- 5.3. In the above context, the Respondent undertaken land identification, feasibility analysis, land allotment / land-lease, Competitive Bidding Process for award of EPC Contract, etc. for setting up Solar Projects to be developed on government waste-land in the vicinity of GETCO's sub-stations under the aforesaid Scheme.
- 5.4. In response to the directives of the Commission in its Order dated 14.12.2021, the Respondent GSECL has submitted as under:
 - 5.4.1. GSECL Board vide Board Resolution No. 163.16.5288 dated 01/08/2019 has accorded "In Principle" approval to invite EPC bids for development of 2500 MW Solar Power at different locations. GUVNL vide letter no. GM/IPP/401 dated: -20/06/2020 also granted "In Principle" approval to sign PPAs with GSECL for purchase of power up to 2500 MW solar capacity to be developed on Government wasteland in the vicinity of GETCO's Sub Stations through competitive bidding process. Accordingly, SECL initially identified different locations in the State where such projects can be developed.

5.4.2. As per the directives of the Commission with regards to provide details of the Bidding Process carried out by the GSECL for selection of the EPC contractor along with the details of tendering documents, EPC contracts executed with selected bidders, price quoted by EPC contractor, Government subsidy available on such project etc., the Respondent submitted the copy of a tender document invited by GSECL for "Design, Engineering, Supply & Procurement, Construction, Operation and Maintenance of 185 MW Solar Photovoltaic Grid connected Power Plant ranging from 20 MW to 40 MW at various Sub stations of GETCO in the State of Gujarat.

5.4.3. The EPC tender finalization involves following stages:

1. Land order is issued by the District Collector, Power Evacuation Feasibility with substation is provided by GETCO
2. Based on the land profile Detailed Feasibility, study for Power capacity estimation is carried out.
3. Tender Terms & Conditions are approved as per Board Resolution before publishing the tender document.
4. Details of land coordinates, evacuation substation etc. are kept as a part of tender document.
5. The final tender is uploaded on website (n-procure) for online participation. Schedules of site visit by prospective bidders and pre bid meetings are mentioned in the tender document.
6. Site visit is done by prospective bidders and then Pre Bid meeting is arranged for clarification on various issues.
7. Bids are received online through online tendering portal -procure and other relevant documents are received in Hard copy.
8. First technical bids online & hard copy are opened by the tender opening committee The scrutiny of tender documents is done as per the Pre-Qualification Requirement (PQR) specified in the tender documents.

9. There after Price bids of Technically qualified bidders are opened on - procure online bidding portal for each site / group followed by e-Reverse Auction (e-RA) for respective sites for discovery of the best prices.
10. Successful bidder is evaluated as per Evaluated Bid Value (EBV) specified in the tender documents. Thereafter, the decision for awarding EPC contract is taken based on the derived tariff evaluated through financial model by the GSECL under the intimation to the Petitioner GUVNL.
11. Thereafter, after obtaining necessary approvals of the GSECL authorities, Letter of Intent (Lol) to respective bidder was issued. On acceptance of Lol and payment of security deposit, the detailed Work order was also issued.
12. In the financial model, the EPC cost is considered as per the Lowest Price bid qualified through the process stated above. Since 50% of the EPC cost is provided by State Government in form of subsidy, the tariff for sale of power from such project is discovered considering 50% EPC cost. Thereafter, various financial parameters such as rate of interest for debt, working capital, rate of depreciation, discounting rate, O&M Cost of the project etc. are assumed in accordance with the prevailing market rates/rates applicable in case of other projects of GSECL. CUF percentage is considered as per actual CUF quoted by L-1 EPC contractor. The tentative tariff is then worked out in such a manner so as to achieve positive NPV in the project.

5.5. In respect to the detail sought by the Commission regarding status of different projects identified by GSECL in the State where such projects can be developed by the Respondent GSECL, the details of the locations where such projects to be developed along with the details of Capacity (MW), EPC Cost (in Rs. Crore), status of the Project etc. is provided as below:

Sr. No.	Name of Project & District	Capacity (MW)	EPC Cost (Rs. Crores)	Status of Project
1	Chandarva Dist. Botad	30	129.40	EPC Contract executed with M/s. Tata Power Solar System Ltd