

expiry of waiver of ISTS Transmission Charges in June, 2025. In addition to above, bidding for tentative 4.2 GW RE capacity is also planned in FY 2023-24.

4.23.5. It is stated that the RPO stipulated by the Commission is a minimum requirement and there is no restriction in buying power in excess of RPO taking into consideration various techno-commercial aspects. In fact, if there is surplus RE power in future, the Petitioner can sell RE power in open market/power exchanges for creating additional revenue streams as the Commission has already provide a separate consumer category and tariff for exclusive RE supply. The demand from various industrial consumers for exclusive supply RE power is increasing as the same entails various benefits such as availability of green funding, increased brand value etc. The future economic growth is expected to be woven around green energy on account of increasing focus on climate change at global as well as national level. However, for achieving the above objectives and for long term sustainability, rapid increase in RE capacity addition by staying aligned to market trends, would be required.

4.23.6. The Petitioner GUVNL also stated some of the aspects of KSY Scheme and solar power requirement are as under.

- a. Government of Gujarat has come out with Kisan Suryoday Yojana – a scheme for supplying solar power to Agricultural Consumers in the State of Gujarat during solar hours through comparatively cheaper solar power.
- b. As per the data submitted by SLDC, vide email dated 25.04.2023 for the period from January to April 2023, DISCOMs are serving agricultural demand of 4000 MW power during morning peak and around 2500 MW power during evening peak.
- c. The evening peak load of agricultural consumers is planned to be shifted to day time/solar hours under the scheme for bringing entire agricultural load during solar hours.
- d. These objectives of the scheme are expected to reduce the peak/non-solar hour power requirement as the cost of power during peak/non-solar hours is generally high.

- e. To meet the above objectives of catering Agriculture demand during day time through comparatively cheaper solar generation, extensive solar capacity addition is required.
- f. It is to mention that presently GUVNL is purchasing 1000 MW RTC Power on Medium term basis at the rate of Rs. 3.61/unit in addition to purchase of costlier power on short term basis with tariff above Rs. 6/unit.
- g. Tie up of cheaper solar power is likely to help in keeping the Average Power Purchase Cost (APPC) under control which is presently at the level of Rs 5.10/unit in FY 2021-22.

4.23.7. The Petitioner GUVNL also stated the tariff discovered in the e-RA in last three (3) non-park based tender as under:

Sr. No.	Phase	Tender capacity (Base + Greenshoe) (MW)	Capacity tied up (MW)	Tariff discovered in e-RA (INR/kWh)	Month of E-RA
1.	XIV	500+500	1000	2.30 - 2.31	June-22
2.	XVI	750+750	520	2.49 - 2.66	Sept - 22
3.	XVIII	500+500	860	2.51 - 2.52	Jan-23
4.	XIX	500+500	Pending	2.71 - 2.75	April-23

4.23.8. The Petitioner GUVNL had floated tender vide RFS dated 18.03.2020 (Phase IX) for 700 MW capacity from Dholera Solar Park in which tariffs of Rs 2.78 – 2.81/unit were discovered in August, 2020. GERC raised various queries and concerns particularly on discovery of higher tariffs in light of tariff of Rs. 1.99/unit discovered at that time in non-park based tender and held that if this tariff is adopted, the burden of higher tariff will be loaded on the consumers of State. Therefore, in consultation with State Government and pursuant to the Commission's Order dated 29.01.2021, it was decided to undertake fresh tendering for 700 MW Solar Capacity at Dholera Solar Park and to tie up the power at lower tariffs discovered out of both the tenders. However, the matter went into litigations and is presently pending before APTEL.

4.23.9. It is also stated that the tariffs of Rs 2.78–2.81/unit discovered in Dholera tender were without implication of BCD & GST. Also, tariffs tied up by the Petitioner GUVNL for projects in Raghnesda and Dholera Solar Park through competitive bidding were in the range of Rs. 2.65-2.75/unit. Thereafter, the Basic Custom Duty of 40% on

Modules and solar inverters have been imposed and GST has also increased from 5% to 12% which impacts about 55 paise and 10 paise respectively.

4.23.10. The tariffs of Rs 2.73–2.89/unit have been discovered recently in e-RA conducted on 03.05.2023 in case of projects to be set up in GSECL’s Solar Park at Khavda (GSECL Stage 1) in which the rate for 200 MW capacity is Rs 2.73/unit and for balance 400 MW, the rate is Rs. 2.88–2.89/unit.

4.23.11. It is stated that in terms of CERC Sharing Regulations 2020 notified by CERC, the ISTS transmission charges are waived for those renewable energy projects which are commissioned before 30.06.2025. Thereafter the transmission charges are proposed to be levied @25% of normal charges from July, 2025 to June, 2026, 50% during July, 2026 – June, 2027, 75% during July, 2027–June, 2028 and 100% from July, 2028 onwards. The estimated ISTS transmission charges normally applicable are to the tune of Rs. 3,50,000 per MW per month which works out to Rs. 0.61/unit at 80% PLF and Rs 1.94/unit at 25% CUF.

4.23.12. It is also stated various factors affecting the tariffs of solar power as well as aspects relating to price discovery in the tender are mentioned as under:

(a) GUVNL’s consultant M/s PWC has submitted an analysis showing the details of tariffs discovered in GUVNL’s recent tenders along with module prices and EPC costs prevailing in the market.

Capacity (MW)	Month-Year	Result (Rs/kWh)	Module price (Rs/Wp)	EPC Cost (Rs/Wp)	Wt. Avg. lending rate (%)	NPV of Finance cost (Rs/Wp)	Total cost* (Rs/Wp)
500	Dec-20	1.99	17.31	24.98	7.24%	6.41	33.61
500	Mar-21	2.20-2.21	18.63	26.78	6.17%	5.91	35.08
500	Mar-22	2.29	24.40	37.11	5.92%	8.16	50.40
500	Jun-22	2.30-2.31	29.66	42.40	6.67%	10.62	58.87
750	Sep-22	2.49-2.66	30.47	43.21	7.53%	12.26	61.44
500	Jan-23	2.51-2.52	27.79	40.03	9.33%	13.91	59.46
500	Apr-23	2.71-2.75	24.67	36.91	9.41%	12.94	54.94

**Including taxes and duties.*

(b) Although there is a decrease in module prices at present, there are some factors which contribute to increase in solar tariffs quoted by bidders.

- (c) The generators are required to install only those modules that are notified by MNRE, Government of India, in the “Approved List of Models and Manufacturers” (ALMM). At present, the ALMM consists of predominantly domestic models and most of the Chinese suppliers have not been listed therein. Ministry of New & Renewable Energy (MNRE) has clarified that the exemption will be available to those solar projects that will be commissioned by March 31, 2024, which has created ambiguity for developers regarding import of modules after March, 2024 due to limited domestic module manufacturing capacity in the country. The commissioning of the projects in the present tender would fall after March, 2024.
- (d) MNRE has recently issued an OM dated 31.03.2023 wherein the bidding trajectory with bids of 50 GW per annum to be floated from FY 2023-24 to FY 2027-28, in order to achieve the target of 500 GW installed capacity from non-fossil fuel sources by the year 2030 has been notified. The number of developers participating in the tenders are limited and specific across the nation and are usually common for bids of GUVNL as well for other tendering agencies at Central and State levels. The developers usually diversify their bid quantum by participating in various bids. This affects demand supply perception as well as pricing.
- (e) Presently, the installed capacity of domestic module manufacturing in India is around 45 GW and that of cell manufacturing is around 6.6 GW. As against this, 53 GW solar capacity is already in pipeline in addition to bidding trajectory of 50 GW RE capacity annually targeted by MNRE which will be predominantly solar capacity. Moreover, there will be additional bidding under tenders of various State Governments. Thus, up to March 2025, it is expected that there will be a huge demand against limited supply of modules due to which shortfall in supply of domestic solar modules in India can be envisaged.
- (f) Further, the exemption from ALMM requirements till March, 2024 is likely to increase the order book position of foreign suppliers (predominantly Chinese). The increase in orders due to ALMM exemption may impact overall pricing of modules due to increase in ordering activities going forward. Although the

commissioning of the projects related to present tender would be falling in November, 2024 on account of increase in ordering activity, the developers may be quoting higher tariffs taking into consideration the uncertainty on account of shortage in module supply.

(g) Phasing out of waiver of ISTS transmission charges from June, 2025 by Government of India is also an important factor affecting demand supply situation in FY 2024-25 as it is expected that many projects are likely to be awarded & commissioned in the country prior to expiry of ISTS waiver in June, 2025 which may increase in overall demand of modules and consequently the future module prices.

(h) Over and above these, there are other factors like geo-political issues relating to Ukraine-Russia war, increase in GST on various components, increase in price of other commodities like steel, aluminium, silicon etc., increase in EPC cost, scarcity of suitable land & connectivity etc. which drive the solar power tariffs.

(i) Further, the domestic manufacturers have been increasingly exporting solar modules to US and other countries as there is an increased demand of solar modules at Global level.

(j) Recently in the tenders issued by MSEDCL – Maharashtra & Central PSUs, the following tariffs in non-park solar tenders have been discovered:

State	Agency	Capacity (MW)	Month-Year	Result (Rs./kWh)
Maharashtra	MSEDCL	500	Aug 2022	2.90
Maharashtra	MSEDCL	500	Sep 2022	2.82
Maharashtra	MSEDCL	500	Dec 2022	2.90
Pan India - PSU	DVC	500	Apr 2023	2.69
Pan India - PSU	RECPDCL	1250	Apr 2023	2.55
Maharashtra	MSEDCL	500	Apr 2023	2.87

(k) Between the earlier 1000 MW non park tender and present tender, there was addition of only few Sub-Stations in the areas having high solar irradiation, in the GETCO's list showing spare capacity of RE integration. In the previous tender (Phase-XVIII), 860 MW Capacity (500 MW base + 360 MW Greenshoe

capacity) could be allocated and 140 MW Greenshoe Capacity remained unallocated. The developers have cited the issue of non-availability of suitable sites.

- 4.24. In view of the above and in accordance with Section 63 read with Section 86 (1) (b) of the Electricity Act 2003, the Petitioner has filed the present Petition for adoption of tariff discovered by the Petitioner in Competitive Bidding Process conducted through RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023 for procurement of power from Grid connected Solar PV Projects to be set up anywhere in India with Greenshoe Option of additional up to 500 MW.
5. The matter was heard on 05.07.2023. During the hearing, representative appearing on behalf of the Petitioner GUVNL, reiterating the facts of the Petition as stated at para 4 above. It is requested that the Commission may adopt the tariff discovered in Competitive Bidding Process undertaken by the Petitioner through RfS dated 04.02.2023 for tie-up of Solar power.
6. We have considered the submissions made by the Petitioner. The Petitioner has filed the present Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003. The Petitioner has sought the approval of the Commission for adoption of discovered tariff in the range of Rs. 2.71 – Rs. 2.75 per unit quoted by successful bidders under competitive bidding process followed by e-reverse auction of bid No. RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023, as stated in above paras.
- 6.1. The Petitioner is purchasing power in bulk for and on behalf of four Distribution Licensees, namely, DGVCL, MGVCL, PGVCL and UGVCL. The Petitioner also procures the renewable power by entering into agreements with the developers for its four Distribution Licensees towards fulfilment of their RPO as specified by the Commission in the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 as amended from time to time including the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022. In the said Regulations, the Commission has stipulated the RPO requirement of Distribution Licensees till FY 2024-25 as under:

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)				
	Wind (%)	Solar (%)	Hydro Power Purchase Obligation (HPO) (%)	Others (Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/Mini/Micro Hydro) (%)	Total (%)
(1)	(2)	(3)	(4)	(5)	(6)
2017-18	7.75	1.75		0.50	10.00
2018-19	7.95	4.25		0.50	12.70
2019-20	8.05	5.50		0.75	14.30
2020-21	8.15	6.75		0.75	15.65
2021-22	8.25	8.00		0.75	17.00
2022-23	8.25	8.00		0.75	17.00
2023-24	8.40	9.50	0.05	0.75	18.70
2024-25	8.55	11.25	0.10	0.80	20.70

From the above table it is apparent that the Petitioner is required to procure substantial quantum of Solar power, since the Commission has increased the Solar RPO in view of the requirement stipulated by the Government of India. Accordingly, in order to meet the Solar RPO target, the Petitioner had initiated the competitive bidding process followed by e-reverse auction for procurement of 500 MW power (alongwith Greenshoe option for 500 MW capacity) from the Solar PV Projects to be set up anywhere in India through RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023.

- 6.2. It is observed that the Petitioner initiated the Competitive Bidding Process followed by e-reverse auction as per Section 63 of the Electricity Act vide RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023 for procurement of 500 MW from the Grid connected Solar PV based Power projects with Greenshoe option of additional 500 MW to be set up anywhere in India with an intimation to the Commission under Clause 3.1.1 of the Competitive Bidding guidelines issued by the Ministry of Power.
- 6.3. We note that the Petitioner has also issued 'Notice Inviting Tender' so as to provide wide publicity of the said tender i.e., RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023 by publishing notice in two National newspapers having wide circulation and to seek wide participation from the participating bidders. The Petitioner also hosted the Bid Documents on its website as well as on the e-bidding portal 'Bharat-electronic tender'. Further, the Petitioner also held a Pre-Bid Meeting through video conference on 23.02.2023, wherein key bid parameters, provisions of bid documents & timelines were discussed, and the queries raised by the Prospective Bidders were

addressed by the Petitioner for which minutes of meeting were also issued and hosted on the websites of GUVNL and on e-bidding portal. The last date of bid submission in the tendering process initially was 13.03.2023 which was subsequently extended up to 03.04.2023.

- 6.4. We note that the Petitioner received online bids from 6 bidders offering aggregate capacity of 1260 MW and the technical bid opening was held on 10.04.2023 in the presence of Bid Evaluation Committee consisting of following officials:

Sr. No.	Name	Designation
1	Shri H.N. Shah	General Manager, RE
2	Smt. Bhavani Ghattamaneni	Chief Finance Manager (Trading)
3	Shri Parthiv Bhatt	Company Secretary, GUVNL
4	Shri Nilay D Joshi	Controller of Accounts (F&A)

- 6.5. It is also submitted by the Petitioner that aforesaid bids received from 6 bidders were opened in presence of Bid Evaluation Committee and also evaluated by said Committee. As per technical evaluation report of the said Committee, it is observed that all the 6 bids received were technically qualified and technical evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

“Technical Bid Evaluation Report

RFS No. GUVNL/500 MW/SOLAR (Phase XIX) Dated 04.02.2023

Tender for Procurement of 500 MW Grid Connected Solar Photovoltaic Power Projects (Phase- XIX) with Greenshoe Option of additional upto 500 MW

17th April 2023

1. Background

Gujarat Urja Vikas Nigam Limited (GUVNL) has floated the tender for purchase of power from 500 MW Grid connected Solar Photovoltaic Power Projects (Phase- XIX) to be set up anywhere in India with Greenshoe Option of additional upto 500 MW through competitive bidding process (conducted through electronically facilitated online web based portal followed by reverse auction) as notified via RfS No. GUVNL’s Tender No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023. The tender was floated on 04.02.2023. The last date of online bid submission was 03.04.2023 and offline bid submission was 06.04.2023.

The Bid Evaluation Committee consist following members:

Sr. No.	Name	Designation
1	Shri H.N. Shah	General Manager, (RE)
2	Smt. Bhavani Ghattamaneni	Chief Finance Manager, (Trading)
3	Shri Parthiv Bhatt	Company Secretary
4	Shri Nilay Joshi	Controller of Accounts (F&A)

This report outlines the responses of all the bidders in respect of Non-Financial (technical) bid evaluation and recommendations of committee.

2. Details of Tender

RfS Reference No.	RfS No. GUVNL / 500 MW / Solar (Phase XIX) dated 04.02.2023.
Capacity	Total capacity of 500 MW Solar Projects to be set up anywhere in India with Greenshoe Option of additional upto 500 MW
Minimum Bid Capacity	25 MW
Term of PPA	25 years from S.C.O.D.
Technology	Commercially established Solar Photovoltaic technology

3. Response to RFS

A total of 6 (Six) responses for aggregate capacity of 1260 MW were received by GUVNL. The technical bids were opened on 10.04.2023 on e-bidding portal as per the tender timeline. The list of the bidders and the capacity offered is as below.

SN	Bidders	MW
1	Avaada Energy Private Limited	500
2	Tata Power Renewable Energy Limited	300
3	ReNew Solar Power Private Limited	200
4	Mahindra Susten Private Limited	100
5	Solarcraft Power India 21 Private Limited	60
6	Solairedirect Energy India Private Limited	100
	Total	1260

4. Principles of Evaluation

The approach to evaluation has been that all the bidders who qualify under the terms specified in the bidding documents, the financial bid of such qualified bidders shall be opened. Also, in case of a perceived non-responsiveness, clarifications are to be sought from the concerned bidders.

Following conditions relating to qualification requirements have been specified in the RFS documents –

Net worth:

i) *The Net-Worth of the Bidder or its Affiliate or Parent/Ultimate Parent as on date of financial year ending 31.03.2022 or 31.12.2021 as on latest available date as the case may be, shall not be less than INR 0.80 Crores per MW (of the capacity quoted).*

ii) *The net worth to be considered for the above purpose will be the cumulative net-worth of the bidding company or consortium together with the networth of those Affiliates of the bidder(s) that undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.*

iii) *For avoidance of doubt, "net worth" as per section 2 (57) of the Companies Act 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

iv) *For meeting the above financial eligibility criteria, if data is provided by the Bidder in USD / SAR, equivalent rupees of Net Worth and other financial parameters will be calculated by Bidder using Reserve Bank of India's reference rates prevailing on the date of closing of accounts for the respective financial year.*

v) *Pursuant to evaluation of Net Worth Criteria as part of technical bid, if it is found by GUVNL that the Bidder is eligible for lesser quantum than the quantum for which bid has been submitted, then the Bidder shall be qualified for such lesser quantum, provided that such quantum is not less than minimum bid capacity.*

vi) *In case the final audited accounts are not available, GUVNL shall accept the Provisional Accounts provided that an undertaking is submitted by the bidder confirming that Final Audited Annual Accounts for the last financial year are not available as on date of bid submission. Such financial accounts shall have to be certified by at least two Directors or One Director and the Company Secretary is submitted by the bidder.*

vii) *The companies which have recently raised funds and are not able to meet net-worth as per the Clause 3.4.4 (i) i.e. as 31.03.2022 or 31.12.2021 then the certificate*

issued by a Chartered Accountant certifying net worth as on latest available date based on provisional Balance Sheet, Profit & Loss account, Schedules and cash flow statement supported with bank statement (if available) shall be required to be submitted.

5. Responsiveness Issues

On scrutiny of the bid documents submitted by participating bidders, responsiveness issues were observed in respect of bids submitted by the following bidders

- (1) M/s Tata Power Renewable Energy Limited
- (2) M/s Solarcraft Power India 9 Private Limited

6. Specific Issues

(1) M/s Tata Power Renewable Energy Limited

Query raised by GUVNL: Upon scrutiny of documents submitted alongwith bid, it was observed that Tata Power Renewable Energy Limited has submitted EMD which was not in line as per RfS Clause 6.3 (A). GUVNL had requested M/s Tata to submit the EMD which should be payable at a branch located in “Vadodara”.

Response: M/s Tata Power Renewable Energy Limited has submitted the amended EMD BG in line with RfS Clause 6.3 (A).

(2) M/s Solarcraft Power India 21 Private Limited

Query raised by GUVNL: Upon scrutiny of bid documents submitted by the Bidder, it was observed that M/s Solarcraft Power India 21 Private Limited has sought qualification based on the financial strength of AMPL Cleantech Private Limited, which is referred as affiliate. Also, the submitted shareholding pattern which shows that both companies, i.e. M/s Solarcraft Power India 21 Private Limited and AMPL Cleantech Private Limited are fully owned subsidiaries of Blupine Energy Private Limited. Bidder has submitted Net worth of AMPL Cleantech Private Limited based on audited books of accounts as on 31.03.2022, however, it has been inadvertently mentioned “Unaudited” in CA certificates. GUVNL had requested to provide revised CA Certificate with correction for technical qualification.

Response: M/s Solarcraft Power India 21 Private Limited has submitted the revised CA certificate with correction.

7. Evaluation of Responses

The Status in brief is indicated in the following table:

<i>SN</i>	<i>Bidder</i>	<i>MW</i>	<i>Committee Recommendations</i>
<i>1</i>	<i>Avaada Energy Private Limited</i>	<i>500</i>	<i>Qualified</i>
<i>2</i>	<i>Tata Power Renewable Energy Limited</i>	<i>300</i>	<i>Qualified</i>
<i>3</i>	<i>ReNew Solar Power Private Limited</i>	<i>200</i>	<i>Qualified</i>
<i>4</i>	<i>Mahindra Susten Private Limited</i>	<i>100</i>	<i>Qualified</i>
<i>5</i>	<i>Solarcraft Power India 21 Private Limited</i>	<i>60</i>	<i>Qualified</i>
<i>6</i>	<i>Solairedirect Energy India Private Limited</i>	<i>100</i>	<i>Qualified</i>
	Total	1260	

8. Way Forward

Based on the examination of records, the committee recommends that the Financial bids of above 6 (Six) bidders may be opened.

<i>Sr. No.</i>	<i>Name</i>	<i>Designation</i>	<i>Signature</i>
<i>1</i>	<i>Shri Nilay D Joshi</i>	<i>Controller of Accounts (F&A)</i>	<i>Sd/-</i>
<i>2</i>	<i>Smt. Bhavani Ghattamaneni</i>	<i>Chief Finance Manager, (Trading)</i>	<i>Sd/-</i>
<i>3</i>	<i>Shri Parthiv Bhatt</i>	<i>Company Secretary</i>	<i>Sd/-</i>
<i>4</i>	<i>Shri H.N. Shah</i>	<i>General Manager, (RE)</i>	<i>Sd/-</i>

From the Technical Evaluation Report, it is apparent that all the 6 bidders offering aggregate capacity of 1260 MW were found to be responsive and hence were deemed qualified for opening of their financial bids. Accordingly, as per the Technical Report of the Bid Evaluation Committee and recommendation after technical bid evaluation of all the 6 bidders to be technically qualified, the financial bids of all 6 bidders were opened on 20.04.2023 on e-bidding portal in presence of the Bid Evaluation Committee.

- 6.6. Further, as per the terms and conditions of the tender document, 5 bidders with aggregate capacity of 960 MW were qualified against the tendered capacity of 500 MW apart from greenshoe option for the e-reverse auction and the Petitioner accordingly conducted the e-reverse auction.
- 6.7. The following prices were discovered at the closure of e-reverse auction that was held on the e-bidding portal and e-report generated at the Bharat-electronic tender's portal is also filed with the Petition:

Rank	Bidder's Name	Rate (Rs. /	Quoted Capacity	Eligible Capacity
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		KWH)	(MW)	(MW)
L1	ReNew Solar Power Private Limited	2.71	200	200
L2	Solarcraft Power India 21 Private Limited	2.74	60	60
L2	Mahindra Susten Private Limited	2.74	100	100
L3	Avaada Energy Private Limited	2.75	500	140
Total			860	500

6.8. The Petitioner also filed the Financial Evaluation report signed by the Members of the Committee with the Petition which is reproduced below:

“Financial Bid Evaluation Report

**Ref: Tender for Procurement of 500 MW Grid Connected Solar Photovoltaic Power Projects
(Phase- XIX) with Greenshoe Option of additional upto 500 MW**

20th April 2023

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1. Background

Gujarat Urja Vikas Nigam Limited (GUVNL) intends to procure solar power of 500 MW through Competitive Bidding Process (conducted through electronically facilitated online web based portal followed by reverse auction) and additional capacity upto 500 MW under ‘Green-shoe Option’ as notified via RfS No. GUVNL/500 MW/Solar (Phase XIX) dated 04.02.2023.

GUVNL had uploaded the tender documents (RfS and Draft PPA) on its own website as well as on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Ltd. (ISN-ETS)

GUVNL has constituted a committee comprising of the following members for opening and evaluation of the technical and financial bids:

Sr. No.	Name	Designation
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1	Shri Nilay Joshi	Controller of Accounts (F&A)
2	Smt Bhavani Ghattamaneni	Chief Finance Manager, (Trading)
3	Shri Parthiv Bhatt	Company Secretary, GUVNL
4	Shri H N Shah	General Manager (RE)

This report outlines the Financial Bid Evaluation and recommendations of committee.

2. Financial Bid Opening

The Technical Bid Opening was done at 11:00 A.M. on 10.04.2023. Pursuant to the recommendations of the Committee vide the 'Technical Bid Evaluation Report', the Financial Bids (electronic forms) of below mentioned 6 (Six) technically qualified Bidders were opened on the e-bidding portal of M/s ISN-ETS at 11:50 A.M. on 20.04.2023 before the Bid Evaluation Committee at GUVNL, Vadodara.

Sr No	Name of the Bidder	Capacity Offered (MW)
1	Avaada Energy Private Limited	500
2	Tata Power Renewable Energy Limited	300
3	ReNew Solar Power Private Limited	200
4	Mahindra Susten Private Limited	100
5	Solarcraft Power India 21 Private Limited	60
6	Solairedirect Energy India Private Limited	100
	Total	1260

The members of the Bid Evaluation Committee scrutinized the electronic responses submitted by the Bidders and evaluated shortlisted bidders qualified for e-reverse auction in terms of the RfS.

3. Principles of Evaluation

As per the terms of the tender documents, the financial evaluation of the bids is to be one in accordance with the bid evaluation methodology specified in the RfS based on the tariff quoted by the Bidders in the Electronic Forms.

As per the terms of the RfS, the Total Eligible Bidders for e-reverse auction is to be decided as per illustration below:-

Assuming

T = Total number of techno-commercially qualified bidders,

S_T = Capacity of the total number of techno-commercially qualified bidders

S_K = Cumulative capacity till the 'kth' serial number bidder (not the 'kth' rank bidder) after ranking is done in ascending order from L1 onwards

S_E = Eligible Capacity for Award

n = No. of bidders shortlisted for e-RA

$S_E =$ (Eligible capacity for award)	(i) In case $S_T \leq 500$ MW; $S_E = 0.8 \times S_T$, (ii) In case $S_T > 500$ MW; $S_E = 0.8 \times S_T$, subject to maximum eligible capacity being 500 MW.
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Total eligible bidders for e-Reverse Auction

(i) In case $(0.8 \times S_T) \leq 500$ MW – All techno-commercially qualified bidders whose financial bids are in accordance with the provisions of the RfS, will be shortlisted for e-RA.

Accordingly, the no. of Bidders shortlisted for e-RA, i.e. $n=T$

(ii) In case $(0.8 \times S_T) > 500$ MW – The lowest ranked bidder i.e. the bidder quoting the highest tariff (H1 Bidder) shall be eliminated at this stage and remaining techno-commercially qualified bidders whose financial bids are in accordance with the provisions of the RfS, will be shortlisted for e-RA, i.e. $n= T-1$

Note:-

(a) In case more than one bidder is ranked as H1 bidder (same tariff), then all such bidders will be eliminated at this stage.

(b) The above elimination will take place subject to the condition that the total bid capacity after such elimination remains more than 500 MW. In the contradictory scenario, no elimination will take place at this stage.

4. Evaluation of shortlisted bidders qualified for e-RA

As per the terms of the tender documents, the Total Eligible Bidders shortlisted for e-reverse auction are as per details tabulated herein below: -

Rank	Name of Bidder	Capacity (MW)	Price Bid (Rs./Unit)	Remarks
L1	ReNew Solar Power Private Limited	200	2.71	Qualified for E-RA (960 MW)
L2	Avaada Energy Private Limited	500	2.79	
L3	Solairedirect Energy India Private Limited	100	2.83	
L3	Solarcraft Power India 21 Private Limited	60	2.83	
L4	Mahindra Susten Private Limited	100	2.85	
L5/H1	Tata Power Renewable Energy Limited	300	2.89	Not Qualified being H1
Total		1260		

Based on the financial bid evaluation in terms of the RfS, the above mentioned 5 (Five) no. of bidders aggregating to 960 MW capacity are shortlisted for participating in the e-reverse auction.

5. Electronic – Reverse Auction:

The following tariffs discovered in the e-reverse auction are as follows:

Sr No	Name of Bidder	Original Capacity Won (MW)	Tariff (Rs./Unit)
L1	ReNew Solar Power Private Limited	200	2.71
L2	Solarcraft Power India 21 Private Limited	60	2.74
L2	Mahindra Susten Private Limited	100	2.74
L3	Avaada Energy Private Limited	140	2.75
	Total	500	

6. Committee Recommendation:

In terms of Clause 10.2 of the MoP guidelines for the competitive bidding issued vide Notification dated 03.08.2017, it is certified that the Bid Evaluation Committee has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

Sr. No.	Name	Designation	Signature
1	Shri Nilay Joshi	Controller of Accounts (F&A)	Sd/-
2	Smt. Bhavani Ghattamaneni	Chief Finance Manager (Trading)	Sd/-
3	Shri Parthiv Bhatt	Company Secretary	Sd/-
4	Shri H N Shah	General Manager (RE)	Sd/-

.....”

6.9. As per above, 5 bidders with aggregate capacity of 960 MW qualified for e-reverse auction and the Petitioner had conducted e-reverse auction. We note that the Petitioner GUVNL after the conclusion of bidding process has also certifying that the Evaluation Committee constituted for evaluation of RfS bids has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

6.10. In the E-Reverse auction of 20.04.2023 a report generated on the web-portal of Bharat-electronic tender is reproduced below:

S#	Bidder's Name	Quoted Value	Loaded Value	Date/Time of Bidding	Bidder's Quantity	Special Remarks	Difference in % (Bid- Value Vs Start-Price)
1	ReNew Solar Power Private Limited	2.71	2.71	20-Apr-2023 13:10:16 RTZ	200.00	Field Not Filled	0%
2	Solarcraft Power India 21 Private Limited	2.74	2.74	20-Apr-2023 14:10:22 RTZ	60.00	Field Not Filled	-1.11%
3	Mahindra Susten Private Limited	2.74	2.74	20-Apr-2023 14:59:20 RTZ	100.00	Field Not Filled	-1.11%

4	Avaada Energy Private Limited	2.75	2.75	20-Apr-2023 14:38:37 RTZ	500.00	Field Not Filled	-1.48%
5	Solairedirect Energy India Private Limited	2.83	2.83	20-Apr-2023 13:10:16 RTZ	100.00	Field Not Filled	-4.43%

6.11. It can be observed from above table that at the end of E-Reverse auction, the quoted tariff value and quantum in MW of 5 (Five) bidders i.e., (i) ReNew Solar Power Private Limited, (ii) Solarcraft Power India 21 Private Limited, (iii) Mahindra Susten Private Limited, (iv) Avaada Energy Private Limited, and (v) Solairedirect Energy India Private Limited is as per result generated at the closure of E-Reverse Auction on e-bidding portal for 960 MW. Moreover, as per above ranking, the total offered/bidder capacity by (i) ReNew Solar Power Private Limited of 200 MW at the tariff of Rs. 2.71 per unit, (ii) Solarcraft Power India 21 Private Limited of 60 MW at the tariff of Rs. 2.74 per unit, (iii) Mahindra Susten Private Limited of 100 MW at tariff of Rs. 2.74 per unit (iv) Avaada Energy Private Limited of 500 MW at the tariff of Rs. 2.75 per unit and (v) Solairedirect Energy India Private Limited of 100 MW at the tariff of Rs. 2.83 per unit works out to 960 MW. However, since the tender was for base capacity of 500 MW, allocation of said capacity was to be for 500 MW only and hence in case of Avaada Energy Private Limited, there is partial capacity allocation of 140 MW against quoted quantum of 500 MW with quoted tariff of Rs. 2.75 per unit and Solairedirect Energy India Private Limited was also not qualified in terms of the RfS document. Accordingly, the Petitioner has stated in para 20 of the Petition as under:

Rank	Bidder's Name	Rate (Rs. / KWH)	Quoted Capacity (MW)	Eligible Capacity (MW)
L1	ReNew Solar Power Private Limited	2.71	200	200
L2	Solarcraft Power India 21 Private Limited	2.74	60	60
L2	Mahindra Susten Private Limited	2.74	100	100
L3	Avaada Energy Private Limited	2.75	500	140
Total			860	500

6.12. Against the quoted capacity of 500 MW allocation of partial base capacity of 140 MW with quoted tariff of Rs. 2.75 per unit in case of Avaada Energy Private Limited is undertaken by the Petitioner in accordance with Clause 4.4 of the RfS document. The said Clause 4.4 of the RfS document pertains to 'Selection of Successful Bidders' and pertains to partial capacity allocation. It is therefore, necessary to refer Clause 4.4 of

the RFS documents which reads as under:

“

4.4 Selection of Successful Bidders

4.4.1 (not used)

4.4.2 The lowest quoting bidder will be allotted its qualified project capacity and then, next higher bidder will be allotted its qualified project capacity and so on, till the total capacity is exhausted.

4.4.3 In case of the last selected bidder, if the balance project capacity is less than the total project capacity mentioned by the bidder, then the balance capacity shall be awarded to the bidder till the total capacity is exhausted subject to a minimum allocation of 25 MW. Provided that, in case the partial capacity (balance capacity till the total capacity on offer is exhausted) offered to the last Bidder after completion of the e-reverse auction is lower than 50% of the total quoted capacity by such Bidder, the Bidder shall have an option to refuse such offered partial capacity within seven days of issuance of Letter of Award and the BG against EMD submitted by such Bidder shall be returned alongwith those of the unsuccessful Bidder.

Further, in case the partial capacity offered is greater than or equal to 50% of the total quoted capacity by such Bidder, then it shall be mandatory for the last Bidder to accept such partial capacity offered against its quoted capacity, subject to the total cumulative capacity awarded after e-RA to the successful Bidders not exceeding 500 MW. In case the last bidder refuses to accept such partial capacity offered by GUVNL, the Bank Guarantee against EMD submitted by such Bidder shall be encashed by GUVNL.

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4.4.6 At the end of selection process, GUVNL will have right to decide on the issuance of LOA to the successful bidders or any of them based on consideration of price discovered. In case of Consortium being selected as Successful Bidder, the issuance of LOA shall be to the Lead Member of the Consortium.

In all cases, GUVNL's decision regarding selection of bidder through Reverse Auction or otherwise based on tariff or annulment of tender process shall be final and binding

on all participating bidders.

Also, GUVNL reserves the right to short close the capacity lower than 500 MW at its discretion, if the prices are abruptly high. Additionally, the discretion to allot or not to allot the additional upto 500 MW capacity under Greenshoe option shall be vested solely with GUVNL.

.....”

6.13. We also note that tender floated by the Petitioner also provides the provisions for allocation of additional 500 MW capacity through Greenshoe Option at L1 tariff to the successful Bidders to the extent of their respective quoted capacity. It also provides that in case any of the successful bidder does not accept the additional quantum offered under the Greenshoe Option, the same can be offered to other successful bidders. Accordingly, the Petitioner GUVNL has adopted the L1 priority principle for allocation of additional Greenshoe capacity not accepted by any of the successful bidder(s) in line with its previous tender.

6.14. We further note that M/s ReNew Solar Power Private Limited vide letter dated 26.04.2023 conveyed its willingness for 200 MW Greenshoe Capacity and M/s Solarcraft Power India 21 Private Limited vide letter dated 28.04.2023 conveyed its willingness for 60 MW Greenshoe Capacity to the Petitioner GUVNL. Also, M/s Mahindra Susten Private Limited vide letter dated 27.04.2023 and M/s Avaada Energy Private Limited vide letter dated 27.04.2023 conveyed their willingness for additional 100 MW and 140 Greenshoe Capacity respectively. Accordingly, the Petitioner GUVNL has issued Letter of Intents (LoIs) to L1, L2, L2, and L3 Bidders at the tariff of Rs. 2.7100-2.7300 per unit. In view of above, the total allotment of 1000 MW capacity under the tender is as under:

Rank	Bidder's Name	Base Capacity (MW) (A)	Tariff (Rs/ Unit)	Greenshoe Capacity (MW) (B)	Tariff (Rs / Unit)	Total Capacity (MW) (A+B)	Weighted average tariff for total capacity
L1	ReNew Solar Power Private Limited	200	2.71	200	2.71	400	2.71
L2	Solarcraft Power India 21 Private Limited	60	2.74	60	2.71	120	2.7250

L2	Mahindra Susten Private Limited	100	2.74	100	2.71	200	2.7250
L3	Avaada Energy Private Limited	140	2.75	140	2.71	280	2.7300
Total		500		500		1000	

6.15. We also note that the Petitioner has issued Letters of Intent (LoIs) to the above successful bidders on 02.06.2023 for total capacity of 1000 MW as mentioned in the above table at the corresponding rates. We further note that as per terms and conditions of tender, the PPAs are to be signed with above successful bidders within 30 days from issuance of LOIs unless extended as per RfS and that the Petitioner has also mentioned in the LoIs that PPAs shall be signed with successful bidders or its SPV only after the approval of the Commission (GERC) and in accordance with such approval.

6.16. We note that as per Clause 10.2 of the 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects' issued by the Ministry of Power, Government of India, after the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids has to certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS. As already noted above, the Petitioner in compliance to aforesaid clause has certifying that the Committee has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

6.17. In view of the foregoing, the Commission is satisfied with the entire tendering process including the e-reverse bidding conducted by the Petitioner in a transparent manner and discovered tariff of successful bidders with quoted capacity and allocated capacity to them as stated above.

6.18. The Commission, therefore, decides to adopt the above discovered tariff as mentioned above to four bidders, viz., (i) ReNew Solar Renewables Energy Limited, (ii) Solarcraft Power India 21 Private Limited, (iii) Mahindra Susten Private Limited, and (iv) Avaada Energy Private Limited, for allocated capacity as above including Greenshoe capacity allotted at L-1 tariff of Rs. 2.71 per unit of Solar PV projects to be set up anywhere in India, as prayed by the Petitioner GUVNL.

7. We note that though the LoIs have been issued to the successful bidders but the PPAs are yet to be signed by the Petitioner with the successful bidders although the Petitioner has filed Draft PPA with the Petition to be executed with the successful bidders. We also note that the Petitioner has in the present Petition has submitted that as per terms and conditions of tender, the successful Bidders are required to sign PPA with the Petitioner GUVNL within 30 days from the date of issuance of LoIs and subsequent extension in this timeline, if any, may be finalized and agreed by the Petitioner. Therefore, as the Petitioner has issued the LoIs to all the successful bidders on 02.06.2023 but PPAs are yet to be executed with such successful bidders, the Petitioner is directed to execute the PPAs with the successful bidders as per decision in this Order. We note that the Petitioner is also required to submit the copy of the signed PPAs and therefore, the Petitioner is directed to submit copies of duly executed PPAs to the Commission alongwith an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, to publicly disclose the name (s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Clause 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

8. SUMMARY OF DECISIONS:

8.1. We decide to adopt the tariff discovered under the competitive bidding process conducted by the Petitioner through RfS No. GUVNL/500 MW/ Solar (Phase XIX) dated 04.02.2023 for Base Capacity and Greenshoe capacity as under:

Sr. No.	Bidder's Name	Base Capacity (MW) (A)	Tariff (Rs/ Unit)	Greenshoe Capacity (MW) (B)	Tariff (Rs / Unit)	Total Capacity (MW) (A+B)	Weighted average tariff for total capacity
1	ReNew Solar Power Private Limited	200	2.71	200	2.71	400	2.71

2	Solarcraft Power India 21 Private Limited	60	2.74	60	2.71	120	2.7250
3	Mahindra Susten Private Limited	100	2.74	100	2.71	200	2.7250
4	Avaada Energy Private Limited	140	2.75	140	2.71	280	2.7300
Total		500		500		1000	

- 8.2. Apart from the directives of the Commission in this Order, the Petitioner to sign the Power Purchase Agreement(s) with the successful bidders with allocated capacity and tariff as per above table.
- 8.3. We direct the Petitioner to submit the copies of duly executed PPAs to the Commission alongwith an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Clause 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.
9. Order accordingly.
10. With this order the present Petition stands disposed of.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.
Date: 31/07/2023.