

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 222/AT/2023

- Subject : Petition under Section 63 of the Electricity Act, 2003 for Adoption of Tariff discovered through Competitive Bidding Process for selection of solar power developers for setting up of 500 MW ISTS-connected Solar PV Power projects in India under tariff-based competitive bidding under Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power.
- Date of Hearing : **30.8.2023**
- Coram : Shri Jishnu Barua, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : Damodar Valley Corporation (DVC)
- Respondents : ReNew Solar Power Private Limited and 22 Ors.
- Parties Present : Shri Venkatesh, Advocate, DVC
Shri Bharath Gangadharan, Advocate, DVC
Shri Kartikey Trivedi, Advocate, DVC

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed seeking the adoption of tariff discovered through a competitive bidding process for selection of Solar Power Developers (SPDs) for setting-up 500 MW ISTS-connected Solar PV Power Projects under the Scheme for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage Power ('RE Bundling Scheme') dated 12.4.2022 issued by the Ministry of Power, Government of India. Learned counsel further submitted as under:

(a) RE Bundling Scheme provides that any generating company having a coal/lignite/gas-based thermal generation station or hydro power station may establish or procure the renewable energy from a Renewable Energy (RE) power plant which may be either co-located within the premise or at a new location and the generating companies shall utilize such renewable energy for the supply of power against their existing commitment /PPAs for replacement of thermal/hydro power to the procurers.

(b) RE Bundling Scheme also provides that a generating company under Section 62 or its subsidiary shall be allowed to establish a RE power plant through tariff based competitive bidding process under Section 63 of the Electricity Act, 2003 ('the Act') provided the bids are called by a third-party approved by the Central Government.

(c) Moreover, the RE Bundling Scheme also provides that the renewable energy procured by the beneficiaries (of thermal generating station) will qualify for meeting their Renewable Purchase Obligations and they will have the flexibility to procure such renewable energy with the existing PPAs and there shall not be any requirement of signing an additional agreement in cases where landed tariff of renewable energy is less than Energy Charge Rate of the generating station.

(d) In furtherance to the above, Ministry of Power, Government of India proceeded to notify 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilization under Scheme for Flexibility in Generation and Scheduling of Thermal/Hydro Power Station through Bundling with Renewable Energy and Storage Power' ('the RE Bundling Guidelines') on 27.8.2022 under Section 63 of the Act to enable the thermal/ hydro generating company to procure the electricity on long-term basis from the grid-connected RE Power Projects having individual size of 5 MW and above, through competitive bidding.

(e) Although, participation in the RE Bundling Scheme has not been mandatory for the generating companies, the Ministry of Power, Government of India vide its letter dated 15.9.2022 has specified a trajectory for the replacement of thermal energy with renewable energy for the Petitioner. Accordingly, the Petitioner, through REC Power Development and Consultancy Limited (nominated as one of the Bid Process Coordinators by MoP) issued a Request for Selection document for the selection of SPDs for setting up 500 MW ISTS-connected Solar PV Power Projects on tariff-based competitive bidding as per the RE Bundling Scheme and the Guidelines.

(f) Pursuant to the above bid process, two developers, namely, ReNew Solar Power Private Limited and Avaada Energy Private Limited have emerged as successful bidders for 200 MW @ Rs. 2.69/kWh and 300 MW @ Rs. 2.70/kWh respectively.

(g) As per Clause 10.4 of the RE Bundling Guidelines, the Procurer (thermal/ hydro generating company) is required to approach the Commission for the adoption of tariff under Section 63 of the Act and accordingly, the present Petition has been preferred by the Petitioner.

2. After hearing the learned counsel for the Petitioner, the Commission directed as under:

(a) Issue notice to the Respondents.

(b) The Respondents are directed to file their reply to the Petition, within three weeks with a copy to the Petitioner, who may file its rejoinder, if any, within three weeks thereafter.

(c) The Petitioner is to furnish the following details/clarification, on an affidavit, within three weeks.

(i) Relevant tariff at which the Petitioner will be supplying the above solar generation (in replacement of its thermal generation) to its beneficiaries and the relevance of the adopted tariff in the context of the transaction between the Petitioner and its beneficiaries.

(ii) A copy of the consent taken from the beneficiaries in terms of Clause 10.5 of the Guidelines;

(iii) Status of the PPAs executed/to be executed with the successful bidders.

(d) BPC to submit the affidavit within two weeks to the effect that the bid documents are in line with the provisions of the RE Bundling Guidelines and no deviation has been taken from the Bidding Guidelines.

3. The Petition shall be listed for hearing on maintainability in the present form, as well as on the merits on **13.10.2023**.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**