

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 161 of 2023

Case of Maharashtra State Electricity Distribution Company Ltd. seeking approval for adoption of tariff discovered for long term procurement of 49.7 MW solar power under ‘Pradhan Mantri Kisan Urja Suraksha Evam Uthhan Mahabhiyan’ (PM-KUSUM) under component ‘A’.

Coram

Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

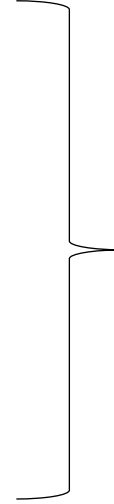
Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) :

Petitioner

- 1 Ajay Ashokrao Chaudhary
- 2 Amit Ramrao Natkar
- 3 Balaji Baliram Selmohakar
- 4 Bhagwant Dayaram Hinge
- 5 Bhatu Digambar Patil
- 6 Dipali Ravindra Kadam
- 7 Duregesh Maru
- 8 Shri Balaji Vaidyakiya samajik Shaikshanik &
- 9 Meena Rajendra Kondhare
- 10 Manisha Sunil Chaudhary
- 11 Munjabhau Chavan
- 12 Narayan Gujabrao Bhoyar
- 13 Dyaneshwar Pandit Pawar
- 14 Prakash Agarwal
- 15 Rushi Refractories
- 16 Sachidanana sominath Rahane
- 17 Sandhya Kadam
- 18 Sangita Chandrakant Mane
- 19 Shital Balasaheb Korke
- 20 Shubham Lad
- 21 Sunil jagannath Jadhav

: Respondents

- 22 Suryakant Gittie
23 Urmila Gittie
24 Utkarsh Wagh
25 V D Electricals
26 Vaibhav Bardiya
27 Varad Electricals & Eng
28 Varsha Kailash Kolhe
29 Vasudeo Deore
30 Vinay Udayraj Jain



Appearance:

For Petitioner

: Mrs. Kavita Gharat (Rep.)

For Respondents

(Sr.No. 1, 3, 8, 10, 11, 16, 17, 20, 22, 23, 28 and 30) : Mr. Ajay Ashokrao Chaudhary(Rep)

ORDER

Dated: 6 March 2024

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Petition on 29 May 2023 seeking approval for adoption of tariff discovered for long term procurement of 49.7 MW solar power under 'Pradhan Mantri Kisan Urja Suraksha Evam Uthhan Mahabhiyan' (**PM-KUSUM**) under component 'A' from 0.5 to 2 MW capacity projects connected to distribution network under Section 63 of the Electricity Act 2003 (**EA/ Act**).
2. **The Petitioner's main prayers are as follows:**
 - (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 3.3 and signing of PPA with successful bidder for 49.7 MW solar power capacity.*
 - (c) *To allow MSEDCL to consider this power for meeting its Solar RPO requirement.*
 - (d) *To consider the submission made by the Petitioner and consider the same positively while deciding the Petition as well as for further actions;*
3. **The Petition states as follows:**
 - 3.1. The Commission in its Order in Case No. 21 of 2020 dated 01 January 2021 opined that the ceiling rate shall be determined by the utilities as per its own due diligence.

MSEDCL may draw a cue to cap the ceiling rate to the tariff discovered for the new wind projects in the State of Maharashtra or at national level by agencies like SECI. The Competitiveness of such rate shall be dealt with by the Commission at the time of adoption of tariff.

- 3.2. The Government of India (GoI) on 8 February 2019 launched PM KUSUM Scheme and issued guidelines on 22 July 2019 for implementation of decentralized solar projects with capacity 0.5 to 2 MW under Component-A. Guidelines dated 22 July 2019 also provides standard PPA document.
- 3.3. MNRE on 13 January 2021 had sanctioned 500 MW capacity for MSEDCL under Component-A for FY 2020-21.
- 3.4. Details of the previous Tenders and responses under PM-KUSUM-A scheme are depicted in table below:

Sr No	Name of Scheme	Tender floated (MW)	Bid Capacity received (MW)	Capacity finalized (MW)	Tariff Rate Rs/kWh	Remarks
1	PM KUSUM-A	500	12.5	12.5	3.05-3.10	Tariff adopted by the Commission and LOAs are issued.
2		487	46.75	31.75	2.93-3.10	
3		444	13	10.5	3.10	
4		445	15	14	3.05-3.10	
5		431	139.25	132.75	3.10	
6		298	112	8.7	3.28-3.30	
			291.4	259.9		

- 3.5. On 6 December 2022, MSEDCL floated the tender for 300 MW long term procurement of solar power at ceiling tariff of Rs. 3.30/kWh. Last date of bid submission was 20 January 2023.
- 3.6. 33 bids were received with a total cumulative capacity of 53.2 MW. Technical bids were opened on 24 January 2023 and during Techno-commercial bid evaluation the bidder Shri Anil Vishnu Patil and Shri Padmakar Jagtap was disqualified due to non-submission of EMD and technical documents. Another bidder Shri Tukaram Munde was disqualified due to non-submission of Annual Accounts, CA certified Net worth & turnover Certificates.
- 3.7. Financial bids for 30 qualified bidders (49.7MW) were opened on 17 February 2023. The details are as below:

Sr.No.	Name of Bidder	Capacity per location MW	Price Bid (Rs/kWh)
1	Ajay Ashokrao Chaudhary	1	3.30
2	Amit Ramrao Natkar	2	3.30
3	Balaji Baliram Selmohakar	2	3.30
4	Bhagwant Dayaram Hinge	1	3.28
5	Bhatu Digambar Patil	1	3.30
6	Dipali Ravindra Kadam	2	3.30
7	Duregesh Maru	1	3.30
8	Shri Balaji Vaidyakiya samajik Shaikshanik &	2	3.30
9	Meena Rajendra Kondhare	2	3.30
10	Manisha Sunil Chaudhary	2	3.30
11	Munjabhau Chavan	2	3.30
12	Narayan Gujabrao Bhoyar	1	3.30
13	Dyaneshwar Pandit Pawar	2	3.30
14	Prakash Agarwal	2	3.30
15	Rushi Refractories	1	3.30
16	Sachidanana sominath Rahane	2	3.30
17	Sandhya Kadam	2	3.30
18	Sangita Chandrakant Mane	2	3.30
19	Shital Balasaheb Korke	1.5	3.30
20	Shubham Lad	2	3.30
21	Sunil jagannath Jadhav	1.2	3.30
22	Suryakant Gittie	2	3.30
23	Urmila Gittie	2	3.30
24	Utkarsh Wagh	2	3.30
25	V D Electricals	1	3.30
26	Vaibhav Bardiya	2	3.30
27	Varad Electricals & Eng	1	3.30
28	Varsha Kailash Kolhe	1	3.30
29	Vasudeo Deore	2	3.30
30	Vinay Udayraj Jain	2	3.30
		49.7	

- 3.8. The solar project under PM KUSUM component A is of 0.5 to 2 MW capacity and therefore, it is essential to consider economies of scale of decentralized solar projects as compared to large scale projects as additional capital cost incurs.
- 3.9. The Commission vide its Order dated 17 March 2023 in Case No. 26 of 2023 approved ceiling tariff for decentralized project as 3.30/kWh under PM-KUSUM A scheme.

4. **At the e-hearing held on 6 February 2024**, the representative of MSEDCL re-iterated its submission as stated in the Petition.

Commission’s Analysis and Rulings:

5. MSEDCL has filed this Petition for adoption of tariff discovered for 49.7 MW Solar project under PM-KUSUM Component-A scheme selected through competitive bidding process under Section 63 of the Electricity Act, 2003
6. The Commission notes that under component A of KUSUM, Solar PV project of 0.5 to 2 MW capacity is to be setup by farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations & Water User associations. Option of independent developer setting up such a project by taking land from the framers on lease agreement is also available under this scheme. MNRE has sanctioned 500 MW capacity under KUSUM-A scheme for MSEDCL. Under this scheme, MSEDCL is eligible for procurement-based incentive of Rs. 0.40/kWh or Rs. 6.6 lakh per MW of installed capacity, whichever is less, for a period of 5 years from CoD of the project.
7. Accordingly, MSEDCL floated a tender for procurement of 500 MW Solar power under PM-KUSUM Component-A wherein 0.5 to 2 MW of solar projects are to be setup and connected to 11 or 22 kV level in MSEDCL’s substation. MSEDCL fixed ceiling rate of Rs. 3.30 /kWh for this bidding process. Further, MSEDCL used model PPA provided by MNRE for bidding purpose without any deviation.
8. As MSEDCL has received less response against bid capacity, it re-floated the tender for remaining capacity. Details of Bids floated, discovered tariff and its adoption Order by the Commission till date are tabulated below:

Sr No	Name of Scheme	Tender floated (MW)	Bid Capacity received (MW)	Capacity finalized (MW)	Tariff Rate Rs/kWh	Remarks
1	PM KUSUM-A	500	12.5	12.5	3.05-3.10	Tariff adopted by the Commission and LOAs are issued.
2		487	46.75	31.75	2.93-3.10	
3		444	13	10.5	3.10	
4		445	15	14	3.05-3.10	
5		431	139.25	132.75	3.10	
6		298	112	8.7	3.28-3.30	
			291.4	259.9		

9. Subsequently, MSEDCL refloated the tender for further balance capacity of 300 MW out of 500 MW. Last date for bid submission was 20 January 2023. In response, MSEDCL received 33 bids with cumulative Capacity of 53.2 MW. However, 30 out of 33 bids

were found technically qualified for cumulative capacity of 49.7 MW, whose financial bids were opened on 17 February 2023.

10. Accordingly, after competitive bidding process, MSEDCL has received following tariff:

Sr.No.	Name of Bidder	Capacity per location MW	Price Bid (Rs/kWh)
1	Ajay Ashokrao Chaudhary	1	3.30
2	Amit Ramrao Natkar	2	3.30
3	Balaji Baliram Selmohakar	2	3.30
4	Bhagwant Dayaram Hinge	1	3.28
5	Bhatu Digambar Patil	1	3.30
6	Dipali Ravindra Kadam	2	3.30
7	Duregesh Maru	1	3.30
8	Shri Balaji Vaidyakiya samajik Shaikshanik & Sanshodhan Pratishtan	2	3.30
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18	Sangita Chandrakant Mane	2	3.30
19	Shital Balasaheb Korke	1.5	3.30
20	Shubham Lad	2	3.30
21	Sunil jagannath Jadhav	1.2	3.30
22	Suryakant Gittie	2	3.30
23	Urmila Gittie	2	3.30
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27	Varad Electricals & Eng	1	3.30
28	Varsha Kailash Kolhe	1	3.30
29	Vasudeo Deore	2	3.30
30	Vinay Udayraj Jain	2	3.30
		49.7	

11. It is pertinent to note that the limiting tariff Rs.3.30/kWh has been a ceiling tariff for ‘Mukhyamantri Saur Krishi Vaahini Yojana’ projects in Case No.80 of 2020. In past tendering process, MSEDCL discovered the tariff in the range of Rs.2.93-3.10 /kWh for projects under PM-KUSUM.
12. The Commission notes that the MSEDCL in its recent two tenders for grid scale solar power procurement, discovered tariff in the range of Rs.2.90-2.97 /kWh. Resultant tariff after considering impact of InSTS loss and 33 kV network loss works out as below:

Particulars	Tariff Discovered (Rs/kWh)	Impact of InSTS Loss (3.18%)	Impact of 33 kV network Loss (7.50%)	Resultant Tariff (Rs/kWh)
MSEDCL <u>Maharashtra</u> Solar Tranche-VII, 500 MW August-2022	Rs. 2.90-2.91	9.22 Paise/kWh	21.06 Paise/kWh	3.20-3.21
MSEDCL <u>Maharashtra</u> Solar Tranche-IX, 500 MW December-2022	Rs. 2.90-2.97			3.20-3.27

13. From above, it is evident that the tariff considered for adoption is marginally higher than the resultant tariff of InSTS grid connected solar projects. But, under PM-KUSUM Component-A scheme, MSEDCL will get procurement-based incentive (Rs. 0.40/kWh or Rs. 6.6 lakh per MW of installed capacity, whichever is less) from MNRE for first 5 years from CoD of the project. Considering all factors, the current procurement appears to be prudent and market reflective.
14. 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 10 for 49.7 MW Cumulative Solar projects on long term basis (for the period of 25 years) under PM-KUSUM Component-A scheme.
15. Having ruled as above, the Commission notes that as against bid capacity of 300MW, only 49.7 MW bids have been received. MSEDCL, needs to take extra efforts to give adequate publicity to the scheme/bidding process so that more and more bids are received. MSEDCL should focus on area where barren/degenerated land is available coupled with good availability of solar radiation throughout the year. This will not only help MSEDCL to increase the availability of land for implementing such solar projects but would also provide assured rental income to farmers.
16. Hence, the following Order.

ORDER

1. The Petition in Case No. 161 of 2023 is allowed.
2. The Commission accords its approval for procurement of 49.7 MW on long term basis from solar generator as stated in Para 10. Parties shall sign the PPA based on documents published during bidding process.
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/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

