

Rajasthan Electricity Regulatory Commission

Petition No. RERC-2209/2024

Petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 and all other powers enabling it in this behalf for Adoption of Tariff discovered through tariff-based competitive bidding under Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy for setting up of 810 MW Intra State connected Solar PV Power projects in Rajasthan.

Coram:

Dr. B. N. Sharma, Chairman

Sh. Hemant Kumar Jain, Member

Dr. Rajesh Sharma, Member

Petitioner : Rajasthan Rajya Vidyut Utpadan Nigam Ltd.

Respondents :

1. Jaipur Vidyut Vitran Nigam Ltd.
2. Ajmer Vidyut Vitran Nigam Ltd.
3. Jodhpur Vidyut Vitran Nigam Ltd.
4. Rajasthan Urja Vikas Nigam Ltd.

Date of hearings : 21.03.2024, 30.04.2024

Present : Sh. Ankit Sharma, representative for RVUNL.
Sh. Umang Gupta, Advocate of Respondents

ORDER

1. Petitioner, Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUN) has filed this Petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 for adoption of Tariff discovered through Competitive Bidding Process for selection of solar power developers ("SPDs") for setting up of 810 MW State Transmission Utility (STU) connected Solar PV Power projects in India under tariff-based competitive bidding under the Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power.
2. Notice was issued through Online Portal to Respondent to file reply on the petition. Accordingly, Rajasthan Urja Vikas Nigam Ltd. (RUVNL) submitted its reply on 12.04.2024. RVUNL submitted its written submission and rejoinder on 11.03.2024 and 20.04.2024 respectively.
3. The matter was finally heard on 30.04.2024. Sh. Ankit Sharma, appeared for Petitioner as authorized representative and Sh. Umang Gupta, Advocate appeared for Respondents.
4. Petitioner in its petition, rejoinder and during hearing submitted as under:
 - 4.1 Ministry of Power, Government of India ("MoP") through a series of directives/guidelines, launched the 'Scheme for Flexibility in generation and scheduling of Thermal/Hydro power stations' and 'Implementation of trajectory for replacement of Thermal Energy with Renewable Energy' thereof, towards bundling of RE & storage power for successful implementation of the scheme in order to facilitate bundling of Renewable Energy, by substituting part of costlier thermal/hydro energy.

- 4.2 MoP vide order dated 12.04.2022, launched the revised Scheme, followed by amendments dated 28.09.2022, 21.06.2023 and 12.09.2023 which allows a Generating Company under Section 62 of the Act or its subsidiary to establish an RE Power Plant through tariff based competitive bidding process under Section 63.
- 4.3 Accordingly, RVUN approached the Government for installation of 810 MW Standalone Solar Power Project with use of domestic content in the western region of Rajasthan under State Sector by RVUN and the GOR accorded its In principle approval vide order dated 17.06.2021.
- 4.4 For procuring Solar Power, RVUN floated NIT TN-13/2022-23 on dated 16.12.2022. Two firms participated M/s SJVN Green Energy Limited and M/s NLC India Limited with price bids as under:

Name of Firm	Price Bid (Rs./kWh)
M/s SJVN Green Energy Limited	3.03
M/s NLC India Limited	2.95

- 4.5 Committee discussed recently carried out reverse auction by Rajasthan Urja Vikas Nigam Limited (RVUN) on 04.05.2023 wherein the base price was taken as Rs. 2.65 per kWh and bid decrement as Rs. 0.01 and decided to keep same base price and bid decrement for reverse auction against RVUN subject tender.
- 4.6 The E-reverse auction was held on 10.08.2023 and the tariff of Rs. 2.64 per kWh was finalized in the favour of M/s NLC India Limited as L-1 bidder. The firm has confirmed the reverse auction rate of Rs. 2.64 per kWh vide letter dated 26.08.2023.
- 4.7 Further, the BOD of RVUN in its 319th meeting held on 18.09.2023 accorded its approval for selection of M/s NLC India Limited as the Solar project

Developer through Tariff based competitive bidding (TBCB) for setting up of 810 MW Solar Power Project against NIT TN-13/2022-23, at a tariff of Rs. 2.64 per unit (kWh) determined after E-reverse auction.

4.8 Approval for signing of Power Purchase Agreement with NLC India Limited for determined tariff has been obtained from GOR on dated 30.09.2023. RVUN placed LOI dated 03.10.2023 on the firm M/s NLC India Limited for NIT TN-13/2022-23 selection of Solar project Developer through Tariff based competitive bidding for setting up of 810 MW STU-Connected Solar PV Project in RVUN Solar Park at Village Ramsar Chhota, Bandrewala and Barala, Tehsil-Pugal, Distt.-Bikaner. The firm has accepted LOI vide letter dated 10.10.2023.

4.9 The methodology for energy accounting shall be as per metering and sharing of gain shall be on the basis of balancing cost.

4.10 In view of above, Petitioner has prayed as under:

(a) Adopt the Tariff Rate of Rs. 2.64 per Unit under Section 63 and 86 (1)(b) of the Electricity Act, 2003 and all other powers enabling it in this behalf for procurement of RE Power from 810 MW Solar PV Power Project under flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power.

(b) Direct the Discoms coming under this replacement scheme to schedule the solar power on pro-rata basis under the same existing PPAs from the Petitioner.

5. Respondents in their reply and during the hearing submitted as under:

5.1 The Petitioner has to ensure that the process of competitive bidding is in conformity with the guidelines issued by the Ministry of Power, GOI and the

Commission while passing necessary orders should be satisfied that the bidders are selected through a transparent process as per section 63 of the Electricity Act, 2003.

- 5.2 RVUNL and M/S NLC India Limited have entered into a PPA for procuring RE Power from 810 MW Solar PV Power Project for 25 years. Clause 4.1.1(c) of the PPA confers obligation upon the Solar Project Developer (SPD) to commence the supply of power on or before the Scheduled Commissioning Date, i.e., 15 months from signing the PPA, and to continue the supply of RE energy throughout the term of the Agreement.
- 5.3 The Commission shall issue necessary directions to ensure the development of 810 MW Solar PV Power Project is completed within the time period prescribed in the PPA and for fulfillment of all other obligations relating to supply of RE Powers so that the benefit on timely completion of the work may be passed on to the consumer for the State.
- 5.4 The financial liability on account of inefficiency attributable to the Petitioner or the Bidder shall not fall upon the Respondents.
- 5.5 The RVUNL shall act as an intermediary procurer, whereby it will procure the RE Power from the 810 MW Solar PV Power Project and supply the energy bundled with RE Power to the Discoms at a rate which shall be lower than the Energy Charge Rate (ECR). And the net savings realized from supply of such RE energy instead of Thermal or Hydro Power shall be shared between the RVUNL and the DISCOMS in the ratio of 50:50 basis as per Clause 6.7 and 6.8 of the Revised Scheme of MoP.
- 5.6 In this regard, the Commission may direct the Petitioner to submit the prescribed methodology to be adopted for energy accounting and

computation of financial gains to be shared with the Discoms in the ratio of 50:50.

- 5.7 Respondents requested the Commission to adopt the tariff, if, satisfied being transparent and in conformity with the guidelines issued by GOI.

Commission's view

6. Commission has considered the submissions and oral arguments made on behalf of the Petitioner and Respondents.
7. We observe that the present petition has been filed for adoption of tariff under Section 63 and 86 (1)(b) of the Electricity Act, from 810 MW Solar PV Power Project under Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power.
8. It is observed that MoP vide order dated 12.04.2022, launched the revised Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy, followed by amendments dated 28.09.2022, 21.06.2023 and 12.09.2023 which allows a Generating Company under Section 62 of the Act or its subsidiary to establish an RE Power Plant through tariff based competitive bidding process under Section 63.
9. RVUN accordingly after getting In-principle approval of GOR floated NIT for selection of Solar project Developer through Tariff based competitive bidding (TBCB) for setting up of 810 MW Solar Power Project, wherein M/s NLC India Limited emerged as L-1 bidder with tariff of Rs. 2.64 per kWh.
10. The BOD of RVUN in its meeting held on 18.09.2023 accorded its approval for selection of M/s NLC India Limited as the Solar project Developer through

Tariff based competitive bidding (TBCB) for setting up of 810 MW Solar Power Project, at a tariff of Rs. 2.64 per unit (kWh) determined after E-reverse auction.

11. We observe that MOP, GOI issued Guidelines dated 26.08.2022 for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power. The Clause 10.2 of the Guidelines reads as under:

"10. CONTRACT AWARD AND CONCLUSION

.....

10.2. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS."

12. It is further observed that as per Clause 10.2 of the Guidelines issued by MoP, GOI, the Bid Evaluation Committee has certified that the bidding process and the evaluation has been conducted in conformity to the provisions of the Rfs.

13. In the light of the above, it emerges that selection of the successful bidders of the Project has been carried out by Petitioner through a transparent process of competitive bidding in accordance with Guidelines issued by Ministry of Power, GOI under Section 63 of the Act.

14. Based on the certification of the Bid Evaluation Committee and other material placed, Commission approve and adopt the tariff of Rs. 2.64 per kWh discovered through tariff-based competitive bidding under Scheme for

flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy for setting up of 810 MW Intra State connected Solar PV Power project in Rajasthan.

15. The copy of the order may be sent to Govt. of Rajasthan, CEA, Petitioner and Respondents. The petition is disposed of accordingly.

(Dr. Rajesh Sharma)
Member

(Hemant Kumar Jain)
Member

(Dr. B. N. Sharma)
Chairman