

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 181 of 2025

MSEDCL's Petition for approval and adoption of tariff determined through transparent bidding process for procurement of short-term power for the period 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 May 2026 and approval for ceiling rate for short term power purchase for FY 2025-26 & FY 2026-27.

IA No. 98 of 2025

Interlocutory Application of Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for urgent listing of the Petition in Case No. 181 of 2025.

Maharashtra State Electricity Distribution Co. Ltd.

...Petitioner

Coram

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

Appearance:

For the Petitioner

: Ms. Deepa Chawan (Adv.)

ORDER

Date: 1 September 2025

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Case on 24 July 2025 under Sections 63 of the Electricity Act, 2003 (EA, 2003) read with Ministry of Power's Guidelines dated 30 March 2016 for short term Procurement of

Power by Distribution Licensees through Tariff based bidding process and Regulation 151 of the MERC (MYT) Regulations 2024 seeking approval for Tariff discovered through Competitive Bidding for Short -Term bilateral Power Purchase for the period of 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 May 2026.

2. Main prayers of MSEDCL are as follows:

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8.2 To accord approval for Short Term power purchase tender, ET-52 floated on Deep E-Bidding Portal for procurement of power for the period from 17.08.2025 to 30.11.2025 and 01.02.2026 to 31.05.2026.

8.3 To accord approval for adoption of tariff discovered and quantum in Short Term power purchase tender ET-52 floated on Deep E-Bidding Portal for procurement of power for the period 17.08.2025 to 30.11.2025 and 01.02.2026 to 31.05.2026 as per Table-G.

8.4 To fix an appropriate ceiling rate for purchase of short term power for FY 2025-26 and FY 2026-27.

8.5 To consider the submission made by the Petitioner and consider the same positively while deciding the Petition;

8.6 To condone any error/omission and to give opportunity to rectify the same;

8.7 To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time.

”

3. On 25 July 2025, MSEDCL filed IA No.98 of 2025 in Case No.181 of 2025 for urgent listing of matter.

4. The IA along with main matter was listed for hearing on 29 July 2025. Advocate appearing on behalf of MSEDCL apprised the Commission about power supply position and need of the proposed procurement. She underscored that August-November-2025 and February-May-2026 are peak season period. She emphasized that MSEDCL has justified the procurement based on prevailing demand-supply scenario.

5. MSEDCL in its Petition has stated as follows:

5.1. In present Petition, MSEDCL is seeking approval for short term power purchase for the months of 17 August 2025 to 30 November 2025 and 01 February 2026 to 31 May 2026.

5.2. MSEDCL's expected power Position in August-2025 to November-2025 and February-2026 to May-2026:

- 5.2.1 The monsoon has arrived earlier than usual commencing in and around mid-June 2025. However, early monsoons are often followed by intermittent dry spells in the latter half of August, potentially leading to an increase in electricity demand. As this period is generally characterized by lower demand due to the monsoon season, Annual Overhauls (AOH) of major contracted generating stations are planned during this time, resulting in reduced generation availability. Therefore, to maintain reliable power supply, it becomes necessary to procure additional power from the market.
- 5.2.2 Based on historical trends, MSEDCL typically experiences a rise in power demand during the month of October. This increase is primarily driven by the withdrawal of the southwest monsoon, leading to the onset of the 'October Heat Effect', characterized by high temperatures and humidity. Additionally, post-monsoon witnesses heightened agricultural activity, particularly water pumping for the crops, which further contributes to increased electricity consumption. Due to this there exists a generation shortfall to meet the rising demand.
- 5.2.3 This shortfall is mainly due to factors such as wet coal affecting plant performance, scheduled Annual Overhauls (AOH) of generating units, and occasional coal supply constraints.
- 5.2.4 To bridge this supply-demand gap, MSEDCL has historically depended on additional power procurement through the market or short-term tenders. Furthermore, during non-solar peak hours, typically in the evening, the availability of adequate power on power exchanges becomes constrained. It has been observed that even when bids are placed at the ceiling price of Rs.10.00 per unit, the quantum of power cleared is often significantly lower than the quantum bid, indicating tight market conditions and limited availability of dispatchable power during critical hours.
- 5.2.5 Last year, anticipating a supply-demand gap, MSEDCL floated short-term tenders for power procurement. Upon receiving approval from the Commission in Case No. 162 of 2024, MSEDCL procured power from successful bidders at rates ranging from Rs. 5.50 to Rs. 5.65 per unit.
- 5.2.6 The India Meteorological Department (IMD) forecasting a normal to above-normal monsoon for the current year, a strong agricultural season is anticipated in the post-monsoon months. This is expected to significantly increase electricity demand during the Rabi crop season, which typically begins in November. Last year, in November 2024, MSEDCL's peak demand reached about 24000 MW, surpassing the available supply from

long-term contracted sources. To bridge the resulting shortfall, MSEDCL was required to procure additional power from power exchanges to maintain reliable supply and avoid load curtailment. A similar or even higher demand trend is expected during this year, reinforcing the need for advance planning and firming up power availability through short-term procurement.

- 5.2.7 A similar trend is expected in February 2026, when the end of winter, rising temperatures and increased agricultural activity due to Rabbi crops, together contribute to a surge in electricity demand. Last year, in February 2025, MSEDCL recorded a peak demand of 25,960 MW and purchased power quantum in the range of 1700 MW to 2000 MW from the power exchanges as per the requirement. Hence, to ensure adequate supply and maintain uninterrupted power supply to consumers, firm power was necessary during this period.
- 5.2.8 Further, last year, during the summer season period such as March to May 2025 period, the peak demand reached to around 26,000 MW. Through timely planning and assessment of this anticipated demand, MSEDCL had floated short-term tenders and procured firm RTC power at more competitive rates of up to Rs. 6.80 per unit.
- 5.2.9 Due to the recent non-extension of the applicability of Section 11 of the Electricity Act, 2003, TPC (Mundra) (CGPL) has ceased scheduling power to MSEDCL from its Mundra plant. MSEDCL had formally requested TPC(Mundra) to continue scheduling of power as per the terms and conditions of the existing Power Purchase Agreement (PPA) at the quoted tariff specified therein. However, TPC(Mundra) has discontinued power supply, resulting in a sudden shortfall of approximately 760 MW. This unexpected withdrawal of generation capacity has further reduced MSEDCL's base reliable capacity, thereby increasing the supply-demand gap. The non-availability of this long-term contracted power, which was earlier considered part of MSEDCL's firm base load capacity, has compelled MSEDCL to explore additional short-term procurement options to maintain grid stability and ensure uninterrupted power supply, particularly during periods of high demand.
- 5.3. **Expected Demand-Supply Position for August-2025 to November-2025 and February-2026 to May-2026.**
- 5.3.1 Expected Generation availability:
- (a) The thermal generation availability from the contracted generating plants/units is projected based on;

- (i) The actual historical availability of the stations so that the effect of planned forced outages, de-rated capacity of units is captured.
- (ii) The proposed planned outages of the contracted generating units.
- (b) The availability from Open Access consumers is considered based on the historical trends of Open Access consumers generation availability.
- (c) Source wise RE generation is considered based on their profile in the respective months and the source-wise total capacity considering the expected capacity addition.

Based on the above, the expected total generation availability from all the contracted generation sources (excluding Koyna hydro generation) is as below

(All figures in MW)

Hrs	August-25	September-25	October-25	November-25	February-26	March-26	April-26	May-26
1	17923	17893	19061	19662	20993	22173	21299	20972
2	17894	17911	19067	19659	21030	22168	21298	20930
3	17858	17900	19076	19634	21042	22183	21299	20874
4	17818	17888	19099	19623	21021	22186	21312	20825
5	17754	17883	19123	19618	20990	22193	21341	20834
6	17942	18138	19133	19599	20983	22303	21690	21427
7	18208	18529	19671	19861	21124	23072	23086	23269
8	19161	19738	21266	20894	22078	24926	25587	26192
9	20557	21468	23500	22665	24239	26765	28312	29122
10	21691	22922	25436	24392	26493	28699	30462	31345
11	22257	23729	26711	25554	28177	29880	31674	32541
12	22464	23912	27182	26041	29021	30310	31928	32737
13	22505	23831	27019	25989	29233	30223	31552	32358
14	22451	23651	26404	25459	28980	29738	30730	31577
15	22138	23107	25282	24405	28175	28711	29286	30119
16	21645	22150	23672	22874	26673	27066	27347	28013
17	20799	20780	21654	21070	24617	24968	25157	25479
18	19706	19304	19796	19664	22386	22828	23041	23021
19	18727	18363	19020	19245	21033	21581	21734	21425
20	18230	18114	18936	19288	20738	21950	21446	20986
21	17968	17910	18946	19377	20786	22038	21412	21023
22	17714	17672	18940	19458	20811	22089	21418	21094
23	17649	17666	18969	19529	20807	22135	21356	21091
24	17674	17690	19030	19583	20852	22166	21318	21074

5.3.2 Expected Demand:

(i) The demand is projected scientifically through AI/ML based tools developed in Energy Portfolio Management Software.

(ii) The expected average demand for the month, August-2025 to November-2025 and February-2026 to May-2026 is as below:

(All figures in MW)

Hrs	August-25	September-25	October-25	November-25	February-26	March-26	April-26	May-26
1	18462	19579	20564	20013	21695	23685	25021	24159
2	18253	19518	20246	20094	21867	23836	24954	23917
3	18061	19511	19910	19922	21793	23698	24626	23544
4	17877	19577	19782	19935	21866	23768	24399	23264
5	18361	20148	20303	20392	22477	24332	24644	23249
6	20103	20930	21318	21063	23342	24995	25188	23395
7	21062	21698	22006	21468	24281	25632	25366	22957
8	20517	21978	21616	22136	25366	25576	24452	22044
9	20531	22322	21373	22727	26000	25531	24208	21958
10	20538	22868	21953	23637	26730	26040	25049	22692
11	20366	23320	22823	24363	27419	26996	25919	23398
12	19998	23433	22708	24217	26859	26926	26001	24119
13	19358	23076	22541	23629	26071	26341	25705	24138
14	19237	22610	22355	23064	25255	25672	25462	24054
15	19560	22671	22753	23269	25293	25855	26064	24782
16	20130	22690	23156	23448	25339	26052	26546	25015
17	20346	21838	22834	22957	24757	25641	26132	24228
18	20443	21387	22743	22494	23817	24838	24855	23058
19	21018	21528	23179	23028	23715	24164	24174	22274
20	21650	21768	22559	22204	24257	25102	25246	23089
21	21138	20712	21484	20970	22753	24069	24556	22950
22	20682	20453	20894	20366	22137	23668	24353	23068
23	19906	20250	20734	20228	22057	23711	24861	23886
24	18987	19871	20821	20241	21896	23848	25138	24295

(iii) Considering the expected demand and expected total generation availability (considering Koyna Hydro generation) the maximum shortfall during the non-solar hours i.e. peak demand hour is as below;

Period	Max Shortfall Qtm (MW)
17.08.2025 to 31.08.2025	1800
01.09.2025 to 30.09.2025	1700
01.10.2025 to 31.10.2025	2000
01.11.2025 to 30.11.2025	1700
01.02.2026 to 28.02.2026	1900

Period	Max Shortfall Qtm (MW)
01.03.2026 to 31.03.2026	1500
01.04.2026 to 30.04.2026	2100
01.05.2026 to 31.05.2026	1700

5.4. Short Term Power Procurement Tender and Discovery of Rates.

5.4.1 In anticipation of increased electricity demand due to the forecast of a good monsoon during current year, along with the likelihood of peak power deficits and elevated volatility in the day-ahead and real-time electricity markets, MSEDCL has adopted a prudent approach to procure power on short term basis.

5.4.2 MSEDCL, as a proactive step in power procurement planning, floated a short-term tender (ET-52) on the DEEP E-Bidding portal on 03 July 2025 for securing power on a firm basis. This initiative is aimed at ensuring reliable and uninterrupted power supply to consumers, particularly during periods of heightened demand.

5.4.3 The detailed requisitions in the tender ET-52 are as below:

Requisition	Period	Timings (Hour)	Quantum in (MW)	Minimum Bid Quantity (in MW)	Delivery Point
1	17.08.2025 to 31.08.2025	00:00 to 24:00	300	50	MSETCL Periphery i.e. Maharashtra State Transmission System periphery [The interconnection of Maharashtra STU, and CTU Western Region (WR)].
2	01.09.2025 to 30.09.2025	00:00 to 24:00	500	50	
3	15.09.2025 to 30.09.2025	00:00 to 24:00	200	50	
4	01.10.2025 to 31.10.2025	00:00 to 24:00	500	50	
5	01.10.2025 to 18.10.2025	00:00 to 24:00	400	50	
6	01.11.2025 to 30.11.2025	00:00 to 24:00	500	50	
7	01.02.2026 to 28.02.2026	00:00 to 24:00	300	50	
8	16.02.2026 to 28.02.2026	00:00 to 24:00	500	50	
9	01.03.2026 to 31.03.2026	00:00 to 24:00	1000	50	
10	01.04.2026 to 30.04.2026	00:00 to 24:00	1000	50	
11	01.05.2026 to 31.05.2026	00:00 to 24:00	400	50	
12	01.05.2026 to 15.05.2026	00:00 to 24:00	500	50	
13	01.08.2025 to 31.08.2025	19:00 to 21:00	300	50	
14	01.10.2025 to 18.10.2025	19:00 to 21:00	300	50	

5.4.4 The short-term tenders, the clause for the issuance of the LoA stipulates following:

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*In case MSEDCL fails to issue the **LoA within a period of 15 days from the close of e- Reverse Auction, subject to the approval of MERC**, the Successful Bidder(s) shall have the option to exit without forfeiting the EMD. **In case, after issuance of LOA, MERC disallow the adoption of tariff discovered through this tender then the LOA issued will be treated as cancelled.** Further in case MSEDCL requires the power during the requisition period for which the LOA is not issued as mentioned above but if successful bidder is ready to provide such power; LOA with mutual consent will be issued for agreed period, else otherwise bidder shall have option to exit without forfeiting the BG.”*

5.4.5 The short-term tender ET-52 was opened as per tender timelines on 11 July 2025 and there were 33 bidders participated and all the participated bidders in tender were found eligible. The e-Reverse Auction (e-RA) was conducted on 11 July 2025.

5.4.6 After the completion of e-Reverse Auctions (e-RA) of the tender, MSEDCL further requested via e-mail to the successful bidders, to convey their best offer against the final rate quoted/discovered in the e-RA on /or before 15 July 2025. In response some of the successful bidders informed their best offers via e-mail.

5.4.7 While determining the power procurement quantum under the short-term tender (ET-52), MSEDCL had considered the availability of 760 MW from TPC (Mundra) [CGPL] as part of its overall power planning. However, pursuant to the Ministry of Power's notification dated 30 April 2025, the applicability of directions under Section 11 of the Electricity Act, 2003 was extended only up to 30 June 2025, beyond which the statutory mandate ceased to operate. Following the lapse of the said statutory directions, TPC (Mundra) discontinued power supply to MSEDCL from its Mundra plant. Despite MSEDCL's written request to schedule power in accordance with the terms of the existing Power Purchase Agreement (PPA) at the contracted tariff, TPC (Mundra) did not resume the supply. This resulted in an unforeseen additional shortfall of 760 MW, over and above the originally assessed deficit based on expected generator availability at the time of floating the tender. Hence, MSEDCL is required to tie-up firm additional quantum of power beyond what was envisaged in the short-term tender ET-52 for the period from 17 August 2025 to 31 October 2025, to meet the emergent gap and maintain uninterrupted and reliable supply to its consumers

5.4.8 Further, the additional requirement arise due to non-supply of contracted power by TPC (Mundra) and post completion of the e-Reverse Auction (e-RA) process under the short-term tender, MSEDCL, in the interest of securing the most competitive tariffs for its consumers, issued communication via e-mail to all participated bidders in e-RA,

requesting them to voluntarily submit their best possible revised offers against the final rate discovered in the e-RA.

5.4.9 In response to the said communication, several bidders submitted their revised offers via e-mail, quoting tariffs lower than the rates discovered in the e-RA. This initiative was undertaken solely in the interest of securing power at the most economical rates, thereby reducing the overall cost of procurement and minimizing the financial burden on the end consumers of MSEDCL.

5.4.10 The abstract of final rates quoted/offered and total quantum discovered for the months of August to November-2025 and February to May-2026 are as below:

Sr.No.	Period	Timings (Hour)	Total Qtm Discovered (MW)	Rates Range (Rs/Unit)
1	17.08.2025 to 31.08.2025	00:00 to 24:00	1426	4.99 to 7.50
2	01.09.2025 to 30.09.2025	00:00 to 24:00	1951	5.27 to 7.50
3	15.09.2025 to 30.09.2025	00:00 to 24:00	200	6.20 to 6.25
4	01.10.2025 to 31.10.2025	00:00 to 24:00	2916	4.91 to 12.00
5	01.10.2025 to 18.10.2025	00:00 to 24:00	500	5.78 to 6.28
6	01.11.2025 to 30.11.2025	00:00 to 24:00	2565	4.99 to 12.00
7	01.02.2026 to 28.02.2026	00:00 to 24:00	2386	5.36 to 12.00
8	16.02.2026 to 28.02.2026	00:00 to 24:00	550	6.25
9	01.03.2026 to 31.03.2026	00:00 to 24:00	2561	5.47 to 12.00
10	01.04.2026 to 30.04.2026	00:00 to 24:00	2390	6.40 to 12.00
11	01.05.2026 to 31.05.2026	00:00 to 24:00	2090	6.40 to 12.00
12	01.05.2026 to 15.05.2026	00:00 to 24:00	200	7.05 to 7.25
13	01.08.2025 to 31.08.2025	19:00 to 21:00	No Response	
14	01.10.2025 to 18.10.2025	19:00 to 21:00	No Response	

5.5. The Competitiveness of the rates discovered in tender ET-52.

5.5.1 The rates discovered are after following the due process as stipulated in Guidelines issued by Ministry of Power for procurement of short-term power.

5.5.2 MSEDCL has filed the present petition for adoption of the tariff discovered in short term tender ET-52 for the month of August to November-2025 and February to May-2026 and stipulation of ceiling rate thereof for procurement of power on short term basis for FY 2025-26 and FY 2026-27.

5.5.3 In previous year under short term tender for the month of October-24 and March to May-2025, MSEDCL had issued LoA for procurement power at the rate upto Rs. 6.80 per unit after approval from the Commission vide its Order in Case No. 162 of 2024. The month wise abstract of LoA issued is as below:

Period	Rate (Rs/Unit)	Quantum (MW)
01.10.2024 to 15.10.2024	5.50	60
	5.65	200
	6.10	50
	6.20	100
	5.98	100
	5.98	100
	5.99	50
	6.39	140
16.10.2024 to 31.10.2024	5.50	55
	5.65	73
	5.75	50
	6.12	50
	6.12	150
	6.12	122
01.03.2025 to 15.03.2025	6.31	50
	6.31	100
	6.25	100
	6.40	250
16.03.2025 to 31.03.2025	6.45	100
	6.45	50
	6.40	100
	6.45	380
	5.98	200
	6.54	70
01.04.2025 to 30.04.2024	6.65	100
	6.60	100
	6.64	50
	6.64	100
	6.80	275
	6.79	59
	6.92	116
01.05.2025 to 15.05.2025	6.40	100
	6.40	400
	6.30	100
	6.50	50
	6.59	100
	6.74	50
16.05.2025 to 31.05.2025	6.40	100
	6.40	400

5.5.4 Based on the assessed power requirement and in order to address the anticipated shortfall, MSEDCL proposes to procure the following quantum of power discovered under its short-

term tender ET-52 for the period from 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 May 2026.

Period	Rate (Rs/Unit)	Qty (MW)	Total Qty (MW)	Bidder
17-08-2025 to 31.08.2025	4.99	180	855	PTC India Limited/74488
	5.00	50		TATA Power Trading Company Limited/74213
	5.02	50		Manikaran Power Limited/471194
	5.02	100		NTPC Vidyut Vyapar Nigam Limited/188996
	5.03	50		Manikaran Power Limited/78172
	5.08	50		Ambitious Power Trading Company Limited/416716
	5.08	100		Jindal Power Limited/88039
	5.18	50		Jindal Power Limited/363805
	5.20	75		Ambitious Power Trading Company Limited/376413
	5.20	50		NTPC Vidyut Vyapar Nigam Limited/188988
	5.30	100		JSW Energy Limited/89749
01.09.2025 to 30.09.2025	5.27	50	920	TATA Power Trading Company Limited/74213
	5.30	100		NTPC Vidyut Vyapar Nigam Limited/188996
	5.30	150		PTC India Limited/74489
	5.30	50		PTC India Limited/74488
	5.34	50		PTC India Limited/74491
	5.34	50		Manikaran Power Limited/471194
	5.36	60		NTPC Vidyut Vyapar Nigam Limited/188988
	5.37	100		Jindal Power Limited/88039
	5.37	50		Ambitious Power Trading Company Limited/416716
	5.37	50		Manikaran Power Limited/78172
	5.37	50		Jindal Power Limited/363805
	5.37	85		TATA Power Trading Company Limited/74212
	5.40	75		Ambitious Power Trading Company Limited/376413
01.10.2025 to 31.10.2025	4.91	50	1295	TATA Power Trading Company Limited /74185
	4.94	100		Manikaran Power Limited/471194
	4.94	160		PTC India Limited/74488
	4.94	200		PTC India Limited/74489
	4.96	85		NTPC Vidyut Vyapar Nigam Limited/74838
	4.96	100		NTPC Vidyut Vyapar Nigam Limited/188996
	4.96	50		PTC India Limited/74490
	5.07	200		NTPC Vidyut Vyapar Nigam Limited/74826
	5.09	50		Manikaran Power Limited/78172
	5.18	50		TATA Power Trading Company Limited/74213
	5.19	200		TATA Power Trading Company Limited/74212
	5.20	50		NTPC Vidyut Vyapar Nigam Limited/188988
01.11.2025 to 30.11.2025	4.90	200	510	PTC India Limited/74489
	4.90	160		PTC India Limited/74488
	4.99	50		TATA Power Trading Company Limited/74213
	5.00	50		TATA Power Trading Company Limited /74185
	5.01	50		PTC India Limited/74490
01.02.2026 to 28.02.2026	5.36	50	635	TATA Power Trading Company Limited /74185
	5.40	100		PTC India Limited/74489
	5.40	100		PTC India Limited/74488

Period	Rate (Rs/Unit)	Qty (MW)	Total Qty (MW)	Bidder
	5.44	85		TATA Power Trading Company Limited/74176
	5.45	200		NTPC Vidyut Vyapar Nigam Limited/74826
	5.45	100		Manikaran Power Limited/471194
01.03.2026 to 31.03.2026	5.47	100	485	Manikaran Power Limited/471194
	5.47	100		NTPC Vidyut Vyapar Nigam Limited/188996
	5.47	85		NTPC Vidyut Vyapar Nigam Limited/74838
	5.48	200		PTC India Limited/74489
01.04.2026 to 30.04.2026	6.40	100	670	NTPC Vidyut Vyapar Nigam Limited/188996
	6.40	85		NTPC Vidyut Vyapar Nigam Limited/74838
	6.42	150		PTC India Limited/74489
	6.42	150		PTC India Limited/74488
	6.45	85		NTPC Vidyut Vyapar Nigam Limited/188988
	6.45	50		TATA Power Trading Company Limited /74185
	6.45	50		Manikaran Power Limited/471194
01.05.2026 to 31.05.2026	6.40	100	670	NTPC Vidyut Vyapar Nigam Limited/188996
	6.40	85		NTPC Vidyut Vyapar Nigam Limited/74838
	6.42	150		PTC India Limited/74489
	6.42	150		PTC India Limited/74488
	6.44	50		Manikaran Power Limited/471194
	6.45	85		NTPC Vidyut Vyapar Nigam Limited/188988
	6.45	50		TATA Power Trading Company Limited /74185

5.5.5 MSEDCL also asserted that it is in the process of finalizing a Medium-Term Power Procurement Tender for securing 1000 MW of RTC power, scheduled to commence from November 2025 onwards. In view of this anticipated procurement under the Medium-Term arrangement, the quantum of power proposed to be procured through this Short-Term tender (ET-52) during the months of November 2025 and February 2026 to May 2026 is relatively lower than the requisitioned requirement originally stipulated for these periods.

5.5.6 Further, as per the provisions of the tender terms and conditions under this tender ET-52, the timeline stipulated for issuance of LoA is within 15 days from the conclusion of the E-Reverse Auction.

5.6. Ceiling rate for additional power purchase through short term tender:

5.6.1 The Commission vide its Order dated 12 March 2024 in Case No. 4 of 2024, had specified a ceiling rate of Rs. 8.50 per unit for procurement of power on a short-term basis during FY 2024–25.

5.6.2 Further in the Review Order in Multi-Year Tariff (MYT) issued in Case No. 75 of 2025, the Commission did not explicitly stipulate a ceiling rate for short-term power procurement for the 5th control period. However, under the approved monthly Power

Purchase Expenses, a rate of Rs.5.50 per unit has been considered towards short-term power purchase for the 5th control period. If this rate is to be construed as the implicit ceiling, it may be noted that the rates discovered through the recent short-term tender process (ET-52) are higher due to prevailing market conditions and demand-supply constraints.

- 5.6.3 MSEDCL anticipates the need to procure additional power through short-term tenders floated on the DEEP e-Bidding Portal. Given the continued price volatility observed in the short-term market, requested kindly review and revise the ceiling rate for short-term power procurement and permit continuation of the ceiling rate of Rs. 8.50 per unit, as earlier approved for FY 2024–25, for the forthcoming FY 2025–26 and FY 2026–27.
- 5.6.4 The rate discovered in short term tender ET-52 for the month of April-2026 and May-2026 is in the range of Rs.6.40 to 6.48 per unit, which is higher than the tariff of Rs.5.50 per unit. Hence, approval of the Commission is requested.

Commission's Analysis and Rulings

6. Present Petition has been filed by MSEDCL seeking approval for tariff discovered through Competitive Bidding for Short Term Power purchase for the period of 17 August 2025 to 30 November 2025 and 01 February 2026 to 31 May 2026.
7. Considering the submissions made in the matter, the Commission frames following issues for its considerations:
- A. Provisions under which Short Term Power procurement of Distribution Licensee requires approval of the Commission.
 - B. Whether the quantum of additional short term power procurement proposed by MSEDCL is justified?
 - C. Whether the discovered tariff is consistent with the market trend?

The Commission is addressing these issues in the following paragraphs.

7. **Issue A: - Provisions under which Short Term Power procurement of Distribution Licensee requires approval of the Commission.**
- 7.1 The Commission notes that MERC MYT Regulations, 2024 which is applicable for control period of FY 2025-26 to FY 2029-30, has following provisions related to the additional power procurement by Distribution Licensee:

“

22.1 *The Distribution Licensee may undertake additional power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.*

22.2 *Where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply during the Year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources, the Distribution Licensee may enter into additional agreement or arrangement for procurement of power.*

22.3 *Any variation, during the first or second block of six months of a Year, in the quantum or cost of power procured, including from a source other than a previously approved source, that is expected to be in excess of five per cent of that approved by the Commission, shall require its prior approval:*

Provided that the five per cent limit shall not apply to variation in the cost of power procured on account of changes in the price of fuel for own generation or the fixed or variable cost of power purchase that is allowed to be recovered in accordance with Regulation 10.”

Thus, in cases where there is an anticipated shortfall in fulfilling the demand and for optimizing the power purchase cost, Licensee can procure additional power subject to the variation of excess of five percent in the quantum or cost of power procured during the first or second block of six months of a Year from the sources other than approved by the Commission.

7.2 Further, Ministry of Power’s Guidelines dated 30 March 2016 notified under Section 63 of the Electricity Act 2003 for short-term procurement of power by Distribution Licensees through tariff-based bidding process stipulate as follows:

“

11.4 *If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission.*

In all other cases, the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff within 2 days from the date of signing of PPA. Appropriate Commission should communicate the decision within 7 days from the date of submission of petition.”

Thus, if the quantum of power procured and the tariff determined are not within the blanket approval specified by the Commission in ARR/ Tariff Order, Distribution Licensee needs to approach the Commission for approval of the additional power procurement and to adopt the tariff discovered through competitive bidding process.

7.3 The Commission in its Review Order in Case No.75 of 2025 has indicated tariff for short term power procurement as Rs. 5.50 per unit for the 5th Control Period, which acts as a ceiling tariff. Tariff for power procurement during 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 March 2026, is less than ceiling tariff of Rs.5.50 per unit. Hence does not require approval and is deemed adopted.

7.4 The discovered tariff for power procurement commencing from 1 April 2026 till 31 May 2026 is higher than the ceiling. It fulfils the criteria specified in MYT Regulations, 2024 and in the MoP Guidelines dated 30 March 2016. Hence, prior approval of the Commission is required for the short-term power procurement during 1 April 2026 till 31 May 2026.

8. **Issue A: Whether the quantum of additional short-term power procurement proposed by MSEDCL is justified?**

8.1 The Commission notes that on 3 July 2025, MSEDCL has floated tender (ET-52) for short term power procurement for the period of 17 August 2025 to 30 November 2025 and 01 February 2026 to 31 May 2026 on DEEP E-bidding portal. Month wise power requisition is as under:

Requisition	Period	Timings (Hour)	Quantum in (MW)
1	17.08.2025 to 31.08.2025	00:00 to 24:00	300
2	01.09.2025 to 30.09.2025	00:00 to 24:00	500
3	15.09.2025 to 30.09.2025	00:00 to 24:00	200
4	01.10.2025 to 31.10.2025	00:00 to 24:00	500
5	01.10.2025 to 18.10.2025	00:00 to 24:00	400
6	01.11.2025 to 30.11.2025	00:00 to 24:00	500
7	01.02.2026 to 28.02.2026	00:00 to 24:00	300
8	16.02.2026 to 28.02.2026	00:00 to 24:00	500
9	01.03.2026 to 31.03.2026	00:00 to 24:00	1000
10	01.04.2026 to 30.04.2026	00:00 to 24:00	1000
11	01.05.2026 to 31.05.2026	00:00 to 24:00	400
12	01.05.2026 to 15.05.2026	00:00 to 24:00	500
13	01.08.2025 to 31.08.2025	19:00 to 21:00	300
14	01.10.2025 to 18.10.2025	19:00 to 21:00	300

8.2 For justifying procurement, MSEDCL has mapped its demand projections with anticipated generation availability.

8.3 Demand Projections:

8.3.1 The Commission notes that MSEDCL has projected its demand based on AI/ML based tools developed in Energy Portfolio Management software.

8.3.2 The Commission notes that in the last (3) years, MSEDCL's system has witnessed sustained increased demand in months of August, September, October, November, February, March, April and May as compared to average annual demand in MW terms. The historical incident peak demand (in MW) pattern for the months under consideration is as below:

(in MW)

Month	2021	2022	2023	2024	2025
February	21476	23309	24855	25410	26227
March	22554	24400	24893	24807	26495
April	22832	25144	24326	24775	26262
May	20948	24008	24047	24146	25230
August	21521	20586	23912	21891	
September	18759	19076	23993	22117	
October	20125	19022	24175	22484	
November	22098	22536	24441	24074	

The Commission has finalized the power purchase basket considering following average demand:

	FY 2020-21*	FY 2021-22*	FY 2022-23#	FY 2023-24#	FY 2024-25 (Provisionally Trued-up)
Energy Purchase (ex-bus) (MUs)	1,32,485.10	1,44,253.32	1,55,095.74	1,66,970.40	1,56,917
Average Demand considered in MTR Order (MW)	15123.9	16467.3	17704.99	19060.54	17912.89

*Trued-up in MERC MTR Order dated 31 March 2023 in Case No.226 of 2022.

Trued-up in MERC MYT Order dated 28 March 2025 in Case No.217 of 2024.

In past, MSEDCL has mitigated the seasonal peak demands by exploring options of short-term power procurement, utilization of Koyna Generation, banking arrangement etc.

8.3.3 MSEDCL in present Petition anticipated incidence of following peak demand on MSEDCL system:

Month	Projected Peak Demand (MW)
August-2025	21650
September-2025	23433
October-2025	23179
November-2025	24363
February-2026	27419
March-2026	26996
April-2026	26546
May-2026	25015

The Commission, in its Review Order in Case No.75 of 2025 has projected following average demand for FY 2025-26 to FY 2029-30:

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Purchase (ex-bus) (MUs)	1,83,934	2,03,628	2,18,144	2,21,982	2,31,379
Average Demand considered in MTR Order (MW)	20997.03	23245.20	24902.28	25340.41	26431.12

From above demand trends, it can be concluded that power demand is likely to exceed the approved projected demand pattern in Review Order in Case No.75 of 2025.

8.4 Supply Availability:

8.4.1 MSEDCL assessed the Thermal generation availability based on the actual historical availability of the stations so that the effect of planned outages/forced outages, de-rated capacity of units is captured for forecasting the generation availability from contracted thermal generators. Further, proposed planned outages of thermal units and RE generation based on their profiles have been considered.

8.4.2 MSEDCL in this Petition categorically stated that while tendering out it considered the availability of CGPL (which was supplying power under Section 11 of the EA-2003). However, at later stage MSEDCL realized that post June 2025 mandate under Section 11 of the EA-2003 has ceased to operate. MSEDCL requested CGPL to schedule power in terms of PPA, but CGPL has declined the request and not resumed the power supply. This circumstance led to an unanticipated 760 MW shortfall on top of the initially estimated deficit.

8.5 Mapping of demand and supply position:

8.5.1 Considering the projected demand and accessed generation availability, the expected

shortfall is calculated. The maximum shortfall during the non-solar hours i.e. peak demand hours is as below:

Period	Max Shortfall Qtm (MW)
17.08.2025 to 31.08.2025	1800
01.09.2025 to 30.09.2025	1700
01.10.2025 to 31.10.2025	2000
01.11.2025 to 30.11.2025	1700
01.02.2026 to 28.02.2026	1900
01.03.2026 to 31.03.2026	1500
01.04.2026 to 30.04.2026	2100
01.05.2026 to 31.05.2026	1700

8.5.2 Based on the above scenario, MSEDCL has proposed power procurement in present Petition. Accordingly, the Commission deems it fit to consider the proposed procurement for adoption in present proceedings.

9. Issue C: - Whether the discovered tariff is consistent with the market trend?

9.1 The Commission notes that MSEDCL has undertaken the short-term power procurement as per the competitive guidelines of MoP dated 30 March 2016 by floating the bid on DEEP portal. For attaining competitiveness, MSEDCL has further negotiated the tariffs.

9.2 Tariff for power procurement from 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 March 2026, is less than ceiling tariff of Rs.5.50/kWh. Hence, as per provisions of Short-Term Competitive Bidding Guidelines, such tariff is deemed adopted and does not require prior approval of the Commission.

9.3 The discovered tariff (Rs. 6.40 to 6.45/kWh) for power procurement commencing from 1 April 2026 till 31 May 2026 is higher than the ceiling tariff of Rs. 5.50/kWh. Hence, the Commission needs to scrutinize competitiveness of the same. The Commission notes that such discovered tariffs are lower than earlier approved ceiling tariff of Rs.8.50/kWh for FY 2024-25 in Case No.4 of 2024 dated 12 March 2024.

9.4 Section 63 of the EA, 2003 mandates the Commission to adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

9.5 In view of the foregoing, the Commission notes that tariff discovered by MSEDCL fulfils mandates and requirements for adoption as set out in Section 63 of the EA, 2003 and MYT Regulations, 2024. Accordingly, the Commission adopts Power Procurement as follows:

Period	Rate (Rs/Unit)	Qty (MW)	Total Qty (MW)	Bidder
01.04.2026 to 30.04.2026	6.40	100	670	NTPC Vidyut Vyapar Nigam Limited/188996
	6.40	85		NTPC Vidyut Vyapar Nigam Limited/74838
	6.42	150		PTC India Limited/74489
	6.42	150		PTC India Limited/74488
	6.45	85		NTPC Vidyut Vyapar Nigam Limited/188988
	6.45	50		TATA Power Trading Company Limited /74185
	6.45	50		Manikaran Power Limited/471194
	6.45	50		Manikaran Power Limited/471194
01.05.2026 to 31.05.2026	6.40	100	670	NTPC Vidyut Vyapar Nigam Limited/188996
	6.40	85		NTPC Vidyut Vyapar Nigam Limited/74838
	6.42	150		PTC India Limited/74489
	6.42	150		PTC India Limited/74488
	6.44	50		Manikaran Power Limited/471194
	6.45	85		NTPC Vidyut Vyapar Nigam Limited/188988
	6.45	50		TATA Power Trading Company Limited /74185
	6.45	50		TATA Power Trading Company Limited /74185

9.6 The Commission notes that MSEDCL has also requested to fix appropriate ceiling tariff for all future short term power procurement for FY 2025-26 and FY 2026-27. As stated earlier, discovered tariff for FY 2025-26 is lower than ceiling tariff of Rs. 5.50/kWh hence no change in ceiling tariff is warranted for FY 2025-26. Regarding FY 2026-27, the Commission would like to clarify that ceiling rate of short-term power procurement approved in Tariff Order is a weighted average rate for all short-term sources of that year. Hence, it is possible that one or more short term procurement process on DEEP Portal may discover rate which is higher than ceiling rate, but still the weighted average rate for that year is lower than ceiling rate. The proposed power procurement for the period between 1 April 2026 till 31 May 2026 covers only (2) months of FY 2025-26. After taking short-term power procurement into account in subsequent months, the weighted average tariff for overall short-term power purchases may fall below the ceiling tariff. Hence, the Commission do not find it appropriate to revise the ceiling tariffs for FY 2026-27 at this point of time. If required, MSEDCL is free to approach the Commission with such request of revision is ceiling tariff at appropriate time.

10. Hence, following Order:

ORDER

1. **Case No. 181 of 2025 is allowed and IA No.98 of 2025 is disposed of accordingly.**
2. **The Commission allows Maharashtra State Electricity Distribution Co. Ltd. to procure short term power during the period of 17 August 2025 to 30 November 2025 & 01 February 2026 to 31 March 2026 at a discovered tariff which is lower than ceiling tariff**

and also adopts and approves the short-term power procurement for the period from 1 April 2026 till 31 May 2026 at the discovered rate as stated at para (9.5) above

**Sd/-
(Surendra J. Biyani)
Member**

**Sd/-
(Anand M. Limaye)
Member**

**Sd/-
(Sanjay Kumar)
Chairperson**


**(Dr. Rajendra G. Ambekar)
Secretary**

