



Petition No. 1744 of 2021
BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Date of Order 27.08.2021

PRESENT:

1. Hon'ble Sh. Raj Pratap Singh, Chairman
2. Hon'ble Sh. Kaushal Kishore Sharma, Member
3. Hon'ble Sh. Vinod Kumar Srivastava, Member (Law)

IN THE MATTER OF: Petition under Section 63 and Section 86(1)(b) of Electricity Act 2003 seeking approval of Hydro based PPA with GMR Bajoli Holi Hydro Power Limited (GBHHPL) (60 MW) dated 17.05.2021, Teesta Urja Limited (TUL) (265 MW) dated 17.05.2021 and Tidong Power Generation Private Limited (TPGPL) (75 MW) dated 17.05.2021 for procurement of 400 MW hydro power and adoption of tariff discovered through Competitive Bidding process for meeting the energy requirements of Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd. and Paschimanchal Vidyut Vitran Nigam Ltd. in the months of May to October for 25 years.

1. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14 Ashok Marg, Lucknow - 226001
2. Paschimanchal Vidyut Vitran Nigam Limited,
Victoria Hydrel Inspection House,
Hydrel Colony, Victoria Park, Meerut-250001
3. Purvanchal Vidyut Vitran Nigam Limited,
Vidyut Nagar, Bhikharipur, P.O. DLW, Varanasi- 220101
4. Madhyanchal Vidyut Vitran Nigam Limited,
4A, Gokhale Marg, Lucknow-226001
5. Dakshinanchal Vidyut Vitran Nigam Limited,
Urja Bhawan, NH2 (Agra-Delhi Bypass Road),
Sikandra, Agra - 282002

----- Petitioner(s)

The following were present:

1. C.E (Planning), UPPCL

[Handwritten Signature]



2. Shri Mohit Goyal, Consultant, UPPCL
3. CE (RAU), UPPCL
4. Shri Axit Jain, Consultant (PWC)
5. Shri Biswadeep Parida (PWC)

ORDER

(Date of hearing: 29.07.2021)

1. Uttar Pradesh Power Corporation Ltd. (UPPCL /"the Procurer"), is the authorized representative of the Uttar Pradesh State Distribution Companies. UPPCL and State Distribution Companies namely, Purvanchal, Paschimanchal, Madhyanchal and Dakshinanchal Vidyut Vitran Nigam Limited, have filed the instant Petition under Section 63 and Section 86(1)(b) of Electricity Act 2003 seeking approval of Hydro based

- (a) PPA with GMR Bajoli Holi Hydro Power Limited (GBHHPL) (60 MW) dated 17.05.2021,
- (b) PPA with Teesta Urja Limited (TUL) (265 MW) dated 17.05.2021 and
- (c) PPA with Tidong Power Generation Private Limited (TPGPL) (75 MW) dated 17.05.2021

for procurement of aggregate 400 MW hydro power and adoption of tariff discovered through Competitive Bidding process for meeting the energy requirements of Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd. and Paschimanchal Vidyut Vitran Nigam Ltd. in the months of May to October for 25 years.

2. The followings are the Prayers in the Petition:

- (a) To take the petition on record and admit the same
- (b) To approve the PPAs signed on 17-05-2021 by the successful bidders with UPPCL and 04 Discoms (i.e. PVVNL, MVVNL, DVVNL & PuVVNL).
- (c) To approve and adopt the tariff of the 03 Bidders viz M/s Tidong Power Generation Private Limited (TPGPL), M/s GMR Bajoli Holi Hydro Power Limited (GBHHPL), and M/s Teesta Urja Limited (TUL) discovered through competitive bidding for long-term procurement of 400 MW Hydro Power under Section 63 of the EA, 2003.
- (d) Allow the Petitioner to add/change / alter / modify this application at a future date;



(e) To condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioners to add/change/ modify/ alter this filing and make further submissions as may be required at a future date.

(f) Pass such order as the Hon'ble Commission may deem fit & proper in the facts & circumstances of the case.

Brief Facts

Approval of Bidding Documents:

3. UPPCL had filed Petition No. 1343/2018 for approval of bidding documents and long term PPA with hydro power companies with Run off the River/ Pondage/ Pumped Storage hydro power generating station(s) for conducting competitive bidding process for procurement of 700 MW Power. The bidding documents were prepared as per the Medium-Term Standard Bidding Documents (FOO) issued on 24.01.2014 and the Guidelines issued by the Central Government under Section 63 of the Act vide Notification No. 23/17/2013-R&R (Vol-II) dated 10.02.2014, with necessary modification to accommodate long term procurement of power. The bidding document envisaged that the hydro power plant would dedicate a capacity for supply of electricity thereof for a specified period and time.
4. The following allocation matrix was proposed for sharing of power among the Distribution Licensees:

Table -1

Name of Distribution Licensees	Share
Paschimanchal Vidyut Vitran Nigam Ltd.	35%
Purvanchal Vidyut Vitran Nigam Ltd.	65% (in three equal share)
Madhyanchal Vidyut Vitran Nigam Ltd.	
Dakshinanchal Vidyut Vitran Nigam Ltd.	

5. The draft document was modified based on the feedback received in the Pre-Bid Meeting and UPPCL filed the amended Petition before the Commission, which the Commission approved vide its Order dated 14.01.2019. UPPCL, after cancelling the floated tender, issued new tender document based on the bidding documents approved by the Commission vide its order dated 14-01-2019 for procurement of 700 MW long-term power from the hydro power plants.
6. Upon prospective bidders requesting for certain modifications to the bid document approved by the Commission, UPPCL filed Petition No. 1456 of 2019 seeking approval for deviation in the approved bid document. After



extensive deliberation on the matter, the Commission allowed procurement of 400 MW against proposed 700 MW of hydro power through competitive bidding vide its Order dated 10.06.2019 with certain modifications to the approved bid document.

7. Further, UPPCL issued revised bidding documents on 22.07.2019 on which prospective bidders raised certain queries requiring minor amendment to the approved bidding document. Accordingly, UPPCL filed Petition No. 1553/2020 with proposed changes to the approved bidding documents. The Commission allowed the proposed changes vide its Order dated 12.02.2020.

Bidding Process- I:

8. The technical bid from three Bidders i.e GMR BajoliHoli Hydro Power Pvt Ltd, Tidong Power Generation Pvt Ltd and Teesta Urja Ltd received against tender specification no 01/PLG/UMPP/Hydro/700 MW/2019-20 were opened on 05-03-2020 and all three Bidders were found technical qualified as per the Bidding Document. These bidders participated in the E-Reverse auction and L-1 Matching round. The financial bid of all these qualified bidders was opened on 16-03-2020 wherein following tariff was discovered:

Table -2

Sl. No.	Bidder Name	Fixed Charge (Rs per kWh)	Variable Charge (Rs per kWh)			Total tariff (Rs per kWh)	Allotted Quan. (MW)
		Cost of Gen. (Rs per kWh)	Cost of Gen. (Rs per kWh)	Cost of trans. charges (Rs per kWh)	Cost of trans. Losses (Rs per kWh)		
1	GMR Bajoli Holi Hydropower Private Limited	2.605	2.605	0.44	0.15	5.8	60
2	Teesta Urja Limited	2.5	2.5	0.58	0.22	5.8	340
3	Tidong Power Generation Private Limited	2.565	2.565	0.59	0.16	5.88	NA

9. The Bid Evaluation Committee, during its meeting on 08.06.2020 concluded that due to some technical issues, the bidding process conducted was disputable and may lead to uncertainty over the entire procurement process. It was decided to annul the above-mentioned bidding process and re-tender the Bids.



Bidding Process-II

10. The Commission amended the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through renewable Purchase Obligation) Regulations, 2010 dated 17th August 2010. As per the amended Regulations, a separate Hydro Power Obligation (HPO) was created within the Non-Solar Renewable Purchase Obligation (RPO). The HPO covers all Large Hydro Power Plants commissioned after issue of Ministry of Power Office Memorandum F.No. 15/2/2016-H-I (Pt.) dated 8th March 2019 as well as already commissioned plants without PPA. The trajectory for HPO is mentioned in the table below:

Table -3

Year	Minimum quantum of purchase from renewable sources as % of total energy consumed in kWh			
	Non-Solar		Solar	Total
	Other Non-Solar	HPO		
	(1)	(2)	(3)	(4)
2019-20	5	1	2	8
2020-21	6	2	3	11
2021-22	6	3	4	13
2022-23	6	3	5	14
2023-24	7	3	5	15

11. UPPCL issued Bidding Document and Draft HPPA on 4th September 2020 with tender specification no 01/PLG/UMPP/Hydro/400 MW/2020 based on the Bidding documents approval of the Commission vide order dated 12.02.2020. Last date of submission of Bids was 19th October 2020. M/s Price Waterhouse Coopers Pvt Ltd. (PwCPL) was appointed as Bid Consultant for conducting new bid process.

12. A pre-bid meeting was conducted on 11.09.2020 and the response to queries of the bidders were uploaded on the Deep Portal. Three (03) nos. of bidders (M/s Teesta Urja Limited, M/s GMR Bajoli Holi Hydro Power Limited and M/s Tidong Power Generation Private Limited) submitted their Bids offering a total capacity of 535 MW within the due date:



Table -4
List of Participating bidders

Sl. No.	Name of the Bidder	Capacity Offered in MW
1.	GMR Bajoli Holi Hydro Power Limited (GBHHPL)	60
2.	Teesta Urja Limited (TUL)	400
3.	Tidong Power Generation Private Limited (TPGPL)	75

13. The on-line bid responses were opened on 19 October 2020 and the physical responses were opened on 26th October 2020. UPPCL had authorized **Corporate Store Purchase/Work Committee (CSPC)** for independent evaluation of Bids (**Bid Evaluation Committee**) comprising the following Member:

- i. Chairman, UPPCL
- ii. Managing Director, UPPCL
- iii. Director (Commercial), UPPCL
- iv. Director (Distribution), UPPCL
- v. Director (Corporate Planning), UPPCL
- vi. Director (Finance), UPPCL
- vii. Director (P&A), UPPCL

14. Based on the responsiveness check, suitable clarifications as per article 2.19 of the Bidding Documents were sought from the Bidders. The Bidders responded to all the queries as per the clarification letter issued and the responses were reviewed by M/s PwCPL and the replies were found to be satisfactory. Bid Consultant M/s PwCPL provided the below mentioned recommendation based on its final evaluation of the Technical Bids:

- a) **GMR Bajoli Holi Hydro Power Limited**- The Bidder has submitted all the documents as per the requirements of the Bid Documents and fulfils all the requirement in letter and spirit. The Bidder is qualified for opening of Financial Bid.
- b) **Teesta Urja Limited** - The documents submitted by the bidder does not exactly follow the required procedure, but the intent of the bid documents has been satisfied. The original submission and the additional clarification put together meet the intent of the bid documents.
- c) **Tidong Power Generation Private Limited** - The Bidder has submitted all the documents as per the requirements of the Bid



Documents. The process as per requirements of the Bid Documents may not have been followed entirely, but the original submission and the additional clarification put together meet the intent of the bid documents.

- d) In view of limited competition of only 3 bidders, the BEC may consider qualifying Teesta Urja Limited and Tidong Power Generation Private Limited for opening of Financial Bid. Higher Competition will ensure better price discovery which is in the interest of the consumers.

15. The Bid Evaluation Committee decided to go ahead with opening of the Financial Bids of all the three bidders on 2nd December 2020 following which the E-reverse Auction was carried out. The list of successful Bidders (in order of their rankings) with the respective capacities after e-reverse auction and L-1 Matching is as below:

Table -5

Sl. No.	Bidder Name	Fixed Charge (Rs per kWh)	Variable Charge (Rs per kWh)			Total tariff (Rs per kWh)	Allotted Quantity (MW)
		Cost of Gen. (Rs per kWh)	Cost of Gen. (Rs per kWh)	Cost of trans. charges (Rs per kWh)	Cost of trans. Losses (Rs per kWh)		
1	Tidong Power Generation Private Limited	2.3	2.3	0.78	0.19	5.57	75.0
2	GMR Bajoli Holi Hydropower Private Limited	2.313	2.313	0.716	0.228	5.57	60.0
3	Teesta Urja Limited	2.3	2.3	0.77	0.2	5.57	265.0

16. The Bid consultant evaluated the financial bid received in the tender and submitted its recommendation to UPPCL. The recommendation of Bid Consultant was presented to the Bid Evaluation Committee of UPPCL. The Committee discussed the results of the Competitive Bidding Process in detail and decided to approve the procurement of 400 Hydro Power from all three Bidders at the tariff discovered in e-reverse auction and L-1 matching.

17. The Board of Director, UPPCL in its meeting dated 09-12-2020 approved the procurement of 400 Hydro Power from all three Bidders at the tariff discovered in e-reverse auction and L-1 matching. After approval from BOD,



the proposal for procurement of 400 MW from Hydro Power Project at the discovered tariff in the bidding process was put before Energy Task Force, GoUP. The Energy Task Force was apprised of the salient features to the bid process, viz; complying to HPO obligations, reduction in tariff over the years resulting in levelized tariff of Rs. 5.41 per unit over 25 years and better management of power in peak hours.

18. The Energy Task Force approved the procurement of 400 MW power from all three bidders at the discovered tariff and directed to put up the proposal before Hon'ble Cabinet, GoUP for their consideration. Subsequently, the Cabinet evaluated the decision of the Bid evaluation Committee & the Energy Task Force and approved the procurement of 400 MW power at the following discovered tariff :

Table -6

Sl. No.	Bidder Name	Fixed Charge (Rs per kWh)	Variable Charge (Rs per kWh)			Total tariff (Rs per kWh)	Allotted Quantity (MW)
		Cost of Generation (Rs per kWh)	Cost of Generation (Rs per kWh)	Cost of trans. charges (Rs per kWh)	Cost of trans. Losses (Rs per kWh)		
1	Tidong Power Generation Private Limited	2.3	2.3	0.78	0.19	5.57	75.0
2	GMR Bajoli Holi Hydropower Private Limited	2.313	2.313	0.716	0.228	5.57	60.0
3	Teesta Urja Limited	2.3	2.3	0.77	0.2	5.57	265.0

19. Based on recommendations of the CSPC, Energy Task Force (ETF) and Cabinet, UPPCL issued Letter of Award (LoA) to the three (3) successful Bidders as tabulated below in the order of their ranking:

Table -7

Rank	Name of the Bidder	Bid Capacity (in MW)	Discovered Prices (in Rs./kWh)	LoA Date
1	Tidong Power Generation Private Limited (TPGPL)	75	5.57	16 th April 2021
2	GMR Bajoli Holi Hydro Power Limited (GBHHPL)	60	5.57	16 th April 2021

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3	Teesta Urja Limited (TUL)	265	5.57	16 th April 2021
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20. All the above mentioned (3) Bidders signed the PPA with UPPCL on 17th May 2021 and will be submitting the Performance Security within 30 days from the date of signing of the PPA.

21. UPPCL in response to the letter no. UPERC/Secy/2021/259 dated 22.06.21 has submitted that

- (i) this Commission has jurisdiction to approve PSA under Section -86 (1) (b) read with Section-63, 79 (1) (b) of the Electricity Act-2003. Further, UPPCL has prayed the Commission to approve and adopt the tariff discovered through competitive bidding for long-term procurement of 400 MW Hydro Power under Section 63 of the EA, 2003.
- (ii) there is no deviation in the PPA from the approved documents allowed by the Uttar Pradesh Electricity Regulatory Commission on 12.02.2020.
- (iii) "UPPCL" hereby certifies that it has conducted a transparent competitive bidding process for long term procurement of 400 MW Hydro Power under Section 63, of the EA 2003.

22. UPPCL vide additional affidavit dated 19.07.2021 has submitted that

- a) The Selected Bidder i.e M/s Teesta Urja Ltd had initially bid for 400 MW power during the E-Bidding Stage. In the outcome of the E-Reverse Auction Stage, the M/s Teesta Urja Limited emerged as L-3 Bidder and was allotted 265 MW quantity.
- b) After completion of the Bidding Process, the Procurer had accepted the Bid of the Selected Bidder and issued its Letter of Award No. 351 Plg/UMPP-I/400 MW Hydro dated 16.04.2021 (hereinafter called the "LOA") to the Selected Bidder requiring, inter alia, the execution of this Agreement for Procurement of Hydro Power within 30 (thirty) days of the date of issue thereof.
- c) The Parties had entered into a Power Purchase Agreement (hereinafter called the "PPA") for Procurement of Hydro Power on 17.05.2021. The Petitioner had inadvertently used the Design Energy of the 400 MW as offered capacity in the PPA instead of allotted 265 MW. Thus, the Design Energy table appearing in Annexure 1 of Schedule- A titled 'Description



of Hydro-based Power Station' under Clause 6-G of the PPA dated 17-05-2021 is substituted as below: -

Month	Design Energy of installed capacity in kWh/ per year (1200 MW)	Design Energy of offered capacity in kWh/ per year (265 MW)
April	280345000	-
May	336137360	74230334
June	734528600	162208399
July	837982080	185054376
August	805170600	177808508
September	710786960	156965454
October	499394480	110282948
November	252325320	-
December	187008640	-
January	163543640	-
February	141718720	-
March	202312760	-
Annual	5151254160	866550019

23. Accordingly, the Supplementary PPA was signed on 16-07-2021 with M/s Teesta Urja Ltd and Discoms of UP/ UPPCL incorporating the above amended Design Energy corresponding to allotted capacity of 265 MW. UPPCL vide additional affidavit dated 19.07.2021 has sought approval of Hydro based Supplementary PPA dated 16.07.21 signed between Teesta Urja Ltd. and UP Discoms /UPPCL.

Record of Proceedings

24. The Commission held the hearing on 29.07.2021. The Bid Process Consultant, PWC, made a presentation before the Commission on various aspects of the bidding and benefits to UPPCL. Before concluding the hearing, the Commission asked various queries to the Respondent, UPPCL, which were replied as follows:

- (a) Normative availability as per RFP document: Run off the River/ Pondage - 90% without silt & 85% with silt/ Pumped Storage/ any other, during the peak hours pertaining to Procurers specified 6 hours
- (b) Transmission charges & losses: Rs. 0.97 is the cost of transmission charges and losses other than the cost of Generation
- (c) Hydro Purchase Obligations: CE (Planning), UPPCL confirmed that HPO benefit would be available for the power procured under the PPA(s).



- (d) Whether there were same participants in 2nd bidding: Yes
- (e) Was the tariff offered in 2nd round of bidding was lower or higher as compared to first round: lower
- (f) Any Trading margin is involved? No
- (g) Whether No deviation Certificate to bidding document is submitted? Yes
- (h) Whether Conformity Certificate to bidding process is submitted: Yes

Commission's analysis and decision

25. UPPCL initiated the bid process with tender specification no 01/PLG/UMPP/Hydro/400 MW/2020 based on the Bidding documents approved by this Commission on 12.02.2020 and issued Bidding Document and Draft HPPA on 4th September 2020. Last date of submission of Bids was 19th October 2020. M/s Price water house Coopers Pvt Ltd. (PwCPL) was appointed as Bid Consultant for conducting new bid process. The bidding has been conducted on DEEP portal of Ministry of Power, Govt. of India. The Bid Consultant, Bid Evaluation Committee, Energy Task Force and the Cabinet, Govt. of U.P. have approved the procurement of 400 MW hydro power from the bidders as mentioned at Table 6. The LOA dated 16th April 2021 have been issued pursuant to the decision of the Cabinet and PPA with respective bidders signed on 17th May 2021. UPPCL has certified that the a transparent competitive bidding process for long term procurement of 400 MW Hydro Power under Section 63, of the EA 2003 has been conducted and also that there is no deviation in the PPA from the approved documents allowed by this Commission vide order dated 12.02.2020.

26. The peak demand season for Uttar Pradesh is during the months May to October, where typically the peak is observed during the evening hours and night hours. The State resorts to purchase of power from Bilateral sources and Collective market (Power Exchanges through DAM/RTM/TAM) during these months and it is observed that the price of such transactions is generally very expensive. The energy procured by UPPCL during specified peak hours, under this bidding, would help off-set a significant portion of the peak demand deficit which currently is procured from bilateral sources and collective market so that that there would be no displacement of any other generator thereby not imposing any risk of stranded capacity charge payment on UPPCL.

Commission's View

27. The Commission is of the considered view that the long-term power procurement of hydro power during specified peak hours for the period from May to October at reduced tariff each year at estimated levelized tariff of



Rs. 5.41 per unit over 25 years would not only help UPPCL in demand management in peak hours but also complying to Hydro Power Obligation to a large extent over the period which has also been confirmed by UPPCL during the hearing. Further, The levelized tariff of Rs. 5.41 per unit is aligned to market as can be seen from three years hydro power procurement by NPCL at tariff of Rs. 5.46 per unit, which was approved by the Commission vide order dated 28.02.20 in Petition No.1552/2020.

28. Therefore, the Commission adopts the tariff as mentioned at Table 6 above and approves the PPA dated 17.05.2021 for Tidong Power Generation Private Limited (TPGPL) and GMR Bajoli Holi Hydropower Private Limited. The PPA dated 17.05.21 along with SPPA dated 16.07.21 for Teesta Urja Limited (TUL) is also approved.

Accordingly, the Petition stands disposed of.

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Dated: 27.08.2021