

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2062 of 2022.

In the Matter of:

Petition seeking approval of Short-Term Power Purchase arrangement for the period from 01.04.2022 to 31.03.2023 for sourcing of power to cater to the demand of its Licensee Area under Section 63 of the Electricity Act, 2003 read with the provisions of the Guidelines for Power Procurement by distribution Licensees issued by the Commission.

Petitioner : Torrent Power Limited
Represented By : Mr. Chetan Bundela, Mr. Jignesh Langalia & Mr. Rahul Dubey

CORAM:

**Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member**

Date: 02/05/2022.

DAILY ORDER

1. The present matter was listed for hearing on 20.04.2022.
2. Mr. Chetan Bundela, appearing for the Petitioner Torrent Power Limited, submitted that the present Petition has been filed by the Petitioner in its capacity as distribution licensee in different license areas in Gujarat seeking approval of Short Term Power Purchase arrangement for sourcing day power (i.e., from 0900 hours to 2400 hours) and Round-the-Clock (RTC) power (i.e. from 0000 hours to 2400 hours) during the period from 01.04.2022 to 31.03.2023 to cater to the demand of its license areas and adopt the tariff under Section 63 of the Electricity Act, 2003 readwith the provisions of

the Guidelines for Power Procurement by Distribution licensee issued by the Commission.

- 2.1. It is submitted that the Petitioner is having long term power purchase arrangement with AMGEN, SUGEN, UNOSUGEN and Renewable energy generators for catering to the demand of its consumers in its license areas in Gujarat. However, on account of very high gas prices currently prevailing requires procurement of power from other alternatives and accordingly, it also procures power from power exchange / other bilateral arrangements to meet with requirement. Further, the Petitioner has been monitoring and reviewing the demand and supply position based on continuous developments to cater to the demand of its consumers and in order to cater to the demand of its consumers, the Petitioner planned to procure day power (i.e., from 0900 hours to 2400 hours) and Round-the-Clock (RTC) power (i.e., from 0000 hours to 2400 hours) during the period from 01.04.2022 to 31.03.2023 through short term bidding process.
- 2.2. It is submitted that the Petitioner has made following two deviations from the MoP bidding guidelines in the bidding documents filed i.e., RFP & PPA for availing better terms and flexibility to reduce the overall cost of power procurement which have been approved by the Commission vide its Order dated 24.04.2017 in Petition No. 1636 of 2017:
- Take or Pay Penalty: The penalty for “take or pay” and “supply or pay” shall be Rs. 2 per unit.
 - Take or Pay Quantum: The minimum quantity for “take or pay” and “supply or pay” shall be 80%.
- 2.3. The Petitioner published a tender notice on 09.12.2021 for procurement of power on short term basis through e-tendering and on Reverse Auction basis in the following newspapers:
- Business Standard (All India Edition)
 - Mint (All India Edition)
- 2.4. The bidders were required to bid on website of MSTC www.mstcecommerce.com (DEEP Portal) and last date for submission of bids/offers was 13.12.2021. Bids from thirteen (13) bidders were received at IPO stage and e-reverse auction was conducted on MSTC’s portal on 16.12.2021. Since the rates discovered in e-Reverse Auction were

on higher side, the Petitioner TPL asked all the bidders to submit their best offer in terms of reduction in rate and increase in quantum. Based on final offers received from bidders, the Petitioner approached the Standing Committee with all the details and in turn the Committee recommended to issue “Letter of Award” (LOA) to certain bidders. Accordingly, the Petitioner could tie-up some quantum of power during this round of bidding but it emerged that day power was not adequately offered and rate offered for same was also higher.

2.5. It is stated that looking at the situation of In-State generation and continued difficulties in open access, the Petitioner issued another tender notice on 05.01.2022 for procurement of power on short term basis through e-tendering and on Reverse Auction basis in the following newspapers:

- Business Standard (All India Edition)
- Mint (All India Edition)

2.6. The bidders were required to bid on website of MSTC www.mstcecommerce.com (DEEP Portal) and last date for submission of offers was 10.01.2022. Bids from seven (07) bidders were received at IPO stage and e-reverse auction was conducted on MSTC’s portal on 12.01.2022. Since the rates discovered in e-Reverse Auction were on higher side, the Petitioner TPL asked all the bidders to submit their best offer in terms of reduction in rate and increase in quantum. Based on final offers received from bidders in the said processes, the Petitioner approached the Committee with all the details and in turn the Committee recommended to issue “Letter of Award” (LOA) to certain bidders.

2.7. It is stated that considering the continued issues of In-State generation and Transmission constraints, Petitioner issued another tender notice on 03.02.2022 for procurement of power on short term basis through e-tendering and on Reverse Auction basis in the following newspapers:

- Business Standard (All India Edition)
- Mint (All India Edition)

2.8. The bidders were required to bid on website of MSTC www.mstcecommerce.com (DEEP Portal) and last date for submission of offers was 08.02.2022. Bids from five (05) bidders were received at IPO stage and e-reverse auction was conducted on MSTC’s portal on 15.02.2022. Since the rates discovered in e-Reverse Auction were on higher side, the Petitioner TPL asked all the bidders to submit their best offer in terms

of reduction in rate and increase in quantum. Based on final offers received from bidders in the said processes, the Petitioner approached the Committee with all the details and in turn the Committee recommended to issue "Letter of Award" (LOA) to certain bidders.

- 2.9. It is submitted that the Standing Committee Certificate for compliance of MoP guidelines is filed and as per the recommendations of the Committee, the Petitioner has issued LOAs to the successful bidders and the bidders have accepted the same and Power Purchase Agreements (PPAs) have also been executed with such bidder. The Petitioner has also filed Certificate of Committee and LOAs. Accordingly, the Commission is requested to approve the power purchase arrangement and adopt the tariff as above for supply of day power (i.e., from 0900 hours to 2400 hours) and Round-the-Clock (RTC) power (i.e., from 0000 hours to 2400 hours) during the period 01.04.2022 to 31.03.2023, through short term bidding process.
3. We have considered the submissions made by the Petitioner. The Petitioner has filed the present Petition seeking approval of Short-Term Power Purchase arrangement for sourcing of power to cater to the demand of its license areas under Section 63 of the Electricity Act, 2003 read with the Guidelines for Power Procurement by distribution Licensees issued by the Commission alongwith adoption of tariff discovered under Competitive Bidding Process for procurement of power from Grid connected Solar PV projects in Gujarat through various RfS under Section 63 of the Electricity Act, 2003. The Petitioner is seeking approval of arrangement of day power (i.e., from 0900 hours to 2400 hours) and Round-the-Clock (RTC) power (i.e., from 0000 hours to 2400 hours) during the period 01.04.2022 to 31.03.2023 tied-up through competitive bidding process in order to cater to the demand of its consumers.
- 3.1. We also note that the Petitioner has carried out the competitive bidding process under Section 63 of the Electricity Act for procurement of power on short term basis through e-tendering and reverse auction and the competitive rate has been discovered for the period from 01.04.2022 to 31.03.2023. Accordingly, the Petitioner has approached the Commission for adoption of tariff discovered under competitive bidding process.
- 3.2. We also note that in respect to negotiation carried out with the bidders and reduction of paisa per unit in the rate by bidders and whether there are any supporting documents filed thereto by the Petitioner is concerned, no documents exchanged between the bidders and the Petitioner in respect of negotiation, has been filed with

the present Petition. Hence, the Petitioner is directed to submit the documents exchanged between the bidders and the Petitioner in respect of negotiation, within week time.

3.3. We also note that in respect of tender notice issued on 05.01.2022 for procurement of power on short term basis through e-tendering and on Reverse Auction basis is concerned, it is submitted by the Petitioner that the Petitioner has received seven (07) bidders at IPO stage and e-reverse auction was conducted on MSTC's portal on 12.01.2022. Whereas the Standing Committee report dated 19.01.2022 states that the total 14 bidders were received at IPO stage and e-reverse auction was conducted on MSTC's portal on 12.01.2022. Hence, the Petitioner is required to clarify this aspect on affidavit within week time.

3.4. We have considered that the Petitioner has carried out competitive bidding process to cater the demand of its consumers for the period of 01.04.2022 to 31.03.2023 and also submitted copy of the RFPs, Draft PPAs, tender notices, standing committee certificates, copy of LOAs etc.

3.5. As such the Petitioner has completed the submissions in the present matter and accordingly, we direct the Petitioner to file additional submissions on affidavit as stated within week a time from the date of this Order. The matter is now reserved for order.

4. We order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.

Date: 02/05/2022.