

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 153 of 2023 and IA 46 of 2023

Case of Jawaharlal Nehru Port Trust seeking approval for Power Purchase Agreement and Adoption of Tariff determined through transparent bidding process for a Short-Term procurement of power for 1 year starting from 1 July, 2023 to 30 June, 2024 for load upto 1.5 MW Round the clock

Coram

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

Jawaharlal Nehru Port Trust: -

Petitioner

Vs

Manikaran Power Limited: -

Respondent

Appearance

For Petitioner: -

Shri. Ghanashyam Thakkar (Rep)

For Respondent: -

Shri. Anshul Rustagi (Rep)

ORDER

Date: 27 September, 2023

1. Jawaharlal Nehru Port Trust (JNPT) has filed this Petition on 28 June, 2023 under Section 86(1) (b) read with Section 63 of the Electricity Act, 2003 (EA, 2003) seeking approval for Power Purchase Agreement (PPA) and Adoption of Tariff determined through transparent bidding process for a Short-Term procurement of power for 1 year starting from 1 July, 2023 to 30 June, 2024 for load up to 1.5 MW on Round the clock (RTC) basis.
2. **JNPT's main prayers are as under:**
 - i) *Approve the power purchase from MPL up to 1.5 MW at Rs 6.30/kWh at Maharashtra State Periphery for a period of one year from 1 July, 2023 to 30 June, 2024;*

- ii) *Adopt the tariff of Rs. 6.30/kWh at Maharashtra Periphery for procurement of power up to 1.5 MW considering RTC Base Load of 0.6 MW and additional peak power of 0.9 MW from 09.00 Hrs to 21:00 Hrs except Sundays and public holidays for a period of one year from 1 July, 2023 to 30 June, 2024, discovered through competitive bidding, under Section 63 of the Electricity Act, 2003;*

3. JNPT in its Petition has stated as follows:

- 3.1 JNPT is a major port notified under Major Port Trusts Act, 1963.
- 3.2 JNPT has been notified as a Developer of SEZ by the Ministry of Commerce and Industry, Government of India on 11 August, 2014 vide SEZ notification No. S. O. 2047 (E). The SEZ is being developed over an area of 277.38 Hectares situated in the villages of Savarkahar, Karal, Sonari and Jaskhar of Uran Taluka, Distt. Raigad of the Maharashtra.
- 3.3 The Commission vide its Order dated 14 June, 2018 in Case No. 47 of 2018 has confirmed the status of the Deemed Distribution Licensee to JNPT for the notified SEZ area under Section 14 of the EA, 2003. Further, specific conditions of Distribution License applicable to JNPT have been notified by the Commission on 13 November, 2018.
- 3.4 The Commission vide its Order dated 27 June, 2022 in Case No. 90 of 2022 has adopted the rate of Rs. 5.02 per unit at Distribution periphery for 1 MW RTC power from 1 July, 2022 to 30 June, 2023. Subsequently, the Commission vide its MTR Order dated 31 March, 2023 in Case No. 219 of 2022 has duly approved power purchase quantum and cost for FY 2023-24 and FY 2024-25.
- 3.5 JNPA is presently supplying to 18 Consumers and has total demand of up to 1.5 MW. The existing short-term PPA to meet the demand in the licence area is valid up to 30 June, 2023. Accordingly, from July 2023 onwards, JNPA decided to procure up to 1.5 MW power considering RTC Base Load of 0.6 MW and additional peak power of 0.9 MW from 09.00 Hrs to 21:00 Hrs except Sundays and public holidays at Maharashtra periphery for the one year period from 1 July, 2023 to 30 June, 2024 in accordance with the Short term power procurement guidelines (Standard Bidding Guidelines) issued by Ministry of Power, Government of India, on 30 March, 2016.
- 3.6 JNPT initiated competitive bidding process for procurement of short-term power in the month of April 2023 on DEEP portal without any deviations in accordance with the Standard Bidding Guidelines. Considering the response only from single bidder, JNPT extended the bid deadlines to have more participation. No additional bid was received by the JNPA except from Manikaran Power Limited (MPL). However, JNPA proceeded to open the bid after recommendation of technical committee and conducted e-RA. The price offered by MPL was Rs. 6.50 per unit. As the rate discovered through the competitive bidding process was found to be on higher side as compared with cost

approved by the Commission in its MTR order i.e., Rs. 5.40 per unit and recently adopted tariff for SEZ based distribution licensees by the Commission, the said tender was annulled considering the participation of single bidder and discovery of higher tariff at that time.

- 3.7 JNPA reinitiated competitive bidding process for procurement of short-term power in the month of May 2023 and floated the tender on DEEP portal without any deviations. JNPT issued a Public Notice in the Indian Express -English (All Editions) and Loksatta – Marathi (All Editions) and Nava Bharat – Hindi (All Editions) on 23 May 2023. In accordance with Clause 3.1 of the Standard Bidding Guidelines, JNPT appointed PFC Consulting Limited (PFCCL) as the Authorised Representative to conduct the e-bidding.
- 3.8 Two bidders namely MPL and Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) qualified in the bidding process and the initial offer price quoted by the bidders is Rs 6.40 per unit and Rs 6.61 per unit respectively. The e-RA was conducted on 06 June, 2023 and the lowest price discovered was Rs 6.30/kWh from MPL
- 3.9 The price discovered through competitive bidding is Rs. 6.30 per unit at Maharashtra Periphery was still higher than the approved rate in MTR Order in Case No. 219 of 2022 even after conducting two bidding processes. As two bidders participated in the second bidding, Evaluation Committee recommended to accept the offer of MPL and directed to issue LOA to MPL. JNPT issued LOA to MPL vide letter dated 23 June, 2023 which was accepted by MPL vide letter dated 26 June, 2023.
- 3.10 After considering the present market scenario, wherein the rates on power exchanges were in range of Rs 5 per unit to Rs. 7 per unit at the time of bidding and also considering the very small quantum of power requirement, the rate of Rs 6.30 per unit is market reflective.
4. At the time of E-hearing dated 29 August, 2023, JNPT reiterated its submission mentioned in the Petition and MPL has supported the Petition.

Commission's Analysis and Ruling

5. The Commission has recognized JNPT as a Deemed Distribution Licensee vide its Order in Case No 47 of 2018 dated 14 June, 2018 and has notified specific conditions of Distribution Licensee on 13 November, 2018.
6. The Commission vide Order dated 27 June, 2022 in Case No. 90 of 2022 has adopted the rate of Rs. 5.02 per unit at Distribution Periphery for 1 MW RTC power from 1 July, 2022 to 30 June, 2023 and approved PPA with MPL.

7. Subsequently, the Commission has issued MYT Tariff Order for JNPT vide Order dated 31 March, 2023 in Case No. 219 of 2022. The Commission has approved power purchase quantum and rate as follows:

Particulars	Details	FY 2023-24	FY 2024-25
		Approved	
Power Purchase Quantum (MU)	New Short-term Source	7.89	14.17
	Existing PPA	1.68	0.00
	Renewables	0.00	0.00
	Total	9.57	14.17
Power Purchase Rate (Rs/kWh)	New Short-term Source	5.40	5.40
	Existing PPA	5.02	
	Renewables		
	Total	5.55	5.65

8. The Commission has approved 7.89 MU (nearly 1 MW) and JNPT has proposed to procure 11 MU (1.5 MW). In justification it has stated that number of consumers has increased from 13 to 18 and thereby increasing the demand. The Commission notes that being a distribution licensee in a small area of supply, it would be in a better position to predict its future demands and therefore accepts the projected demand of 1.5 MW for FY 2023-24.
9. The Commission notes that as existing PPA was expiring in June 2023, JNPT has undertaken Short-Term power procurement of 1.5 MW for the period of 1 July, 2023 to 30 June, 2024 through competitive bidding in April, 2023 which was annulled due to participation of single bidder and discovery of high price of Rs 6.5 per unit. For the second time, JNPT again has published Notice on 23 May, 2022 in Indian Express, Loksatta and Nava Bharat (All Editions) for giving publicity to bids. Further, in accordance with Clause 3.1 of the Standard Bidding Guidelines, JNPT has appointed PFCCL as the Authorised Representative to conduct the e-bidding for Short Term Power Procurement.
10. Two bidders namely MPL and MSEDCL have participated in the bidding process. Initial price offered by these two bidders was Rs. 6.40 per unit and Rs 6.61 per unit respectively. Post E-Reverse Auction process conducted on 6 June, 2023, MPL was the lowest bidder with the discovered rate of Rs. 6.30 per unit.
11. The Commission notes that present rate discovered by JNPT through competitive bidding process i.e. Rs. 6.30 per unit at STU periphery is more than JNPT's existing power procurement rate of Rs. 5.02 per unit at distribution periphery and the approved rate of Rs 5.40 per unit for short term procurement as per MYT Tariff Order. Therefore, it is important to test the competitiveness of tariff discovered by JNPT in the present bidding process. The Commission in case of BEST's Short Term power procurement has adopted weighted average rate of Rs 7.43 per unit for the period from 1 April, 2023 to 31 March, 2024 vide its Order in Case No. 37 of 2023 and for the month of April, 2023 as Rs 10.3 per unit vide Order in Case No. 44 of 2023
12. The Commission also notes that currently, the rates being discovered on DEEP portal are varying in the range of Rs 5 per unit to Rs 10 per unit. Also weighted average rate of Indian Energy Exchange (IEX) is Rs.7.92 per unit. The Commission notes that JNPT has carried

out the competitive bidding process two times to get the more competitive rates and able to reduce discovered rate by 20 paise i.e. Rs 6.30 per unit. Considering the efforts shown by JNPT and the present market condition, the Commission found that the present discovered rate by JNPT is reflective of the current market situation.

13. Section 63 of the Electricity Act, 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.
14. In view of the foregoing, the Commission notes that tariff discovered by JNPT fulfils mandate and requirements for adoption as set out in Section 63 of the EA, 2003. Accordingly, the Commission adopts following Power Procurement tariff for JNPT for the period of 1 July, 2023 to 30 June, 2024

Type of Load	Name of Bidder	Source of Power	Tariff per unit
Base Load of 0.6 MW (RTC)*	Manikaran Power Limited	Birla Carbon India Private Limited Intra-State	Rs. 6.30
Peak Load of 0.9 MW (9:00 to 21:00)*			

**except Sundays and public holidays*

15. The Commission notes that JNPT has issued the LoA to MPL on 23 June, 2023 which has been accepted by MPL vide letter dated 26 June, 2023. The Commission also notes that the attached PPA is in line with Standard Bidding documents issued by MoP. JNPT shall submit copy of final PPAs for records of the Commission.
16. Hence, following Order.


ORDER

- Case No. 153 of 2023 is allowed.**
- The Commission adopts the Short Term Power Procurement for the period of 1 July, 2023 to 30 June, 2024 by Jawaharlal Nehru Port Trust for its SEZ as stated in para 14 above under Section 63 of the Electricity Act, 2003,.**
- Jawaharlal Nehru Port Trust, to submit copies of Final PPA to the Commission for records.**

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

