



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

**Petition No. 2035 of 2023**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Vinod Kumar Srivastava, Member (Law)

Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF**

Petition, under Section 63 of the Electricity Act, 2003 read with Revised Guidelines for Procurement of Electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO) basis dated 30.01.2019 issued by Ministry of Power, for adoption of tariff and approval of Agreement for Procurement of Power (APP) by the Commission for purchase of 95 MW RTC Power by NPCL from the Successful Bidder/s pursuant to tariff determined through a transparent and competitive e-Bidding followed by Reverse Auction Process through DEEP Portal adopted in accordance with the Guidelines.

**AND**

**IN THE MATTER OF**

**Noida Power Company Ltd. (NPCL)**

Electric Sub-Station, Knowledge Park - IV, Grater Noida,

Gautam Buddha Nagar, U.P. - 201310

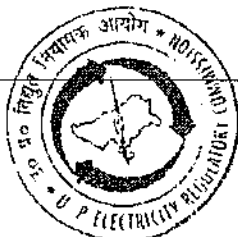
..... Petitioner

**THE FOLLOWING WERE PRESENT**

1. Shri Sanket Srivastava, Head Power Purchase, NPCL

**ORDER**

**(DATE OF HEARING: 04.01.2024)**



by



1. NPCL has filed the instant Petition seeking adoption of tariff and approval of APP dated 15.11.2023 for procurement of 95 MW RTC coal-based power from Jindal India Thermal Power Ltd. (JITPL) under Medium Term from 01.04.2024 to 31.03.2029.

2. The Petitioner has Prayed the following:

- i. Adopt the tariff as mentioned in Table 5 above for procurement of 95 MW Thermal power M/s JITPL in terms of the Section 63 of the Electricity Act, 2003 read with Medium Term Bidding Guidelines and Standard Bidding Documents Issued by Ministry of Power to enable the Petitioner to supply reliable power to its consumers.
- ii. Approve the APP dated 15.11.2023 attached as Annexure 14.
- iii. Grant Liberty to the Petitioner to add further Prayer(s) with the permission of the Commission; and
- iv. pass any other order(s) as this Commission may deem fit in the facts and circumstances of the case.

**Brief facts as stated in Petition:**

3. NPCL has following tie-ups for supply of power:

➤ **Long Term Arrangements**

- a) 171 MW RTC power at ex-generator's bus from DIL - approximately 158 MW RTC will be available at NPCL bus.
- b) 25 MW at ex-generator's bus from Adani Solar Energy Chitrakoot One Limited - approx. 13-14 MW will be available during day hours at NPCL bus.
- c) 25 MW at ex-generator's bus from Tata Power Renewable Energy Limited - approximately 13-14 MW will be available during day hours at NPCL bus.
- d) 10 MW Wind Power at ex-generator's bus from PTC India Limited - approximately 6-7 MW RTC will be available at NPCL bus.





➤ **Medium Term Arrangements**

e) 100 MW RTC power at ex-generator's bus from M/s Tata Power Trading Company Limited - approximately 93 MW RTC will be available at NPCL bus.

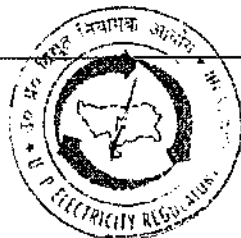
4. Based on demand trend of the Consumers, the Petitioner has estimated its load requirement from FY 2022-23 to FY 2026-27 and the Petitioner expects energy requirement and peak demand during the above period as follows:

| Financial Year | Energy Requirement (MU) | Peak Demand (MW) |
|----------------|-------------------------|------------------|
| 2022-23        | 3292.66                 | 592              |
| 2023-24        | 3589.47                 | 652              |
| 2024-25        | 4028.74                 | 750              |
| 2025-26        | 4431.62                 | 825              |
| 2026-27        | 4874.78                 | 907              |
| 2027-28        | 5362.25                 | 998              |
| 2028-29        | 5898.49                 | 1098             |

\*Petitioner has estimated demand growth @ 10% CAGR from FY 2024-25

5. The Petitioner has estimated that existing Long-term/Medium-term Contracts of the Petitioner would cater to only 50% (approx.) for FY 2024-25. The balance 50% is at the vagaries of short-term market. The dependence on Short-term market will increase beyond 50% from FY 2025-26 and onwards.
6. In order to meet the expected load requirement, NPCL decided to procure 125 MW RTC Power on medium term basis in accordance with the Revised Guidelines dated 30.01.2019 issued by the Ministry of Power. The successful bidder is required to supply 125 MW or part thereof, (Round the Clock) for a period of 5 years commencing 01.04.2024 to 31.03.2029 having delivery point at CTU Periphery (i.e., Delivery Point).
7. NPCL adopted e-Bidding Process followed by Reverse Auction on the DEEP Portal and appointed PFC Consulting Limited as its authorized Representative for the purpose of for procurement of electricity from the corporate entity(ies) & Reverse Auction Process.

by



1

2



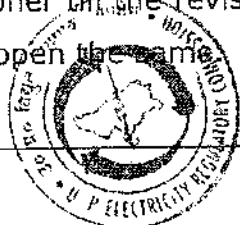
The Standard Bidding Documents (RFQ, RFP and APP) detailing all terms and conditions for supply of power to the Petitioner were prepared in coordination with PFC based on the Medium-Term Guidelines without any modification. Further, M/s PFC was authorized to open the technical and financial bids.

8. The Petitioner, in August 2023, conducted another competitive bidding for supply of 125 MW power on Medium Term Basis for 5 Years (Power Supply commencing from April 2024) wherein the following rates were discovered:

| S. No | Bidder                                  | Bid Quantum (MW) | Cost of Generation (Rs./kWh) | Transmission Charges (Rs./kWh) | Transmission Losses (Rs./kWh) | Total Tariff at Delivery Point* (Rs./kWh) |
|-------|---|------------------|------------------------------|--------------------------------|-------------------------------|---|
|       |   |                  | A                            | B                              | C                             | D = (2*A+B+C)                             |
| 1.    | Jindal Power Ltd                        | 50               | 2.60                         | 0.0                            | 0.0                           | 5.20                                      |
| 2.    | DB Power Ltd                            | 25               | 2.60                         | 0.0                            | 0.0                           | 5.20                                      |
| 3.    | Manikaran Power Ltd (BLA Power, Unit-2) | 25               | 2.60                         | 0.0                            | 0.0                           | 5.20                                      |
| 4.    | TPTCL (Jindal India Thermal Power Ltd)  | 25               | 2.60                         | 0.0                            | 0.0                           | 5.20                                      |

\* Delivery Point i.e. CTU Periphery of the Seller

9. NPCL, with a view to getting better rates, decided to conduct another bidding process. On 18.08.2023 Petitioner published tender notices in the newspapers viz., The Indian Express and The Financial Express, inviting Bids from eligible bidders for delivery of 125 MW power or part thereof for a period of 5 years. The last date of bid submission was **28.09.2023**. The Petitioner was in receipt of several queries from the prospective bidders, therefore, the Petitioner issued Corrigendum 1, 2, & 3 and revised the last date of submission of bid as **26.10.2023** and the date of e-Reverse Auction to **31.10.2023**. However, the Petitioner till the revised last date (i.e., 26.10.2023) received **only one bid** and decided to open the same





10. Subsequently, the e-Reverse Auction was conducted by M/s PFC in which the following rates were discovered:

**Table - 5**

| S. No | Bidder                                     | Quantum (MW) | Cost of Generation (Rs./kWh) | Transmission Charges (Rs./kWh) | Transmission Losses (Rs./kWh) | Total Tariff at Delivery Point (Rs./kWh) |
|-------|--|--------------|------------------------------|--------------------------------|-------------------------------|--|
|       |  |              | A                            | B                              | C                             | D = (2*A+B+C)                            |
| 1.    | Jindal India Thermal Power Limited (JITPL) | 95.0         | 2.595                        | 0.0                            | 0.0                           | 5.19                                     |

11. JITPL has been declared as the successful bidder for the supply of 95 MW power (against 125 MW requisitioned quantum) at the tariff of Rs. 5.19/kWh at the delivery point i.e., CTU Periphery: i.e., interconnection of Seller with CTU. Transmission charges and losses up to the delivery point i.e. CTU periphery is to be borne by the bidder/JITPL and the transmission charges and losses beyond delivery point are payable by NPCL on actuals.
12. Fixed charges have been computed at 85% Normative Availability in accordance with Article 11.4 of the Standard APP as provided in the Bidding Documents. Further, in case the off-take exceeds the 85% normative availability mark, the supplier will receive incentive in-lieu of fixed charges @ 50% of the fixed charges in accordance with Article 11.6.1 of the Standard APP. Further, the Base Variable Charge of the discovered tariff is subject to annual escalation in terms of Article 12.3.2 of the APP.
13. The rates discovered in the other bids are at par with the rate discovered by the NPCL in the current bid. Further, rates discovered on Indian Energy Exchange (IEX) during past few years are substantially on the higher side due to limited availability of power particularly thermal power in non-solar hours.
14. NPCL issued a Letter of Award dated 07.11.2023 to JITPL, Orissa for supply of 95 MW RTC power for a period of five years commencing from 01.04.2024 subject to the

64

6



3



approval of the Commission. Subsequently, the Petitioner signed the APP on 15.11.2023 with M/s JITPL subject to the approval of the Commission.

**Record of Proceedings:**

15. The Commission heard the matter on 04<sup>th</sup> Jan 2024. Sh. Sanket Srivastava, submitted the following in reply to the Commission's query:

- i. The price of power at NPCL periphery would be approx. Rs. 6.0 - Rs. 6.10/unit.
- ii. The price benchmarking with other tenders/power exchange rates, has been made at the same delivery point i.e., CTU periphery.
- iii. The exchange price at CTU periphery for FY 2022-23 is Rs. 5.96/unit, whereas for FY 2023-24, till April 23-Oct 23, the rate at CTU periphery is Rs. 6.17/unit.

**Commission's view:**

16. NPCL has filed the instant Petition seeking adoption of tariff for procurement of 95 MW RTC coal-based power from Jindal India Thermal Power Ltd. (JITPL) under Medium Term from 01.04.2024 to 31.03.2029, in term of section 63 of Electricity Act, 2003 and approval of APP dated 15.11.2023.

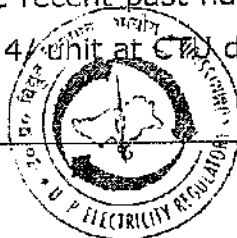
17. In the first bidding conducted by the Petitioner, the quoted rate was Rs. 5.20 per unit by four bidders, however, the petitioner conducted the next bidding process in which only one bidder quoted after e-reverse auction the rate of Rs. 5.19 per unit was accepted by the Petitioner.

18. The Petitioner has confirmed that the bidding has been conducted in conformity with the MoP guidelines dated 30.01.2019 for medium term power procurement and there is no deviation with respect to these guidelines.

19. The Petitioner has submitted that the medium terms bidding results conducted by NPCL itself, HPPC and PFC consulting Ltd, in the recent past have been in the range of Rs. 5.70/unit, Rs. 5.79/unit and Rs. 5.2-Rs. 5.4/unit at CTU delivery point.

*by*

*SP*



*m*



20. The Commission, in view of the above, adopts the tariff of Rs. 5.19/unit for procurement of 95 MW Thermal power M/s JITPL in terms of the Section 63 of the Electricity Act, 2003 read with Medium Term Bidding Guidelines and Standard Bidding Documents issued by Ministry of Power to enable the Petitioner to supply reliable power to its consumers and approve the Agreement for Procurement of Power dated 15<sup>th</sup> Nov 2023.

The Petition is disposed of in terms of the above.

(Sanjay Kumar Singh)

Member

(Vinod Kumar Srivastava)

Member (Law)

(Arvind Kumar)

Chairman

Place: Lucknow

Dated: 09.01.2024



12

12

12