

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2346 of 2024.

In the matter of:

Petition under Section 63 read with 86 (1) (b) of the Electricity Act, 2003 for seeking adoption of tariff/rate discovered under Competitive Bidding Process conducted vide RfS No. GUVNL/BESS/Phase II dated 29.11.2023 issued by GUVNL for procurement of storage capacity from 250 MW /500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat.

Petitioner : Gujarat Urja Vikas Nigam Limited
Represented by : Mr. Sourav Nandy and Mr. Sumit Harwani
V/s.
Respondent No. 1 : M/s Gensol Engineering Limited
Represented by : Mr. Thumar Lalji
Respondent No. 2 : M/s IndiGrid 2 Limited
Represented by : Nobody was present.

CORAM:

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

Date: 14/06/2024.

ORDER

1. This Petition has been filed by the Petitioner Gujarat Urja Vikas Nigam Limited (GUVNL) under Section 63 read with Section 86(1)(b) of the Electricity Act 2003 *inter alia* seeking following prayers:

(a) *To admit the present petition.*

- (b) *To adopt the tariffs discovered by the Petitioner as mentioned at para 22 of the Petition in the transparent Procurement Process conducted by the Petitioner through RfS No. GUVNL/BESS/Phase II dated 29.11.2023 within the time duration stipulated by Hon'ble MoP under the guidelines referred at Section – 3 (A-1.4).*
- (c) *To condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to make addition/change/modification to the Petition as may be required.*
- (d) *The Petitioner craves relief of the Commission to allow further submissions, prayers, additions and alterations to this Petition as may be necessary from time to time.*
- (e) *Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case, to avoid further delay and in the interest of justice.*

2. The Petitioner has filed this Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003 seeking adoption of tariff by the Commission and hence it is necessary to refer aforesaid Sections as under:

“.....

Section 63:

Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government;”

.....”

As per above Section, whenever transparent competitive bidding process is conducted under Section 63 of the Electricity Act, 2003 in accordance with the guidelines issued by the Central Government, the tariff discovered under such bidding has to be adopted by the Commission.

“.....

Section 86(1) The State Commission shall discharge the following functions, namely: -----

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the

generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.”

.....”

As per the aforesaid provision, the Commission has to regulate the power procurement of the Distribution Licensees, including the procurement process, the price at which electricity shall be purchased from the generating company or the Licensees or through other sources through agreement for purchase of power for distribution and supply within the State.

3. This Petition filed by the Petitioner is within the purview of the jurisdiction of this Commission and in terms of the powers vested by the Electricity Act, 2003 and Regulations framed thereunder, the Commission admits the present Petition.
4. Facts mentioned in the Petition in brief are as under:
 - 4.1. It is stated that the Government of Gujarat has notified the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 in May, 2003 for reorganization of the entire power sector in the State of Gujarat and pursuant thereof, the Gujarat Electricity Industry Reorganization and Comprehensive Transfer Scheme, 2003 has been notified under the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, whereby, erstwhile Gujarat Electricity Board was reorganized and its functions have been vested in different entities.
 - 4.2. As per the above re-organization scheme, the activities undertaken by erstwhile Gujarat Electricity Board of Generation, Transmission, Distribution, Bulk Power Purchase and Supply have been entrusted to separate seven functional entities. The generation activity is assigned to Gujarat State Electricity Corporation Limited (GSECL), transmission activity is assigned to Gujarat Energy Transmission Corporation Limited (GETCO) and the distribution activity is assigned to four distribution companies viz. Uttar Gujarat Vij Company Limited (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Dakshin Gujarat Vij Company Limited (DGVCL) and Paschim Gujarat Vij Company Limited (PGVCL). Further, the function of bulk purchase and bulk sale of power is assigned to the Petitioner, Gujarat Urja Vikas Nigam Limited.
 - 4.3. The Distribution companies are mandated to procure power from Renewable Energy Sources as per the provision of Section 86(1)(e) of the Electricity Act, 2003 and in

terms of the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010, as amended from time to time.

- 4.4. The Petitioner on behalf of its four Distribution Companies has been entering into Power Purchase Agreements/Storage Purchase Agreement amongst others with various Energy Storage Developers for procurement of Storage/Power from time to time.
- 4.5. Section 63 of the Electricity Act, 2003 provides that the Appropriate Commission shall adopt the tariff, if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. As per Section 86 (1) (b) of the Electricity Act, 2003, the Commission to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State. Also, Section 86 (1) (e) of the Electricity Act, 2003 mandates the SERCs to promote co-generation and generation of electricity based on Renewable Energy Sources.
- 4.6. The Ministry of Power, Government of India vide Notification No. 23/16/2020-R&R Part (1) dated 10.03.2022 has issued Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets along with Ancillary Services. However, Standard Bidding Documents are yet to be published by MoP, Government of India. Section-III (A) states about 'Preparation for Inviting Bids & Project Preparedness' wherein under Clause 1.1 provides the following in respect to 'Bid documentation':

".....

a) The Procurer shall prepare the bid documents in accordance with these Guidelines, except as provided in sub clause b below.

b) The Procurer shall seek prior approval of the Appropriate Government for deviations, if any, in the draft RfS, draft BESP, draft BESSA (if applicable) from these Guidelines, in accordance with the process described in Clause A, Section V of these Guidelines.

c) In case of an ongoing bidding under process prior to notification of these Guidelines, the provisions of the specific tender documents shall prevail.

4.7. It is submitted that pending the issuance of the Standard Bidding Documents by the Central Government, the Petitioner is conducting the Competitive Bidding Process for procurement of storage capacity from Standalone Battery Energy Storage System based on Bid Documents containing the detailed provisions that are consistent with the Guidelines read with deviations approved by the Government of Gujarat vide letter No. BESS/2022/1139/B1 dated 28/07/2022 & EPCD/0183/12/2023 dated 25.01.2024.

4.8. The various provisions of the Guidelines issued by MoP, Government of India relating to adoption of storage tariff/rates by Appropriate Commission are reproduced as under:

“Clause G .8 – “Subject to provisions of the Act, the distribution licensee or the Intermediary Procurer, as the case may be, should approach the Appropriate Commission for adoption of tariffs (including capacity charges, if applicable) discovered and quantum of capacity / electricity to be procured, within 30 days of issuance of Letter(s) of Award to the successful bidder(s). In case the tariff (including capacity charges, if applicable) adoption procedure requires signed BESPA to be submitted alongwith, the above timeline may be extended suitably.”

Clause G .10 – “Subsequent to the End Procurer/Intermediary Procurer approaching the Appropriate Commission for adoption of tariffs, in case, the Appropriate Commission does not decide upon the same within 120 days from the Effective Date of the BESPA, the Procurer(s) shall grant appropriate extension of time in financial closure deadline and scheduled commissioning date to the BESSDs, corresponding to the delay (beyond 120 days of Effective Date of BESPA) in adoption by the Appropriate Commission, till the date of adoption by the Appropriate Commission.”

4.9. It is stated that the Ministry of Power, Government of India, has notified Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO) trajectory till FY 2029-30 on 22.07.2022. In accordance with the same, the percentage of total energy consumed shall be solar/wind energy along with /through storage for the Obligated Entities of Gujarat are as under:

F.Y.	% Storage
2023-24	1%
2024-25	1.50%
2025-26	2%
2026-27	2.50%
2027-28	3%
2028-29	3.50%
2029-30	4%

- 4.10. It is stated that as per the aforesaid Notification of MoP, Government of India, the Energy Storage Obligation shall be calculated as a percentage of total consumption of electricity stored in Energy Storage System (ESS), on an annual basis, is procured from renewable energy source. It also provides that the Energy Storage Obligation to extent of energy stored from RE sourced shall be considering a part of fulfilment of total RPO as mention in Notification.
- 4.11. Considering the fact that the generation benefit from the BESPAs executed under Competitive Bidding shall be made available after a lapse of about 18-24 months and that the same shall be useful in achieving RPO compliance of ensuing years (which are in increasing trend as notified by MoP) as well for keeping Grid stability and to stabilize the intermittent generation of energy from RE sources, the Petitioner GUVNL on behalf of its Subsidiary Distribution Companies had invited Tender dated 29.11.2023 through Competitive Bidding Process followed by e-reverse auction for procurement of storage capacity from Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat under Tariff-Based Global Competitive Bidding (Phase-II) in accordance with advance intimation of initiation of bidding process to the Commission vide letter dated 04.12.2023. The Petitioner had also published the Notice Inviting Tender in two national newspapers regarding these Tender(s).
- 4.12. GUVNL had constituted Bid Evaluation Committee consisting following members for technical & financial bid evaluation.

Sr. No.	Name	Designation
1.	Shri H.N. Shah	General Manager (RE)
2.	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)
3.	Shri Nilay D. Joshi	Controller of Accounts (F&A)
4.	Shri. Sumit D Harwani	Deputy Engineer (ESS)

- 4.13. It is stated that the Tender Documents viz. RfS and PPA of above mentioned tender were published on the website of GUVNL for information as well as on e-bidding portal for downloading the official copy of the Tender Documents for participation in bidding procedure including e-reverse auction. Further, a Pre-Bid Meeting also held through video conference on 21.12.2023 at GUVNL's Office, Vadodara. The Pre-bid query responses were also issued and hosted on websites of GUVNL and on e-bidding portal. The copy of all the tender Documents of GUVNL including RfS, Draft PPA, Corrigendum & Addendums are filed with the Petition.
- 4.14. The last date of bid submission in the tendering process initially was 06.01.2024 which was further extended upto 26.02.2024. Technical Bid Opening was held on 29.02.2024.
- 4.15. The Petitioner had received online bids from 9 (Nine) bidders offering aggregate capacity of 1050 MW/2100 MWh against 250 MW/500 MWh capacity tendered. As per the Technical Bid Evaluation Report signed by the Bid Evaluation Committee, all the 9 (Nine) Bidders have been found technically qualified. The Technical Bid Evaluation Report signed by the Bid Evaluation Committee is also filed with the Petition.
- 4.16. Pursuant to the recommendation of the Bid Evaluation Committee, the Financial Bids of all 9 (Nine) technically qualified Bidders were opened on the e-bidding portal on 06.03.2024 in the presence of the Bid Evaluation Committee. At the end of the financial bid opening event, tariff quoted by the bidders are shown in the below table:

Rank	Name	Capacity (MW/ MWh)	Rate Rs/MW/ Month	Status
L1	JSW Neo Energy Limited	250 MW / 500 MWh	598000	Qualified (950MW / 1900 MWh)
L2	IndiGrid 2 Limited	250 MW / 500 MWh	655000	
L3	Hero Solar Energy Private Limited	70MW/140 MWh	844000	
L4	GENSOL ENGINEERING LIMITED	70MW/140 MWh	925000	
L5	NTPC Renewable Energy Limited	100MW/200 MWh	949999	
L6	ACME Solar Holdings Private Limited	70MW/140 MWh	990000	
L7	SJVN Green Energy Limited	70MW/140 MWh	991000	

L8	VENT RENEWABLES PRIVATE LIMITED	70MW/140 MWh	995000	
H1	Solarcraft Power India 12 Private Limited	100MW/200 MWh	1061000	Dis- Qualifie d
Total		1050MW / 2100 MWh		

4.17. As per terms and conditions for e-Reverse Auction of tender, 8 (eight) Bidders with aggregate capacity of 950 MW / 1900 MWh capacity were qualified for the e-reverse auction and accordingly GUVNL conducted e-reverse auction on 06.03.2024 for total 950 MW capacity. The Financial Bid Evaluation Report signed by the Committee is also filed with the Petition.

4.18. The following prices were discovered at the closure of e-reverse auction that was held on the e-bidding portal on 06.03.2024 and e-report generated at the Bharat – electronic tender’s portal is filed with the Petition. The tariffs discovered in the e-reverse auction are as follows:

Rank	Name of the Bidder	Quoted Capacity (MW/MWh)	Eligible Capacity (MW/MWh)	Storage Rate (Rs. /MW/Month)	% Difference from L1
L1	GENSOL ENGINEERING LIMITED	70 MW/140 MWh	70 MW/140 MWh	448996	0%
L2	IndiGrid 2 Limited	250 MW/500 MWh	180 MW/360 MWh	449996	0.22%
Total capacity for successful bidder			250 MW/500 MWh		

4.19. After e-reverse auction, tariff/rate quoted by L2 bidder, L2 bidder comes under L1+2% range, M/s IndiGrid 2 Limited was falling in Yellow Zone as per RfS. Therefore, L2 bidder is qualified for 180 MW / 360 MWh capacity out of 250 MW / 500 MWh as successful bidder.

4.20. The Petitioner GUVNL also stated the latest results of e-RA concluded by central bidding agency in last 02 Years period as under:

Sr. No.	Tender Initiated by	Capacity	Technology Used	Discovered Price
1	KSEB, Kerala Storage	10 MW / 20 MWh	BESS	11.25 Lacs / MW / Month

2	SECI , Pan India	500 MW / 1000 MWh	BESS	10.8 Lacs / MW / Month
3	UPPCL Tranche-1	10 MW / 40 MWh	BESS	11.28 Lacs / MW / Month
4	UPPCL Tranche-2	10 MW / 40 MWh	BESS	10.6 Lacs / MW / Month
5	UPPCL Tranche-3	10 MW / 40 MWh	BESS	10.66 Lacs / MW / Month
6	UPPCL Tranche-4	10 MW / 40 MWh	BESS	12.78 lacs / MW / Month

4.21. It is stated that GUVNL have for the first time successfully concluded the tenders for standalone Battery Energy Storage System. Hence, reference rates for standalone BESS tenders of GUVNL is not available. The rates discovered by GUVNL are competitive. Storage rates discovered under GUVNL's Standalone BESS pilot project Phase-II bid is in the range of Rs. 448996-449996 per MW per Month which is lower than the rates discovered by central bidding agencies as above.

4.22. It is submitted that pursuant to approval from the Government of Gujarat to deviate from the standard issuance of a Letter of Award, GUVNL has now issued Letters of Intent (Lols) to the aforesaid two bidders (L1 and L2) at the discovered rates ranging from Rs 448996-449996 per MW per Month. In light of this, the total allocation for the 250 MW / 500 MWh capacity under the tender is as follows:

Rank	Name of the Bidder	Quoted Capacity (MW/MWh)	Eligible Capacity (MW/MWh)	Storage Rate (Rs. /MW/Month)	% Difference from L1
L1	GENSOL ENGINEERING LIMITED	70 MW/140 MWh	70 MW/140 MWh	448996	0%
L2	IndiGrid 2 Limited	250 MW/500 MWh	180 MW/360 MWh	449996	0.22%
Total capacity for successful bidder			250 MW/500 MWh		

4.23. Accordingly, GUVNL has issued Letter of Intents (LOIs) dated 14.03.2024 to successful bidders for total capacity of 250 MW /500 MWh at the respective tariff/storage rate as mentioned in the above table and BESPAs may be signed within 10 days from the adoption of tariff by the Commission.

- 4.23. In view of the above and in accordance with Section 63 read with Section 86 (1) (b) of the Electricity Act 2003, the Petitioner has filed the present Petition for adoption of tariff discovered by the Petitioner in Competitive Bidding Process followed by e-reverse auction conducted through RfS No. GUVNL/BESS/Phase-II dated 29.11.2023 issued by GUVNL for Procurement of Storage Capacity from 250 MW/500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat.
5. Office of the Commission is in receipt of affidavits dated 04.04.2024 from the Respondent No. 1 M/s Gensol Engineering Limited and the Respondent No. 2 IndiGrid 2 Limited respectively stating that they have accepted the discovered tariff and not having any objection to adoption of discovered tariff by the Commission under the Competitive Bidding Process conducted vide RfS No. GUVNL/BESS/Phase-II dated 29.11.2023 issued by the Petitioner GUVNL for Procurement of storage capacity from Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat under Tariff Based Global Competitive Bidding (Phase – II).
6. The matter was kept for hearing on 06.04.2024. After hearing the parties, the Commission has passed Daily Order dated 02.05.2024. The Commission has raised the query that which type of power is to be stored in the Battery, the representative of the Petitioner submitted that the surplus power of wind or solar be stored in the Battery and the developer shall make the BESS available for 2 operational cycles per day, i.e. 2 complete charge-discharge cycles per day and optimum life of battery is 12 years and any power can be stored in the battery. In respect of query that if solar power is not available during the rainy season or in lean period of wind generation, in such case, available energy is low for storage then it might be possible that there is unutilized energy storage in the Battery, in that case, how Battery is to be utilized without use of energy available from the conventional sources, it is submitted that in such a condition, conventional power be utilized for storage in the Battery. Further, the Commission raised a query as to how it is verified that Battery is charged or not and what is mechanism to measure it, the representative of the Petitioner submitted that it is mandatory for service provider to provide energy in two cycle per day as per bid submissions. It is also query that what will be the situation after completion of 12 years life of Battery and removal of Battery to meet power supply of two cycles

and what is the requirement of second bid initiated by the Petitioner and whether the Petitioner has carried out any study or not ? Moreover, it was also directed to the Petitioner to clarify that how two operation cycles per two hours per day is decided which is one of the parameters of bid documents and whether the Petitioner has deviated from any provisions of guidelines issued by the Government, the representative for the Petitioner has sought time to provide all above details with detailed justification with proper reasons on affidavit and accordingly, it was directed to file the same by providing justification with proper reasons in the present matter.

7. In response to the directives of the Commission vide above Order, the Petitioner GUVNL has filed its submissions vide affidavits dated 22.04.2024 and 14.05.2024 wherein while reiterating the submissions as stated in para 4 above, made also the following as under:
 - 7.1. It is submitted that under Section 63 of the Electricity Act, 2003 provides that Appropriate Commission shall adopt the tariff if such tariff/Storage rate has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.
 - 7.2. It is submitted that in the absence of Standard Bidding Documents for standalone Battery Energy Storage System, the Procurer shall prepare the bid documents in accordance with Guidelines dated 10.03.2022 notified by MoP's Government of India. The Procurer shall seek prior approval of the Appropriate Government for deviations, if any, in the draft RfS, draft BESPA, draft BESSA (if applicable) from these Guidelines, in accordance with the process described in 'Clause A' of Section V of these Guidelines.
 - 7.3. It is submitted that GUVNL has taken approval of deviation from the guidelines of MoP, Government of India, in respect of (i) Change in Law Clause, (ii) Payment Security Funds, (iii) Letter of Award to Letter of Intent, vide its Letter No. GUVNL/BESS/2022/1139/B1 dated 28.07.2022 & EPCD/0183/12/2023 dated 25.01.2024. Accordingly, GUVNL has conducted the Competitive Bidding Process for procurement of storage capacity from Standalone Battery Energy Storage System based on Bid Documents containing detailed provisions that are consistent with the Guidelines read with deviations approved by Government of Gujarat.

7.4. It is submitted that Ministry of Power, Government of India has notified Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO) trajectory till FY 2029-30 dated 22.07.2022. Based on these Notification, with respect to compliance with Renewable Purchase Obligation(RPO) of 43.3 % up to FY 2030, GUVNL has prepared a road map of 40 GW of capacity addition from various RE sources i.e., Solar, Wind, Off-shore Wind, Hybrid Projects, Firm and Dispatchable Renewable Energy (FDRE) Sources. Moreover, in order to meet the ESO requirement of 1.5 % in FY 2024-25, energy consumed shall be meet through Energy Storage Options, i.e., Battery Energy Storage, Pumped Hydro Storage and Other Storage Options. It is submitted that if Energy Storage Obligation (ESO) meets through Battery Energy Storage System (BESS) considering 95% of annual availability, up to FY 2029-30, then the requirement of Battery Energy Storage capacity will be as below:

	Demand (BUs)	% Storage	ESO(BUs) / year	MWh requirement / day	MW Storage Capacity (with 4 Hr /Day)(BESS)	Year On Year MW Storage Capacity Addition (with 4 Hr /Day)(BESS)
2023-24	130	1%	1.30	3,554	935	935
2024-25	139	1.50%	2.09	5,716	1,504	569
2025-26	150	2%	2.99	8,199	2,158	654
2026-27	161	2.50%	4.02	11,023	2,901	743
2027-28	173	3%	5.19	14,214	3,741	840
2028-29	186	3.50%	6.49	17,791	4,682	941
2029-30	201	4%	8.03	22,013	5,793	1,111

Source: DISCOM Demand Growth forecast from REPORT ON TWENTIETH ELECTRIC POWER SURVEY OF INDIA (VOLUME-I) (November-2022), Central Electricity Authority (CEA).

7.5. It is submitted that the tenure of Battery Energy Storage Purchase Agreement (BESPA) has a duration of 12 years from the scheduled commissioning of the BESS Project. Considering the dynamic landscape of battery energy storage technologies with emerging chemistries and advancements occurring regularly, GUVNL has also identified Pumped Hydro Storage sites across Gujarat State to benefitted to the consumers. GUVNL intends to explore alternative energy storage technologies such as Pumped Hydro Storage, Battery Energy Storage or other emerging options to fulfil the energy storage requirements parallel to 12 years of BESPA tenure. GUVNL will give priority to most economical solutions available for reliable energy storage options at that time.

- 7.6. It is further submitted that the Respondents have submitted no objection to adoption of discovered tariff under Competitive Bidding Process conducted under RfS No. GUVNL/BESS/Phase II dated 29.11.2023 by the Petitioner GUVNL for procurement of storage capacity from 250 MW/500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat.
- 7.7. Based on the above, the Petitioner GUVNL has approached the Commission for adoption of the tariffs/storage rates discovered by the Petitioner as mentioned in the Petition, in the transparent procurement process conducted through RfS No. GUVNL/BESS/Phase II dated 29.11.2023 within the time duration stipulated under the Guidelines by Ministry of Power, Government of India.
8. In response to the directives of the Commission vide above Order, the Respondents have filed their respective submissions vide affidavits dated 23.05.2024 and 24.05.2024 and submitted that in pursuant to the directives of Order dated 02.05.2024, they have already filed their responses and not having further additional information to furnish in the present matter and accepted the tariff discovered under Competitive Bidding Process conducted under RfS No. GUVNL/BESS/Phase II dated 29.11.2023 by the Petitioner GUVNL for procurement of storage capacity from 250 MW/500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat. Accordingly, it is prayed to the Commission to adopt the same so that the project activities may be commenced.
9. We have considered the submissions made by the Parties. The Petitioner has filed the present Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003. The Petitioner has sought the approval of the Commission for adoption of discovered tariff/rate in the range of Rs. 448996 – Rs. 449996 per MW per Month quoted by successful bidders under Competitive Bidding Process followed by e-reverse auction of Bid No. RfS No. GUVNL/BESS/Phase II dated 29.11.2023 issued by the Petitioner GUVNL for Procurement of Storage capacity from 250 MW /500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat.
- 9.1. The Petitioner is purchasing power in bulk for and on behalf of four Distribution Licensees, namely, DGVCL, MGVCL, PGVCL and UGVCL. The Petitioner also procures the renewable power by entering into Power Purchase Agreements/Storage Purchase Agreement amongst others with various Energy Storage Developers for

procurement of Storage/power from time to time towards fulfilment of their RPO as specified by the Commission in the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 as amended from time to time including the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 and Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO) trajectory notified vide Notification No. 09/13/2021-RCM dated 22.07.2022 by Ministry of Power, Government of India. The Commission has stipulated the RPO requirement of Distribution Licensees till FY 2024-25 as under:

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)				
	Wind (%)	Solar (%)	Hydro Power Purchase Obligation (HPO) (%)	Others (Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/Mini/Micro Hydro) (%)	Total (%)
(1)	(2)	(3)	(4)	(5)	(6)
2017-18	7.75	1.75		0.50	10.00
2018-19	7.95	4.25		0.50	12.70
2019-20	8.05	5.50		0.75	14.30
2020-21	8.15	6.75		0.75	15.65
2021-22	8.25	8.00		0.75	17.00
2022-23	8.25	8.00		0.75	17.00
2023-24	8.40	9.50	0.05	0.75	18.70
2024-25	8.55	11.25	0.10	0.80	20.70

Ministry of Power, Government of India, has notified Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO) trajectory till FY 2029-30 on 22.07.2022 as under:

Renewable Purchase Obligation

Year	Wind RPO	HPO	Other RPO	Total RPO
2022-23	0.81%	0.35%	23.44%	24.61%
2023-24	1.60%	0.66%	24.81%	27.08%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

Energy Storage Obligation

F.Y.	% Storage
------	-----------

2023-24	1%
2024-25	1.50%
2025-26	2%
2026-27	2.50%
2027-28	3%
2028-29	3.50%
2029-30	4%

4.24. From the above table it is apparent that the Petitioner is required to procure substantial quantum of power, since the Commission has increased the RPO in view of the requirement stipulated by the Government of India. Moreover, as per trajectory of MoP, Government of India, the percentage of total energy consumed shall be solar/wind energy along with /through storage for the Obligated entities of Gujarat are also increasing every year. Further, the Energy Storage Obligation shall be calculated as a percentage of total consumption of electricity stored in Energy Storage System (ESS), on an annual basis, is procured from renewable energy source and the Energy Storage Obligation to extent of energy stored from RE sourced shall be considering a part of fulfilment of total RPO as mention in Notification. Accordingly, in order to meet the RPO and/or ESO target, the Petitioner had initiated the Competitive Bidding Process followed by e-reverse auction for procurement of storage capacity from 250 MW /500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat through RfS No. GUVNL/BESS/Phase II dated 29.11.2023.

9.2. We note that the Ministry of Power, Government of India vide Notification No. 23/16/2020-R&R Part (1) dated 10.03.2022 has issued Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets along with Ancillary Services. However, Standard Bidding Documents are yet to be published by MoP, Government of India. Therefore, in view of pending the issuance of the Standard Bidding Documents by the Central Government, the Petitioner GUVNL is conducting the Competitive Bidding Process for Procurement of Storage Capacity from Standalone Battery Energy Storage System based on Bid Documents containing detailed provisions that are consistent with the Guidelines read with deviations approved by Government of Gujarat vide letter No. BESS/2022/1139/B1 dated 28/07/2022 & EPCD/0183/12/2023 Dated 25.01.2024.

9.3. We also note that after duly considering the fact that the generation benefit from the

BESPAs executed under Competitive Bidding shall be made available after a lapse of about 18-24 months and that the same shall be useful in achieving RPO compliance of ensuing years as well for keeping Grid stability and to stabilize the intermittent generation of energy from RE sources, the Petitioner GUVNL on behalf of its Subsidiary Distribution Companies had invited Tender dated 29.11.2023 through Competitive Bidding Process followed by e-reverse auction for Procurement of Storage Capacity from Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat under Tariff-Based Global Competitive Bidding (Phase-II) in accordance with advance intimation of initiation of bidding process to the Commission vide letter dated 04.12.2023.

4.25. We note that the Petitioner has also issued 'Notice Inviting Tender' on 30.11.2023 so as to provide wide publicity of the said tender i.e., RfS No. GUVNL/BESS/Phase II dated 29.11.2023 by publishing notice in two National newspapers, viz, (i) Times of India, (ii) Economics Times and (ii) Business Standard on 30.11.2023 having wide circulation and to seek wide participation from the participating bidders. The Petitioner also hosted the Bid Documents on its website as well as on the e-bidding portal 'Bharat-electronic tender'. Further, the Petitioner also held a Pre-Bid Meeting through video conference on 21.12.2023. The Pre-bid query responses were also issued and hosted on websites of GUVNL and on e-bidding portal. The copy of all the tender Documents of GUVNL including RfS, Draft BESPA, Corrigendum & Addendums are filed with the Petition. The last date of bid submission in the tendering process initially was 06.01.2024 which was further extended upto 26.02.2024. Technical Bid Opening was held on 29.02.2024.

9.4. We note that the Petitioner received online bids from 9 (Nine) bidders, viz., (i) Gensol Engineering Limited (ii) Hero Solar Energy Private Limited, (iii) Vent Renewable Private Limited, (iv) IndiGrid 2 Limited, (v) NTPC Renewable Energy Limited, (vi) Solarcraft Power India 12 Private Limited, (vii) SJVN Green Energy Limited, (viii) JSW Neo Energy Limited, and (ix) ACME Solar Holdings Private Limited offering aggregate capacity of 1050 MW/2100 MWh against 250 MW /500 MWh capacity and the technical bid opening was held on 29.02.2024 in the presence of Bid Evaluation Committee consisting of following officials:

Sr. No.	Name	Designation
1	Shri H.N. Shah	General Manager (RE)
2	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)

3	Shri Nilay D. Joshi	Controller of Accounts (F&A)
4	Shri. Sumit D Harwani	Deputy Engineer (ESS)

9.5. It is also submitted by the Petitioner that aforesaid bids received from Nine (9) bidders were opened in presence of Bid Evaluation Committee and also evaluated by said Committee. We also note that the bids submitted by the bidders were scrutinized as per terms and conditions of RfS. As per technical evaluation report of the said Committee, it is observed that all the six (6) bids received were technically qualified and technical evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

“Technical Bid Evaluation Report

**Tender for procurement of power through Competitive Bidding process (followed by reverse e-auction) for setting up of Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat
RfS No. GUVNL/BESS/Phase II dated 29.11.2023
Tender Search Code on ISN-ETS: GUVNL-2023-TN000008**

29th February, 2024

1. Background

Gujarat Urja Vikas Nigam Limited (GUVNL) has floated the tender for purchase of power from Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems through competitive bidding process (conducted through electronically facilitated online web based portal followed by reverse auction) as notified via RfS No. GUVNL/BESS/Phase II dated 29.11.2023. The last date of online bid submission was 26.02.2024 and offline bid submission was 28.02.2024.

The Bid Evaluation Committee consist following members:

Sr. No.	Name	Designation
1	Shri H N Shah	General Manager (RE)
2	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)
3	Shri Nilay D. Joshi	Controller of Accounts (F&A)
4	Shri. Sumit D Harwani	Deputy Engineer (ESS)

This report outlines the responses of all the bidders in respect of Non-Financial (technical) bid evaluation and recommendations of committee.

2. Details of Tender

RfS Reference No.	RfS No. GUVNL/BESS/Phase II dated 29.11.2023
--------------------------	--

Capacity	<i>Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat under Tariff-Based Global Competitive Bidding (Phase-II)</i>
Minimum Bid Capacity	<i>70 MW / 140 MWh</i>
Eligible Projects & Technology	<i>Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in pre-defined GETCO substations i.e 220 KV BHACHUND A GIS, 400KV PACHCHHA M GIS & 400KV CHARAL (SANAND) GIS needs to be set up by Battery Energy Storage System Developer (BESSD).</i>
Term of PPA	<i>12 years from SCOD</i>
Technology	<i>Ministry of Power has notified Guidelines on March 11, 2022, "For Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets, along with Ancillary Services. The guidelines has provided the detailed Technical Parameters of BESS, BESS Characterization and Performance Parameters. To promote only commercially established and operational technologies to minimize the technology risk and to achieve timely commissioning of the Projects. The Bidder may indicate regarding the selection of technology and its details at the time of submission of bids in the prescribed Format.</i>
Tender Fee (non-refundable)	<i>Rs. 25,000/- plus 18% GST to be submitted, along with the response to RfS in favour of "Gujarat Urja Vikas Nigam Ltd", payable at Vadodara mandatorily through NEFT / RTGS the details of which shall be mentioned in Electronic Form on e-bidding portal.</i>
Processing Fee (non-refundable)	<i>Rs. 15.0 Lakhs plus 18% GST, to be submitted along with the response to RfS in favor of "Gujarat Urja Vikas Nigam Ltd", payable at Vadodara mandatorily through NEFT / RTGS the details of which shall be mentioned in Electronic Form on e-bidding portal</i>
EMD	<i>Earnest Money Deposit of Rs. 7,40,000 per MW to be submitted in the form of Bank Guarantee along with the Response to RfS</i>

3. Response to RFS

A total of 9 (nine) online responses is received by GUVNL. The list of the bidders and the capacity offered is as below:

Sr NO.	Bidder Name	BESS CAPACITY
1	GENSOL ENGINEERING LIMITED	70MW/140 MWh
2	HERO SOLAR ENERGY PRIVATE LIMITED	70MW/140 MWh
3	VENT RENEWABLE PRIVATE LIMITED	70MW/140 MWh
4	INDIGRID 2 LIMITED	250 MW / 500 MWh
5	NTPC RENEWABLE ENERGY LIMITED	100 MW / 200 MWh
6	SOLARCRAFT POWER INDIA 12PRIVATE LIMITED	100 MW / 200 MWh
7	SJVN GREEN ENERGY LIMITED	70MW/140 MWh

8	JSW NEO ENERGY LIMITED	250 MW / 500 MWh
9	ACME SOLAR HOLDINGS PRIVATE LIMITED	70MW/140 MWh
	Total Bid Capacity against 250 MW	1050 MW/2100 MWh

The Technical bids were opened on 29.02.2024 on e-bidding portal as per tender timeline. All Bidders have submitted online bid.

4. Principles of Evaluation

As per the terms of the RfS documents, the techno-commercial evaluation of the bids is to be done in accordance with the bid evaluation methodology specified in the RfS.

The Technical Bids of only those Bidders are to be considered whose bids/documents have been received on or before the due date and time of submission of bids as per the terms of the RfS.

Due examination of the documents submitted by the Bidders is to be done ascertaining the eligibility criteria specified under the RfS. In case of a perceived non-responsiveness, queries are to be raised by GUVNL on the ISN-ETS web-portal and clarifications/additional documents are to be sought from the concerned bidders within 2 days from the date of such intimation from GUVNL.

Upon due submissions of clarification/additional documents sought (if any) and careful examination of the same by the Members of the Bid Evaluation Committee, the Financial Bids of only such qualified Bidders are to be opened as per the terms and conditions of the RfS.

The response to the RfS submitted by the Bidders are to be scrutinised to establish Techno-Commercial eligibility criteria as per the RfS, which are as under: -

TECHNICAL ELIGIBILITY CRITERIA

- a. Under this RfS, it is proposed to promote only commercially established and operational technologies to minimize the technology risk and to achieve timely commissioning of the Projects. The Bidder may indicate regarding the selection of technology and its details at the time of submission of bids in the prescribed Format (7.10 of the RfS) The technology proposed at the time of submission of response to RfS can be changed at the RfS for Procurement of 250 MW/ 500 MWh Pilot Projects of Battery Energy Storage Systems in

Gujarat under Tariff-based Global Competitive Bidding (Phase-II) RfS No. GUVNL/BESS/Phase II dated 29.11.2023.

- b. Not used.*
- c. The Bidder is required to undertake to furnish evidence of meeting the above criteria in line with provisions of Clause of the RfS (Clause 24). The undertaking shall be submitted as per enclosed Format (7.9 of the RfS).*
- d. The Projects shall also comply with the performance criteria as detailed in Clause of the RfS (Clause 9).*

FINANCIAL ELIGIBILITY CRITERIA:

C.1 NET-WORTH

Net-Worth/ Asset Under Management (AUM) or Investible Funds

- a. The Net Worth of the Bidder shall be equal to or greater than INR 74,00,000/MW (Rupees Seventy-Four Lakhs / MW) of the quoted capacity (in MW), as on the last date of previous Financial Year, i.e. FY 2022-23 or as on the day at least 7 days prior to the bid submission deadline.*

For. e.g., for a 500 MWh (250 MW x 2 hrs) project capacity, the minimum Net Worth requirement to be demonstrated shall be Rs. 74 lakh x 250 MW.

In case of the Bidder being a SEBI registered AIF, the cumulative value of Assets Under Management (AUM) with minimum requirement of Rs 74 lakhs / MW shall be demonstrated. In this context, AUM shall mean the amount as certified by the Statutory Auditor of the AIF.

- b. The net-worth/value of AUM to be considered for the above purpose will be the cumulative net-worth of the Bidder/AIF or consortium members. Except in the case of AIFs, the Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the Net Worth criteria as per the RfS. In case of the Bidder being a Bidding Consortium, any Member may meet the above criteria on the basis of financial capability of its Affiliate(s). In both cases, such Affiliates shall undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.*
- c. Net Worth to be considered for this clause shall be the total Net Worth as calculated in accordance with the Companies Act, 2013 and AUM or*

investible funds to be considered under this clause will be calculated in accordance with applicable SEBI (AIF) Regulations.

C.2 *Not used.*

C.3 *Except for AIFs, the Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the qualification requirements as per Clauses C.1 above subject to clause no 39.9. In case of the Bidder being a Bidding Consortium, any Member (except an AIF) may seek qualification on the basis of financial capability of its Affiliate(s). In such cases, the Bidder shall be required to submit Board Resolutions from the respective Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees in case the Bidder(s) fail to do so in accordance with the RfS. In case of non-availability of the Board Resolution as required above, a letter from the CEO/ Managing Director of the respective Affiliate(s), undertaking the above, shall be required to be submitted and the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of BESP.*

C.4 *For the purposes of meeting financial requirements, only latest unconsolidated audited annual accounts shall be used. However, audited consolidated annual accounts of the Bidder may be used for the purpose of financial requirements provided the Bidder has at least twenty six percent (26%) equity in each Company whose accounts are merged in the audited consolidated account.*

C.5 *A Company/Consortium would be required to submit annual audited accounts for the last financial year, 2022-23, or as on the day at least 7 days prior to the bid submission deadline, along with net worth from a practicing Chartered Accountant/ Statutory Auditor to demonstrate fulfillment of the criteria. In case of foreign companies, the Bidders shall be required to submit the annual audited accounts for the last respective financial year as per the general norm in the country where the Bidder or its Affiliate(s) is/ are located, or provisional accounts as on the day at least 7 days prior to the bid submission deadline. In case Final Audited Annual Accounts for the last financial year are not available, then GUVNL shall accept the Provisional Accounts which are duly certified by a practicing Chartered Accountant of*

India and at least two directors or one director and the company secretary. Provided that an undertaking signed by at least two directors or one director and the company secretary is submitted by the bidder confirming that Final Audited Annual Accounts for the last financial year are not available as on date of bid submission. Note: In case of foreign Bidders, in the event the Bidder is unable to furnish the audited annual accounts for the previous financial year as per the prevalent norm in the respective country, the Bidder shall submit the annual audited accounts of the last financial year for which the audited accounts are available. This, however, would be acceptable, subject to the condition that the last date of response to this RfS falls on or within the deadline for completion of audit of annual accounts of companies, as stipulated by the laws/rules of the respective country, and the Bidder shall submit the corresponding documentary evidence against the same. In case the annual accounts or provisional accounts as on the day at least 7 days prior to the bid submission deadline, are submitted in a language other than English, a certified English translation from an approved translator shall be required to be submitted by the Bidder.

- C.6** *For meeting the above financial eligibility criteria, if the data is provided by the Bidder in a foreign currency, equivalent Indian Rupees of Net Worth and other financial parameters will be calculated by the Bidder using Reserve Bank of India's reference rates prevailing on the date of closing of the accounts for the respective financial year.*
- C.7** *In case of any currency for which RBI reference rate is not available, Bidders shall convert such currency into USD as per the exchange rates certified by their banker prevailing on the relevant date and used for such conversion. After such conversion, Bidder shall follow the procedure/ submit document as elaborated in Clause C.6 above.*
- C.8** *In case the response to RfS is submitted by a Consortium, then the financial requirement (the Net-Worth) to be met by each Member of the Consortium shall be computed in proportion to the equity commitment made by each of them in the Project Company. For example, if two companies A and B form a Consortium with equity participation in 70:30 ratio and submit their bid for a capacity of 500 MWh (250 MW x 2hrs), then, total Net-Worth to be met by*

the Consortium is Rs. 74 Lakh x 250 MW = Rs. 185 Crores. Minimum requirement of Net-Worth to be met by Lead Member A would be minimum Rs. 129.50 Crores and to be met by Consortium Member B would be Rs. 55.5 Crores.

C.9 *For the limited purpose of meeting the technical and financial eligibility criteria, in addition to using credentials of the Affiliates having more than 50% shareholding in the Bidding Company, the Bidder may use credentials of those Affiliates who do not control more than 50% of the bidding company, subject to the following:*

- a.** *The qualification criteria parameters will be met proportionately to the equity contribution of the entity whose credentials are being used to meet the requirement. For example, in case of Net Worth requirement being Rs 100 Crore and the strength of an Affiliate is used which owns 30% of the total shareholding in the bidder, the said Affiliate should be able to meet upto Rs 30 Crore of the Net Worth.*
- b.** *In case the strength of an Affiliate is being used for meeting the eligibility criteria, shareholding pattern of the respective Affiliate will be locked-in upto COD of the Project.*

C.10 *In line with the O.M. issued by the Department of Expenditure, Ministry of Finance, vide No. 6/18/2019-PPD Dated 23.07.2020 and subsequent amendments and clarifications thereto, the Bidder shall meet the following criteria for its bid to be considered for evaluation under the RfS:*

- a.** *Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority (as defined in the OM as referred above).*
- b.** *“Bidder” in this reference, means any person or firm or company, including any member of a consortium, every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in this tender.*
- c.** *“Bidder from a country which shares a land border with India” for the purpose of this clause, means:*

- I. An entity incorporated, established or registered in such a country; or
 - II. A subsidiary of an entity incorporated, established or registered in such a country; or
 - III. An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - IV. An entity whose beneficial owner is situated in such a country; or
 - V. An Indian (or other) agent of such an entity; or
 - VI. A natural person who is a citizen of such a country; or
 - VII. A consortium where any member of the consortium falls under any of the above.
- d. In support of the above, the Bidder shall be required to submit necessary Undertaking, as per Format 7.8/7.8A of the RfS.
- e. Other provisions of the referred OM dated 23.07.2020, except Sl. 11 of the OM, will also be applicable for this tender. Any interpretation of the above clauses will be made in line with the referred OM, including subsequent amendments and clarifications thereto.

5. Responsiveness Issues

Upon scrutiny of the bid documents submitted by participating bidders, responsiveness issue were observed in respect of bids submitted by the following bidders.

Sr NO.	Bidder Name	BESS CAPACITY
1	GENSOL ENGINEERING LIMITED	70MW/140 MWh
2	HERO SOLAR ENERGY PRIVATE LIMITED	70MW/140 MWh
3	INDIGRID 2 LIMITED	250 MW / 500 MWh
4	ACME SOLAR HOLDINGS PRIVATE LIMITED	70MW/140 MWh

6. Queries and responses / compliances thereto

(1) M/s GENSOL ENGINEERING LIMITED

Query raised by GUVNL: Upon scrutiny of documents submitted along with bid, the following observations had been noted.

- (1) The Annexure to Format 7.8/7.8A DECLARATION RESTRICTION ON PROCUREMENT FROM CERTAIN COUNTRIES: MoF OM No 6/18/2019-PPD dated 23.07.2020 has not been submitted by Gensol Engineering Limited.

GUVNL had requested to reply for the above mentioned queries along with necessary documents.

Response:

(1) The required Format 7.8/7.8A DECLARATION RESTRICTION ON PROCUREMENT FROM CERTAIN COUNTRIES: MoF OM No 6/18/2019-PPD dated 23.07.2020 has been submitted as per RfS requirement by bidder.

(2) M/s HERO SOLAR ENERGY PRIVATE LIMITED

Query raised by GUVNL: Upon scrutiny of documents submitted along with bid, the following observations had been noted.

(1) The Earnest Money Deposit (EMD) submitted from RBL Bank by Hero Solar Energy Private Limited. In accordance with the Request for Selection (RfS) document (GUVNL/BESS/Phase II) dated 29.11.2023, the bidder is required to furnish the Bank Guarantees for EMD from the banks enlisted by the Government of Gujarat, as per GR No. FD/MSM/e-file/4/2023/0057/DMO dated 21.04.2023, RBL bank is not enlisted under GoG, GR.

GUVNL had requested to reply for the above mentioned queries along with necessary documents.

Response:

(1) The fresh EMD from AXIS Bank Limited submitted by **M/s HERO SOLAR ENERGY PRIVATE LIMITED** on Rs. 300 Stamp Paper.

(3) M/s INDIGRID 2 LIMITED

Query raised by GUVNL: Upon scrutiny of documents submitted along with bid, the following observations had been noted.

(1) The Earnest Money Deposit (EMD) was submitted on a Rs. 100 stamp paper, as per RfS requirement it is requested to submit on Rs. 300 stamp paper.

GUVNL had requested to reply for the above mentioned queries along with necessary documents.

Response:

(1) Revised EMD on Rs. 300 stamp paper submitted as per RfS requirement.

(4) ACME SOLAR HOLDINGS PRIVATE LIMITED

Query raised by GUVNL: Upon scrutiny of documents submitted along with bid, the following observations had been noted.

(1) The Earnest Money Deposit (EMD) was submitted on a Rs. 100 stamp paper, as per RfS requirement it is requested to submit on Rs. 300 stamp paper.

GUVNL had requested to reply for the above mentioned queries along with necessary documents.

Response:

Revised EMD on Rs. 300 stamp paper submitted as per RfS requirement.

7. Evaluation of Responses

The Status in brief is indicated in the following table:

Sr NO.	Bidder Name	BESS CAPACITY	Status
1	GENSOL ENGINEERING LIMITED	70MW/140 MWh	Qualified
2	HERO SOLAR ENERGY PRIVATE LIMITED	70MW/140 MWh	Qualified
3	VENT RENEWABLE PRIVATE LIMITED	70MW/140 MWh	Qualified
4	INDIGRID 2 LIMITED	250 MW / 500 MWh	Qualified
5	NTPC RENEWABLE ENERGY LIMITED	100 MW / 200 MWh	Qualified
6	SOLARCRAFT POWER INDIA 12PRIVATE LIMITED	100 MW / 200 MWh	Qualified
7	SJVN GREEN ENERGY LIMITED	70MW/140 MWh	Qualified
8	JSW NEO ENERGY LIMITED	250 MW / 500 MWh	Qualified
9	ACME SOLAR HOLDINGS PRIVATE LIMITED	70MW/140 MWh	Qualified
	Total Bid Capacity against 250 MW	1050 MW/2100 MWh	

8. Way Forward

Based on the examination of records, the committee recommends that the Financial bids of above 9 (Nine) bidders may be opened.

Sr. No.	Name	Designation	Signature
1	Shri H.N. Shah	General Manager, RE	Sd/-
2	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)	Sd/-
3	Shri Nilay D. Joshi	Controller of Accounts (F&A)	Sd/-
4	Shri. Sumit D Harwani	Deputy Engineer (ESS)	Sd/-

.....”

From the Technical Evaluation Report, it is apparent that all the 9 (Nine) bidders offering aggregate capacity of 1050 MW/2100 MWh were found to be responsive and hence were deemed qualified for opening of their financial bids. Accordingly, as per the Technical Report of the Bid Evaluation Committee and recommendation

after technical bid evaluation of all the 9 (Nine) bidders to be technically qualified, the financial bids of 9 (Nine) bidders aggregating to total 1050 MW/2100 MWh capacity were opened on 02.03.2024 on e-bidding portal of M/s ISN-ETS in presence of the Bid Evaluation Committee.

9.6. In accordance with aforesaid said report, the Financial Bids of all 9 (Nine) bidders were opened on 06.03.2024 on e-bidding portal in presence of Bid Evaluation Committee. As per financial bid evaluation report of the said Committee, it is observed that all the 8 (Eight) bids received were financial qualified and financial bid evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

“Financial Bid Evaluation Report

Tender for procurement of power through Competitive Bidding process (followed by reverse e-auction) for setting up of Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat

RfS No. GUVNL/BESS/Phase II dated 29.11.2023

Tender Search Code on ISN-ETS: GUVNL-2023-TN000008

Date: February 6th 2024

Index

<i>1. Background.....</i>	<i>3</i>
<i>2. Financial Bid Opening.....</i>	<i>4</i>
<i>3. Principles of Evaluation.....</i>	<i>5</i>
<i>4. Evaluation of shortlisted bidders qualified for e-RA.....</i>	<i>7</i>
<i>5. Electronic – Reverse Auction</i>	<i>8</i>
<i>6. Successful Bidders.....</i>	<i>8</i>
<i>7. Committee Recommendation.....</i>	<i>9</i>

1. Background

*Gujarat Urja Vikas Nigam Limited (GUVNL) has floated the tender for purchase of power through Competitive Bidding process (followed by reverse e-auction) for setting up of Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat (conducted through electronically facilitated online web based portal followed by reverse auction) as notified via **RfS No. GUVNL/BESS/Phase II***

dated 29.11.2023. The last date of online bid submission was 26.02.2024 and offline bid submission was 28.02.2024.

GUVNL has uploaded the tender documents (RfS and Draft PPA) on its own website as well as on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS).

GUVNL has constituted a Committee comprising of the following members for opening and evaluation of the technical and financial bids:

Sr. No.	Name	Designation
1	Shri H.N. Shah	General Manager, (RE)
2	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)
3	Shri Nilay D. Joshi	Controller of Accounts (F&A)
4	Shri. Sumit D Harwani	Deputy Engineer (ESS)

This Report outlines the Financial Bid Evaluation and recommendations of Committee.

2. Financial Bid Opening

The Technical Bid Opening was done at **11:30 HRS** on **06.02.2024**. Pursuant to the recommendations of the Committee vide the 'Technical Bid Evaluation Report', the Financial Bids (electronic forms) of below mentioned 9 (nine) technically qualified Bidders were opened on the e-bidding portal of M/s ISN-ETS at **11:30 HRS** on **06.02.2024** before the Bid Evaluation Committee at GUVNL, Vadodara.

Sr NO.	Bidder Name	Quoted BESS CAPACITY
1	GENSOL ENGINEERING LIMITED	70MW/140 MWh
2	HERO SOLAR ENERGY PRIVATE LIMITED	70MW/140 MWh
3	VENT RENEWABLE PRIVATE LIMITED	70MW/140 MWh
4	INDIGRID 2 LIMITED	250 MW / 500 MWh
5	NTPC RENEWABLE ENERGY LIMITED	100 MW / 200 MWh
6	SOLARCRAFT POWER INDIA 12PRIVATE LIMITED	100 MW / 200 MWh
7	SJVN GREEN ENERGY LIMITED	70MW/140 MWh
8	JSW NEO ENERGY LIMITED	250 MW / 500 MWh
9	ACME SOLAR HOLDINGS PRIVATE LIMITED	70MW/140 MWh
	Total Bid Capacity against 250 MW	1050 MW/2100 MWh

The Members of the Bid Evaluation Committee scrutinized the electronic responses submitted by the Bidders and evaluated shortlisted bidders qualified for e-reverse

auction in terms of the RfS.

3. Principles of Evaluation

As per the terms of the tender documents, the financial evaluation of the bids is to be done in accordance with the bid evaluation methodology specified in the RfS based on the tariff quoted by the Bidders in the Electronic Forms.

As per the terms of the RfS, the Total Eligible Bidders for e-reverse auction is to be decided as per illustration below: -

Assuming

T = Total techno-commercially qualified bidders,

S_K = Cumulative capacity till the ' k^{th} ' serial number bidder (not the ' k^{th} ' rank bidder) after ranking is done in ascending order from L1 onwards

S_E = (Eligible capacity for award)	(i) In case $125 \text{ MW} \leq ST \leq 250 \text{ MW}$, $SE = 250 \text{ MW}$ (ii) In case $ST > 250 \text{ MW}$, $SE = 250 \text{ MW}$
---------------------------------------	--

Total eligible bidders for e-Reverse Auction

- i. In case $SE \leq 250 \text{ MW}$: all the techno-commercially qualified bidders whose financial bids are in line with the RfS provisions, will be shortlisted for e-RA. Accordingly, the no. of bidders shortlisted for e-RA, i.e., " n " = " T ".
- ii. In case $SE > 250 \text{ MW}$: The lowest ranked bidder, i.e. the bidder quoting the highest tariff (the "H1 bidder") shall be eliminated at this stage, and the remaining techno-commercially qualified bidders whose financial bids are in line with the RfS provisions, will be shortlisted for e-RA.

Accordingly, the no. of bidders shortlisted for e-RA, i.e., " n " = " T "-1

Note:

(a) In case more than one bidder is ranked as "H1" bidder, i.e. such bidders are at the same tariff, all such bidders will be eliminated at this stage.

(b) The above elimination will take place subject to the condition that the total bid capacity after such elimination remains more than 250 MW. In the contradictory scenario, no elimination will take place at this stage.

4. Evaluation of shortlisted bidders qualified for e-RA

As per the terms of the tender documents, the Total Eligible Bidders shortlisted for e-reverse auction are as per details tabulated herein below: -

Rank	Name	Capacity (MW)	Rate Rs/MW/Month	Status
L1	JSW Neo Energy Limited	250 MW / 500 MWh	598000	Qualify (950M W / 1900 MWh)
L2	IndiGrid 2 Limited	250 MW / 500 MWh	655000	
L3	Hero Solar Energy Private Limited	70MW/140 MWh	844000	
L4	GENSOL ENGINEERING LIMITED	70MW/140 MWh	925000	
L5	NTPC Renewable Energy Limited	100MW/200 MWh	949999	
L6	ACME Solar Holdings Private Limited	70MW/140 MWh	990000	
L7	SJVN Green Energy Limited	70MW/140 MWh	991000	
L8	VENT RENEWABLES PRIVATE LIMITED	70MW/140 MWh	995000	
H1	Solarcraft Power India 12 Private Limited	100MW/200 MWh	1061000	Dis-Qualify
Total		1050MW / 2100 MWh		

Based on the financial bid evaluation in terms of the RfS, the above mentioned **08 (eight) nos. of bidders** aggregating to **1050 MW capacity (eligible capacity 950 MW)** were shortlisted for participating in the e-reverse auction. The Solarcraft Power India 12 Private Limited dis-qualify to participate in e-Reverse Auction as per Principle of Evaluation mentioned above.

5. Electronic - Reverse Auction:

The tariffs discovered in the e-reverse auction are as follows:

Rank	Name	Capacity (MW)	Rate Rs/MW/Month	Status
L1	JSW Neo Energy Limited	250 MW / 500 MWh	598000	Qualify (950M W / 1900 MWh)
L2	IndiGrid 2 Limited	250 MW / 500 MWh	655000	
L3	Hero Solar Energy Private Limited	70MW/140 MWh	844000	
L4	GENSOL ENGINEERING LIMITED	70MW/140 MWh	925000	
L5	NTPC Renewable Energy Limited	100MW/200 MWh	949999	

L6	ACME Solar Holdings Private Limited	70MW/140 MWh	990000	
L7	SJVN Green Energy Limited	70MW/140 MWh	991000	
L8	VENT RENEWABLES PRIVATE LIMITED	70MW/140 MWh	995000	
Total		950MW /1900 MWh		

6. Successful Bidders

As per RfS provision 44.2, The bidders who fall within the range of (and including) the **lowest tariff (L1 tariff) +2%** of the L1 tariff, hereinafter referred to as “the range” will be declared as Successful Bidders.

The Successful Bidders are as follow.

Ran k	Name of the Bidder	Capacity Won (MW)	Rate (Rs. /MW/Mon th)	% Differen ce
L1	GENSOL ENGINEERING LIMITED	70 MW / 140 MWh	448996	0%
L2	IndiGrid 2 Limited	180 MW / 360 MWh	449996	0.22%
Total capacity for successful bidder		250 MW		

7. Committee Recommendation:

In terms of Section-3, G-1 of the MoP Guidelines for the competitive bidding issued vide notification dated 10.03.2022, it is certified that the Bid Evaluation committee has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

Sr. No .	Name	Designation	Signature
1	Shri H N Shah	General Manager (RE)	Sd/-
2	Smt Bhavani Ghattamaneni	Chief Finance Manager (RE & PT)	Sd/-
3	Shri Nilay D. Joshi	Controller of Accounts (F&A)	Sd/-
4	Shri. Sumit D Harwani	Deputy Engineer (ESS)	Sd/-

.....”

9.7. As per above, 8 (Eight) bidders with aggregate capacity of 950 MW/ 1900 MWh qualified for e-reverse auction and the Petitioner had conducted e-reverse auction. We note that the Petitioner GUVNL after the conclusion of bidding process has also

certifying that the Evaluation Committee constituted for evaluation of RfS bids has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

9.8. In the E-Reverse auction of 06.03.2024 a report generated on the web-portal of Bharat-electronic tender is reproduced below:

S#	Bidder's Name	Quoted Value	Loaded Value	Currency	Date/Time of Bidding	Bidder's Quantity	% Difference Greater than Rank - 1 Bid Value
1	Gensol Engineering Limited	448996.00	448996.00	Indian Rupee	06-Mar-2024 22:23:30 RTZ	70.00	0%
2	IndiGrid 2 Limited	449996.00	449996.00	Indian Rupee	06-Mar-2024 22:20:20 RTZ	250.00	0.22%
3	JSW Neo Energy Limited	449997.00	449997.00	Indian Rupee	06-Mar-2024 22:19:49 RTZ	250.00	0.22%
4	Hero Solar Energy Private Limited	538000.00	538000.00	Indian Rupee	06-Mar-2024 17:06:00 RTZ	70.00	19.82%
5	NTPC Renewable Energy Limited	949999.00	949999.00	Indian Rupee	06-Mar-2024 13:03:15 RTZ	100.00	111.58%
6	ACME Solar Holdings Private Limited	990000.00	990000.00	Indian Rupee	06-Mar-2024 13:03:15 RTZ	70.00	120.49%
7	SJVN Green Energy Limited	991000.00	991000.00	Indian Rupee	06-Mar-2024 13:03:15 RTZ	70.00	120.71%
8	VENT RENEWABLES PRIVATE LIMITED	995000.00	995000.00	Indian Rupee	06-Mar-2024 13:03:15 RTZ	70.00	121.61%

9.9. It can be observed from above table that at the end of E-Reverse auction, the quoted tariff value and quantum in MW of 8 (Eight) bidders, i.e., (i) Gensol Engineering Limited, (ii) IndiGrid 2 Limited, (iii) JSW Neo Energy Limited, (iv) Hero Solar Energy Private Limited, (v) NTPC Renewable Energy Limited, (vi) ACME Solar Holdings Private Limited, (vii) SJVN Green Energy Limited, and (viii) Vent Renewable Private Limited, is as per result generated at the closure of E-Reverse Auction on e-bidding portal for 950 MW/ 1900 MWh capacity. Moreover, as per above ranking, the total offered/bidder capacity by (i) Gensol Engineering Limited of 70 MW/140 MWh at the tariff/rate of Rs. 4,48,996 per MW per Month, (ii) IndiGrid 2 Limited of 250 MW/500 MWh at the tariff/rate of Rs. 4,49,996 per MW per Month, (iii) JSW Neo Energy Limited of 250 MW/500 MWh at the tariff/rate of Rs. 4,49,997 per MW per Month, (iv) Hero Solar Energy Private Limited of 70 MW/140 MWh at the tariff/rate of Rs. 5,38,000 per MW per Month, (v) NTPC Renewable Energy Limited of 100 MW/200 MWh at the tariff/rate of Rs. 9,49,999 per MW per Month, (vi) ACME Solar Holdings Private Limited of 70 MW/140 MWh at the tariff/rate of Rs. 9,90,000 per MW per Month, (vii) SJVN Green Energy Limited of 70 MW/140 MWh at the tariff/rate of Rs. 9,91,000 per MW per Month and (viii) Vent Renewable Private Limited of 70 MW/140 MWh at the tariff/rate of Rs.9,95,000 per MW per Month works out to 950 MW/ 1900 MWh capacity.

9.10. It is also necessary to refer Clause 4 of RfS dated 29.11.2023 with regard to 'Selection of Successful Bidders' which is reproduced as under:

“...
.....

44.2. The bidders who fall within the range of (and including) the lowest tariff (L1 tariff) + 2% of the L1 tariff-hereinafter referred to as “the range”- will be declared as Successful Bidders under the RfS, subject to the following conditions:

- i. In case the cumulative capacity shortlisted as per the range exceeds SE (capacity eligible for award as per Clause 43.2 above), the list of Successful Bidders shall be limited by SE.*
- ii. In a borderline case, i.e. the scenario wherein more than one bidder is eligible to be declared as Successful Bidder at the highest tariff (the tariff at the end of the range), and the cumulative capacity exceeds SE, time stamping of bidders shall be used to limit allocation of cumulative capacity up to SE. In such cases, those bidders who are at the same tariff, but they are ranked lower than the ones which fall within the cumulative capacity limit of SE, will not be eligible to be declared as Successful Bidders.*

In other words, in every possible scenario, the total capacity to be awarded under the RfS shall be limited to SE.

- iii. Time stamping- In case of a tie among two or more Bidders (i.e. their last quoted tariff being the same), they will be considered in the chronological order of their last quoted tariff during the e-RA with preference to be given to that Bidder who has quoted his last tariff during the e-RA, earlier than others.*
- iv. In the above case, if the time of quote also becomes exactly same among the Bidders at a tie, then the ranking among these Bidders shall be done as follows:*
 - Step 1: Lowest rank will be given to the Bidder who has quoted the lowest in Financial Bid (Electronic Form) and so on. If there is also a tie among any of these bidders, then the following step (Step 2)*

will be followed.

- Step 2: Ranking will be done based on draw of lots.
.....”

9.11. Moreover, as the bucket size of present tender is 250 MW/500 MWh, therefore, as per above Clause 44.2 of the RfS, the bidders who fall within the range of (and including) the lowest tariff (L1 tariff) +2% of the L1 tariff, will be declared as Successful Bidders. Accordingly, after e-reverse auction, the Respondent No. 2 IndiGrid 2 Limited being L2 bidder, has quoted tariff/rate which comes under L1 tariff +2% and falls in Yellow Zone as per RfS dated 29.11.2023. Therefore, the Respondent No. 2 is qualified for 180 MW/360 MWh capacity out of 250 MW/ 500 MWh as successful bidder. Accordingly, the Petitioner has stated in the Petition as under:

Rank	Name of the Bidder	Quoted Capacity (MW/MWh)	Eligible Capacity (MW/MWh)	Storage Rate (Rs. /MW/Month)	% Difference from L1
L1	Gensol Engineering Limited	70 MW/140 MWh	70 MW/140 MWh	448996	0%
L2	IndiGrid 2 Limited	250 MW/500 MWh	180 MW/360 MWh	449996	0.22%
Total capacity for successful bidder			250 MW/500 MWh		

9.12. The Respondents No. 1 & 2 viz., (i) Gensol Engineering Limited, and (ii) IndiGrid 2 Limited vide their respective affidavits submitted that they have accepted the discovered tariff and not having any objection to adoption of discovered tariff by the Commission under the Competitive Bidding Process conducted vide RfS No. GUVNL/BESS/Phase-II dated 29.11.2023 issued by the Petitioner GUVNL for Procurement of storage capacity from Pilot Projects of 250 MW/500 MWh Standalone Battery Energy Storage Systems in Gujarat under Tariff Based Global Competitive Bidding (Phase – II). It is also submitted that they have already filed their responses in pursuant to the directives of Order dated 02.05.2024 and not having any further additional information to furnish in the present matter and accordingly, prayed to the Commission to adopt the same so that the project activities may be commenced.

9.13. We also note that in response to query of the Commission vide its Daily Order dated 02.05.2024, the Petitioner submitted that Section 63 of the Electricity Act, 2003 provides that Appropriate Commission shall adopt the tariff if such tariff/Storage rate has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. In the absence of Standard Bidding Documents for standalone Battery Energy Storage System, the Procurer shall prepare the bid documents in accordance with Guidelines dated 10.03.2022 notified by MoP's Government of India. The Procurer shall seek prior approval of the Appropriate Government for deviations, if any, in the draft RfS, draft BESPA, draft BESSA (if applicable) from these Guidelines, in accordance with the process described in 'Clause A' of Section V of the aforesaid Guidelines.

9.14. Accordingly, GUVNL has taken approval of deviation from the Guidelines of MoP, Government of India, in respect of (i) Change in Law Clause, (ii) Payment Security Funds, (iii) Letter of Award to Letter of Intent, vide its Letter No. GUVNL/BESS/2022/1139/B1 dated 28.07.2022 & EPCD/0183/12/2023 dated 25.01.2024 and thereafter, the Petitioner GUVNL has conducted the Competitive Bidding Process for Procurement of Storage Capacity from Standalone Battery Energy Storage System based on Bid Documents containing detailed provisions that are consistent with the Guidelines read with deviations approved by Government of Gujarat.

9.15. We also note that in respect of Renewable Purchase Obligation (RPO) and Energy Storage Obligation (ESO) trajectory till FY 2029-30 dated 22.07.2022 as notified by MoP, Government of India, the Petitioner GUVNL has prepared a road map of 40 GW of capacity addition from various RE sources i.e., Solar, Wind, Off-shore Wind, Hybrid Projects, Firm and Dispatchable Renewable Energy (FDRE) Sources. Further, in order to meet the ESO requirement of 1.5 % in FY 2024-25, energy consumed shall be meet through Energy Storage Options, i.e., Battery Energy Storage, Pumped Hydro Storage and Other Storage Options. It is submitted that if Energy Storage Obligation (ESO) meets through Battery Energy Storage System (BESS) considering 95% of annual availability, up to FY 2029-30, then the requirement of Battery Energy Storage capacity will be as below:

FY	Demand (BUs)	% Storage	ESO(BUs) / year	MWh requirement / day	MW Storage Capacity (with 4 Hr /Day)(BESS)	Year On Year MW Storage Capacity Addition (with
-----------	---------------------	------------------	------------------------	------------------------------	---	--

						4 Hr /Day)(BESS)
2023-24	130	1%	1.30	3,554	935	935
2024-25	139	1.50%	2.09	5,716	1,504	569
2025-26	150	2%	2.99	8,199	2,158	654
2026-27	161	2.50%	4.02	11,023	2,901	743
2027-28	173	3%	5.19	14,214	3,741	840
2028-29	186	3.50%	6.49	17,791	4,682	941
2029-30	201	4%	8.03	22,013	5,793	1,111

9.16. We also note the submissions of the Petitioner GUVNL that the tenure of Battery Energy Storage Purchase Agreement (BESPA) has a duration of 12 years from the scheduled commissioning of the BESS Project and therefore, considering the dynamic landscape of battery energy storage technologies with emerging chemistries and advancements occurring regularly, the Petitioner GUVNL has identified Pumped Hydro Storage sites across Gujarat State which is benefitted to the consumers. Also, GUVNL has intended to explore alternative energy storage technologies such as Pumped Hydro Storage, Battery Energy Storage or other emerging options in order to fulfil the energy storage requirements parallel to 12 years of BESPA tenure and will give priority to most economical solutions available for reliable energy storage options at that time.

9.17. It is further submitted that the Respondents have submitted no objection to adoption of discovered tariff under Competitive Bidding Process conducted under RfS No. GUVNL/BESS/Phase II dated 29.11.2023 by the Petitioner GUVNL for Procurement of Storage Capacity from 250 MW/500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat.

9.18. We also note that the Petitioner GUVNL have first time successfully concluded the tenders for standalone Battery Energy Storage System and therefore, reference rates for standalone BESS tenders of GUVNL is not available. Further, it is submitted that during the last year two years, the Central Bidding Agency has concluded e-RA wherein the tariff/rate is discovered in the range of Rs. 10.6 Lakhs to 12.78 Lakhs per MW per Month and upon comparison with these tariffs discovered in tenders of Central Bidding Agencies, tariffs discovered in present tender in range of Rs. 448996-449996 per MW per Month is lower and competitive.

9.19. Accordingly, in pursuant to approval from the Government of Gujarat to deviate from the standard issuance of a Letter of Award, the Petitioner GUVNL has now issued

Letters of Intent (LoIs) dated 14.03.2024 to the aforesaid two bidders (L1 and L2) at the discovered rates ranging from Rs 448996-449996 per MW per Month. In view of above, the total allotment of 250 MW/500 MWh capacity under the tender is as under:

Rank	Name of the Bidder	Quoted Capacity (MW/MWh)	Eligible Capacity (MW/MWh)	Storage Rate (Rs. /MW/Month)
L1	Gensol Engineering Limited	70 MW/140 MWh	70 MW/140 MWh	448996
L2	Indigrid 2 Limited	250 MW/500 MWh	180 MW/360 MWh	449996
Total capacity for successful bidder			250 MW/500 MWh	

9.20. We also note that the Petitioner has issued Letters of Intent (LoIs) to the above successful bidders on 14.03.2024 for total capacity of 250 MW/500 MWh as mentioned in the above table at the corresponding rates. We further note that as per terms and conditions of tender, the BESPA is to be signed with above successful bidders within 10 days from the adoption of tariff by the Commission, and that the Petitioner has also mentioned in the LoIs that BESPA shall be signed with successful bidders only after the approval of the Commission (GERC) and in accordance with such approval.

9.21. We note that as per Section-3, G-1 of the '*Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution Assets, along with Ancillary Services*' dated 10.03.2022 issued by the Ministry of Power, Government of India, after the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids has to certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS. As already noted above, the Petitioner in compliance to aforesaid clause has certifying that the Committee has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

9.22. We also note that the Ministry of Power had notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 on 22.02.2021. The said Rules are superseded by the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 on 03.06.2022. The aforesaid Rules, 2022 provides that this Rules are in

supersession of earlier notified Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 except as respects things done or omitted to be done before such supersession. The said Rules would apply for the outstanding dues of generating companies, Inter-State transmission licensees and electricity trading licensees after the Notification of the Rules on 03.06.2022 and accordingly, applicable in the present matter. We note that the Petitioner has initiated and conducted the Competitive Bidding Process through RfS No. GUVNL/BESS/Phase-II dated 29.11.2023, by issuing the 'Notice Inviting Tender' on 30.11.2023. It is stated in the said Rules, 2022 that the Central Government in exercise of powers conferred by Section 176 (1) of the Electricity Act, 2003 and in supersession of the Electricity (Late Payment Surcharge) Rules, 2021 except as respects things done or omitted to be done before the supersession has notified Electricity (Late Payment Surcharge) Rules, 2022 which has to come in force on the date of its publication in the Official Gazette. i.e., from 03.06.2022 onwards. In this regard, we are of view that as per provisions of bidding guidelines, the distribution licensee or intermediary procurer has to approach the Commission for adoption of tariff discovered under Competitive Bidding Process in terms of Section 63 of Electricity Act, 2003 and the Commission has to decide and adopt the discovered tariff within 120 days from such submissions by the distribution licensee or intermediary procurer. In the present case, the Petitioner has approached the Commission for adoption of tariff discovered through competitive bidding process conducted vide RfS No. GUVNL/BESS/Phase-II dated 29.11.2023 which is an ongoing process. We also note that as per the submissions of the Petitioner GUVNL that though the LoIs have been issued to the successful bidders but the BESPAs are yet to be signed by the Petitioner with the successful bidders although the Petitioner has filed Draft BESPA with the Petition to be executed with the successful bidders. Therefore, we are of view that the aforesaid Rules are notified under the Electricity Act, 2003 and therefore, it need to be given effect, if any, in the power procurement by the distribution licensee. Hence, we direct the Petitioner GUVNL to incorporate and align the Clauses of the Electricity (Late Payment Surcharge) Rules appropriately in the BESPAs to be signed with the successful bidders, if already not incorporated.

- 9.23. In view of the foregoing, the Commission is satisfied with the entire tendering process including the e-reverse bidding conducted by the Petitioner in a transparent manner and discovered tariff of successful bidders with quoted capacity and allocated capacity to them as stated above.

9.24. The Commission, therefore, decides to adopt the above discovered tariff as mentioned above to two (2) bidders, viz., (i) Gensol Engineering Limited and (ii) IndiGrid 2 Limited, for allocated capacity at their respective corresponding rate for Procurement of Storage Capacity from 250 MW /500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat), as prayed by the Petitioner GUVNL.

9.25. We note that though the LoIs have been issued to the successful bidders but the BESPAs are yet to be signed by the Petitioner with the successful bidders although the Petitioner has filed Draft BESPA with the Petition to be executed with the successful bidders. We also note that the Petitioner has in the present Petition has submitted that as per terms and conditions of tender, the successful Bidders are required to sign BESPA with the Petitioner GUVNL within 10 days from the date of adoption of tariff by the Commission. Therefore, the Petitioner is directed to execute the BESPAs with the successful bidders as per decision in this Order. We note that the Petitioner is also required to submit the copy of the signed BESPAs and therefore, the Petitioner is directed to submit copies of duly executed BESPAs to the Commission along with an affidavit stating that the Articles/provisions of the BESPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission and that deviations approved by EPD, Government of Gujarat. We also direct the Petitioner that for the purpose of transparency, after execution of the BESPAs, to publicly disclose the name (s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Section -3, G7 of the bidding guidelines as amended for knowledge and information of the stakeholders.

10. **SUMMARY OF DECISIONS:**

10.1. Considering the recommendation of Bid Evaluation Committee Report and above analysis, we decide to adopt the tariff discovered under the Competitive Bidding Process conducted by the Petitioner through RfS No. GUVNL/BESS/Phase-II dated 29.11.2023 issued by the Petitioner GUVNL for procurement of storage capacity from

250 MW /500 MWh Standalone Battery Energy Storage System (Phase II) to be set up in Gujarat, as under:

Rank	Name of the Bidder	Quoted Capacity (MW/MWh)	Eligible Capacity (MW/MWh)	Storage Rate (Rs. /MW/Month)
L1	Gensol Engineering Limited	70 MW/140 MWh	70 MW/140 MWh	448996
L2	Indigrid 2 Limited	250 MW/500 MWh	180 MW/360 MWh	449996
Total capacity for successful bidder			250 MW/500 MWh	

- 10.2. Apart from the directives of the Commission in this Order, the Petitioner to sign the Battery Energy Storage Purchase Agreements (BESPA) with the successful bidders with allocated capacity and tariff/rate as per above table.
- 10.3. We direct the Petitioner to submit copies of duly executed BESPA to the Commission along with an affidavit stating that the Articles/provisions of the BESPA executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission and that deviations approved by EPD, Government of Gujarat. We also direct the Petitioner that for the purpose of transparency, after execution of the BESPA, to publicly disclose the name (s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Section -3, G7 of the bidding guidelines as amended for knowledge and information of the stakeholders.
11. Order accordingly.
12. With this Order the present Petition stand disposed of.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar

Date: 14/06/2024.