BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

HERC/Petition No. 25 of 2024

Date of Hearing : 05.06.2024 Date of Order : 06.06.2024

In the Matter of

Petition under Section 86(1)(b) and Section 63 of the Electricity Act, 2003 read with the Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 seeking approval of source for the procurement of up to 689 MW RTC Power through tariff-based competitive bidding process on a short-term basis for the period between 01.06.2024 to 31.07.2024 floated through NIT-115/HPPC.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Present on behalf of the Petitioner

- 1. Ms. Sonia Madan, Advocate
- 2. Sh. Ajay Kumar Bansal, Xen, HPPC

Quorum

Shri Nand Lal Sharma Shri Mukesh Garg Chairman Member

ORDER

Brief Background of the case

 The present petition has been filed by HPPC, a joint forum of Haryana Distribution licensees for power purchase/trading, seeking source approval and adoption of tariff for procurement of 689 MW RTC power, on short term basis for the period from 01.06.2024 to 31.07.2024, at the tariff discovered through Competitive bidding.

2. HPPC's submissions: -

- 2.1 That, in order to meet the deficit in the upcoming peak season for the current Financial Year, HPPC made arrangements through Short term tenders (NIT-108 & NIT-110 (upto 1740 MW)) & medium term tenders (NIT-104 (360 MW)) along with procurement of power (393 MW) from PFCCL under Shakti Scheme and allocation of 110 MW power from CGS by MoP from unallocated pool and cross border power (200) from Nepal.
- 2.2 That, after considering availability of power from all tied up sources and including all arrangements available with HPPC till date, HPPC is still expecting deficit in the upcoming peak months to cater peak demand of the State.

2.3 That, as per the demand supply projections, the deficit in the upcoming months for FY 2024-25 is tabulated as under:-

Month	Peak Demand	Normative Availability as per PLF w/o CGPL, FGPP, Baglihar (in MW)	Banking Arrange ments (in MW)	Unallocated Power from CGS (in MW)	STOA arrange ments through NIT-108 & 110 (in MW)	Cross Border Power from Nepal through NVVN	Total Availability	Surplus (+) /deficit (-)
June	14287	10788	40	110	938	0	11876	-2411
Jul	14262	10806	159	110	1640	0	12715	-1547
Aug	13811	10809	159	110	1530	200	12808	-1003
Sep	13548	10190	130	110	1740	200	12370	-1177

2.4 That two-third of the State falls in extended National Capital Region and its power demand is increasing on account of rapid industrialization and Mass Urbanization. Additionally, after considering the fact that the State of Haryana is an agrarian economy where various agricultural activities are carried out at large scale, the power demand of the State rises exponentially during the summer/paddy season due to power requirement of AP tube well as well as air conditioning load. Considering the past trend of the maximum demand witnessed in the State, it is expected that the peak demand may cross 14000 MW in FY 2024-25. The brief details of year wise maximum demand are as under:

Year	Peak Demand (in MW)
FY 2020-2021	10894
FY 2021-2022	12120
FY 2022-2023	12768
FY 2023-2024	13055
FY 2024-2025	14287(expected)

- 2.5 That, as per press release dated 01.04.2024, India Meteorological Department (IMD) conveyed that during the upcoming hot weather season (April to June), above Normal maximum Temperatures are likely over most parts of country, especially with high probability over central India and western peninsular India.
- 2.6 That, peak shortage of 14 GW is forecasted in the month of June 2024 during night time hours as per CEA. With the higher proportion of RE power mix in the power portfolio in the country, the demand during night time is higher due to non-availability of Solar Power. During such high-power requirement slots, the power availability in power exchanges becomes uncertain and further the rate on which power got available is Rs. 10/unit.
- 2.7 That The quantum of power purchased from the power exchanges during the FY 2023-24 and the cost thereof are tabulated below:-

Month	Quantum at Regional Periphery (LU)	Total Cost (Lakhs)	Landed cost at State Periphery (Rs/ Kwh)
Jun-23	843.49	5919.38	7.25
July-23	273.84	1761.07	6.66
Aug-23	1481.82	12243.59	8.55
Sept-23	3338.69	24632.87	7.63

- 2.8 That relying solely on purchasing power from power exchanges on a day-to-day basis, especially during peak hours, may not be a feasible solution due to the high rates hovering around Rs. 10/ per unit (maximum capped price) during the summer/ paddy season. Even after quoting quantum more than the requisite quantum at this exorbitant rate, partial bid quantum is cleared. As a result of which large-scale power cuts, are to be imposed to the consumers in Haryana affecting daily economic activity and progress of the state.
- 2.9 That, considering the envisaged high demand of power in the peak paddy season and summer months, SCPP in its 75th meeting held on 04.04.2024 directed HPPC to float a tender for procurement of short term RTC power during 01.06.2024 to 30.09.2024 in order to ensure reliable power to consumers of the State as per the details below:

Month	Quantum
June-24	1000 MW
July-24	650 MW
Aug- 24	500 MW
Sept-24	600 MW

Accordingly, HPPC floated tender a Notice Inviting Tender (hereinafter referred to as 'NIT') through NIT No. 115/HPPC for purchase of RTC power through tariff based competitive bidding process using National e-bidding portal i.e. DEEP Portal for the months of June-September, 2024 in accordance with the guidelines dated 30.03.2016 issued by the MoP.

- 2.10 That the Model Code of Conduct came into force in state w.e.f. 16.03.2024. Haryana Govt vide Chief Secretary Office letter dated 13.03.2024 constituted a screening committee under the Chairmanship of Chief Secretary to Govt. of Haryana to consider proposals of relaxation of Model Code of Conduct and shall examine each proposal/ reference before sending it to Election Commission through the Chief Electoral Officer, Haryana. HPPC got approval from Election Commission of India dated 10.05.2024 after getting the approval from Screening Committee on dated 15.04.2024.
- 2.11 That the last date of online bid submission was 02.05.2024 on Deep portal. M/s PFC Consulting Ltd (PFCCL) was engaged as authorized representative (AR) for etendering process on behalf of HPPC as per guidelines of MoP. The non-financial bids were opened on 03.05.2024 and following bidders were found technically qualified:
 - i. Tata Power Trading Company Limited
 - ii. Sembcorp Energy India Limited
 - iii. PTC India Limited
 - iv. NTPC Vidyut Vyapar Nigam Limited
 - v. Manikaran Power Limited
 - vi. OPG Power Generation Pvt Ltd.

- vii. Jindal Power Limited
- viii. JSW Energy Limited
- ix. Adani Enterprises Limited
- x. GMR Energy Trading Limited
- xi. Arunachal Pradesh Power Corporation Private Limited
- xii. Ambitious Power Trading Company Limited
- xiii. Instinct Infra and Power Limited
- 2.12 That further the price bid was opened on 06.05.2024 by M/s PFCCL. The e-reverse auction was held on same day. The final bid prices of e-RA after considering bucket filling are as under:-

MSTC number	Name of Bidder	Source	Quant ity (MW)	Price (Rs/ unit)	Booking Time	Weighted Avg.Rate (Rs/ unit)
01-06-202	4 to 30-06-2024				•	
509563	GMR Energy Trading Limited	GMR Warora Energy Limited	42	8.22	06-05-2024 14:42:15	
191170	Arunachal Pradesh Power Corporation Private Ltd	Generator in WR.	25	8.22	06-05-2024 14:42:30	
88039	Jindal Power Limited	Jindal Power Limited- Tamnar, Chhattisgarh	200	8.22	06-05-2024 14:42:44	
77617	Tata Power Trading Company Limited	Govt. of Himachal Pradesh (GoHP) share of power in various Hydro Electric Power Plants located in Himachal Pradesh	50	8.22	06-05-2024 14:42:45	
494522	Instinct Infra and Power Limited	DB Power Limited,VillageBaradarha, District Janjir Champa, Chhattisgarh	25	8.22	06-05-2024 14:42:56	
416716	Ambitious Power Trading Company Limited	Jindal Power Limited a Shirpur Power Plant, Nardhana Industrial Area, Tal: Shindkeda, Dist: Dhule- 425404	100	8.22	06-05-2024 14:43:01	
79181	OPG Power Generation Pvt Ltd	OPG Power Generation Pvt Ltd	72	8.22	06-05-2024 14:44:01	
189000	NTPC Vidyut Vyapar Nigam Limited	SKS Power Generation (Chhattisgarh) Limited, IPP in state of Chhattisgarh, Kotra	50	8.22	06-05-2024 14:44:26	
188996	NTPC Vidyut Vyapar Nigam Limited	Jaypee Nigrie Supercritical Thermal Power Plant (JNSTPP), Madhya Pradesh	100	8.24	06-05-2024 14:34:32	
74837	NTPC Vidyut Vyapar Nigam Limited	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh	25	8.24	06-05-2024 14:35:40	
89749	JSW Energy Limited	IND Barath Energy Utkal Ltd. Odisha	100	8.60	06-05-2024 14:09:47	
74475	PTC India Limited	JSW Energy LTd- Ratnagiri- Located in Maharashtra in WR	30	8.80	06-05-2024 14:04:17	
74476	PTC India Limited	JSW IND-Barath Energy (Utkal) Limited Located in Odisha in ER	25	8.90	06-05-2024 13:46:53	
78172	Manikaran Power Limited	Sravanthi Energy Pvt Ltd Dadiyal Road / Khaikhera Village- Kashipur/ Udham Singh Nagar / Uttarakhand- 244713	156	9.79	06-05-2024 14:19:19	
	Bucket Filling		1000			8.54

01-07-24	to 31-07-24					
74838	NTPC Vidyut Vyapar Nigam Limited	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu	254	6.30	06-05-2024 15:15:05	
102094	Manikaran Power Limited	Sai Wardha Power Generation Private Limited B-2, Warora Growth Centre, MIDC, Warora, Chandrapur (Dist.), Maharashtra-442907	100	6.30	06-05-2024 15:15:13	
74297	Sembcorp Energy India Limited	SEIL Energy India Limited- Project 2 (SEIL-P2), Ananthavaram Village, Varkavipudi Panchayat, TP Gudur Mandal, Nellore, A.P	25	6.30	06-05-2024 15:15:25	
91600	Adani Enterprises Ltd	Adani Power Limited-Raipur TPP	200	6.35	06-05-2024 15:07:48	
335680	Adani Enterprises Ltd	Adani Power Limited- Raigarh TPP	25	6.35	06-05-2024 15:08:03	
126539	GMR Energy Trading Limited	GMR Bajoli Holi Hydropower Private Limited	35	6.57	06-05-2024 14:50:58	
74185	TATA Power Trading Company Limited	Prayagraj Power Generation Company Limited (PPGCL)	11**	6.66	06-05-2024 14:33:37	
	Bucket Filling		650			6.34
01-08-202 74838	4 to 31-08-2024 NTPC Vidyut	IL&FS Tamil Nadu Power	254	6.62	06-05-2024	
74030	Vyapar Nigam Limited	Company Limited (ITPCL), Cuddalore, Tamil Nadu	254	0.02	15:06:03	
74297	Sembcorp Energy India Limited	SEIL Energy India Limited- Project 2 (SEIL-P2), Ananthavaram Village, Varkavipudi Panchayat, TP	25	6.62	06-05-2024 15:06:26	
126539	GMR Energy Trading Limited	Gudur Mandal, Nellore, A.P GMR Bajoli Holi Hydropower Private Limited	35	6.62	06-05-2024 15:14:25	
79181	OPG Power Generation Pvt Ltd	OPG Power Generation Pvt Ltd	72	6.64	06-05-2024 15:01:19	
74185	TATA Power Trading Company Limited	Prayagraj Power Generation Company Limited (PPGCL)	50	6.66	06-05-2024 14:49:22	
188996	NTPC Vidyut Vyapar Nigam Limited	Jaypee Nigrie Supercritical Thermal Power Plant (JNSTPP), Madhya Pradesh	50	6.70	06-05-2024 14:44:12	
77617	Tata Power Trading Company Limited	Govt. of Himachal Pradesh (GoHP) share of power in various Hydro Electric Power Plants located in Himachal Pradesh	14**	6.90	06-05-2024 15:08:55	
	Bucket Filling		500			6.64
	4 to 30-09-2024		1	1	T	
74486	PTC India Limited	Nava Bharat Ventures Limited - Odisha Cpp Located In Odisha In Eastern Region	35	6.63	06-05-2024 14:59:04	
102094	Manikaran Power Limited	Sai Wardha Power Generation Private Limited B-2, Warora Growth Centre, MIDC, Warora, Chandrapur (Dist.), Maharashtra-442907	100	6.63	06-05-2024 14:59:16	
74297	Sembcorp Energy India Limited	SEIL Energy India Limited- Project 2 (SEIL-P2), Ananthavaram Village, Varkavipudi Panchayat, TP Gudur Mandal, Nellore, A.P	25	6.63	06-05-2024 14:59:20	
79181	OPG Power Generation Pvt Ltd	OPG Power Generation Pvt Ltd	72	6.64	06-05-2024 15:01:41	
74242	Tata Power Trading Company Limited	Nava Bharat Energy India Limited (NBEIL)	65	6.65	06-05-2024 14:54:48	
74185	TATA Power Trading Company Limited	Prayagraj Power Generation Company Limited (PPGCL)	50	6.66	06-05-2024 14:55:55	

188996	NTPC Vidyut	Jaypee Nigrie Supercritical	100	6.70	06-05-2024	
	Vyapar Nigam	Thermal Power Plant			14:41:06	
	Limited	(JNSTPP), Madhya Pradesh				
74837	NTPC Vidyut	Jaypee Bina Thermal Power	25	6.70	06-05-2024	
	Vyapar Nigam	Plant (JBTPP), Madhya			14:41:34	
	Limited	Pradesh				
335680	Adani Enterprises	Adani Power Limited-	100	6.88	06-05-2024	
	Ltd	Raigarh TPP			14:34:05	
91600	Adani Enterprises	Adani Power Limited-Raipur	28	6.88	06-05-2024	•
	Ltd	TPP			14:34:11	
	Bucket Filling		600			6.70

2.13 That the quantum offered and rates discovered in the competitive bidding were deliberated by the SCPP in its 76th meeting held on 15.05.2024. Considering the sudden outages of thermal power plants and power availability from all other sources, it was decided that the power be procured on short term basis for the month of June and July 2024 only. Further, power for the month of Aug'24 & Sept'24 will be decided in the upcoming SCPP meeting. The details of selected bidders for the month of June'24 and July'24 along with the quantum and rate are tabulated as under:-

Month	Name of Bidder	Source	Qtm. (MW)	Rate quoted (Rate/unit)
01-06-24 to 30-06-24	GMR Energy Trading Limited	GMR WARORA ENERGY LIMITED	42	8.22
	Arunachal Pradesh Power Corporation Private Limited	Generator in WR.	25	8.22
	JINDAL POWER LIMITED	Jindal Power Limited-Tamnar, Chhattisgarh	200	8.22
	Tata Power Trading Company Limited	Govt. of Himachal Pradesh (GoHP)	50	8.22
	Instinct Infra and Power Limited	DB Power Limited	25	8.22
	Ambitious Power Trading Company Limited	Jindal Power Limited, Shirpur Power Plant	100	8.22
	OPG POWER GENERATION PVT LTD	OPG POWER GENERATION PVT LTD	72	8.22
	NTPC Vidyut Vyapar Nigam Limited	SKS Power Generation (Chhattisgarh) Limited, IPP	50	8.22
	NTPC Vidyut Vyapar Nigam Limited	Jaypee Nigrie Supercritical Thermal Power Plant (JNSTPP)	100	8.24
	NTPC VIDYUT VYAPAR NIGAM LIMITED	Jaypee Bina Thermal Power Plant (JBTPP)	25	8.24
	Weighted Avg. Rate		689	8.22
01-07-24 to 31-07-24	NTPC VIDYUT VYAPAR NIGAM LIMITED	IL&FS Tamil Nadu Power Company Limited (ITPCL)	254	6.30
	MANIKARAN POWER LIMITED	Sai Wardha Power Generation Private Limited	100	6.30
	Sembcorp Energy India Limited	SEIL Energy India Limited- Project 2(SEIL-P2)	25	6.30
	Adani Enterprises Ltd	Adani Power Limited-Raipur TPP	200	6.35
	Adani Enterprises Ltd	Adani Power Limited- Raigarh TPP	25	6.35
	Weighted Avg. Rate		604	6.32
	Weighted Avg. Rate (01-06-24 to 3	1-07-24)		7.32

2.14 That the bid validity period is of 90 days from the date of e-RA i.e. upto 05.08.2024. The rates quoted by the bidders are excluding interstate transmission system (ISTS) charges of State of Haryana. As per NIT, the interstate transmission system (ISTS) charges of State of Haryana under Open access are to be paid by HPPC. Currently, as per RTA account for the billing month of May-2024, as available on the official website of NRPC, the ISTS charges for the State of Haryana are Rs. 0.56/kWh.

- 2.15 That presently severe heatwave is going on in North & Central India. The load has increased manifold. The peak demand for the month of May 24 was forecasted as 11172 MW. However, peak demand has already reached 11313 MW on 20.05.2024 and is increasing day by day. Keeping in view the present circumstances, it is anticipated that more power is required for the month of June 24 & July 24 in order to supply reliable power to the consumers of the State.
- 2.16 That DISCOMs are under obligation to supply 24x7 uninterrupted power supply in its licensed area. The Electricity (Rights of consumers) rules notified by Ministry of Power, Gol, also strive to establish that the consumers have the right to get reliable services and quality electricity from the distribution licensee(s) of his area. Accordingly, HPPC is making all the necessary steps and gear up it sources to ensure quality service and un-interrupted power supply in its licensed area.
- 2.17 That in light of the above, in case the Petitioner buys deficit quantum through the power exchange during the summer/ paddy season of the year 2024, there is a likelihood of procuring the power at an exorbitant price coupled with unreliable supply during the peak season which consequently shall lead to large scale power cuts for the consumers of Haryana. It is also worthwhile to highlight that for time slots where rates in power exchange are higher, there is difficulty in clearance of requisite bid quantum. In view of the requirement of power of the months of June-July 2024, the procurement of power on short-term basis based on competitive bidding was found feasible and favorable by HPPC. Accordingly, the approval for procurement of power on short-term basis shall help the State of Haryana in meeting the power requirement for the peak paddy season for 2 months i.e., June 2024 and July 2024.
- 2.18 That the Petitioner-HPPC is consistently making efforts to arrange a reliable and feasible power supply for the State of Haryana. Considering the position of power deficit in the State & growing requirement for power, the Petitioner is seeking the kind indulgence of this Hon'ble Commission to approve short-term power sources at tariff discovered against NIT-115.
- 2.19 That the following prayers have been made: -
 - a) Grant approval of source for the procurement of power up to 689 MW RTC power on short-term basis from 01.06.2024 to 31.07.2024 at a tariff discovered through competitive bidding (NIT-115) under Section 63 of the Electricity Act, 2003;
 - Adopt tariff discovered through competitive bidding and allow the Petitioner-HPPC to issue a Letter of Intent to selected bidders for purchase of up to 689 MW RTC power from 01.06.2024 to 31.07.2024; and
 - c) Pass any such further order(s) or direction(s) that this Hon'ble Commission may deem fit and necessary in the facts and circumstances of the case.

Proceedings in the Case

2. The case was heard on 05.06.2024, in the court room of the Commission, wherein the petitioner (HPPC) mainly reiterated the contents of its petition, which for the sake of brevity are not being reproduced here.

Commission's Order

- 3. The Commission heard the arguments of the petitioner at length as well as perused the written submissions placed on record by the petitioner. The Commission has considered the submissions of the petitioner herein that the bids are valid up to 05.08.2024.
- 4. The Commission has taken note of the demand-supply position portrayed by HPPC. HPPC has submitted that there is a deficit in power supply during the months of June, 2024 to Sept, 2024 ranging from 2411 MW (June, 2024) to 1547 MW (July, 2024), due to power requirement of AP tube well as well as air conditioning load.
- 5. The Commission has considered the power deficit scenario projected by HPPC and submission of HPPC that power may not be available at all in the power exchanges during the period from June, 2024 to July, 2024, even at the ceiling tariff of Rs. 10/kWh. The Commission is conscious of the fact that with the demand may rise significantly during the months of June to July, due to power requirement of AP tube-well consumers as well as air conditioning load and the supply of power especially during the peak period is often inadequate. The supply side has been continuously constrained because of nonavailability of power from a few large sources viz. Coastal Gujarat Power Ltd. (Mundra), Faridabad Gas Power Plant (FGPP, NTPC) and J&K Baglihar Hydro power project. Further, non-availability of certain intra-state thermal generators, particularly China make power plants, due to technical glitches/unforeseen circumstances, cannot be ruled out. Even 600 MW RGTPS-Unit 2 has remained boxed up since 12.05.2024, reportedly due to high vibration in Turbine Generator set and is expected to take time for import of equipment from Original Equipment Manufacturer (OEM) in China, which may result in shortfall of power during the current paddy season. Additionally, the short-term rates in the power exchanges are also expected to be exorbitant during the peak months as the power demand in the entire northern region increases during these months.
- 6. However, the Discoms should be mindful of the fact that they are already burdened with deferred 'Fuel and Power Purchase Adjustment Surcharge' amounting to Rs. 7672 crore as on 31.03.2023. The higher power purchase cost will increase this bucket of 'deferred Fuel and Power Purchase Adjustment Surcharge' to a level which will be difficult to realize from the consumers without giving them a tariff shock. It has been observed that there is gap of around 3000 MW between the daily maximum demand and minimum demand met. The Discoms should endeavor to reduce the 'peak load' by taking appropriate demand side management measures. Further, the Commission has

observed that Discoms have sold large quantum of power in the power exchange (s) at a price lower than the average purchase price. It has been observed that HPPC has even bought power in the month of May, 2024 from power exchanges in day ahead market at an average price far lower than the average price of Rs. 8.42/unit at which HPPC has procured short term power (petition no. 10 of 2023, order dated 05.03.2024). Considering the fact that Hon'ble Central Electricity Regulatory Commission (CERC) has allowed M/s. Indian Energy Exchange (IEX) to invite bids for short term power purchase contract and the rates being discovered through IEX are invariably lower than the rates discovered through DEEP Portal, going forward, HPPC is advised to explore the option of short-term power procurement through IEX also.

7. Subject to the above observations, the Commission, has considered the trade-off between the loss of production due to non-availability of grid power including harassment and inconvenience faced by the consumers and purchase of expensive short-term power. Since rates quoted by different bidders in a particular month are uniform with a few exceptions, the Commission has considered it appropriate to accord source approval as prayed for in the petition, in the best interest of the electricity consumers of the State of Haryana. The Commission adopts the tariff and allows HPPC to procure the power, as prayed for in the present petition.

In terms of the above order, the present petition is disposed of.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 06.06.2024.

Date: 06.06.2024 (Mukesh Garg) (Nand Lal Sharma)
Place: Panchkula Member Chairman