

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 94 of 2024

Case of Mindspace Business Parks Private Limited, Gigaplex Estate Private Limited and KRC Infrastructure and Projects Private Limited under Section 63 of the Electricity Act, 2003 for adoption of the tariff of Rs. 3.87/kWh discovered through competitive bidding, for procurement of 10 MW Solar Power and seeking consent for signing the PPA for a period of one year from 01 July, 2024 to 30 June, 2025.

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I.A. No. 27 of 2024 in Case No 94 of 2024

Interlocutory Application of Mindspace Business Parks Private Limited (MBPPL), Gigaplex Estate Private Limited (GEPL), and KRC Infrastructure and Projects Private Limited (KRCIPPL) for Condonation of Delay and early hearing in Case No. 94 of 2024.

Coram

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

- 1) Mindspace Business Parks Private Limited (MBPPL)
2) Gigaplex Estate Private Limited (GEPL)
3) KRC Infrastructure and Projects Private Limited (KRCIPPL) : Petitioners

M/s BN. Peak Power-1 Private Limited (BNPP) : Respondent

Appearance

For the Petitioner : Mr. Hemant Singh, (Adv.)
For the Respondent : None

ORDER

Date: 23 July 2024

1. M/s Mindspace Business Parks Private Limited (MBPPL), M/s Gigaplex Estate Private Limited (GEPL) and M/s KRC Infrastructure and Projects Private Limited (KRCIPPL), [Jointly referred as “the Petitioners” Or KRC Discom], has filed this petition on 27 May 2024 being Case No. 94 of 2024 under Section 63 of the the Electricity Act (EA), 2003 for adoption of the tariff of Rs. 3.87/kWh discovered through competitive bidding, for procurement of 10 MW Solar Power and seeking consent for signing the PPA for a period of one year from 01 July 2024 to 30 June 2025. The petitioner has also filed an

Interlocutory Application (IA) No. 27 of 2024 for condonation of delay and early hearing in Case No. 94 of 2024.

2. The Petitioners prayers are as under:

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- a) *Grant an early hearing in the matter, as the power is to be scheduled from 1st July, 2024;*
- b) *Adopt the average tariff of Rs. 3.87/kWh (as per the monthly rates detailed in Table at Para 2.1.12 above) at Maharashtra State Periphery for procurement of 10 MW Solar Power and provide consent for signing the PPA for a period of one year from 1st July 2024 to 30th June, 2025, discovered through competitive bidding, under Section 63 of the Electricity Act, 2003;*

I.A. No. 27 of 2024 in Case No 94 of 2024

- a) *condone the inadvertent delay in submission of the Petition for adoption for tariff discovered through e-bidding process;*
- b) *grant an early hearing in the matter.*

3. The Petitioners, in Petition has stated as follows:

3.1 The Petitioner (KRC Discoms i.e. MBPPL, GEPL, and KRCIPPL) have the following short term PPAs with Manikaran Power Limited (MPL) for procurement of Wind Power from 1 August 2023 to 31 July 2024. The details of the respective PPA are as under:

| Sr. No. | Distribution Licensee | Period | Quantum (in MW) | PPA Tariff |
|---------|-----------------------|---|-----------------|---|
| 1 | MBPPL | 01 st Aug 2023 to 31 st July 2024 | Up to 30 MW | Rs. 2.25/kWh (for Group I wind plants); Rs. 2.52/kWh (for Group II, III, & IV wind plants); Rates are at delivery point (Generator periphery) |
| 2 | GEPL | 01 st Aug 2023 to 31 st July 2024 | Up to 20 MW | |
| 3 | KRCIPPL | 01 st Aug 2023 to 31 st July 2024 | Up to 20 MW | |

3.2 The Petitioners undertook the competitive bidding process for procurement of short-term power of 10 MW for a period of 1 year for the period from 1 July 2024 to 30 June 2025, in accordance with the Guidelines notified by the Ministry of Power (MoP). The Discom-wise breakup of the power quantum is as follows:

| DISCOM | Power (MW) |
|---------|------------|
| MBPPL | 6.0 |
| GEPL | 2.0 |
| KRCIPPL | 2.0 |
| TOTAL | 10.0 |

3.3 The Petitioners to facilitate maximum possible participation in the short-term bidding process and to realise the best rates, sought bids in 12 separate requisitions, i.e., one requisition for each month. The minimum bid quantity was stipulated as 1 MW for each requisition. The timelines of the bidding process adopted by the Petitioners are given below:

| Sr. No. | Event | Timeline |
|---------|---|-------------------------|
| 1. | Publication of Request for Proposal (RfP)/Activation of Event | 15-01-2024 @ 12:00 Hrs. |
| 2. | Queries by Bidders (through email only) | 17-01-2024 @ 17:00 Hrs. |
| 3. | Last date of submission of RfP Bids including EMD | 22-01-2024 @ 17:00 Hrs. |
| 4. | Opening of Non-Financial Technical Bids | 23-01-2024 @ 12:00 Hrs. |
| 5. | Opening of IPOs (up to 11:00 hrs) | 24-01-2024 @ 11:00 Hrs. |
| 6. | Start of e-RA | 24-01-2024 @ 13:00 Hrs. |

3.4 The Petitioners issued a Public Notice in the Business Standard (New Delhi) and Hindustan Times (Mumbai) on 15 January 2024, for procurement of power based on e-Tendering and e-Reverse Auction process in accordance with the Standard Bidding Guidelines. The e-Tender for procurement of 10 MW of Renewable Power for a period of one year from 1 July 2024 to 30 June 2025 was issued to the bidders through the Discovery of Efficient Electricity Price (DEEP) Portal on the website www.mstcecommerce.com in accordance with the aforesaid Guidelines, without any deviations. In accordance with Clause 3.1 of the Standard Bidding Guidelines, the Petitioners appointed PFC Consulting Limited (PFCCCL) as the Authorised Representative to conduct the e-bidding as per the above-mentioned Guidelines.

3.5 The Petitioners has intimated the Commission regarding the initiation of the competitive bidding process for procurement of 10 MW Renewable Power, vide letter dated 24 January 2024. At the end of the timelines for bid submission, the Petitioners received single Bid for Power from M/s. BN Peak Power-1 Private Limited (BNPP), as per the following details:

| Sr. No. | Bid submitted online on MSTC website | Period & Duration | Source | Type |
|---------|---|-----------------------------------|---|-------------|
| 1. | M/s. BN Peak Power-1 Private Limited (BNPP) | From 01 July 2024 to 30 June 2025 | Solar Generator located at Village-Holi, Taluka-Lohara, District- Osmanabad | Intra-State |

- 3.6 Based on the documents submitted by the Bidders, the bid was technically evaluated by the Evaluation Committee. After examining the bid documents, the Evaluation Committee technically qualified the single Bidder for participation in the price bid on 23 January 2024. The necessary recommendation was forwarded to PFCCL for opening the price bids and allow the qualified bidder to participate in the e-RA process and conduct of e-RA process. PFCCL opened the price bid for the technically qualified bidder, and the Initial Price Offer quoted by the Bidder is Rs. 3.87/ kWh.
- 3.7 The e-RA session was conducted on 24 January 2024 from 13:00 hours to 15:00 hours, and the final price bids after e-RA were discovered is Rs. 3.87/kWh.
- 3.8 BNPP emerged as L1 with a quoted rate of Rs. 3.87/kWh and emerged as the Successful Bidder. The Petitioners requested BNPP to reduce the price quoted by them. In response, BNPP submitted that it had quoted its best tariff in the auction and requested the petitioners to give due consideration to the same without any revision.
- 3.9 The price discovered through competitive bidding is significantly lower than the rate of Rs. 4.90/kWh for procurement of RE power and even more significantly lower than the weighted average rate of power procurement of Rs. 5.28/kWh approved by the Commission for FY 2024-25 in the Mid-Term Review (MTR) Order dated 31 March 2023 for MBPPL, GEPL, and KRCIPPL in Case No. 216 of 2022, Case No. 215 of 2022, and Case No. 214 of 2022, respectively. Further, the power offered is green power and will facilitate achievement of the RPO targets by the petitioner as well as enable them to provide green power to the clients requiring green energy.
- 3.10 The Evaluation Committee recommended the issuance of Letter of Award (LOA) to BNPP for 10 MW Renewable Power at the rate of Rs. 3.87/kWh from 1 July 2024 to 30 June 2025. Separate LOAs were issued by MBPPL, GEPL, and KRCIPPL to BNPP for purchase of Power vide letters dated 30 January 2024 with all mentioned terms and conditions. BNPP conveyed its acceptance of the respective LOAs.
- 3.11 The Petitioners (MBPPL, GEPL, and KRCIPPL) have initialled the PPAs with M/s BN Peak Power-1 Pvt. Ltd. for supply of Solar Power of 6 MW, 2 MW, and 2 MW, respectively, at the Maharashtra State Periphery for the period from 1 July 2024 to 30 June 2025. The copies of draft PPAs are attached.
- 3.12 The Petitioners submits that Solar Power shall be supplied by BNPP, i.e., the Supplier shall be supplying Renewable Energy (RE), which will be sufficient to meet the RPO requirement as well as green tariff requirement of the petitioners for the period from 1 July 2024 to 30 June 2025. Further, the rate discovered through competitive bidding is significantly lower than the rate of Rs. 4.90/kWh for procurement of RE power and even more significantly lower than the weighted average rate of power procurement of Rs. 5.28/kWh approved by the Commission for FY 2024-25 in the respective MTR Orders dated 31 March 2023 for MBPPL, GEPL, and KRCIPPL.

3.13 In accordance with the ‘Guidelines for Short-term (i.e., for a period less than or equal to one year) Procurement of Power by Distribution Licensees through Tariff Based Bidding Process’, in case the rate discovered through competitive bidding is lower than the rate of power procurement approved by the Commission for the relevant period, then the competitively discovered tariff is deemed to be adopted and there is no requirement for seeking the Commission’s approval for the PPA. Hence, in the present case, this condition is met. However, the ‘Guidelines for Short-term (i.e., for a period less than or equal to one year) Procurement of Power by Discom through Tariff Based Bidding Process’ also stipulate that in case of single bidder, the petitioners are required to obtain the consent of the Commission’s for signing the PPA. In the present case, only one bidder, viz., BNPP, has submitted its bid. Hence, the petitioners have initiated the PPAs with BNPP and are submitting this Petition for adoption of the competitively discovered tariff of Rs. 3.87/kWh and approval of consent for signing the PPA with BNPP.

3.14 Therefore, the Petitioners request the Commission to adopt the tariff discovered through competitive bidding and consent for signing of PPA for procurement of 10 MW Power for a period of one year from 1 July 2024 to 30 June 2025.

3.15 The Petitioners stated that in addition to the above PPAs for Solar Power procurement, the Petitioners have also undertaken other competitive bidding processes for procurement of Solar power and Wind Power. As multiple bids have been received and the rate discovered is lower than the average power purchase rate as well as the RE procurement rate approved by the Commission for this period, the above competitively discovered rate and the PPAs are deemed to be approved by the Commission, and the Petitioners have not filed any Petition for approval of the same. The petitioner has been intimating the Commission regarding such tariff discovery from time to time.

3.16 The quantum of power tied-up, the period of PPA, and rate discovered for different periods and quantum for procurement of Solar Power and Wind Power for MBPPL, GEPL, and KRCIPPL are as under:

MBPPL

| Period | RE Source | Quantum | Base Load /Peak Load | Rate (Rs./kWh) |
|---|-----------|---------|----------------------|----------------|
| 1 st Mar 2024 to 28 th Feb 2025 | Solar | 6.00 MW | Peak Load | 4.25 |
| 1 st Apr 2024 to 31 st Mar 2025 | Wind | 3.30 MW | Base Load | 3.05 |

GEPL

| Period | RE Source | Quantum | Base Load /Peak Load | Rate (Rs./kWh) |
|---|-----------|---------|----------------------|----------------|
| 1 st Apr 2024 to 30 th Nov 2024 | Wind | 1.65 MW | Base Load | 3.04 |
| 1 st Apr 2024 to 30 th Nov 2024 | Wind | 9.70 MW | Base Load | 3.05 |
| 1 st Apr 2024 to 30 th Nov 2024 | Wind | 1.65 MW | Base Load | 3.50 |

KRCIPPL

| Period | RE Source | Quantum | Base Load /Peak Load | Rate (Rs./kWh) |
|---|-----------|---------|----------------------|----------------|
| 1 st Apr 2024 to 30 th Nov 2024 | Wind | 9.45 MW | Base Load | 3.05 |

3.17 The Petitioners requested that the power from the Solar PPA under the present Petition is to be scheduled from 1 July 2024 and as per the Short-Term Open Access Procedure, buyer and seller both have to apply for consent to the concerned SLDC as per the timeline specified by that SLDC for scheduling of the power. Considering this, the Petitioners requested the Commission to grant an early hearing in the matter.

4. The Petitioner in IA No 27 of 2024 in this Case, filed on 13 June 2024, has stated that:

4.1 The power from the Solar PPA under the present Petition is to be scheduled from 1 July 2024 and as per the Short-Term Open Access Procedure, buyer and seller both have to apply for consent to the concerned SLDC as per the timeline specified by that SLDC for scheduling of the power.

4.2 Further, in accordance with the Bidding Guidelines, the Petitioners should have filed the Petition for adoption of tariff, within 2 days of signing the PPA. However, due to certain developments at the Petitioner end, including change of team, there has been an inadvertent delay in filing the Petition for the Commission's approval. The team is now in place and henceforth, it will be ensured that the Petitions are filed well on time. Considering this, the Petitioners requested the Commission to grant an early hearing in the matter.

5. At the E-hearing held on 25 June 2024:

During the hearing the Petitioners reiterated its submission as made in its petition along with the IA. The Commission allowed the IA as well as the Petition and reserved the matter for final Orders.

Commission's Analysis and Ruling:

6. The Petitioners (MBPPL, GEPL & KRCIPPL) are deemed Distribution Licensee in their specific SEZ area and the Commission in the past has already taken on record their status as deemed Distribution Licensee. Further, the Commission has also notified the Specific Conditions of Distribution License applicable to each one of them.

7. The Commission notes that the Petitioners in this petition has sought approval to the combined short term Solar power procurement and further requested for adoption of the tariff of Rs. 3.87/kWh discovered through competitive bidding process, for procurement of 10 MW Solar Power and sought consent for signing the PPA for a period of one year from 01 July 2024 to 30 June 2025. Accordingly, the Commission frames following issues for its consideration.

Issue (1): Approval for Short term Solar power procurement of the Petitioners.

Issue (2): Approval of the Solar tariff rate offered by BNPP.

Issue (3): Other Issues.

The Commission's ruling on above issues is given in subsequent paragraphs.

8. Issue (1): Approval for Short Term Solar power procurement.

8.1 The Commission notes that, in its MTR Order dated 31 March 2023 issued for MBPPL (Case No 216 of 2022), GEPL (Case No 215 of 2022) and KRCIPPL (Case No 214 of 2022), it has approved the power purchase rate and quantum for FY 2023-24 & FY 2024-25, which includes power from short term Sources. The Commission has approved APPC rate of Rs. 5.28/ kWh for both MBPPL and GEPL, and Rs 4.90/kWh for KRCIPPL.

8.2 Thus, in MTR Order, the Commission has already allowed the Petitioners to procure power on a short-term basis. The Petitioners' present Solar power procurement is in accordance with above said Tariff Order and hence the Commission is considering the same.

9. Issue (2): Approval of the Solar tariff rate offered by BNPP.

9.1 In the past, the Petitioners have entered PPA dated 14 September 2022 for 8MW with M/s. GMRETL (Source- Birla Carbon Ltd.) for RTC Power (Base Power) at the average rate of Rs. 6.35/kWh from 01 November 2022 to 31 October 2023. The said PPA was approved, and adoption of tariff was done by the Commission vide its Order dated 28 October 2022 in Case No 177 of 2022. In the same Order, the Commission has approved short term procurement of peak power (08:00 to 23:00 hours Excluding Saturday and Sunday) of 4 MW from M/s PTC India Ltd. (Source- NSL Sugar Ltd.) at tariff of Rs. 7.95/kWh for the period of 1 November 2022 to 28 February 2023. The Commission notes that prior to expiry of the Peak Power PPA in February 2023, the Petitioners had initiated a combined Short-Term Power Procurement of conventional/ non-conventional power of 4 MW peak power (08:00 to 23:00 hours except on Saturdays, Sundays) for the period 01 March 2023 to 31 October 2023 through competitive bidding on 17 November 2022. However, considering the higher discovered tariff, LOA was issued only for the month of March 2023 at tariff of Rs. 7.90/kWh.

9.2 Subsequently, the Petitioners had initiated a combined Short-Term Power Procurement of non-conventional power of up to 9MW peak power as per the revised load projection for the period 01 April 2023 to 31 October 2023 through competitive bidding on 02 February 2023. However, at the end of the timelines for bid submission i.e 13 February 2023, no bid was received. Afterwards, the Petitioners had again floated a combined Short-Term Power Procurement of non-conventional power with monthly requisition with variable quantum of up to 8MW peak power (08:00 to 22:00 hours except on Saturdays, Sundays) for the period 01 May 2023 to 31 October 2023 through competitive bidding on 06 March 2023. However, as only single bid at a higher price in the range of Rs. 8.75 to 9.25/kWh was received, the Petitioner annulled the said tender process.

- 9.3 As none of the competitive bidding processes have given fruitful results, the Petitioners have met its peak power including green requirement other than the contracted power capacity on month-to-month basis from the power exchanges. The Petitioners have again floated a combined Short-Term Wind (RE) Power Procurement for actual RTC power requirement of 7 MW for the period 01 July 2023 to 30 June 2024 through competitive bidding on 22 May 2023. Upon the request received from bidders the bid submission timelines were extended five times, however, the Petitioners had not received a bid against the said tender dated 22 May 2023.
- 9.4 Thereafter, the petitioners filed a petition in Case No 168 of 2023 before the Commission wherein the Commission vide its recent Order dated 21 June 2024 in that case, has approved the combined Short-Term Wind Power Procurement up to 70 MW for the period from 01 August 2023 to 31 July 2024 at the Rs 2.25/kWh for Group-I Wind projects and Rs 2.52/kWh for Group-II to IV wind projects. Thus, the petitioners were having the short-term PPAs with Manikaran Power Limited (MPL) for procurement of Wind Power.
- 9.5 The above short-term PPAs are valid up to 30 June 2024, the petitioner initiated the short-term power procurement process for the period from July 2024 onwards, in January 2024. The petitioner decided to combinedly procure 10 MW (MBPPL-06 MW, GEPL-02 MW & KRCIPPL-02 MW) of power from Renewable Energy(RE) for a period of one year from 01 July, 2024 to 30 June, 2025 in accordance with the e-Tendering and e-RA process under the 'Guidelines for Short-term (i.e., for a period less than or equal to one year) Procurement of Power by Distribution Licensees through Tariff Based Bidding Process' issued by Ministry of Power (MoP), GoI, on 30 March, 2016.
- 9.6 The Commission notes that, under the present matter, the petitioner sought bids in 12 separate requisitions, i.e., one requisition for each month and the minimum bid quantity was stipulated as 1 MW for each requisition. The Petitioners also issued a Public Notice in the Business Standard (New Delhi) and Hindustan Times (Mumbai) on 15 January 2024 for procurement of RE power based on e-Tendering and e-Reverse Auction process in accordance with the Standard Bidding Guidelines. The e-Tender was issued to the bidders through the DEEP Portal on the website www.mstcecommerce.com, without any deviations. At the end of the timelines for bid submission, the Petitioners received single Bid for Power from BNPP.
- 9.7 The bid was technically evaluated by the Evaluation Committee and the qualified bidder was allowed to participate in the e-RA process. The e-RA session was conducted on 24 January 2024 and for intra-state RE power for 10 MW the BNPP emerged as the Successful Bidder, with a rate of Rs. 3.87/kWh. The Commission also notes that the petitioner also requested BNPP to reduce the price quoted. In response, BNPP submitted that it had quoted its best tariff in the auction and requested the petitioner to give due consideration to the same without any revision.

- 9.8 It is pertinent to note that that the price of short-term power purchase discovered through competitive bidding by different Discoms across the country through the DEEP portal is ranging between Rs. 5.32/kWh to Rs. 11.00/kWh. During the month of June 2024, on the Indian Energy Exchange (IEX) for Green Day-Ahead Market (G-DAM) weighted average MCP is Rs 4.43/kWh and average MCP is Rs.5.48/ kWh.
- 9.9 The Commission in its MTR Order dated 31 March 2023 issued for MBPPL, GEPL and KRCIPPL, it has approved rate of Rs 4.90/kWh for procurement of power from RE sources (Solar & Non-Solar) for FY 2023-24 & FY 2024-25. Whereas, under the present petition the Solar power offered by BNPP is at the rate of Rs 3.87/kWh which is much lower rate than that of the above rates. In this background, the rate of Rs 3.87/kWh offered to the Petitioners by BNPP seems to be market reflective.
- 9.10 In view of foregoing facts, the Commission notes that the above offered tariff of Rs 3.87/kWh would not only lower the average power purchase cost of the Petitioners, but it would also prove as cheaper tariff rates to the end electricity Consumers. Additionally, since the billing of Solar power would be based on actual energy supplied and being a single part tariff, there would not be any additional burden of fixed charges. Moreover, it is pertinent to note that this power from Solar source would be utilized by the Petitioners in fulfilling their RPO as well as the green energy demand of the electricity consumers. In view of foregoing facts, the Commission notes that the discovered Solar tariff is competitive and in line with the current market trends.
- 9.11 The Commission also notes that the Petitioners issued LoA dated 30 January 2024 to BNPP which was accepted by BNPP. Accordingly, the Commission give consent for executing EPA/PPA with BNPP for procurement of 10 MW [6 MW, 2 MW, and 2 MW] Solar Power at the tariff of Rs. 3.87/kWh discovered through competitive bidding, for a period of one year from 01 July 2024 to 30 June 2025. The Petitioners shall submit copy of final EPA/PPA for records of the Commission.

10. Issue (3): Other Issues:

- 10.1 The Petitioners stated that in addition to the above PPAs for Solar Power procurement, the Petitioners have also undertaken other competitive bidding processes for procurement of Solar power and Wind Power. It is submitted that since multiple bids have been received and the rate discovered is lower than the average power purchase rate as well as the RE procurement rate approved by the Commission for this period, the above competitively discovered rate and the PPAs are deemed to be approved by the Commission, and the petitioners have not filed any Petition for approval of the same. The Commission notes the petitioner's submission in this regard.
- 10.2 Having ruled as above, the Commission directs the Petitioners to initiate the next power procurement process well in advance so that issue of time constraint for re-tendering in case of single bidder or higher discovered tariff can be avoided.

11. Hence, following Order:


ORDER

1. IA 27 of 2024 in Case No 94 of 2024 and Petition in Case No. 94 of 2024 is allowed.
2. The Commission approves the combined Short-Term Solar Power Procurement for the period from 01 July 2024 to 30 June 2025 by the Petitioners, viz. (1) Mindspace Business Parks Private Limited, (2) Gigaplex Estate Private Limited and (3) KRC Infrastructure and Projects Private Limited, for their respective SEZ Licence area, as stated in para 9 above.
3. The Petitioners, Mindspace Business Parks Private Limited, Gigaplex Estate Private Limited and KRC Infrastructure and Projects Private Limited, to submit copies of the Final EPA/PPA to the Commission for the records.

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

