

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 107 of 2024 and IA No. 34 of 2024

Petition of Nidar Utilities Panvel LLP or the adoption of the Tariff and approval of the Power Purchase Agreement (PPA) based on the tariff determined under Competitive Bidding process under Section 63 of the Electricity Act, 2003, for the procurement of 7 MW Round the Clock (RTC) power for a period of 4 months i.e. from 1 August 2024 to 30 November 2024 and Interlocutory Application for urgent listing of the Case No. 107 of 2024.

Coram

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

Nidar Utilities Panvel LLP (NUPLLP) : Petitioner

M/s. Vayunandana Power Limited : Respondent

Appearance

For the Petitioner: : Shri. Saurabh Gupta

ORDER

Date: 20 August, 2024

- 1. Petitioner, Nidar Utilities Panvel LLP (NUPLLP) has filed this Petition being Case No. 107 of 2024 on 11 July 2024 seeking the adoption of the Tariff and approval of the Power Purchase Agreement (PPA) at the tariff determined under Competitive Bidding process as per MoP Guidelines dated 30 March 2016 and its amendments thereof, for the procurement of 7 MW Round the Clock (RTC) power for a period of 4 months i.e. from 1 August 2024 to 30 November 2024. The Petitioner has filed the present petition under Section 63 and Section 86 (1)(b) of the Electricity Act, 2003.**

- 2. Petitioner's main prayers are as under:**

- a) *Adopt the tariff of Rs. 6.15/kWh at the Maharashtra State (STU) Periphery for the Short Term procurement of 7.00 MW RTC power for a period of 4 months starting from 1 August 2024 to 30 November 2024, which is discovered through the competitive bidding U/S 63 of the Electricity Act, 2003.*
- b) *Approve the Short-Term PPA under Section 86 (1) (b) executed between Nidar Utilities Panvel LLP and M/s Vayunandana Power Limited for the quantum of 7 MW for a period of 4 months starting from 1 August 2024 to 30 November 2024 at the Tariff of Rs.6.15/kWh.*
- c) *Allow NUPLLP to initiate the process of Short-Term power procurement U/S 63 of the Electricity Act 2003 for the additional quantum, if required, which is over and above the base quantum for which NUPLLP will approach the Hon'ble Commission for adoption of tariff and approval of the PPA.*

3. Facts of the Petition are summarized as under:

- 3.1. Nidar Utilities Panvel LLP (NUPLLP) was incorporated on 7 August 2015 under the Limited Liability Partnership Act, 2008 and was approved as a Co-Developer for the Multiservice SEZ vide letter dated 9 September 2016 issued by the Department of Commerce, Ministry of Commerce and Industry, Government of India.
- 3.2. NUPLLP is a deemed Distribution Licensee at the Panvel SEZ. The Commission granted the license on 10 February 2017 and NUPLLP commenced its operations as a Distribution Licensee with effect from 1 October 2018.
- 3.3. The Commission vide its Order in Case No. 9 of 2023 dated 29 March 2023, had approved the Short-Term Power Purchase Agreement (PPA) executed between NUPLLP and M/s GMR Energy Trading Ltd (“GMR ETL”) for 3 MW RTC supply for 12 (twelve) months starting from 1 July 2023 to 30 June 2024.
- 3.4. Further, the Commission vide its Order in Case No. 213 of 2023 dated 6 March 2024, had approved the Short-Term PPA executed between NUPLLP and M/s. Vindhyaachal Hydro Power Pvt. Ltd (“VHPL”) for supply of 3 MW RTC or as per availability for the period of 12 (twelve) months starting from 1 February 2024 to 31 January 2025.
- 3.5. NUPLLP initiated a Tender for procurement of 3 MW RTC power on short-term basis for the period 01 July 2024 to 31 October 2024 through competitive bidding process on 17 May 2024 as per the Standard Bidding Guidelines issued by Ministry of Power, in advance before expiry of existing PPA with GMRETL.
- 3.6. At the end of the timelines for bid submission i. e. 31 May 2024, NUPLLP received a single bid from GMRETL (Source- Birla Carbon India Pvt. Ltd., Patalganga, Maharashtra) for 3 MW RTC quantum for the period 01 July 2024 to 31 October 2024 and the discovered price was Rs.6.95/kWh.

- 3.7. The rate discovered for NUPLLP tender for the said period was higher than with prevailing prices in Power Exchanges. Therefore, NUPLLP in its negotiation letter dated 31 May 2024 requested GMRETL to submit its final price. GMRETEL vide its email dated 03 June 2024 has provided its revised final price offer of Rs. 6.80 /kWh.
- 3.8. Due to receiving a single bid at a higher price, NUPLLP has annulled the said tender as per Clause 15 of the RfP and same has been intimated to the Commission on 24 June 2024.
- 3.9. Considering the increase in base load requirement (total load of around 9.5 MW) because of an application from a new consumer with a proposed contract demand of 8 MW, NUPLLP has initiated a fresh Tender on 07 June 2024 for procurement of 7 MW RTC power on a short-term basis for the period 01 August 2024 to 30 November 2024 through the competitive bidding process as per the Standard Bidding Guidelines issued by Ministry of Power, through the e-Bidding platform viz. Discovery of Efficient Electricity Price (DEEP) Portal on the website www.mstccommerce.com.
- 3.10. Based on the actual realized demand in the coming months from a new consumer, NUPLLP will float a tender for procurement of power for higher quantum from December 2024 onwards.
- 3.11. Bid Quantity as defined under the RfP dated 7 June 2024 was as below:

Contract Period		Slot/ Time (Hrs.)		Quantum (In MW)	Minimum Bid Quantity (In MW)	Delivery Point
From	To	From	To			
01-08-2024	30-11-2024	00.00	24.00	7.00	7.00	Maharashtra STU Periphery

- 3.12. As per the Short-Term bidding guidelines, NUPLLP issued the Public Notice in the two Newspapers viz. The Indian Express (Delhi Edition) and Business Standard (Mumbai Edition) on 7 June 2024, for power procurement under e-Tendering and e-RA process. Last date for submission of Bids was 19 June 2024 which was extended up to 28 June 2024 on the request of the prospective bidders.
- 3.13. On 28 June, 2024, a Single Bid (Both Non-Financial and Financial (IPO) Bids) was received. Details of the Bidder after opening bid are provided as under:

Sr. No.	Bids submitted online on MSTC Website	Source	Type
1.	Vayunandana Power Limited	Vayunandana Power Limited, Village Kaneri, Tehsil & District – Gadchiroli, Maharashtra	Intra-State

- 3.14. Bid was technically evaluated by the Tender Evaluation Committee (TEC) TEC technically qualified the Bidder for participating in the Financial (IPO)/Price Bid opening followed by

e-Reverse Auction (e-RA), which was scheduled on 2 July 2024.

3.15. The Price bid was opened on 2 July 2024 at 10:00 hrs. The details are as below:

Sr. No.	Bid submitted online on MSTC Website	Initial Price Offered at Maharashtra STU Periphery (Rs/kWh)	Bid Quantity (MW)
1.	M/s. Vayunandana Power Limited	6.15	7

3.16. The scheduled e-RA was activated on the same day at 12:00 hrs and the e-RA event was concluded at 14:00 hrs, with no change in final price.

3.17. Vide letter dated 2 July 2024, NUPLLP initiated negotiations, to which M/s. Vayunandana Power Limited responded on same day keeping IPO price of Rs.6.15/kWh as its final price.

3.18. Out of the total share of consumer mix, 95% of the consumer share belongs to a one HT – Industrial consumer, which is a Data Centre and power intensive consumer, who are also required to have reliable and RTC supply.

3.19. NUPLLP has accepted the final Price of Rs. 6.15/kWh at Maharashtra State Transmission Periphery, in order to have a fixed Short-Term PPA to cater to base load of NUPLLP upto November 2024. Accordingly, NUPLLP awarded LoA on 3 July 2024 to M/s. Vayunandana Power Limited (VPL) (Source – Vayunandana Power Limited, 10 MW Biomass Plant, Village Kaneri, Gadchiroli, District – Gadchiroli, Maharashtra, subject to the Commission’s approval. M/s. VPL conveyed its unconditional acceptance on 5 July, 2024.

3.20. NUPLLP and VPL have signed the PPA on 5 July 2024 for the supply of 7.00 MW RTC power at Rs. 6.15/kWh (at Maharashtra State (STU) Periphery) for the Contract Period 1 August 2024 to 30 November 2024, subject to the Commission’s approval. A copy of the PPA has been provided with the Petition.

3.21. The recently approved the Short-Term PPA by the Commission are as below:

Sr No	Particulars	Period	Quantum in MW	Tariff / Average (Rs per unit)	
1	Maharashtra Industrial Township Limited (Case No. 199 of 2023 dated 01.04.2024)	01.12.2023 to 30.11.2024	15 MW (00:00 to 24:00 Hrs)	7.820	
			6 MW (Peak-17:00 to 24:00 Hrs)	9.733	
2	MSEDCL (Case No. 4 of 2024 dated 12.03.2024)	01.02.2024 to 29.02.2024	475 MW (00:00 to 24:00 Hrs)	6.786	
			01.03.2024 to 31.03.2024	625 MW (00:00 to 24:00 Hrs)	7.661
			01.04.2024 to 30.04.2024	150 MW (00:00 to 24:00 Hrs)	8.49

Sr No	Particulars	Period	Quantum in MW	Tariff / Average (Rs per unit)
		01.05.2024 to 31.05.2024	100 MW (00:00 to 24:00 Hrs)	8.50
3	NUPLLP (Case No. 213 of 2023 dated 06.03.2024)	01.02.2024 to 31.01.2025	3 MW (Round the Clock or as per availability)	5.00
4	Laxmipati Balaji Supply Chain Management Limited (Case No. 227 of 2024 dated 01.02.2024)	01.02.2024 to 31.01.2025	1 MW (00:00 to 24:00 hours)	6.40
5	MSEDCL (Case No. 190 of 2023 dated 22.11.2023)	01.10.2023 to 15.10.2023	320 MW (00:00 to 24:00)	7.725
		16.10.2023 to 31.10.2023	535 MW (00:00 to 24:00)	7.653
		01.03.2024 to 31.03.2024	385 MW (00:00 to 24:00)	7.73
		01.04.2024 to 30.04.2024	410 MW (00:00 to 24:00)	7.745
		01.05.2024 to 31.05.2024	410 MW (00:00 to 24:00)	7.76

3.22. In addition, as the power is being supplied from Biomass Plant, it will enable NUPLLP to meet RPO Obligations with an increase in the load in the license area.

3.23. In the present market scenario, RTC Market Clearing Price (MCP) at G-DAM for similar period during last year (August 2023 to November 2023) was Rs.6.65/kWh. Further, there is an additional cost of 50-70 paise/kWh considering losses and transmission charges up to STU periphery, while buying power through Power Exchange on Day ahead basis.

3.24. Considering the above submissions, the rate of Rs 6.15/kWh (at Maharashtra STU Periphery) the base power requirement of 7.00 MW is competitive. Therefore, NUPLLP requests the Commission to adopt the Tariff discovered through the competitive bidding and approve the PPA signed between NUPLLP and VPL for the Short-Term procurement of 7.00 MW power on RTC basis for a period starting from 1 August 2024 to 30 November 2024.

3.25. Based on the direction of the Commission in Case No. 213 of 2013, NUPLLP is in the process of filing comprehensive Petition for approval of Power Procurement Plan, approval of Bidding document for medium/ long term PPA from Hydro Power Plant, approval of Draft PPA for MOU based bagasse-based Co-generation unit and Bidding document for procurement of RTC power from Wind, Solar and Storage hybrid technology.

3.26. NUPLLP is intended to procure power under long /medium term starting from July 2025 for its base load. Till such time, procurement of power under medium/long term and

approval of the PPA is concluded with the approval of the Commission, NUPLLP requests the Commission to allow Short-Term power procurement under Section 63 of the Electricity Act 2003 to meet the demand.

- 3.27. Present demand is ~9.5 MW can be met with existing tie-up of 3 MW (~2.2 to 2.5 MW generation) hydro power and 7 MW biomass-based power for which approval is being sought in the present Petition. However, in case there is increase in demand, NUPLLP requests the Commission to allow procurement of Power through Power Exchange for such additional quantum requirement to continue reliability of supply to the NUPLLP's consumers.
4. The Petitioner through IA No. 36 of 2024 in this Case, filed on 19 July 2024, requested for early hearing in the matter to receive approval to the PPA in the prescribed time, as the power can be scheduled from 1 August, 2024 under the PPA executed for the Procurement of 7 MW RTC power on 5 July 2024 for a period of four months from 1 August 2024 to 30 November 2024.
5. At the e-hearing held on 23 July 2024, the Petitioner 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 present Petition has been filed by NUPLLP, deemed Distribution Licensee in its specific SEZ area, seeking approval for adoption of the Tariff discovered through the competitive bidding and approve the PPA signed between NUPLLP and VPL for the Short-Term procurement of 7.00 MW power on RTC basis for a period starting from 1 August 2024 to 30 November 2024.
7. The Commission notes that previously, to meet the demand of 5.5 MW, NUPLLP has an existing PPA with VHPPL of 3 MW valid up to 31 January 2025 and a Short-Term PPA of 3 MW with GMR ETL valid up to 30 June 2024.
8. Considering PPA due to expire on 30 June 2024, NUPLLP initiated a Tender for procurement of 3 MW RTC power on short-term basis for the period 01 July 2024 to 31 October 2024 through competitive bidding process on 17 May 2024. Tariff discovered in the said process was Rs. 6.95/kWh. As discovered tariff was higher, NUPLLP has annulled the said bidding process.
9. Thereafter, considering the increase in base load requirement (total load of around 9.5 MW) because of an application from a new consumer with a proposed contract demand of 8 MW, NUPLLP has initiated a fresh Tender on 07 June 2024 for procurement of 7 MW RTC power on a short-term basis for the period 01 August 2024 to 30 November 2024 through the competitive bidding process as per the Standard Bidding Guidelines issued by Ministry of Power, through the e-Bidding platform viz. Discovery of Efficient Electricity Price (DEEP) Portal on the website www.mstccommerce.com.

10. NUPLLP’s proposal to procure 7 MW RTC power for maintaining continuity of power supply to its consumers is consistent with demand-supply scenario.
11. The Commission notes that NUPLLP published notice in the two Newspapers viz. The Indian Express (Delhi Edition) and Business Standard (Mumbai Edition) on 7 June 2024, for procurement of power under e-Tendering and e-RA process, and floated e-Tender through MSTC’s DEEP Portal as per Standard Bidding Guidelines. The Commission further observes that NUPLLP has formulated technical evaluation committee to conduct the e-bidding as per Guidelines.
12. The Commission notes that a single bidder i.e. Vayunandana Power Limited participated and was qualified in the bidding process and subsequently in the e-Reverse Auction process. Post E-Reverse Auction process conducted on 2 July 2024, rate of Rs. 6.15/kWh at Maharashtra State Transmission periphery was discovered from the single bidder.
13. The Commission notes that Para 7.1 of the Competitive Bidding Guidelines (Short Term Power Procurement) dated 30 March 2016 notified by the Government of India under Section 63 of the Electricity Act, 2003, stipulates following remedy in case of single bidder:

“To ensure competitiveness, the minimum number of Bidders should be at least two for each requisition. If the number of Bidders responding to the RfP is less than two, and Procurer still wants to continue with the selection process, the selection of that single Bidder may be done with the consent of the Appropriate Commission.” ...

The above clause empowers the Commission to approve power procurement from a single bidder after ensuring the competitiveness of quoted tariff.

14. The Commission notes that the rate discovered by NUPLLP through competitive bidding process is Rs. 6.15/kWh. To test the competitiveness of tariff discovered by NUPLLP in present bidding process, the Commission compared it with recently adopted tariff for SEZ based distribution licensees which are tabulated below:

Sr No	Particulars	Period	Quantum in MW	Tariff / Average (Rs/kWh)
1	Maharashtra Industrial Township Limited (Case No. 199 of 2023 dated 01.04.2024)	01.12.2023 to 30.11.2024	15 MW (00:00 to 24:00 Hrs)	7.820
			6 MW (Peak-17:00 to 24:00 Hrs)	9.733
2	NUPLLP (Case No. 213 of 2023 dated 06.03.2024)	01.02.2024 to 31.01.2025	3 MW (Round the Clock or as per availability)	5.00
3	Laxmipati Balaji Supply Chain Management Limited (Case No. 227 of 2024 dated 01.02.2024)	01.02.2024 to 31.01.2025	1 MW (00:00 to 24:00 hours)	6.40

15. As summarised in the above Table, the Commission notes that the rates discovered on DEEP portal are varying from Rs. 5.00 to Rs.9.73 per unit.

16. The Commission has also referred to recent discovered tariff for RTC Power on DEEP Portal, which are as below:

Bidding Entities & e-RA Rates (Rs/kWh)	Aug-24	Sept-24	Oct-24	Nov-24
APPCC (Andhra)	8.10-8.50	8.10-8.50	7.99-8.75	7.50-8.75
GVUNL	-	7.50-9.00	6.13-6.15	5.90
GIFT Power Co. Ltd.	-	5.50	5.50	5.50
PSPCL	-	8.40	8.40	8.40
KSEBL	6.50-7.00	6.73-7.00	6.10-6.35	5.48-5.75
RUVNL	6.77-7.25	7.49	7.27	-

17. Considering the recent discovered tariff summarised in the above Tables and power exchange rates, the present discovered tariff of Rs. 6.15/kWh seems reasonable and reflective of the current market situation.

18. The Commission also notes that said proposed power procurement is through Vayunandana Power Limited which is a biomass based power plant. Procuring RTC Power from Biomass plant matching with its load curve requirement has multiple advantages to the NUPLLP. On one hand it is procuring RE power but not subjected to variability in generation. Also, such RE power would help NUPLLP to meet its cumulative RPO targets without incurring any additional expenses.

19. Section 63 of the Electricity Act, 2003 mandates the Commission to adopt the Tariff if such tariff has been discovered through transparent process of bidding in accordance with the guidelines issued by the Central Government.

20. In view of the foregoing, the Commission notes that tariff discovered by NUPLLP fulfills mandate and requirements for adoption as set out in Section 63 of the EA, 2003. Accordingly, the Commission adopts the following tariff for NUPLLP for the period of 4 months i.e., from 1 August 2024 to 30 November 2024.

Name of Bider	Source	Load	Tariff (Rs/kWh) with REC- Green attributes
M/s. Vayunandana Power Limited (VPL)	10 MW Biomass Plant, Village: Kaneri, Gadchiroli, Maharashtra	7 MW (RTC)	6.15

21. The Commission notes that PPA signed on 5 July 2024 between NUPLLP and Vayunandana

Power Limited is in line with the Guidelines. Accordingly, the Commission approves PPA signed between NUPLLP and Vayunandana Power Limited for the supply of 7.00 MW RTC power at Rs. 6.15/kWh (at Maharashtra State (STU) Periphery) for the Contract Period 1 August 2024 to 30 November 2024.

22. NUPLLP has also requested the Commission to allow additional short term power procurement if power demand exceeds the contracted quantum. In this regard, the Commission notes that as a Distribution Licensee, NUPLLP is mandated to fulfill electricity demand of its consumers. Hence, in case its demand increases beyond the contracted capacity, it is at liberty to procure such additional power through fresh short term bidding process or through power exchanges by way of optimizing its power purchase costs and subject to the provisions of the MYT Regulations and may approach the Commission for adoption of tariff, if required as per law.

23. Hence, following Order:


ORDER

- 1. The Petition in Case No. 107 of 2024 is allowed and IA No. 34 of 2024 is disposed of accordingly.**
- 2. Under Section 63 of the Electricity Act, 2003, the Commission adopts Short Term Power Procurement for the period of 1 August 2024 to 30 November 2024 by Nidar Utilities Panvel LLP as stated in para 20 above.**
- 3. Accordingly, PPA initiated with successful bidder is approved with the tariff of Rs. 6.15/kWh at Maharashtra State Periphery. Nidar Utilities Panvel LLP, to submit copies of Final PPA to office of the Commission for records.**

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

