

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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IA No. 60 of 2024 in Case No. 162 of 2024

Interlocutory Application of Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for urgent listing of the Petition in Case No. 162 of 2024.

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Case No. 162 of 2024

Petition for approval and adoption of tariff determined through transparent bidding process for procurement of short-term power for the period 01 April 2025 to 31 May 2025 and approval for ceiling rate for short term power purchase for FY 2025-26.

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)

...Petitioner

Coram

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

Appearance:

For the Petitioner

: Mr. Dinesh Agarwal (Rep.)

ORDER

Date: 5 November 2024

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Case on 4 October 2024 under Sections 63 of the Electricity Act, 2003 (EA, 2003) read with MERC MYT Regulations 2024 seeking approval for Tariff discovered through Competitive Bidding for Short -Term bilateral Power Purchase for the period from 1 April 2025 to 31 May 2025. Further, MSEDCL has prayed to fix an appropriate ceiling rate for purchase of short-term power for FY 2025-26.
2. **Main prayers of MSEDCL are as follows:**

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- a. *To accord approval for Short Term power purchase tender, ET-117 floated on Deep E-Bidding Portal for procurement of power for the month of October-2024, March-2025 to May-2025.*
 - b. *To accord approval for adoption of tariff discovered and quantum in Short Term power purchase tender ET-117 floated on Deep E-Bidding Portal for procurement of power for the month of April-2025 to May-2025 as per Table-F.*
 - c. *To fix an appropriate ceiling rate for purchase of short term power for FY 2025-26.*
 - d. *To consider the submission made by the Petitioner and consider the same positively while deciding the Petition;*
 - e. *To condone any error/omission and to give opportunity to rectify the same;*
 - f. *To conduct an early hearing on this matter in the earliest possible time as the clause stipulated for LOA issuance in the tender document of ET-117 is 15 days from the close of E-Reverse Auction i.e. LOA is to be issued before 12th October-2024.”*
3. On 04 October 2024, the Petitioner filed IA No.60 of 2024 in Case No.162 of 2024 for urgent listing of matter.
 4. The IA along with main matter was listed for hearing on 11 October 2024. The Representative of MSEDCL apprised the Commission about power supply position and need of the proposed procurement. He underscored that October, March to May is peak season period. Tariff for power procurement for October 2024 and March 2025 months are well within the approved ceiling rate. But in absence of ceiling for April-2025 and May-2025, it is constrained to approach the Commission.
 5. Post hearing, MSEDCL vide its submission dated 11 October 2024 pointed out typographical errors in the tables provided in original Petition and provided the corrected tables. The Commission noted the same and factored it appropriately for the purpose of this Order.
 6. **MSEDCL in its Petition has stated as follows:**
 - 6.1. MSEDCL’s power Position in October-2024 to May-2025:
 - 6.1.1 As per historical trend, it is observed that in the October 2024, MSEDCL’s demand remains on higher side due to the end of the monsoon season, ‘October Heat Effect’ and increase in pumping of water for Agricultural activities. It is observed that the generation availability from contracted generators is less and not sufficient to meet the rising seasonal demand. In order to cater such demand, MSEDCL in past has procured additional power from the market and/or through short term tender.
 - 6.1.2 During the non-solar peak demand hours sufficient quantum of power may not be available at power market even at ceiling rate of Rs 10.00/kWh, due to which power curtailment was observed against the bid submission in the market on many occasions.

- 6.1.3 Last year, MSEDCL floated short term tenders ET-109 and ET-113 for purchase of power for the month of October-24 and the rate discovered in the tenders was Rs. 7.70/kWh. Post approval from the Commission vide its Order dated 22 November 2023 in Case No. 190 of 2023, MSEDCL issued LOA and purchased power from the successful bidders.
- 6.1.4 Last year in the months of March-23 to May-23, the peak demand was recorded to be 24893 MW. With the advance power planning, MSEDCL had floated short term tender and procured 400 MW RTC power at competitively discovered rate of Rs. 7.44 to 7.85/kWh. MSEDCL has also carried out a banking arrangement of @ 300 to 500 MW with other utilities for this period. This helped MSEDCL to cater to the summer season demand smoothly without any load curtailment.
- 6.1.5 In 2024, during the month of March-24 to May-24, MSEDCL's peak demand recorded was 23948 MW. With the advance measures for power planning, MSEDCL had floated short term tender and procured RTC power at the discovered rate up to Rs. 8.50/kWh. The said procurement was approved by the Commission vide its Order dated 12 March 2024 in Case No. 4 of 2024.
- 6.1.6 The current year has witnessed a favorable monsoon across most parts of Maharashtra which may be expected to have a positive impact on agricultural activities in the post-monsoon season. Consequently, this surge in post-monsoon agricultural activity is expected to contribute to an increase in electricity demand for the MSEDCL. In light of these factors, it is essential to anticipate and plan for the expected increase in electricity demand.
- 6.2. Expected Demand-Supply Position for October-24 & March -25 to May-25

6.2.1 Expected Generation availability:

The projection of Generation availability is done based on the following:

- (i) The thermal generation availability is projected based on the actual historical availability of the stations excluding the period of Covid-19, Coal shortages etc. The effect of planned outages/forced outages, de-rated capacity of units is captured for forecasting the generation availability from the contracted thermal generators.
- (ii) The generation from Co-gen (Bagasse) is considered based on the historic trend. The wind and solar generation availability is assessed based on last year's actual generation profile and expected capacity addition.
- (iii) Further, for power planning the availability from Open Access consumers is also considered.
- (iv) Based on the above, the abstract of total Generation availability from all the contracted generation sources (excluding Koyna hydro generation) is as below:

(All figures in MW)

Month/Hr	October-24	March-25	April-25	May-25
1	19165	20913	20367	20440
2	19156	20917	20379	20431
3	19145	20899	20378	20393
4	19150	20902	20369	20364
5	19169	21032	20351	20321
6	19197	21070	20334	20266
7	19351	21150	20508	20521
8	20373	21953	21660	21626
9	21897	23365	23450	23264
10	23299	24932	25117	24685
11	24223	25997	26225	25625
12	24560	26443	26645	25947
13	24442	26396	26505	25828
14	24033	26148	26120	25545
15	23248	25494	25310	24884
16	22130	24421	24127	23859
17	20771	23081	22768	22616
18	19520	21783	21375	21353
19	19066	20948	20525	20532
20	19080	20933	20433	20407
21	19078	20984	20437	20456
22	19075	20880	20446	20507
23	19107	20903	20391	20493
24	19154	20905	20370	20474

6.2.2 Demand Projections:

- (i) The demand projection is simulated based on the historical demand trend.
- (ii) The expected demand for the month Oct-2024 and May-25 is worked out as below:

(In MW)

Month/Hr	October-24	March-25	April-25	May-25
1	21361	22890	23580	24170
2	21573	22999	23616	23953
3	21502	22740	23375	23585
4	21556	22727	23312	23303
5	22058	23181	23691	23410
6	22867	23674	24215	23642
7	23265	23967	24288	22938
8	22965	23573	23417	22904
9	22839	23237	23390	22886
10	23544	23711	24089	23438
11	24411	24609	24895	23860
12	24189	24504	25172	24191

Month/Hr	October-24	March-25	April-25	May-25
13	23935	24274	24959	24276
14	23747	23892	24786	24289
15	24099	24393	25343	24892
16	24080	24519	25567	24596
17	23248	24246	25152	24025
18	22183	23361	23696	22985
19	22738	22547	22836	22615
20	22444	23545	23506	23451
21	21211	22695	22947	23158
22	20911	22517	22787	23213
23	20999	22850	23284	23678
24	21246	23063	23625	23910

- (iii) Considering the expected demand and expected total generation availability (including Koyna Hydro) surplus (-) /shortfall (+) during the peak demand hours is as below

(In MW)

Period	00:00 to 05:00			05:00 to 08:00			18:00 to 24:00		
	Demand	Availability (Incl. Koyna)	Shortfall	Demand	Availability (Incl. Koyna)	Shortfall	Demand	Availability (Incl. Koyna)	Shortfall
October-24	21610	20037	1573	23033	21174	1859	21591	20140	1451
March-24	22907	21772	1135	23738	22458	1280	22869	21762	1107
April-24	23515	21869	1646	23973	22201	1772	23164	21783	1382
May-24	23684	22050	1635	23162	21484	1677	23338	21646	1691

From the above, it is expected that there may be shortfall in the range of 100 MW to 1700 MW during the peak hours in the months from October-2024 and March-2025 to May-2025.

6.3. Necessity of Short-Term Power Purchase Tender

- 6.3.1 In every water year, 67.5 TMC water is allocated for the Koyna Hydro Generation. MSEDCL plans the utilization of Koyna hydro water quota for generation based on its peak demand months. In the present year, owing to the restrictions for purchase/sell of power due to the LPS Rules, MSEDCL was unable to procure the power from energy exchanges from 16 June 2024. Due to this during the peak demand period, MSEDCL was constraint to utilize Koyna Hydro Generation in the months of June-24 to September-24 which is generally reserved for utilization during the peak demand months.
- 6.3.2 In current water year, till September-24, MSEDCL was constraints to utilize around 4.20 TMC of extra water against the plan which may affect the availability of Koyna generation during peak demand months.
- 6.3.3 In Power Exchanges (PXs), the discovery of the market prices is highly volatile and quantum availability is uncertain which is contingent to demand supply position at national level. MSEDCL is required to purchase the maximum quantum of power from PXs during the peak demand hours. Also, during peak demand hours, since buy bids

generally remain comparatively higher than the sale bids, the price discovered in PXs remains at ceiling price (Rs. 10/kWh – at present) and generally the bid quantum is cleared to buyers on proportion basis & full bid quantum is not cleared.

6.3.4 In order to meet the peak deficit of power and to circumvent the price volatility in Energy Exchange on daily basis and for securing power on firm basis, MSEDCL floated a short-term tender ET-117 on 19 September 2024.

6.3.5 The detailed requisitions in the tender ET-117 is as below:

Requisition	Period	Timings (Hour)	Quantum (MW)	Minimum Bid Quantity (MW)	Delivery Point
1	01.10.2024 to 15.10.2024	00:00 to 24:00	800	50	MSETCL Periphery i.e. The interconnection of Maharashtra STU, and CTU Western Region (WR).
2	16.10.2024 to 31.10.2024	00:00 to 24:00	500	50	
3	01.03.2025 to 15.03.2025	00:00 to 24:00	500	50	
4	16.03.2025 to 31.03.2025	00:00 to 24:00	800	50	
5	01.04.2025 to 30.04.2025	00:00 to 24:00	800	50	
6	01.05.2025 to 15.05.2025	00:00 to 24:00	800	50	
7	16.05.2025 to 31.05.2025	00:00 to 24:00	500	50	

6.3.6 The short-term tenders ET-117 was opened as per scheduled on 27 September 2024 and all (18) the participating bidders were found eligible. The reverse auction was conducted on 27 September 2024.

6.3.7 After the completion of E-Reverse Auctions (e-RA) of the tender, MSEDCL further requested via e-mail to the successful bidders in the bucket filling, to convey their best offer against the final rate quoted/discovered in the e-RA. In response some of the successful bidders informed their best offers via e-mail.

6.3.8 The Commission in its Order dated 12 March 2024 in Case No. 4 of 2024 has stipulated the ceiling rate of Rs. 8.50/kWh for procurement of power on short-term basis for the FY-2024-25. Considering the expected shortfall and competitiveness of the rates, MSEDCL is in process of issuing LOA to the bidders for the month of October-24 and March-25.

6.3.9 The rates and quantum discovered for the months of October-2024 and March-2025 to May-2025 in E-Reverse auction are as below:

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
01.10.2024 to 15.10.2024	800	5.5	60	TPTCL	Anuppur Thermal Power Plant of MB Power (Madhya Pradesh) Limited
		5.65	200	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur Power Plant, Nardhana Industrial Area, Tal: Shindkeda, Dist. : Dhule-425404
		6.10	50	Manikaran Power Limited/102094	SEIL Energy India Limited â Project 2 (SEIL-P2) Ananthavaram Village, Varkavipudi Panchayat, TP Gudur Mandal, Nellore, Andhra Pradesh

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
		6.20	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		5.98	100	Ambitious Power Trading Company Limited/376413	Jindal Power Limited, Tamnar, District Raigarh, Chhattisgarh - 496 107, India
		5.98	100	Instinct Infra and Power Limited/494522	Jindal Power Limited - Simhapuri
		5.99	50	Manikaran Power Limited/78172	DB Power Limited Chattisgarh
		6.39	140	Adani Enterprises Ltd/91600	Mahan Energen Limited U#2
16.10.2024 to 31.10.2024	500	5.50	55	TPTCL	Anuppur Thermal Power Plant of MB Power (Madhya Pradesh) Limited
		5.65	73	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		5.75	50	OPG Power Generation Pvt Ltd	OPG Power Generation Pvt. Ltd.
		6.12	50	Manikaran Power Limited/102094	SEIL Energy India Limited âProject 2 (SEIL-P2) Andhra Pradesh â524344
		6.12	150	Adani Enterprises Ltd/91600	Mahan Energen Limited U#2
		6.12	122	Adani Enterprises Ltd/335680	Adani Power Limited Raipur TPP
01.03.2025 to 15.03.2025	500	6.31	50	Manikaran Power Limited /79173	Dhariwal infrastructure Limited DHARIWAL_STU_MH,Chandrapur, Maharashtra
		6.31	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.25	100	NTPC Vidyut Vyapar Nigam Ltd/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.40	250	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
16.03.2025 to 31.03.2025	800	6.45	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.45	50	Manikaran Power Limited /79173	Dhariwal infrastructure Limited DHARIWAL_STU_MH,Chandrapur, Maharashtra
		6.40	100	NTPC Vidyut Vyapar Nigam Ltd/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.45	380	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		5.98	200	Ambitious Power Trading Company Limited/376413	Jindal Power Limited, Tamnar, District Raigarh, Chhattisgarh - 496 107, India

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
		6.54	70	Instinct Infra and Power Limited/494522	Jindal Power Limited - Simhapuri Tirupati District, Andhra Pradesh
01.04.2025 to 30.04.2024	800	6.65	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.60	100	NTPC Vidyut Vyapar Nigam Ltd/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.64	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.64	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.80	275	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		6.79	59	GMR Energy Trading Limited/509563	GMR KAMALANGA ENERGY LIMITED
		6.92	116	Adani Enterprises Ltd/91600	Mahan Energen Limited U#2
01.05.2025 to 15.05.2025	800	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		6.30	100	NTPC Vidyut Vyapar Nigam Ltd/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.50	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.59	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.74	50	Ambitious Power Trading Company Limited/376413	Jindal Power Limited, Tamnar, District Raigarh, Chhattisgarh - 496 107, India
16.05.2025 to 31.05.2025	500	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu

6.3.10 As per the MYT Regulation-2024, the MYT Petition for the next control period starting from 2025-26 is to be submitted up to 30 November 2024. Hence, ceiling rate is not available for short term power purchase for FY-2025-26.

6.3.11 MSEDCL has filed the present petition for adoption of the tariff discovered in short term tender ET-117 for the month of April-25 and May-25 and stipulation of ceiling rate

thereof for procurement of power on short term basis for FY 2025-26. The rates discovered in this tender for April-25 and May-25 is as below:

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
01.04.2025 to 30.04.2025	800	6.65	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.60	100	NTPC VIDYUT VYAPAR NIGAM LTD/74618	Sarda Energy & Minerals Limited (SEML) formely SKS Power Generation Ltd., Chhattisgarh
		6.64	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.64	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.80	275	NVVNL/188988	IL&FS tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		6.79	59	GMR Energy Trading Limited/509563	GMR KAMALANGA ENERGY LIMITED
		6.92	116	Adani Enterprises Ltd/91600	Mahan Energen Limited U#2
01.05.2025 to 15.05.2025	800	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		6.3	100	NTPC VIDYUT VYAPAR NIGAM LTD/74618	Sarda Energy & Minerals Limited (SEML) formely SKS Power Generation Ltd., Chhattisgarh
		6.50	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.59	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.74	50	AMBITIOUS POWER TRADING COMPANY LIMITED/376413	Jindal Power Limited, Tamnar, District Raigarh, Chhattisgarh - 496 107, India
16.05.2025 to 31.05.2025	500	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu

6.4. The Competitiveness of the rates discovered in tender ET-117

6.4.1 The rates discovered are after following the due process as stipulated in Guidelines by Ministry of Power for procurement of short-term power.

6.4.2 In the previous year under short term tender for the month of April-2024 and May-2024, MSEDCL had issued LOA for procurement power at the rate up to Rs. 8.50/kWh after approval from the Commission.

6.4.3 For the year 2025, the rates discovered in the short-term power purchase tender floated by other utilities on DEEP E-bidding portal are as below:

Sr. No	Utility	Period	Duration	Qtm (MW)	Rate Discovered (Rs/Unit)	Qtm Discovered (MW)
1	Andhra Pradesh	01.10.2024 to 31.10.2024	00:00 to 24:00	1000	7.99 to 8.75	1000
2	Kerala State Electricity Board	01.04.2025 to 30.04.2025	00:00 to 02:00 and 16:00 to 24:00	500	Upto 10.80	500
		01.05.2025 to 31.05.2025	00:00 to 24:00	500	6.34	500
3.	Haryana	01.10.2024 to 30.04.2024	00:00 to 24:00	750	6.75 to 6.79	750
		01.03.2025 to 31.03.2025	00:00 to 24:00	75	6.53	75
4	Torrent	01.10.2024 to 30.04.2024	00:00 to 24:00	200	6.75 to 7.15	200

6.5. Ceiling rate for additional power purchase through short term tender:

6.5.1 The Commission in its Order dated 12 March 2024 in Case No. 04 of 2024 approved ceiling tariff up to Rs.8.50/kWh for FY 2024-25. However, as per the MYT Regulation-2024, the MYT Petition for next control period starting from FYm2025-26 is to be submitted up to 30 November 2024. Hence, there is no ceiling rate available for short term power purchase for FY2025-26.

6.5.2 Considering the expected demand and supply scenario, MSEDCL may require to procure additional power by floating such a short-term power purchase tender on DEEP portal in near future. Looking to the present price trends on the short-term power market, the probability of rates that will be discovered may be more than the rates discovered in short term tender ET-117. Hence, MSEDCL requested to continue the ceiling rate stipulated for FY 2024-25 i.e. Rs. 8.50/kWh for FY 2025-26.

6.6. Regulatory Provisions regarding approval and adoption of tariff through short term power procurement tender:

6.6.1 The rates discovered for the months of October-24 and March-25 are up to Rs. 6.54/kWh. The Commission in its Order dated 12 March 2024 in Case No. 4 of 2024 has approved the ceiling rate of Rs. 8.50/kWh. Hence, the approval of the Commission is not required.

6.6.2 Whereas the rate discovered in short term tender ET-117 for the month of April-2025 and May-2025 is in the range of Rs. 6.30 to 6.92/kWh, however ceiling rate is not available for short term power purchase for FY-2025-26, hence adoption of tariff is required from the Commission.

6.6.3 As per Section 63 of the Electricity Act, 2003, the Commission shall adopt the tariff if such a tariff has been determined through a transparent process of bidding in accordance with the Guidelines issued by the Central Government.

Commission's Analysis and Rulings

7. Before deliberating the issues involved, it is pertinent to note that the Commission vide its Order dated 12 March 2024 in Case No.04 of 2024 accorded its approval to Short Term bilateral Power Purchase for the period of 1 February 2024 to 31 May 2024. In said Order, the Commission revised the ceiling tariff from Rs.7.90 to Rs 8.50/kWh.
8. The Commission notes that to meet seasonal demand, MSEDCL floated the tender ET-117 for short-term power procurement. Power purchase has been planned for the months of October-2024, March-2025 to May-2025. The rates discovered in bidding are in the range of Rs. 5.50-6.92/kWh. As the tariffs for October-2024 and March-2025 are well within the ceiling tariff, the approval of the Commission is not warranted. But in absence of ceiling tariff for FY 2025-26, in present Petition MSEDCL is seeking explicit concurrence of the Commission for short term procurement for the period of 1 April 2025 to 31 May 2025. Further, MSEDCL has proposed to continue the ceiling tariff of Rs.8.50/kWh for Short-term transactions in FY 2024-25.
9. Considering the submissions made in the matter, the Commission frames the following issues for its considerations:
 - A. Provisions under which Short Term Power procurement of Distribution Licensee requires approval of the Commission.
 - B. Analysis of power scenario for the months of April-25 and May-25. Is the quantum of additional short term power procurement proposed by MSEDCL justified?
 - C. Whether the discovered tariff is consistent with the market trend?

The Commission is addressing these issues in the following paragraphs.

10. **Issue A: - Provisions under which Short Term Power procurement of Distribution Licensee requires approval of the Commission.**

10.1 The Commission notes that MERC MYT Regulations, 2024 which is applicable for control period of FY 2025-26 to FY 2029-30, has following provisions related to the additional power procurement by Distribution Licensee:

“

22.1 *The Distribution Licensee may undertake additional power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.*

22.2 *Where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply*

during the Year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources, the Distribution Licensee may enter into additional agreement or arrangement for procurement of power.

22.3 *Any variation, during the first or second block of six months of a Year, in the quantum or cost of power procured, including from a source other than a previously approved source, that is expected to be in excess of five per cent of that approved by the Commission, shall require its prior approval:*

Provided that the five per cent limit shall not apply to variation in the cost of power procured on account of changes in the price of fuel for own generation or the fixed or variable cost of power purchase that is allowed to be recovered in accordance with Regulation 10.

....”

Thus, in cases where there is an anticipated shortfall in fulfilling the demand and for optimizing the power purchase cost, Licensee can procure additional power subject to the variation of five percent in the quantum or cost of power procured during the first or second block of six months of a year from the sources other than approved by the Commission.

10.2 Further, Ministry of Power’s Guidelines dated 30 March 2016 notified under Section 63 of the Electricity Act 2003 for short-term procurement of power by Distribution Licensees through tariff-based bidding process stipulate as follows:

“11.4 If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission.

In all other cases, the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff within 2 days from the date of signing of PPA. Appropriate Commission should communicate the decision within 7 days from the date of submission of petition.”

Thus, if the quantum of power procured and the tariff determined are not within the blanket approval specified by the Commission in ARR/ Tariff Order, Distribution Licensee needs to approach the Commission for approval of the additional power procurement and to adopt the tariff discovered through competitive bidding process.

10.3 As per Regulation 5.1 (a) of MERC MYT Regulations, 2024, the Distribution Licensees shall file their MYT Petitions by 30 November 2024. At this stage tariff Petition is yet to be filed and approved power procurement plan is not in place.

10.4 The Commission notes that, MSEDCL has showcased emergent situation wherein proactive steps, in terms of power procurement are warranted. Under such circumstances, the Commission finds it appropriate to consider the procurement of short-term power for

April-2025 and May-2025 months, subject to test of tariff reasonability based on historical precedence and market scenario.

11. Issue B: Analysis of power scenario for the months of April-25 and May-25. Is the quantum of additional short term power procurement proposed by MSEDCL justified?

11.1 The Commission notes that MSEDCL has floated tender (ET-117) for short term power procurement for period of October-2024 and March-2025 to May-2025 on DEEP E-bidding portal for procurement of RTC power with quantum ranging from 500 MW to 800 MW.

11.2 MSEDCL presented the following demand-supply scenario for April-2025 and May-2025:

Hrs	April-2025					May-2025				
	Total Availability	Demand	Surplus (-)/ Shortfall (+)	Koyana Hydro	Net Surplus (-)/ Shortfall (+)	Total Availability	Demand	Surplus (-)/ Shortfall (+)	Koyana Hydro	Net Surplus (-)/ Shortfall (+)
1	20367	23580	3213	1500	1713	20440	24170	3731	1800	1931
2	20379	23616	3237	1500	1737	20431	23953	3522	1800	1722
3	20378	23375	2997	1500	1497	20393	23585	3191	1800	1391
4	20369	23312	2943	1500	1443	20364	23303	2939	1500	1439
5	20351	23691	3341	1500	1841	20321	23410	3089	1400	1689
6	20334	24215	3881	1800	2081	20266	23642	3376	1200	2176
7	20508	24288	3780	1800	1980	20521	22938	2418	800	1618
8	21660	23417	1756	500	1256	21626	22904	1278	40	1238
9	23450	23390	-60	40	-100	23264	22886	-378	40	-418
10	25117	24089	-1028	40	-1068	24685	23438	-1247	40	-1287
11	26225	24895	-1330	40	-1370	25625	23860	-1765	40	-1805
12	26645	25172	-1473	40	-1513	25947	24191	-1756	40	-1796
13	26505	24959	-1546	40	-1586	25828	24276	-1552	40	-1592
14	26120	24786	-1334	40	-1374	25545	24289	-1257	40	-1297
15	25310	25343	33	40	-7	24884	24892	8	40	-32
16	24127	25567	1440	40	1400	23859	24596	737	40	697
17	22768	25152	2384	1000	1384	22616	24025	1410	40	1370
18	21375	23696	2321	1000	1321	21353	22985	1632	500	1132
19	20525	22836	2311	1000	1311	20532	22615	2083	800	1283
20	20433	23506	3073	1500	1573	20407	23451	3045	1200	1845
21	20437	22947	2510	1000	1510	20456	23158	2701	1200	1501
22	20446	22787	2341	1000	1341	20507	23213	2705	1200	1505
23	20391	23284	2893	1500	1393	20493	23678	3185	1200	1985
24	20370	23625	3255	1500	1755	20474	23910	3436	1200	2236

11.3 From the above demand supply projections, it is evident that during Solar hours i.e. 09.00 Hrs till 16.00 Hrs, MSEDCL system may witness an energy surplus situation. The projected surplus is in range of 7 to 1805 MW. After considering proposed procurement of 800 MW on RTC basis, the surplus will be 807 to 2605 MW. Generally, procurement of power for selected hours will be costlier than RTC power. But the said conditions need to be tested with market data. In present Petition, MSEDCL has not provided any rationale for opting RTC procurement, even after surplus scenario in certain hours of the day.

11.4 Further, if such surplus scenario is building up then appropriate steps are needed in terms of selling the surplus power in market/to other entities or executing banking agreements. The Commission at this stage presumes that MSEDCL has carried out cost economics and selected the RTC power procurement option diligently. Accordingly, the Commission considers the proposed procurement in-principally and directs MSEDCL to demonstrate efficacy of proposed RTC power procurement in upcoming tariff filing.

11.5 The Commission opines that with higher penetration of RE power, the generation curve is about to change and power surplus scenario is likely to occur in Solar hours (8.00 Hrs to 17.00 Hrs). In order to mitigate such scenario, storage technologies play vital role. Therefore, it is expected that MSEDCL will explore appropriate storage options to manage such surplus power.

12. Issue C: - Whether the discovered tariff is consistent with the market trend?

12.1 The Commission notes that MSEDCL has undertaken the short-term power procurement as per the competitive guidelines of MoP dated 30 March 2016 by floating the bid on DEEP portal.

12.2 In order to assess the competitiveness of the tariff discovered by MSEDCL in the present bidding, the Commission has referred to the recently discovered tariff on DEEP Portal by other buyers and the same is tabulated below:

Sr. No	Utility	Period	Duration	Qtm in MW	Rate Discovered (Rs/Unit)	Qtm Discovered (MW)
1	Andhra Pradesh	01.10.2024 to 31.10.2024	00:00 to 24:00	1000	7.99 to 8.75	1000
2	Kerala State Electricity Board	01.04.2025 to 30.04.2025	00:00 to 02:00 and 16:00 to 24:00	500	Upto 10.80	500
		01.05.2025 to 31.05.2025	00:00 to 24:00	500	6.34	500
3.	Haryana	01.10.2024 to 30.04.2024	00:00 to 24:00	750	6.75 to 6.79	750
		01.03.2025 to 31.03.2025	00:00 to 24:00	75	6.53	75
4	Torrent	01.10.2024 to 30.04.2024	00:00 to 24:00	200	6.75 to 7.15	200

From the above, it is observed that there is volatility of discovered tariff in the market for short term power procurement with tariff ranging from Rs. 6.53 to 10.80/kWh. Apparently, these are the quoted rates as per final bids and not necessarily the rates accepted by the procurer. MSEDCL’s discovered tariff seems to be in line with such market rates.

12.3 The Commission holds that MSEDCL has carried out the process of procurement of Short- Term Power in accordance with Competitive Bidding Guidelines and the tariff discovered is in line with current market scenario. Hence, the Commission is inclined to consider and approve the same. As far as power procurement for October-2024 and

March-2025 is concerned, it is well below the earlier approved ceiling of Rs.8.50 per unit. Hence, found justified.

12.4 Section 63 of the EA, 2003 mandates the Commission to adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

12.5 In view of the foregoing, the Commission notes that tariffs discovered by MSEDCL fulfil the mandate and requirements for adoption as set out in Section 63 of the EA, 2003 and MYT Regulations. Accordingly, the Commission adopts Power Procurement as follows:

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
01.04.2025 to 30.04.2025	800	6.65	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.60	100	NTPC VIDYUT VYAPAR NIGAM LTD/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.64	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.64	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.80	275	NVVNL/188988	IL&FS Tamil Nadu Power C0mpany Limited (ITPCL), Cuddalore, Tamil Nadu
		6.79	59	GMR Energy Trading Limited/509563	GMR KAMALANGA ENERGY LIMITED
		6.92	116	Adani Enterprises Ltd/91600	Mahan Energen Limited U#2
01.05.2025 to 15.05.2025	800	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu
		6.3	100	NTPC VIDYUT VYAPAR NIGAM LTD/74618	Sarda Energy & Minerals Limited (SEML) formerly SKS Power Generation Ltd., Chhattisgarh
		6.50	50	NVVNL/74837	Jaypee Bina Thermal Power Plant (JBTPP), Madhya Pradesh
		6.59	100	NVVNL/74834	Jaypee Nigrie Super Thermal Power Olant (JNSTPP), Madhya Pradesh
		6.74	50	AMBITIOUS POWER TRADING COMPANY LIMITED/376413	Jindal Power Limited, Tamnar, District Raigarh, Chhattisgarh

Period	Tender Qtm	Rate (Rs/Unit)	Qtm (MW)	Bidder	Source
16.05.2025 to 31.05.2025	500	6.40	100	Ambitious Power Trading Company Limited/416716	Jindal Power Limited â Shirpur
		6.40	400	NVVNL/188988	IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu

13. MSEDCL has also requested to fix appropriate ceiling tariff for FY 2025-26 in order to carry-out future short term power procurement. In this regard, the Commission notes that power procurement plan for FY 2025-26 is yet to be approved and it would be part of MYT Petition to be filed under MYT Regulations 2024 by 30 November 2024. In said proceedings, the Commission will take holistic view of total power procurement basket of MSEDCL and will accordingly decide on quantum and rates of power procurement. Hence, it would not be appropriate to decide ceiling tariff for short term power procurement in present Petition. The approval to power procurement under this Petition has been granted to meet out exigencies. MSEDCL is directed to provide all details with regard to the demand-supply scenario in MYT Petition and an appropriate decision on ceiling tariff will be taken in that proceedings.
14. Hence, following Order.


ORDER

1. **Petition in Case No.162 of 2024 is partly allowed. IA No. 60 of 2024 is disposed of accordingly.**
2. **Short Term Power Procurement during the period 1 April 2025 to 31 May 2025 (under tender ET-117) as stated in para (12) above is approved.**
3. **MSEDCL to submit the copies of Final PPAs to the Commission for records.**

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

