

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2407 of 2024.

In the Matter of:

Petition under Section 63 read with 86 (1) (b) and other provisions of the Electricity Act, 2003 seeking for adoption of tariff discovered under tariff based competitive bidding process conducted by MGVCL vide RfS No. MGVCL/Project/ DSM/ PM-KUSUM-C-FLS/ TN-07, dated 03.01.2024 for 33 Nos. of solar plants of total 76 MW, through RESCO model, for solarization of various 11 kV feeders in MGVCL for implantation of FLS (Feeder Level Solarization) under PM KUSUM-C Scheme of Government of India.

Petitioner : Madhya Gujarat Vij Company Limited

Represented By : Mr. Vikas Trivedi and Mr. Dipesh R. Kharva.

CORAM

**Mehul M. Gandhi, Member
S.R. Pandey, Member**

Date: 20/12/2024

DAILY ORDER

1. The matter was listed for hearing on 13.12.2024.
2. Mr. Vikas Trivedi appearing on behalf of the Petitioner MGVCL submitted that the present Petition has been filed under Section 63 read with 86 (1) (b) and other provisions of the Electricity Act, 2003 seeking for adoption of tariff discovered under tariff based competitive bidding process conducted by MGVCL vide RfS No. MGVCL/Project/ DSM/ PM-KUSUM-C-FLS/ TN-07, dated 03.01.2024 for 33 Nos. of solar plants of total 76 MW, through RESCO model, for solarization of various 11 kV feeders in MGVCL for implantation of FLS (Feeder Level Solarization) under PM KUSUM-C Scheme of Government of India.
 - 2.1. It is further submitted that Ministry of Power, Government of India vide Notification dated 22.07.2019 has published Guidelines for implementation of PM-KUSUM scheme for installation of solar pumps and grid connected solar power plants covering three components viz. (i)- Decentralized ground mounted grid

connected renewable energy (RE) based power plants of individual plant size up to 2 MW, (ii)- Installation of stand-alone solar powered agriculture pump sets and (iii) Solarization of grid connected agriculture pump sets. Subsequently, Government of Gujarat has vide Notifications dated (i) 19.06.2020 (ii) 06.11.2020 and (iii) 11.12.2020, issued GR for implementation of PM- KUSUM schemes. It is further submitted that MNRE, Government of India vide Office Memorandum (OM) 32/645/2017-SPV division dated 04.12.2020 has issued the guidelines for implementation of Feeder level solarization under component-C of PM-KUSUM Scheme.

- 2.2. It is submitted that the Petitioner has invited bids tender TN – 7 for setting up of solar power projects under RESCO model and also has constituted a Bid Evaluation Committee. The Petitioner has submitted the tender wise Nos. of bids received for power plant, date of technical bid, e-reverse auction, and negotiation date in the Petition.
- 2.3. The Petitioner has prayed to adopt the tariff discovered under tariff based Competitive Bidding Process under PM-KUSUM–C FLS scheme of MNRE Government of India in the matter of RfS No. MGVCL/ Project/ DSM/ PM-KUSUM-C-FLS/TN-7 dated 03.01.2024 for 33 Nos. of Solar Plants of total 76.0 MW through RESCO model for solarization of various 11 kV Feeders. It is requested to the Commission to approve the draft PPA to be executed with successful bidder as per the aforesaid tender for the respective plant capacity.
- 2.4. Upon query of the Commission with regard to tariff discovered in the RfS No. TN-7 dated 03.01.2024 and time period of conducting e-reserve auction, the Petitioner has submitted that price received under the bid was in the range of Rs. 2.15 - Rs. 3.43 per kWh. He further submitted that the price bid was opened on 22.07.2024 and e-reserve auction was conducted during 03.08.2024 to 07.08.2024 and LOI were issued under bucket filling mechanism at the discovered tariff or tariff of Rs. 3.00 per unit in case quoted tariff was higher than Rs. 3.00 per unit.
- 2.5. On the query of the Commission with regard to generic tariff decided by the Commission in Order No. 06 of 2024 dated 31.08.2024 and also tariff discovered

in the recent competitive bidding undertaken by GUVNL wherein tariff is discovered in the range of Rs. 2.55 -2.56 per unit, the representative appearing on behalf of the Petitioner has submitted that the same is required to be put up before the competent authority for their consideration and accordingly sought time to place on records the outcome of the same within one week along with supporting details/documents.

- 2.6. In response to the query of the Commission as to whether the Petitioner MGVL has submitted all the relevant documents on record, the Petitioner MGVL has submitted that all relevant documents have been placed on record in the present Petition.
- 2.7. He further submitted that the Ministry of New and Renewable Energy (MNRE) vide its letter dated 25.10.2024 informed to all DISCOMs to complete the process of signing of PPAs under the allocated sanctions by 31.12.2024 in order to allow the projects to be finished before the sunset date of the Scheme, i.e. 31.03.2026 considering the time to be taken for all formalities and commissioning of the projects.
- 2.8. The Petitioner has requested the Commission that considering the urgency in the matter, shorter time period may be kept inviting comments/suggestion/objections from the Stakeholders.
3. Heard the Petitioner. We note that the present Petition is filed by the Petitioner under Section 63 read with 86 (1) (b) and other provisions of the Electricity Act, 2003 seeking for adoption of tariff discovered under tariff based competitive bidding process conducted by MGVL vide RfS No. MGVL/Project/ DSM/ PM-KUSUM-C-FLS/ TN-07, dated 03.01.2024 for 33 Nos. of solar plants of total 76 MW, through RESCO model, for solarization of various 11 kV feeders in MGVL for implantation of FLS (Feeder Level Solarization) under PM KUSUM-C Scheme of Government of India. As the Petitioner has filed the Petition for procurement of solar power of 76 MW and adoption of tariff discovered under Section 63 and approval of Draft PPA, hence the Commission has the jurisdiction to decide the same and accordingly, we admit the present Petition.

- 3.1. We note that the Petitioner has conducted e-reverse auction for the Solar plants sub-stations against which more than one bid were received and the discovered tariff was in the range of Rs. 2.15 per unit to Rs. 3.43 per Unit. Further, the Petitioner issued counter offer to other than L1 bidders at the L1 bidder's rate or Rs. 3.00 per unit whichever is lower. Thus, the Petitioner has consider ceiling tariff of Rs. 3.00 per unit under the bidding process. It is to be noted that under the PM KUSUM-C scheme, over and above the PPA tariff, the Solar Project Developer is eligible to the Financial Assistance up to Rs. 1.05 Crore per MW from the Government of India.
- 3.2. We note that the Commission has issued generic Tariff Order No. 06 of 2024 on 31.08.2024 in the matter of 'Tariff Framework for Procurement of Power by Distribution Licensees and Others from Solar Energy Projects and Other Commercial issues for the State of Gujarat' wherein the Commission has determined levelized tariff of Rs. 2.76 per kWh without AD benefit and Rs. 2.48 with AD benefits for the solar project below threshold limit (below 5 MW). The Commission has determined the above tariff under Section 62 of the Electricity Act, 2003 following due process of law, viz., publication of discussion paper, inviting comments/suggestions from the stakeholders through public notices in the newspapers, conducting public hearing etc. After considering views of the stakeholders including views of Distribution Licensee like Petitioner and also solar power project developer, the Commission has decided technical and financial parameters and determined aforesaid generic tariff for procurement of power by distribution licensee from the solar power project below threshold limit (below 5 MW), without consideration of any subsidy/financial assistance from the Government. Against which, the ceiling tariff of Rs. 3.00 per unit considered by the Petitioner appears significantly on higher side in comparison to prevailing levelized tariff decided by the Commission in the aforesaid statutory Order specifically considering the facts that under PM-KUSUM-C scheme the project developers are eligible for the financial assistance up to Rs. 1.05 Crore per MW from the Government of India and no any reasons is mentioned in the present Petition as well as in the bid evaluation committee report in the above subject matter.

3.3. We also considered that in the recent Petition No. 2403 of 2024 filed by GUVNL for adoption of tariff for procurement of power from solar power project under Section 63 of the Electricity Act, 2003, the discovered tariff is in the range of Rs. 2.55 per unit to 2.56 per unit kWh having guaranteed CUF in range of 22%- 30%. The details of tariff discovered with capacity in the aforesaid Petition are as under:

Sr. No.	Rank	Tariff (Rs./kWh)	Capacity (MW)
1	L1	2.55	10
2	L1	2.55	50
3	L1	2.55	40
4	L1	2.55	100
5	L1	2.55	50
6	L1	2.55	10
7	L1	2.56	240

3.4. We also note that in the present case under KUSUM- C Scheme, guaranteed CUF is 19% with provision of getting Finance Assistance of Rs.1.05 Crore/MW. Thus, the tariff offered by the Petitioner in the present tendering process is also not in alignment with the market rate of solar power discovered under the competitive bidding carried out by GUVNL for long term tie-up.

3.5. As the Petitioner has sought time to make submissions as stated in Para 2. 5 above, the same is granted. The Petitioner is to place on record of the present Petition, the submissions with regard to the subject matter stated in Para 2.5 above, within 7 days from date of this Order.

3.6. We also note that with regard to procurement of power under Section 86(1)(b) and adoption of tariff discovered under Section 63 of the Electricity Act, 2003 so far and the power procurement and approval of Draft PPA thereof is concerned, it is necessary to hear the stakeholders and the same is agreed by the Petitioner stating that the period for inviting comments/suggestions/objections to be kept shorter. We, therefore, decide that it is necessary to conduct a public hearing to take into consideration the views of the stakeholders before deciding the subject matter. The Petitioner is, therefore, directed to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State inviting comments/suggestions/objections from the stakeholders within 10

days from the date of public notice stating that they have filed Petition No. 2407 of 2024 before the Commission along with its subject matter and relief sought therein. The Petitioner is also directed to upload the present Petition with all the relevant documents on its website and invite comments and suggestions from the stakeholders on the Petition on affidavit within 7 days from the date of issue of public notice. The Petitioner shall also state in the public notice that the stakeholders/objectors shall file their objections/suggestions/comments in the Petition to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT City, Gandhinagar - 382050 in five copies along with affidavit in support of their submissions.

3.7. We note that the Petitioner MGVCL has agreed to provide all the details/documents in line with directions of the Commission in its Orders dated 15.12.2023 in KUSUM Petitions filed by the licensees and have sought time for the same. Therefore, in order to ascertain that the Petitioner MGVCL has fulfilled necessary requirement for conducting competitive bidding process for adoption of tariff under Section 63 of the Electricity Act, 2003 in the present Petition, the Commission directs the Petitioner to ensure for placing on record complete bidding process documents starting from initiation of bidding process to the completion of bidding process on affidavit consist of following details/documents/information:

- (i) Copy of bid documents submitted by each bidder in respect to meeting of Technical and Financial qualification criteria stipulated in Bid documents along with copy of each bidder containing the details of turn over etc. in support of meeting financial criteria.
- (ii) Consolidated statement containing details of amendment issued in each Tender from time to time after its publication mentioning justification for bringing such amendment and confirmation that subsequent modifications in the bid documents brought in by the Petitioner from time to time was widely published for intimating to all prospective bidders and also confirmation that bid documents along with

amendment issue from time to time is in consonance with MNRE guidelines.

- (iii) Copy of Supporting documents to confirm the date on which Technical Bid Evaluation Report, Financial Bid Evaluation Report and Price Bid Evaluation Report for each bid was prepared by Bid Evaluation Committee.
- (iv) Summarized details in consolidated form for each plant/location for which bids are invited/received the bids such as (a) name of Sub-station/location along with its notified capacity, (b) Name of bidders who have submitted their bid by paying EMD for given location/Sub-station along with Solar Project capacity for which bid is submitted by respective bidder for given Substation/ location, (c) Name of bidders whose bid have been considered as responsive bid as per Technical/Financial Bid Evaluation Committee Report for further participating in e-reverse auction, (d) Bidder wise quoted tariff and their rank in respect of price quoted by respective technically qualified bidders for given Sub-station/location as per Financial Bid Evaluation report, (e) bidder wise tariff and their tariff rank at closer of E-reverse Auctions process for given sub-station/location (f) Name of bidder, solar project capacity and tariff at which LoI is issued by the Petitioner for given substation/location.
- (v) List of Sub-station/location for which only single bid is received along with details of bid solar project capacity and tariff quoted by such single bidder and the tariff at which LoI is issued by the Petitioner.
- (vi) Copy of E- generated report at closure of e-reverse auction for each substation/location.
- (vii) As per the bid documents, the bid validity is 120 days from the date of opening of online technical bid. The Petitioner is required to place on record the status of bid validity with supporting documents.

(viii) Details of modifications/deviations considered in the draft PPA prepared by the Petitioner for KUSUM-C Scheme and placed on record in the Petition from model PPA for KUSUM-A published with MNRE guidelines dated 22.06.2019, along with justification for such modifications/deviation and confirmation that the PPA is in consonance with MNRE guidelines.

(ix) The Petitioner has referred to the MNRE guideline dated 10.02.2022 and its amendments thereto in the Petition. However, copy of said guidelines is not placed on record in the Petition. The Petitioner is required to place on record the copy of MNRE guidelines dated 10.02.2022 and its amendments thereto as referred in the Petition.

3.8. The staff of the Commission is also directed to upload the Petition along with all the relevant documents on the website of the Commission for inviting comments/suggestions/objections from the stakeholders after the public notice is issued by the Petitioner and Petition is uploaded on its website and a compliance affidavit with a copy of the Public Notice is filed in this matter by the Petitioner.

4. We also direct the staff of the Commission to provide the copy of the suggestions/objections/comments, if any, received in the matter from the stakeholders to the Petitioner to enable them to file their response to the same.

5. Next date of hearing in the matter will be intimated separately.

6. Order accordingly.

Sd/-
[S.R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.
Date: 20/12/2024.