



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110 017.

No. F.11(2007)/DERC/2022-23/7486

Petition No. 41/2022

In the matter of: Petition u/s 86 read with section 63 of the Electricity Act, 2003 seeking adoption of tariff discovered through E-DEEP portal of MSTC/PFC as per MOP guidelines for purchase of power up to 400 MW from various traders/generators and for the approval of the agreements entered thereto in terms of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 read with Guidelines for short-term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process dated 30th March, 2016 and amendment.

BSES Rajdhani Power Limited

.... Petitioner

Versus

Manikaran Power Ltd. & Ors.

..Respondents

Coram:

**Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasht, Member**

Appearance:

Mr. Buddy A Ranganathan, Advocate, BRPL

ORDER

(Date of Order: 11.09.2022)

1. The Instant Petition has been filed seeking adoption of the tariff discovered by the Petitioner for procurement of Short-term power and the approval of the Letters of Intents (LOIs) dated 17/08/2022 issued to the Respondents, i.e. the successful bidders. In the said LOIs it was made clear that the LOIs were subject to the approval of the Commission and that upon such confirmation, they would be treated as binding Power Purchase Agreements entered into for procurement of power by the Petitioner from the Respondents.
2. The Petitioner has made the following prayers in its Petition:
 - a. *Adopt the discovered weighted average tariff of Rs. 8.829/ kWh, as the case may be, as per above Table No. 1 of the Petition.; and*
 - b. *Approve the Letters of Intent dated 17.08.2022 issued to the Respondents and their respective confirmations received from the Respondent (as per Annexure P-8 (Colly));*

under Section 63 of the Electricity Act, 2003 for procurement of power by the Petitioner from the Respondents and pass a suitable order in this regard.

3. The Petitioner has submitted the following:
 - i. That under Section 63 of the Electricity Act, 2003, the Commission is required to adopt the tariff determined through a competitive bidding process in accordance with the guidelines issued by the Central Government. Even otherwise, the Tariff Regulations issued by the Commission, require short term procurement to be done by way of a transparent bidding process.
 - ii. It has conducted the bidding process for procurement of short term power for upto 400 MW in consonance with the MoP Guidelines and the generally accepted practices and hence has submitted to the Commission to adopt the present tariff and approve the LOIs which have been issued and accepted pursuant to the bidding process.
 - iii. The tabular representation of the RTC quantum arrived from the Petitioner's Tender is as under:

Table 1 : Details of Lol issued to Successful bidders

Month	Period	Tender Quantum (MW)	Successful Bidders Quantum (MW)	Successful Bided Quantum (Mus)	Trader	Source Generator	Initial price/kWh	Revised after no regret offer Price/kWh
Sep-22	1st FN	300	150	54	PTC	SEIL	8.42	8.42
			100	36	MPL	JPL	8.42	8.32
	2nd FN	200	150	54	PTC	SEIL	8.42	8.42
			50	18	MPL	JPL	8.42	8.32
Oct-22	1st FN	400	150	54	PTC	SEIL	9.25	9.25
			100	36	MPL	JPL	9.25	9.16
	2nd FN	250	150	58	PTC	SEIL	9.25	9.25
			100	38	MPL	JPL	9.25	9.16
				348				8.829

- iv. The requirement to procure short term power has arisen on account of factors beyond the control of the Petitioner. However, despite the same, the consumers of Delhi stand to benefit on account of this procurement inter-alia on account on the fact that:

Month	BRPL (e-RA 27.07.2022)	Torrent (e-RA 10.08.2022)	MSEDCL E-ra 10.08.2022)
Sep'2022 and Oct.'22 (Rs./kwh)	8.829	9.35	9.12

- v. The tariff at which the Petitioner will be able to procure power is market aligned and is one of the most competitive. Therefore, it is not only in the Petitioner's interest but also in the interest of consumers at large that the

Commission may be pleased to approve the present Petition in the terms prayed.

Commission Analysis

4. The instant Petition is filed for adoption of weighted average Tariff of Rs. 8.829/ kWh and approval of LOIs dated 17/08/2022 for procurement of power in the range of 50 MW to 150 MW from Respondents in the fortnights of Sep '22 and Oct '22. The Tariff discovered is at DEEP-Portal. DEEP portal is an e-Bidding and e-Reverse auction portal developed by MSTC/ PFC under initiative of MoP, Gol for procurement of Power on Short Term and Medium Term basis.
5. In the said LOIs, it is indicated that the Delivery Point of Power shall be the Petitioner's (BRPL) periphery. Open Access Charges, Transmission Charges & Losses, Scheduling Charges, Operating Charges, Application fee of SLDC upto the delivery point shall be borne by participating Generators/Traders.
6. During the hearing held on 1/09/2022, it was pointed out that the Petitioner has not submitted any justification, in its Petition, for requirement of such Short term Power and was directed to file the same. Accordingly, the Petitioner filed Additional Affidavit dated 2/09/2022 indicating Demand-Supply Analysis for Sep '22 and Oct '22, as follows:

Particulars		1 st Fortnight (MW)					2 nd Fortnight (MW)				
		00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
Demand	Sep '22	2799	2365	2644	2829	2927	2670	2104	2337	2600	2729
Supply		2338	2223	2186	1947	2065	1942	2081	2051	1810	1899
(Deficit)		-460	-142	-457	-882	-863	-729	-24	-286	-790	-830
Particulars		00-05	05-12	12-18	18-12	22-24	00-05	05-12	12-18	18-12	22-24
Demand	Oct '22	2161	2120	2223	2140	2212	1544	1667	1677	1729	1585
Supply		1377	1643	1683	1525	1361	1331	1193	1384	1489	1047
(Deficit)		-784	-477	-540	-615	-851	-213	-474	-293	-240	-538

7. The following has been noticed from the Demand-Supply analysis submitted by Petitioner:
 - a) **Demand Side of 2nd Fortnight of Oct'22:** Demand of 2nd Fortnight of Oct'22 is decreasing sharply in similar time period of Sept'22. **There is an Average Reduction of 33% in Demand of Oct'22 vis-à-vis Sept '22.**
 - b) **Supply Side of 2nd Fortnight of Oct'22:** The Petitioner by way of this Short-term tender is trying to fulfill its Banking export requirements in various slots ranging from 279 MW to 459 MW of during 2nd Fortnight of Oct '22. The said Banked Power will return in the Summer of next year. In true sense, this is not a reflection of Banking transactions. Banking of Power arises from the Surplus

available from Long-term sources in the Winter Season which is utilized in the deficit period of Summer Season.

- c) The Petitioner is undertaking Banking Commitments and proposes to export Power by purchasing Short Term Power through this Tender, wherein Tariff is discovered at Rs. 9.16/kWh & Rs. 9.25/kWh as follows:

Particulars	Oct '22 -2 nd fortnight				
	00-05	05-12	12-18	18-12	22-24
HPSEB (RTC vs Day) MPL		-184	-315		
HPSEB (Night vs Night) MPL		-275	-34		-275
Total Short Term Open Access	0	-459	-350	0	-275

- d) The expected Return of this Costly Short Term Banked Power will be in Summer Season of FY 2023-24, wherein the Petitioner will have an Additional Power of 373 MW from Dadri-II since their re-allocation to Haryana by MoP, GoI is only till 31/10/2022. Further, the Petitioner has already floated tender for procurement of 500 MW Medium Power as per the approval granted in Petition No. 34 of 2022. So, it is expected that the Petitioner will have additional 873 MW of Power in next Summer Season.
8. The Petitioner has to consider Surplus/(Deficit) after meeting its demand requirements firstly from Long Term Sources and thereafter from various Short Term Sources as per the provisions mandated under Regulation 120 & 121 of DERC (Tariff) Regulations, 2017. The Surplus Power is out of the Long-term Sources which will be Banked whereas in the present case the Petitioner is first Banking Power then becomes Energy deficit and later on, proposes to meet such deficit with high rate Short-term Power in 2nd Fortnight of October 2022.
9. In view of above and carrying out Demand - Supply analysis the Commission allows the prayers of the Petitioner and grants approval for procurement of Short Term Power and LOIs for the first and second fortnight of September and for first fortnight of October and has not allowed the same for 2nd fortnight of October 2022. The shortages, if still any, during Sept'22 and Oct '22 can be met through procurement from Power Exchanges which has been considered Nil by the Petitioner currently whereas there has been prominent procurement during similar period of last year even when there was power crisis.
- Further, the Petitioner is directed not to export Power under Banking, through purchase of short term power as short term purchase is basically meant to meet urgent requirement.
10. However, if this arrangement fails, it shall be the sole responsibility of the Petitioner to procure & supply power to its consumers at the Tariff discovered in the said

bidding process and additional liability, if any, for this quantum of power, shall not be pass through in Aggregate Revenue Requirement (ARR) of FY 2022-23. This approval is further subject to condition that if any surplus power is available with BRPL it should be first utilized within Delhi as required by other DISCOM under Inter DISCOM Transfer (IDT) mechanism.

11. Ordered accordingly.

Sd/-
(Dr. A.K. Ambasth)
Member

Sd/-
(Justice Shabihul Hasnain 'Shastri')
Chairperson