



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

F.11(2419)/DERC/2025-26/8676

**Petition No. 01/2026**

**In the matter of:** Petition under Section 63 and Section 86(1)(b) of the Electricity Act, 2003 for approval of procurement of power on Short Term Basis through Tariff Based competitive bidding process as per the 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 issued by Ministry of Power, Government of India, as amended from time to time to ensure availability of sufficient power during summer peak i.e. 16.05.2026 to 30.06.2026 and adoption of tariff discovered under competitive bidding process and approval of draft Power Purchase Agreement.

**Tata Power Delhi Distribution Ltd.**

**... Petitioner**

**Coram:**

**Sh. Surender Babbar, Member and Sh. Ram Naresh Singh, Member**

**Appearance:**

1. Mr. Buddy A. Ranganadhan, Ld. Sr. Advocate for the Petitioner
2. Mr. Anand Kumar Shrivastava, Ld. Counsel for the Petitioner
3. Mr. Ankit Bhandari, Ld. Counsel for the Petitioner

**ORDER**

(Date of Order: 12.03.2026)

1. The instant Petition has been filed by the Petitioner, Tata Power Delhi Distribution Ltd. (TPDDL) seeking approval for procurement of power on Short Term Basis through Tariff Based Competitive Bidding Process (TBCB Process) as per the 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 30.03.2016 ("Short Term Guidelines") issued by the Ministry of Power (MoP), Government of India as amended from time to time, to ensure availability of sufficient power during the summer season, i.e. from 16.05.2026 to 30.06.2026 and adoption of tariff discovered under competitive Bidding Process and approval of Draft Power Purchase Agreement ("Draft PPA").
2. The Petitioner has made *inter-alia* the following prayers in its Petition:
  - i. To approve the Procurement of Power for Short-Term basis for quantum given in Table -3 of the instant petition, through tariff based competitive bidding process to ensure availability of sufficient power during 16.05.2026 to 30.06.2026 in the summer season of 2026;

- ii. To adopt the tariff as discovered through the process of competitive bidding;
- iii. To approve the draft Power Purchase Agreement.

**Petitioner's Submissions**

3. The Petitioner has submitted the following:

- i. The Petitioner is a joint venture of the Tata Power Company Limited ("TPCL") and the Government of NCT of Delhi ("GNCTD") with 51% majority shareholding being with TPCL. The Petitioner is a company incorporated under the Companies Act, 1956 and engaged in the business of distribution of electricity within its licensed area in NCT Delhi.
- ii. The Petitioner, in order to ensure sufficient power during the summer season of 2026, carried out the surplus/shortage scenario analysis based on the expected availability from the generators with long term Power Purchase Agreements (PPAs). Based on the outcome of the analysis, The Petitioner floated a Tender enquiry NO. Tata Power-DDL/PMG/Tender/Power/Purchase-2025-26/01 dated 10.10.2025 inviting bids for a quantum of upto 650 MW for the period 16.04.2026 to 30.09.2026 ("1<sup>st</sup> Tender") in terms of the Short Term Guidelines without any deviations from the same. In response to the 1<sup>st</sup> Tender, various bids were received, however, the bids received for the 1<sup>st</sup> Tender did not include any participation from bidders for the peak summer slots. Thus, it is expected that there will be some shortage of power from 16.05.2026 to 30.06.2026. During FY 2024-25, Delhi's power demand during the summer season had reached the mark of 8442 MW in the month of June'2025, as per the data available on the State Load Despatch Centre's Website.
- iii. The summary of the shortage during the above-mentioned period i.e., from 16.05.2026 to 30.06.2026 showing the scale of power to be tied up to meet the demands of the consumers of the Petitioner is given below:

Table: Shortage (-) Scenario during 16.05.2026 to 30.06.2026 (MW)

Month	May	June	
Fortnight	SF	FF	SF
Shortage Upto (-)(MW)	410	288	344

Note: FF – First Fortnight, SF – Second Fortnight

- iv. That based on the current demand supply scenario and the predicted shortfall for the period of 16.05.2026 to 30.06.2026, the Petitioner proposed to arrange 300MW through the instant procurement process and any additional power, as and when required will be arranged by the Petitioner through Real Time Time Markets. The total quantum proposed to be procured by the Petitioner is around 295.20MUs Round the Clock (RTC) power for the period of 16.05.2026 to 30.06.2026 at a weighted average rate of Rs. 5.58 per unit.

- v. Therefore, the Petitioner has undertaken the present bidding exercise to ensure that there is no gap in reliable power availability for the peak summer, which is in line with the identified power procurement planning of the Petitioner.
- vi. The Petitioner in terms of Clause 5.4 read with Clause 21.4 of its License issued by the Commission is required to purchase the energy required by it for distribution and retail supply *inter-alia* in an economical manner and under a transparent power purchase or procurement process.
- vii. The Resource Adequacy Guidelines impose a duty upon the licensees to tie up sufficient capacity to meet the demands of its consumers. Further, the said Guidelines provide that the capacity for which the licensee shall tie up should be a judicious mix of long-term, medium-term and short-term contracts to ensure security of reliable supply of power to the consumers. The Guidelines provide that procurement actions for resource adequacy must be taken up by the DISCOMs in a timely manner to ensure that generation capacity becomes available well before its requirement to meet the projected growth and demand.
- viii. The Petitioner in order to meet the higher summer demand during the period of 16.05.2026 to 30.06.2026, issued the Request for Proposal (RfP) vide Tender Enquiry No.-Tata Power-DDL/PMG/ Tender/Power/Purchase-2025-26/02 dated 28.11.2025 for procurement of up to 300 MW (RTC + Peak) power through TBCB process as per the Short Term Guidelines with due intimation to Delhi Transco Limited and the Commission. The said RfP was published by the Petitioner in four newspapers, DEEP Portal as well as on the Petitioner's Website on 28.11.2025.
- ix. In response to the RfP issued by the Petitioner, following bidders procuring power from the following sources participated in the reverse auction:
- a. NTPC Vidyut Vyapar Nigam Limited (NVVN) (74826) through "IL&FS Tamil Nadu Power Co. Ltd."
  - b. NVVN (551376) through "Jaypee Nigrie Supercritical Thermal Power Plant".
  - c. NVVN (74838) through "Jhabua Power Limited".
  - d. GMR Energy Trading Limited (509563) through "Bajoli Holi Hydropower Private Limited".
  - e. Tata Power Trading Company Limited (74176) through "Jindal India Power".
  - f. JSW Energy Limited (89749) through "KSK Mahanadi Power Company Limited".
  - g. PTC India Limited (74475) through GoHP – Chamera - I.
  - h. PTC India Limited (74476) through GoHP – Rampur"
  - i. PTC India Limited (74486) through GoHP – Prabati-2
  - j. PTC India Limited (74485) through GoHP – Koldam
  - k. PTC India Limited (74488) through GoHP – KWHPS

- x. That based on the bids received during the e-RA, the Standing Committee has shortlisted the bidders for each fortnight between 16.05.2026 to 30.06.2026 for procurement of power under Bidding documents. Further, in terms of Short-Term Guidelines, the Petitioner issued Letter(s) of Award (LoA) to the shortlisted bidders on 26.12.2025 which are conditional, subject to the approval of the Commission.
- xi. That there exist exceptional circumstances to prepare for the summer season of 2026, which necessitates procurement of power above the ceiling rate of Rs.5.00/- per unit. Moreover, during the peak hours, even by bidding on the Power Exchanges, the Petitioner may not be able to procure the full quantum of power required during 16.05.2026 to 30.06.2026 owing to lesser clearances. In view of these reasons and circumstances, the approval for procurement of power above the ceiling rate of Rs. 5/- per unit, is of utmost necessity to provide reliable and uninterrupted electricity to the consumers of the Petitioner during the peak summer season.
- xii. In view of the aforesaid, the Petitioner has filed the present Petition for approval of purchase of following quantum of short-term power:

**Table-3: Requisite Quantum of Purchase of Short-Term Power in the present bidding exercise**

Month	May		June	
	FF	SF	FF	SF
Fortnight	FF	SF	FF	SF
RTC (0-24 hrs) (MW)	0	300	250	250
Approval Sought MW	0	300	250	250

- xiii. That the Short Term Guidelines provides that the Procurer shall execute a PPA with the selected bidder(s) consequent to the selection process. In view thereof, the Petitioner is also beseeching the Commission to approve the draft PPA to be entered with successful bidder(s).

### **Commission Analysis**

4. The instant Petition has been filed by the Petitioner seeking approval for procurement of power on short term basis through Tariff Based Competitive Bidding Process as per the 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 30<sup>th</sup> March 2016 and its amendment, adoption of tariff discovered under competitive bidding process and for approval of draft Power Purchase Agreement ("Draft PPA").

5. The Commission vide its Record of Proceedings dated 20.01.2026 admitted the Petition with directions that if any clarifications are required by the officers of the Commission, the same shall be provided by the Petitioner. The matter was further listed for hearing on 27.01.2026 wherein this Commission observed as follows:

*"...there is a need to recalculate and if required, reduce the quantum of power sought to be procured by the Petitioner. This is necessary to avoid any loss which may arise due to mismatch in the procurement sought and actual requirement of the Petitioner. Therefore, the officers of the Petitioner will sit with the officers of the Commission to further clarify the actual requirement of short-term power so that while approving the proposed procurement, the Commission may ensure that any potential loss is neutralized/minimized"*
6. Subsequently, during the hearing held on 10.02.2026, it was observed that certain technical aspects still remained to be addressed with respect to the quantification of the electricity requirement of the Petitioner and the corresponding quantity of electricity to be procured under the proposed contract to be executed by the Petitioner. Hence, with the direction to the Petitioner to provide further clarification, if any, in this regard, the Order was reserved.
7. The Petitioner has informed that during the Commission meeting held on 24.02.2025 regarding meeting the peak demand, all DISCOMs were advised to arrange the power in advance for the next year in order to reduce the risk associated with availability as well as volatility in power tariff. Further, the Petitioner in order to ensure sufficient power during the summer season of 2026, carried out the surplus/ shortage scenario analysis based on the expected availability from the generators with long- term Power Purchase Agreements ("PPAs"). Information was sought from the Petitioner regarding month-wise demand supply gap in the summers of 2026 by taking all the existing and upcoming tie-ups. The Petitioner has submitted that it is anticipating shortage of power from 16th April'2026 to September'2026.
8. Further, a meeting was also conducted with the officers of the Petitioner on 17.02.2026 to enquire about the status of slot-wise power procurement. The Petitioner has submitted that no bids were received for the Peak slot for May (Second Fortnight). For June, bids were received only for 174 MW (130 MW + 44 MW) at a tariff of Rs. 9.99/unit against the tendered quantum of 250 MW. Further, the Petitioner has also submitted a detailed justification regarding Cost Justification of RTC Power clearly demonstrating that RTC power, even after accounting for the sale of surplus power during off-peak hours, is more economical compared to peak power at Rs. 9.99/unit.
9. It was observed during prudence check and analysis that the Petitioner is in power surplus condition in some time blocks during the for the period 2<sup>nd</sup> fortnight of May' 2026 to June' 2026. Meetings were conducted with the officers of the Petitioner on 20.01.2026 and 28.01.2026 to discuss the handling and management of the surplus

power as observed above, so that the overall impact on the consumers may be minimized. The Petitioner proposed and agreed to adopt the following measures for the management of surplus power:

- a) The Petitioner will opt for Inter-Discom Transfer (IDT) Mechanism.
- b) Sale of surplus power in Exchange to maximize revenue offsets.
- c) Scheduling within  $\pm 15\%$  of the contracted quantum, as per the Clause 23.1 of the tender document.

10. With regard to the justification furnished by the Petitioner concerning RTC power procurement, it is observed that procurement of power through power exchanges during peak hours entails significant risks in terms of both volume and price with very low clearance ratio. The clearance is entirely market-driven and, therefore, cannot be assured during system-wide scarcity. Further, during high-demand summer conditions, prices on the exchanges tend to spike sharply while the volumes thin out, thereby rendering exchanges an unreliable source for meeting firm peak demand obligations. Accordingly, to ensure reliable meeting of power demand, reliance on power exchanges is only a last resort, and procurement through bilateral arrangements is evidently a preferable option.

11. Further, the Petitioner, vide its email dated 17.02.2026, shared the MoM received from Delhi SLDC regarding the meeting held on 13<sup>th</sup> Feb' 2026 w.r.t. Summer'2026 preparedness. The said meeting was convened between the NRLDC team and officers of Delhi SLDC, along with representatives of Delhi DISCOMs, on 13.02.2026 with specific emphasis on advance preparedness for the upcoming summer period. The discussion also focused on the need for coordinated and timely power procurement planning. It is noted that during the discussions, historical demand trends and projections were received to assess potential supply demand gaps, especially during non-solar hours and SLDC/DISCOMs were requested to make advance power arrangements to address the issue. Also, NRLDC highlighted the risks associated with reliance on short-term market mechanisms (DAM/RTM) during peak demand periods and advised that market purchases be treated only as supplementary, with primary reliance on secured and advance procurement arrangements.

12. It has been stated by the Petitioner that during peak hours, even by bidding at Rs.10 per unit (CERC Ceiling limit), the Petitioner may not be able to procure the full quantum of power required during summer season of 2026 from the Power Exchanges owing to less clearances. The Petitioner further stated that in the absence of approval for the proposed RTC procurement, Bawana TPS remains the only alternative source to meet the Petitioner's requirement. However, the energy charge rate of Bawana TPS is Rs.9.20/- per Unit beyond 320MW and scheduling from this station is feasible only on an RTC basis. Based on the comparative analysis, it is observed that reliance on Bawana TPS would impose an additional burden of Rs.110 Crore which would be passed on to the Consumers.

13. Considering the submissions in the instant Petition and deliberations as stated above, the Commission hereby accords approval to the Petitioner to procure 295.2 MUs of Short Term RTC power as specified in the submissions of the Petitioner from 16<sup>th</sup> May' 2026 to 30<sup>th</sup> June' 2026 as discovered by it in the e-Reverse Auction. The draft Power Purchase Agreements to be signed between the Petitioner and the successful bidders are also approved.
14. If the above 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 passed through in True-up of FY 2026-27. This approval is further subject to the condition that any surplus power available with the Petitioner during Summers of FY 2026-27 be first utilized within Delhi as required by other DISCOMs under Inter DISCOM Transfer (IDT) mechanism.
15. The Petition is disposed of in above terms.
16. Ordered accordingly.

**Sd/-**  
**(Surender Babbar)**  
**Member**

**Sd/-**  
**(Ram Naresh Singh)**  
**Member**