



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110017.

F.11(2034)/DERC/2022-23/7543

Petition No. 11/2023

In the matter of: **Petition under Section 86(1)(b) of the Electricity Act, 2003 to seek permission to enter into bilateral arrangement with the Respondent and approve the procurement of 37.73 MW Night Power from May'23 to September'23**

BSES Yamuna Power Ltd.
Versus

...Petitioner

M/s Kreate Energy Pvt. Ltd.

...Respondent

Coram:
Hon'ble Dr. A. K. Ambasht, Member

Appearance:
Mr. Arijit Maitra, Advocate, BYPL

ORDER

(Date of Order: 27.04.2023)

1. The instant petition has been filed by BSES Yamuna Power Ltd. for seeking permission to enter into Bilateral Arrangement with the Respondent and approve the procurement of 37.37MW night power from May 23 to Sep. 23. The Petitioner has prayed the following:
 - i. Allow the Petitioner to enter into bilateral arrangement with the Respondent and approve the procurement of 37.73 MW night power from May 23 to Sep. 23 at Block-wise ACP discovered price of IEX minus (-) 5 Paisa/kWh of N2 sub region or Rs. 11/kWh, whichever is lower at Regional Periphery.

Petitioner's Submissions

2. The power exchange rates and quantum cleared are volatile since last one-year. There has been a gap between demand and supply of power in Day Ahead power market and due to this, the power was not getting cleared during night hours in summers creating uncertainty of daily power availability.

3. During last summer, the summer, the Daily Average Price of Power available at Indian Energy Exchange (IEX) was more than Rs. 5.9/kWh (May'22 to Sep. 22) and even night Power is at average Rate Rs. 8.1/kWh for the same period. The huge gap between demand and supply of power was witnessed past year in the summer months of May 22 to Sep. 22. Similar adverse and unprecedented situation is expected to continue further during upcoming summer months from May'23 to Sep'23.

BYPL Shortage and Surplus Position, as per SLDC
ALL FIGURES IN MW

Month	1st Fortnight Hours					2nd Fortnight Hours				
Surplus (+)/ Shortage (-)	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
April 2023	-117	255	239	125	-15	-171	62	174	-34	-184
May 2023	-163	100	111	-89	-193	-174	75	82	-85	-166
June 2023	-57	155	206	47	-101	-63	187	120	-47	-86
July 2023	30	179	219	-17	6	-49	284	252	214	-18
August 2023	31	368	352	334	44	44	351	312	272	68
September 2023	-35	344	242	158	-32	39	397	395	305	72

BYPL received Bilateral Purchase Offer of 37.73MW from May to Sep. 23 in file slots from 00:00 to 03:00 Hrs. and 18:00 to 24:00 hours through trader. BYPL has major shortages in these time block from May to Sep. 23, except in some time blocks of surplus power. These surplus time blocks may be seen as cushion for various reasons as under:

- Shortages in above table is based on wind generation Profile of las year, however there always remains variation in actual schedule of wind generators.
- In months of July, August and September, due to uncertain rainy weather, the hydro power generation remains affected, which fluctuates the schedule of hydro plants.
- Having some buffer for the real time schedule helps in meeting any about increase in demand due to heat wave or high humidity conditions.
- Buffer power is also required to compensate any generation outages or reduced declared Capacity of plants due to coal problems etc.
- The trader off may not always be full aligned with power requirement. This bilateral purchase arrangement is covering major time blocks of shortages of BYPL.

4. Ministry of Power (MoP) has also sought comments on proposal to introduce high price market segment for Day Ahead Market (HP-DAM) for sellers who have variable cost greater than price Cap of Rs. 12/kWh. In this regard, exchange rates might increase further in upcoming summer months, due to opening of this new segment in exchange.
5. BYPL has done several banking arrangements through participation in tenders/trader offers for the period May'23 to Sep'23. BYPL also floated tender for power purchase through DEEP-Portal in the month of Jan'23, however, there had been no participation from any utilities or generators/traders. BYPL estimates shortages in night hours from May'23 to Sep'23.
6. BYPL have received a proposal for bilateral arrangement from M/s Kreate Energy Pvt. Ltd. For supply of power. The salient points of the offer are as under :-
 - i. Power Import of 37.73 MW under Bilateral mode on Firm basis for 00:00 to 03:00 hrs. & 18:00 to 24:00 hrs.
 - ii. Duration of Power Import is May'23 to Sep'23.
 - iii. Purchase rate will be Block-wise ACP discovered price of IEX minus (-) 5 Paisa/kWh of N2 sub-region or Rs. 11/kWh, whichever is lower.
 - iv. BYPL shall pay zero trading margin to trader. BYPL will save on transaction fee payment to power exchange of 2.00 Paisa/kWh + 18% GST. Transmission Charges and Transmission Losses: The Transmission Charges, Transmission Losses, RLDC/SLDC Charges or any other charges covered in Open Access Regulations notified by CERC/SERC and the procedure for Open Access stipulated by the Central Transmission Utility (CTU)/State Transmission Utility (STU) (as amended up to date) for supply of energy, if any, up to the delivery point shall be borne by KEIPL/Seller.
 - v. The transmission charges, transmission losses, RLDC/SLDC Charges or any other charges covered in Open Access Regulations notified by CERC/SERC and the procedure for Open Access Regulations notified by CERC/SERC and procedure for Open Access stipulated by the Central Transmission Utility (CTU)/ State Transmission Utility (STU) (as amended up to date) for supply of energy, if any, beyond the delivery point shall be borne by BYPL.
 - vi. Following are Advantages to BYPL upon entering into this bilateral agreement: -
 - a. Advance arrangement of night power of 37.73 MW, which may not be possible through power exchange.

- b. BYPL will save payment of transaction fee to power exchange of 2.00 paisa per kWh with 18% as GST in addition to transaction fee to power exchange.
7. BYPL will dispose of surplus power, if any, under Inter DISCOM Transfer (IDT) mechanism in this period and maintain 24x7 supply of Power to the consumers.
8. Subsequently, Ld. CERC has issued its order dated 31.03.2023, in which they have changed price of quotation in all contracts of DAM/GDAM/RTM/TAM/GTAM etc. will be Rs. 0/kWh to Rs. 10.0/kWh w.e.f. 04.04.2023. Earlier this price range was from Rs. 0/kWh to Rs. 12.0/kWh.
9. M/s Kreate had initially offered BYPL on 07.02.2023 for Bilateral power purchase of 37.73 MW at price of Blockwise IEX-DAM rate (-56) paisa/kWh of N2 region or Rs. 11.0/kWh, whichever is lower for the period of May-23 to Oct-23 in 00:00 to 03:00 Hrs. and 18:00 to 24:00 Hrs.
10. In view of the Ld. CERC order dated 31.03.2023, the Petitioner had filed an I.A. no. 4 of 2023 in the present Petition before the Commission seeking amendment in the Petition. M/s Kreate has submitted revised offer with price of blockwise IEX-DAM rate (-5) paisa/kWh of N2 region or Rs. 10.0/kWh, whichever is lower for the period of May-23 to Oct-23 in 00:00 to 03:00 Hrs. and 18:00 to 24:00 Hrs.
11. The Application for Amendment was allowed by the Commission vide Order dated 20.04.2023 and the prayer clause was amended as follows:
- a) Allow the Petitioner to enter into bilateral arrangement with the Respondent and approve the procurement of 37.73 MW night power from May MW night power from May 23 to Sep. 23 at Block-wise ACP discovered price of IEX minus (-) 5 Paisa/kWh of N2 region or Rs. 10.0/kWh, whichever is lower for the period of May-23 to Sept.'3 in 00.00 to 03:00 Hrs and 18:00 to 24:00 hrs.

Respondent Submission

12. The Commission vide Order dated 20.04.2023 directed the Respondent, Kreate Energy Pvt. Ltd., to file an affidavit with respect to provide the power at a cap of Rs. 10/kW. On 21.04.2023, Kreate Energy Pvt. Ltd. filed an Affidavit and submitted the following:
- a) It is submitted that M/s Kerate Energy (I) Pvt. Ltd. (Respondent) is an interstate trading license, bearing license No. 43/Trading License/2009/CERC, had

submitted an offer letter No. KEIPL/PT/DEL/CP/NS/BYPL/070223 dated 07.02.2023 wherein, KEIPL had offered BYPL for bilateral power purchase of 37.73 MW at price of Blockwise IEX-DAM rate (-5) Paise/kWh of N2 region or Rs. 11/kWh, whichever is lower for the period of May-23 to Oct-23 in 00:00 to 03:00 hrs. and 18:00 to 24:00 hrs.

- b) Further, the Hon'ble CERC had issued its order dated 31.03.2023, in which they have changed price of quotation in all contract of DAM/GDAM/RTM/TAM/GTAM etc. will be Rs. 0/kWh to Rs. 10/kWh w.e.f. 4.4.2023. Abiding by that, KEIPL had submitted revised offer letter No. KEIPL/PT/DEL/CP/NS/BYPL/060423 dated 06.04.2023 with price of Blockwise IEX-DAM rate (-5) Paise/kWh of N2 region or Rs. 10/kWh or whichever is lower for the period Pay-23 to Oct-23 in 00:00 to 03:00 hrs. and 18:00 to 24:00 hrs.
- c) In view of the above facts and circumstances enumerated above, the Commission may please to allow the Respondent to proceed with the following steps:
- (i) To provide the duly signed SLDC consent on format-2 from the injecting entity to the petitioner for the assurance of schedule of power for above said period.
 - (ii) To be issued the Letter of Intent (LoI) by the petitioner to the respondent.
 - (iii) Respondent shall be provided the duly signed SLDC consent from the petitioner for the contracted period.
 - (iv) Further, the respondent shall book the corridor by punching of application on advance basis in accordance with the Hon'ble CERC's procedure for Bilateral Transactions under STOA and thereof.

Commission Analysis

13. BYPL has filed the present Petition seeking approval on Bilateral Agreement with Kreate Energy Pvt. Ltd. for procurement of 37.73 MW (Night) Power from May '23 to Sep '23.
14. The Hon'ble CERC Order dated 31.03.2023, has capped Power Exchange price at Rs. 10/kWh for DAM, RTM and TAM market etc. & Rs. 20/ kWh in HP-DAM Market w.e.f 04.04.2023 untill further orders. Modification of the bilateral agreement has been allowed and the discovered price shall be capped to discovered price at IEX (-) 5 paisa/ kWh of N2 sub-region or Rs. 10/ kWh, whichever is lower at Regional Periphery.

15. As per data submitted by SLDC, the anticipated Surplus (-)/ Shortage (-) for BYPL in Apr'23 to May'23 is, as follows:

MW										
MONTH	1 st Fortnight					2 nd fortnight				
	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
APRIL 2023										
DEMAND	1265	1012	1139	1311	1271	1415	1242	1242	1495	1461
AVAILABILITY	1148	1267	1378	1436	1256	1243	1304	1416	1461	1276
SURPLUS (+) / SHORTAGE (-)	-117	255	239	125	-15	-171	62	174	-34	-184
MAY 2023	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
DEMAND	1611	1333	1402	1645	1669	1674	1391	1437	1680	1715
AVAILABILITY	1448	1433	1513	1556	1476	1500	1466	1519	1595	1549
SURPLUS (+) / SHORTAGE (-)	-163	100	111	-89	-193	-174	75	82	-85	-166
JUNE 2023	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
DEMAND	1665	1421	1456	1700	1712	1712	1444	1584	1875	1747
AVAILABILITY	1609	1576	1662	1747	1611	1649	1631	1704	1828	1661
SURPLUS (+) / SHORTAGE (-)	-57	155	206	47	-101	-63	187	120	-47	-86
JULY 2023	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
DEMAND	1718	1485	1532	1880	1764	1601	1311	1462	1607	1648
AVAILABILITY	1748	1665	1751	1863	1770	1553	1596	1715	1821	1630
SURPLUS (+) / SHORTAGE (-)	30	179	219	-17	6	-49	284	252	214	-18
AUGUST 2023	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
DEMAND	1524	1235	1362	1478	1570	1501	1247	1385	1524	1535
AVAILABILITY	1555	1603	1714	1811	1614	1544	1598	1698	1796	1603
SURPLUS (+) / SHORTAGE (-)	31	368	352	334	44	44	351	312	272	68
SEPTEMBER 2023	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
DEMAND	1569	1292	1442	1580	1615	1407	1200	1269	1407	1442
AVAILABILITY	1534	1636	1684	1738	1583	1447	1597	1664	1713	1514
SURPLUS (+) / SHORTAGE (-)	-35	344	242	158	-32	39	397	395	305	72

Source: Data submitted by Delhi SLDC

16. It is observed that in case Bilateral Purchase does not materialize then BYPL will be purchasing Day Ahead/ Spot Power from Exchanges during Night Hours whose clearance rate is in the range of 30% to 70% and rates are highly volatile.
17. Also, M/s Kreate Energy has been debarred and blacklisted by Uttarakhand Power Corporation Ltd. (UPCL) for carrying out business activities for 5 years. In this regard the Petitioner has submitted that the matter pertains to a dispute of past period transactions between UPCL & Kreate Energy Pvt. Ltd. and is under adjudication before Hon'ble CERC.

18. The Petitioner's interest has been secured against any adverse financial risk as payment is made after eight days from receiving power. Since the Petitioner is inclined to carry out business activity with Kreate Energy and procure power from them on bilateral basis, it is directed that any type of penal charges related to default of payment by M/s Kreate Energy causing Power Purchase Cost liability have to be borne by the Petitioner and shall not be allowed as pass-through in ARR.
19. In view of above, considering the shortages w.r.t anticipated Demand for Summer of FY 2023-24, the Commission directs the following:
- a) Approval is granted to BYPL on their proposal of Bilateral Arrangement for procurement of 37.73 MW Short Term Power from May '23 to Sep '23;
 - b) Any dispute between Kreate Energy and the Petitioner related default of payment by M/s Kreate Energy causing Power Purchase Cost liability has to be borne by the Petitioner and shall not be allowed as pass-through in ARR;
 - c) Any Surplus power will be first utilized within Delhi as required by other DISCOMS under Inter DISCOM Transfer (IDT) mechanism; and
 - d) Power Banking from such source is not permitted since this arrangement is allowed to meet demand during same season if not met from tied-up sources.
20. The Commission notes that in the past various Generators/Traders have not adhered to Orders/LoA which impacts the consumers at large. Therefore, any additional liability, if arises, due to failure of this arrangement shall not be pass-through in ARR to the extent of this quantum of Power.
21. Ordered Accordingly.

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