



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17.

No. F.11(1957)/DERC/2021-22

Petition No. 13/2022

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 675 MW from various traders/generators and for the approval of the agreement entered thereto in terms of the DERC (terms and conditions for determination of Tariff) Regulations, 2017 read with guidelines for short term procurement of power by distribution licensee through Tariff based bidding process dated 30.03.2016.

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:

1. Mr. Buddy A Ranganathan, Advocate, BRPL
2. Mr. Hasan Murtaza, Advocate, BRPL

ORDER

(Date of Hearing: 24.02.2022)
(Date of Order: 25.02.2022)

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 Intent (LOI) 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. For the ensuing financial year i.e. FY 2022-23, anticipating a shortage of power, especially in the summer months, the Petitioner decided to procure short term power by way of a transparent bidding process and in accordance with the MoP

Guidelines, invited bids in December, 2021 for procurement of upto 675 MW of power for the period from 1st April, 2022 to 30th September, 2022.

3. The Petitioner has made the following prayers in its Petition:
- a. Adopt the discovered weighted average tariff of Rs. 4.61/ kWh, as the case may be, as per Annexure P-1 of the Petition.
 - b. Approve the Letters of Intent dated 22.02.2022 issued to the Respondents and their respective confirmations received from the Respondents 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.
4. The Petitioner submits the following:
- i. That the Commission is required under Section 63 of the Electricity Act, 2003 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 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 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 facts stated as under :

| S.No. | Particulars | BRPL's Tender | Avg. Purchase Cost approved in Tariff Order dated 30.09.2021 |
|-------|---|---------------|--|
| 1. | Landed rate @ BRPL's periphery(Rs./kwh) | 4.61 | 5.18 |
| 2. | Quantum of Procurement (MU) | 885 | 885 |
| 3. | Landed Cost to BRPL (Rs. Crore) | 408 | 458 |

- iv. 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.

- v. The salient points of the Bidding documents/ LOIs are as follows:

a. Bidder wise split for LOIs

| Sr. No. | Trader/ Utility | Quantum | Power Purchase cost | Weighted Average rate |
|--------------|-----------------|------------|---------------------|-----------------------|
| | | MU | Rs. Crore | Rs/ kWh |
| 1 | PTC | 71 | 36.81 | 5.18 |
| 2 | Manikaran | 451 | 202.79 | 4.50 |
| 3 | GMRETCL | 9 | 4.84 | 5.29 |
| 4 | TPTCL | 221 | 101.97 | 4.61 |
| 5 | MSEDCL | 23 | 11.68 | 5.12 |
| 6 | NVVN | 110 | 49.8672 | 4.52 |
| Total | | 885 | 408 | 4.61 |

b. PPA Duration: 1st April 2022 to 30th September 2022 (Time Slots as stated in the Petition)

c. Delivery Point: BRPL's periphery (Interconnection with STU)

5. A mention has been made on 22.02.2022 by the Petitioner "BRPL" to take up the matter for urgent listing.

Commission Analysis

6. BRPL has mentioned that there is no deviation from MoP Guidelines, dated 30/03/2016 in the Tender document. Guideline No. 7.1 of MoP Guidelines, dated 30/03/2016 mandates minimum participation of 2 bidders to ensure competitiveness. It is observed that 18 nos. Bidders participated in the tender. BRPL conducted Reverse Auction on 7/1/2022.
7. As per Tariff Order dated 30/09/2021, the Average Power Purchase Cost (APPC) at BRPL periphery from long term sources is Rs. 5.55/ kWh whereas Weighted Average price discovered at Discovery of Efficient Electricity Price (DEEP) portal of MoP, GoI for short term is Rs. 4.61 /kWh. DEEP portal is an e-Bidding and e-Reverse auction portal developed by MSTC/ PFC under initiative of MoP, GoI for procurement of Power on Short Term and Medium term basis.
8. It is observed that the rate of Rs. 4.61 /kWh is less than similar Short Term Power Procurement tender for Other states namely viz. Haryana (Rs. 5.01 /kWh) and Tamil Nadu (Rs. 5.50/kWh) for similar duration at DEEP Portal.
9. Further, in the Letters of Intent (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. Hence, the Tariff discovered is competitive as compared to the average power purchase cost at BRPL periphery and short term power rates discovered in Tender of other States.

10. In view of above, the Commission grants approval to the Petitioner for the Letters of Intent dated 22.02.2022 issued to the respondents and to the weighted average tariff of Rs. 4.61/kWh at BRPL periphery discovered through participation of various bidders at DEEP portal. 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 ARR of FY 2022-2023.
11. Ordered accordingly.

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

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