



## Delhi Electricity Regulatory Commission

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

F.11(2076)/DERC/2022-23/7668

### Petition No. 06/2023

In the matter of : **Petition under Section 63, Section 86(1)(b) and 86(1)(e) of the Electricity Act, 2003 seeking approval of the Bidding documents and adoption of tariff discovered under Competitive Bidding Process for procurement of 100 MW Hydro Power with Greenshoe Option of additional 100MW to meet the Renewable Purchase Obligation as per Regulation 4 of the DERC (RPO and Renewable Energy Certificate Framework Implementation) Regulations, 2021 and Regulation 27 of DERC (business Plan) Regulations, 2019 read with Guidelines for procurement of Electricity for Medium term from Power Stations set up on Finance, Own and Operate (FOO).**

**Tata Power Delhi Distribution Ltd.**

**Petitioner**

**Coram:**

**Hon'ble Dr. A. K. Ambasht, Member**

### Appearance:

1. Mr. Buddy A Ranganadhan, Adv. TPDDL
2. Mr. Anand Srivastava, Adv. TPDDL

### ORDER

(Date of Order: 10.03.2023)

1. The Instant Petition has been filed by Tata Power Delhi Distribution Ltd. (TPDDL) for seeking approval of the Bidding documents and adoption of tariff discovered under Competitive Bidding Process for procurement of 100 MW Hydro Power with Greenshoe Option of additional 100MW to meet the Renewable Purchase Obligation as per Regulation 4 of the DERC (RPO and Renewable Energy Certificate Framework Implementation) Regulations, 2021 and Regulation 27 of DERC (business Plan) Regulations, 2019 read with Guidelines for procurement of Electricity for Medium term from Power Stations set up on Finance, Own and Operate (FOO).
2. The Petitioner has made the following prayers in its Petition:
  - a. *To approve execution of APP of 100 MW hydro power along with an additional capacity of 100 MW through Greenshoe Option from L1 Bidder (NVVNL) at L1 Tariff;;*
  - b. *To approve the deviations as sought through the Clarifications issued by the Petitioner on 13/12/2022;*

- c. *To approve the adoption of tariff as discovered through the process of competitive bidding as mentioned in Table 11;*
  - d. *To approve the purchase of power for a period of 5 years and subsequent signing of the APP with the successful bidder for a total capacity of 200MW after exercising the Greenshoe Option at the tariff which was discovered by the Competitive Bidding Process.*
3. The Petitioner has submitted the following:
- i. The Petitioner is seeking approval for the Agreement for Procurement of Power ("APP") issued along with bid documents i.e., Request for Qualification ("RFQ"), Request for Proposal ("RFP") and the (Collectively referred as "Bidding Documents") based on the Model Request for Proposal ("MRFP"), Model Request for Qualification ("MRFQ") and the Model Agreement for Procurement of Power ("APP") (Collectively referred as the "Model Bidding Document") for Invitation for e-Tender and e-Reverse Auction for Medium Term Procurement of Electricity on DEEP Portal – issued by Ministry of Power ("MoP") on 30/01/2019, and approval of certain deviations from the Model Bidding Documents issued by the MoP introduced post issuance of the Bidding Documents vide 'Response to Bidders queries against TPDDL Medium term hydro purchase tender' ("Clarifications") dated 13/12/2022 for procurement of 100MW Hydro Power along with additional capacity of 100MW through the Greenshoe Option through competitive bidding process for meeting the energy requirements during summer months and also for meeting the Renewable Purchase Obligation ("RPO") targets. The Petitioner also seeks the approval of the Commission for the tariff discovered through the competitive bidding process.
  - ii. MoP vide its Office Order dated 22/07/2022 has stipulated the RPO and Energy Storage Obligation ("ESO") Trajectory till FY 2029-30. The Petitioner vide the present Petition is also seeking approval of this Commission to procure an additional capacity of 100MW through the Greenshoe option as per the MoP Office Order dated 22/07/2022 to ensure fulfilment of its RPO targets. MoP vide the Office Order dated 22/07/2022 stated that from FY 2022-23 onwards, the energy from the Hydro Power Projects ("HPPs") shall be considered as a part of RPO.

- iii. The long-term growth trajectory as per the MoP Office Order dated 22/07/2022 are reproduced in the table below:

<b>Table 2 – Long-Term Growth Trajectory of RPO till FY 29-30</b>				
<b>Year</b>	<b>Wind RPO</b>	<b>HPO</b>	<b>Other RPO</b>	<b>Total RPO</b>
FY 22-23	0.81%	0.35%	23.44%	24.61%
FY 23-24	1.60%	0.66%	24.81%	27.08%
FY 24-25	2.46%	1.08%	26.37%	29.91%
FY 25-26	3.36%	1.48%	28.17%	33.01%
FY 26-27	4.29%	1.80%	29.86%	35.95%
FY 27-28	5.23%	2.15%	31.43%	38.81%
FY 28-29	6.16%	2.51%	32.69%	41.36%
FY 29-30	6.94%	2.82%	33.57%	43.33%

- iv. That the Petitioner had originally issued the Bidding Documents without any deviation from the Model Bidding Documents and therefore, no separate approval was envisaged in terms of the extant regulatory framework. Pursuant to the abovementioned Bidding Documents, several clarifications were sought by the interested bidders and certain deviations were required to be introduced to ensure the competitive bidding through maximum participation. Accordingly, such necessary deviations were introduced in the Bidding Documents by the Petitioner subject to the approval of this Commission.
- v. The following table hereunder highlights the queries which were raised by the interested bidders during bidding process:

**Table 3 – Details of queries/clarifications received from the interested bidders.**

<b>DATE</b>	<b>NAME OF THE INTERESTED BIDDER</b>	<b>QUERIES/CLARIFICATIONS SOUGHT BY THE BIDDERS</b>
25.11.2022	Arunachal Pradesh Power Corporation Private Limited	<ul style="list-style-type: none"> <li>Regarding the Supply Period of the Project.</li> <li>Sought an extension of the bid deadline by atleast 15 days,</li> </ul>
25.11.2022	Tata Power Trading Company Limited	<ul style="list-style-type: none"> <li>Regarding the Supply Period of the Project.</li> <li>The mechanism of the Payment Security [Suggested to change the Default Escrow Account to Letter of Credit]</li> </ul>
25.11.2022	PTC India Limited	<ul style="list-style-type: none"> <li>Regarding the RTC Supply Period of the Project.</li> <li>Definition of the term Delivery Point.</li> <li>Clarifications regarding the Alternate Source of Power.</li> </ul>
25.11.2022	NTPC Limited	<ul style="list-style-type: none"> <li>Clarification regarding the Supply Period as the hydro season starts from May onwards.</li> <li>Definition of the term Delivery Point.</li> </ul>

		<ul style="list-style-type: none"> <li>Regarding the benefit of HPO from the Hydro-electric power stations.</li> </ul>
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- vi. The Petitioner conducted the Pre-Bid Meeting with the interested bidders on 01.12.2022 at 15:00 hours and the venue for the meeting was Office of HOG (PMG), TPDDL, CENNET Building, Near Netaji Subhash Place, Pitampura, Delhi – 110034. Accordingly, on 13.12.2022 the Petitioner issued the Clarifications. It has been submitted that the Clarifications provides response to the queries of the Bidders and the deviations were made subject to the approval of this Commission. Summarily, the deviations made by the Petitioner in the Clarification issued on 13.12.2022 are reproduced in the Table below:

**Table 4 – Clarifications/ Major Deviations Sought**

S.No	Existing Provisions/ Queries raised by Interested Bidders	Query/ Clarification Required	Modification by TPDDL	Justifications
1.	<b>RFQ 1.1.1 (Table)</b> - The period when supply must commence was mentioned as 1 <sup>st</sup> April' 2023	Requisition is for 100 MW RTC supply of power from hydropower projects for a period of 5 years. However, electricity generation from hydro power stations is subject to seasonal variation in inflow of water and RTC generation can be achieved only during May-September months and peaking of 3 - 4 hours can be achieved in 2 trances as morning and evening peak during remaining leans months.	<b>RFQ 1.1.1 (Table)</b> – The period when supply must commence is changed as 1 <sup>st</sup> May' 2023. Supply months were changed to May to September for each year	Based on the representations made by the interested bidders, the generation of electricity from hydro power stations picks up in April and almost full generation can be achieved only during the period of May-September each year. The term of the APP has been accordingly proposed for a period of 5 years starting 1 <sup>st</sup> May 2023.
2.	<b>APP 4.1.2</b> - ..... the Utility shall be deemed to have been fulfilled when the Utility shall have: (a) executed and procured execution of the Default Escrow Agreement in accordance with the provisions of Clause 13.1; (b) executed the Deed of Hypothecation in accordance with the provisions of Clause 13.1.2; (c) procured approval of the Commission for payment of Tariff by the Utility to the Supplier in accordance with the provisions of this	In place of Default Escrow Agreement, Utility may provide Letter of Credit which would help in fulfilment of CPs in time. Execution of Default Escrow Agreement and Deed of Hypothecation takes time.	<b>APP 4.1.2</b> – ..... the Utility shall be deemed to have been fulfilled when the Utility shall have: (a) open Letter of Credit in accordance with the provisions of Clause 13.2. (b) procured approval of the Commission for payment of Tariff by the Utility to the Supplier in accordance with the provisions of this Agreement; and	Based on the request made by the interested bidders the Letter of Credit would help in the fulfilment of Condition Precedent in time. Execution of Default Escrow Agreement and Deed of Hypothecation may not be required

	Agreement; and .....			
3.	<p>Obligations relating to transmission losses</p> <p>The Supplier shall be liable for the transmission losses in all inter-state and intra-state transmission of electricity from the Point of Grid Connection to the Delivery Point. For the avoidance of doubt, the Parties expressly agree that transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any transmission losses on inter-state and intra-state transmission lines shall be borne by the Supplier. The Parties further agree that the obligation of the Supplier to bear the transmission losses shall be restricted to the level of losses determined by the Central Commission as on the Bid Date for this Project and any differential (higher or lower) arising from revision in the level of losses thereafter by the Central Commission shall be borne by the Utility.</p>	It is understood that obligation of the Supplier for intra-state transmission losses of their home state, if applicable, is restricted to its level applicable on the Bid Date and any differential arising due to its revision shall also be borne by the Utility.	No post facto change in losses allowed by TPDDL prior to delivery point.	Any charges and losses prior to Delivery Point shall be to the account of bidder during entire supply period with no provision of reimbursement or adjustment. The same has been done to ensure the consistency in tariff throughout the supply period.
4.	<p>APP 13.1 – Default Escrow Account</p> <p>13.1.1 The Utility and the Supplier shall, prior to the Appointed Date, .....</p> <p>13.1.2 The Utility and the Supplier shall, prior.....</p> <p>13.1.3 The Parties acknowledge and agree....</p> <p>13.1.4 The Utility shall procure that the Supplier has .....</p>	May be deleted	APP 13.1 – Deleted	Based on the request made by the interested bidders the Letter of Credit would help in the fulfilment of Condition Precedent in time. Execution of Default Escrow Agreement and Deed of Hypothecation may not be required. Hence, Clause 13.1 and other relevant/ related provisions regarding the Escrow Agreement/ Deed of Hypothecation as

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				specified in TPDDL RFP/RFQ/APP should be considered deleted.
5.	RFQ (Glossary) - Developer – shall mean the owner and operator of the Power Station from which the supplier shall supply the Power to Utility(ies)	It may be revised as below: Developer shall mean the owner and operator of the Power Station from which the supplier shall supply the Power to the Utility(ies) or a State Government or any State controlled entity which wants to supply power either directly or through a Trading Licensee; It may be clarified that State government or any State controlled entity can only supply power from a hydroelectric station and will need to identify hydro-electric stations from which power is being supplied	RFQ (Glossary) – It is clarified by TPDDL that the term 'developer' shall also include State Government or State Entities/pooled power sources.	In order to increase competitiveness, State Government or State Entities/pooled power sources are being allowed to participate in the bid. Additionally, Trader/bidder shall ensure that TPDDL gets the RPO benefits by purchasing power from such sources as specified in Order no. ( F. no. 09/13/2021- RCM dated 22nd July 2022) issued by MoP on RPO and Energy Storage Trajectory till 2029-30 and Corrigendum issued by MOP dated 19th Sept 2022.
6.	RFQ 2.2.1(d) – The power station has access to an assured supply of hydro resources (water).	Kindly clarify how a hydro- electric project would demonstrate access to an assured supply of hydro resources (Water).	RFQ 2.2.1(d) – This requirement was waived off	As per the request of the interested bidders and considering the genuineness of the query, the requirement of demonstrating access to an assured supply of hydro resources by the bidder is waived off. Non availability of hydro resource may lead to penalties as per the provisions of the agreement.
7.	APP 7.1(n) – Representations and warranties of the Supplier (n) it has entered into a Fuel Supply Agreement for assured supply of Fuel required for meeting obligations under this Agreement if Supplier is NOT a Trading Licensee, or the Developer has entered into a Fuel Supply Agreement for assured supply of Fuel (Water) required for meeting	Shall be deleted	APP 7.1(n) – The requirement of FSA will be exempted.	Since hydro generators do not sign any FSA, this clause was deleted

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	obligations under this Agreement if Supplier is a Trading Licensee; APP 2.12.2(vi) – a copy of Agreement or equivalent arrangement related to Fuel (Water) for the Power Station.			
8.	APP: 5.9 & 11.8.2 ..... all payments made by the Supplier with respect to service tax, value added tax, general sales tax or electricity duty, if any, levied on or in respect of the supply of electricity to the Procurer under this Agreement shall be reimbursed by the Procurer upon receipt of particulars thereof.	Whether Quoted Tariff shall be exclusive of applicable taxes, duties, cess etc. and the same will be reimbursed separately by Procurer or the Tariff to be Quoted shall be inclusive of all taxes, duties, cess etc. as on Bid Date.	Provisions related to reimbursement of Taxes/ Duties are not applicable. Bidder need to quote an all-inclusive Tariff.	Based the specific query raised by the interested bidders, TPDDL clarified that provisions related to reimbursement of Taxes/ Duties are not applicable and the bids must be all-inclusive.

- vii. The MoP vide its Resolution dated 16/01/2017 issued the '*Guidelines for Procurement of Electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO) Basis*' ("Original Guidelines") and amended on 30/01/2019 ("Revised Guidelines"). Pertinently, the MoP vide the Revised Guidelines had issued the Model Bidding Documents. Further, the Revised Guidelines stipulates that any deviation from the Model Bidding Documents shall be made with the approval of the Appropriate Commission. Therefore, the Petitioner vide the instant Petition seeks approval of the deviations proposed by it from the Model Bidding Documents.
- viii. Greenshoe option is a method in which an additional capacity of power may be procured via the process of competitive bidding so as to meet the RPO targets. The Petitioner vide its RFQ and RFP has incorporated a method of procuring additional capacity through Greenshoe Option under Clause 5.6.
- ix. The Petitioner, seeks to procure an additional capacity of 100MW through the Greenshoe Option along with its original capacity of 100MW. The Petitioner vide the instant Petition is beseeching this Commission to seek approval to procure an additional capacity of 100MW through Greenshoe Option.
- x. Pertinently, additional capacity, as sought to be procured qua the approval of the present Petition, is required to be procured in light of the direction of this Commission dated 29/03/2022 to explore cost effective medium term PPA for

summer period only i.e., May to September. This procurement will add to the optimisation effort by the Petitioner to bring down the power purchase cost for the consumer and also reduce prolonged dependency on short term contracts, resulting in optimised tariff for the consumers at large.

- xi. The Commission held a meeting on 16/03/2022 to discuss the 'Summer Preparedness' for FY 2022-23 with the DISCOMs (BRPL, BYPL, TPDDL and NDMC), DTL, GENCOs and SLDC, operating within the jurisdiction of this Commission. In regard to the same the Commission vide its email dated 29/03/2022 directed the DISCOMs to explore the option of cost effective Medium Term PPA only for the Summer period, without any liability of Fixed Cost, in order to meet the shortage of power which occurs every summer season. The DISCOMs were allowed to explore the option of cost-effective Medium-Term arrangements to meet the shortage of power. The aim of the meeting was to optimize the Power Purchase Cost for the consumers and to reduce the prolonged dependency on the Short-Term Contracts which does not provide any surety of power and the rates are sometimes very high. Therefore, in light of the above discussions, the Petitioner on 16/11/2022 floated the Bidding Documents for procurement of 100MW Hydro Power along with additional capacity of 100MW through the Greenshoe Option through competitive bidding process for meeting the RPO targets to increase the supply during the summer months of May to September for a period of 5 years starting May 2023.

**TERMINATION OF TEHRI HYDRO DEVELOPMENT CORPORATION INDIA LIMITED PPA:**

- xii. That the Petitioner's initial power portfolio post reassignment order dated 31/03/2017 (passed by this Commission) for 175 MW hydro power from Tehri Pump Storage Plant (1000 MW) of THDCIL. The formal PPA execution between Petitioner and THDCIL was carried out on 23/03/2011 for allocated supply of power from Tehri PSP on a long-term basis for a period of 35 years. The Commission vide its Order dated 27/02/2014 had re-allocated the PPA among BRPL, BYPL and the Petitioner revising the allocation of 30.68% of power in favour of the Petitioner amounting to 184 MW. Wherein originally it was envisaged that the supply of hydro power will be available tentatively from 31/12/2014.
- xiii. However, THDCIL has failed to commission this plant and accordingly, Petitioner was constrained to terminate the PPA vide letter dated 12/01/2021,

due to reasons such as unexplained delay of more than seven years in the commissioning of the Project by THDCIL and increase in associated costs while making alternative arrangements to meet its power purchase requirements, which resulted in severe financial implication to the Petitioner along with impact on high power purchase cost from the project from the estimated tariff, at the time of executing the PPA. However, THDC vide its letter dated 29/01/2021, had refused to accept the termination notice stating that since the construction of the project is underway, the Petitioner is bound by the terms of the PPA. Basis this the Petitioner filed a petition (P. No. 119/MP/2021) before Hon'ble CERC seeking appointment of Arbitrator for resolution of disputes between Tata Power Delhi Distribution Limited and THDC Limited. While the matter was pending consideration of the Commission, during the proceedings of the Commission, on 17/01/2023, THDC sought permission to place on record its letter dated 03/01/2023, while accepting Petitioner's letter dated 12/01/2021 for termination of the PPA dated 23/03/2011. Further, THDC prayed that the said petition may be disposed of in terms of this development, as the relief sought for by the Petitioner, in the petition, require no further consideration by the Commission.

- xiv. In light of the above, the Hon'ble Central Commission vide order dated 07/02/2023 disposed of the petition while allowing the parties to execute a formal foreclosure termination agreement to record the understanding, in terms of the said letter dated 03/01/2023. In terms of the above, the Petitioner is taking appropriate steps in this regard with the DERC for foreclosure of the said PPA. Therefore, in addition to the points mentioned above the Petitioner also requires hydro power to fill in the gap created by THDCIL in its power procurement plan.

**INTIMATION TO THE DTL PURSUANT TO THE FORMATION OF DPPG GROUP**

- xv. The Delhi Transco Limited ("DTL") vide its Office Order dated 28/03/2007 had formed a group called the Delhi Power Procurement Group ("DPPG") with the object to arrange the incremental power requirement from various States and Generating Stations including IPPs, Power Traders in a transparent manner as provided in the Act. DPPG decides the requirements of Discoms for various procurement as well as sale proposals. Considering the above-mentioned Office Order, the Petitioner herein wrote a letter to the DTL dated 28/11/2022 informing DTL regarding the publication of the notice inviting tender via six newspapers for a period of 5 years.

**PROCUREMENT OF MEDIUM TERM 200 (100 + 100) MW OF HYDRO POWER THROUGH TARIFF BASED COMPETITIVE BIDDING**

- xvi. The Petitioner on 16/11/2022 floated the tender for procurement of 100MW Hydro Tender with an additional Greenshoe Option of 100MW. Therefore, the total capacity of the Project is 200MW including the Greenshoe Option. The multiple requests for suitable clarifications/modifications in the Bidding Documents were received from the interested bidders.
- xvii. As per the original timelines, the response to the queries was to be uploaded on the DEEP Portal on 06/12/2022. However, list of the clarifications was exhaustive and involved some sensitive issues. The Petitioner accordingly, issued the response to the queries raised by the interested bidders on 13/12/2022. In line with the same, the bid submission deadline was extended by the Petitioner from 16/12/2022 to 23/12/2022 in order to provide a better participation from the interested bidders.
- xviii. Based on the multiple representation received from several interested bidders, and to ensure competitive bidding the Petitioner extended the bid submission deadline vide Corrigendum dated 22/12/2022 from 23/12/2022 to 09/01/2023 to provide better clarity and to encourage a fair participation in the bidding process. The bids from the bidders were received on 09/01/2023 for a total capacity of 100MW with an additional capacity of 100MW through Greenshoe option. The opening of the application commenced on 09/01/2023. The details of the bidders which were received as on 09/01/2023 is provided in the table below:

**Table 8 – Details of the bidders**

Sr. No	Name of Bidder	Source of power	Name of the injecting utility	Type of fuel in case of bidders other than utility	Location/Office Address
1.	PTC India Limited	1200 MW Teesta - III Hydroelectric Project of Teesta Urja Limited located in North Sikkim District of Sikkim in Eastern Region	HP State Periphery/CTU interconnection in NR	Hydro Power	2 <sup>nd</sup> Floor, NBCC Tower, 15 Bhikaji Cama Place New Delhi
2.	NTPC Vidyut Vyapar Nigam Limited	Kameng Hydro Electric Power Station (NEEPCO), Arunachal Pradesh	CTU-NER	Hydro	Core-7, NTPC Bhawan, Scope Lodhi Complex, Road

3.	Tata Power Trading Company Limited	Govt. of Himachal Pradesh share of power in various Hydro Electric Power Plants located in Himachal Pradesh	CTU	<b>Pooled Hydro Power</b>	Shatabdi Bhawan, B-12-13, Sector 4, Noida
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xix. After evaluation of the bids, the Tender Evaluation Committee (TEC) declared the bidders as qualified bidders. Accordingly, the Bidders were informed vide email dated 20/01/2023 about the results of bid evaluation, shortlisting of the bidders and the date and time of the E-Reverse Auction which was scheduled on 24/01/2023. There were three qualified bidders who participated in the E-Reverse Auction. The details of the bids which were received during the commencement of the E-Reverse Auction are reproduced below in the table:

**Table 9 – Details of the E-Reverse Auction**

Sr. No.	Bidder Name	Initial Bid		E-Reverse Auction	
		Capacity (MW)	Rate (INR/kWh)	Capacity (MW)	Rate (INR/kWh)
1	M/s NVVNL	100	6.6	100	5.99
2	M/s PTC	100	6.1	100	6.00
3	M/s TPTCL	100	9.0	100	7.40

xx. The Petitioner wish to appraise this Commission that the final tariff of INR 5.99/Unit discovered through the E-Reverse Auction is competitive and the same can be compared with some of the recent bids for Hydro Power procurement. The tariff discovered on the DEEP Portal for last few tenders has been reproduced below:

**Table 10 – Rates Discovered on DEEP Portal for last few tenders**

S. No.	Tender issued by	Supply Period	Quantum (MW)	Hours	Wtd. Avg Rate (per unit)
1.	GUVNL	May-23	750	RTC	9.62
		Jun-23	750	RTC	8.94
2.	NOIDA Power	May-23	50	RTC	7.95
		Jun-23	50	RTC	7.58
		Jul-23	50	RTC	7.33
		Aug-23	50	RTC	7.23
		Sep-23	50	RTC	7.6
3.	TANGEDCO	May-23	500	RTC	8.72
4.	NOIDA Power	Aug-23	50	RTC	7.79
		Sep-23	50	RTC	7.79
5.	NOIDA Power	May-23	100	RTC	8.99
		Jun-23	100	RTC	8.99
		Jul-23	100	RTC	8.99
		Aug-23	100	RTC	8.99
		Sep-23	100	RTC	8.99
6.	PSPCL	Jun-23	1000	RTC	9.18

		Jul-23	1000	RTC	8.66
		Aug-23	1000	RTC	8.63
		Sep-23	1000	RTC	8.78
<b>Average Rate (Rs. Unit)</b>					<b>8.46</b>

- xxi. Even after procuring an additional capacity of 100MW through the Greenshoe Option, the Petitioner will be unable to meet its RPO target. Thus, it is necessary for the Petitioner to undertake this Greenshoe Option along with the original capacity subject to the approval of this Commission.
- xxii. NTPC Vidyut Vyapar Nigam Limited ("NVVNL") being the successful bidder through the E-Reverse Auction vide its email dated 30/01/2023 informed the Petitioner regarding its willingness to accept the additional capacity of 100MW under the Greenshoe option (in addition to 100MW capacity) as per the terms and conditions of the Bidding Documents which were issued.
- xxiii. As per the provision of the RFQ and RFP the maximum capacity limit was 100MW with an additional capacity of 100MW through the Greenshoe Option and the Petitioner intends to procure the full quantum to meet its RPO requirement subject to the approval of this Commission.
- xxiv. The instant Petition has been submitted to the Commission for adoption of following tariff obtained through the process of Competitive Bidding under Section 63 of the Act.

**Table 11 - Details of final bid Award**

Bidder Name	Capacity (MW)	Rate (INR/UNIT)
NTPC Vidyut Vyapar Nigam Limited	200MW [100MW + 100MW]	5.99

- xxv. In view of the above-mentioned submission, the Petitioner therefore request this Commission to allow for signing the APP for a period of 5 years with the successful bidder at the tariff discovered through competitive bidding process (followed by E-Reverse Auction) for procurement of 100MW Hydro Power with an additional capacity of 100MW through Greenshoe option in order to meet the RPO targets with effect from 01/05/2023.

#### 4. **Commission Analysis**

##### **i. Justification of Power Procurement: Termination of THDC PPA**

- a. Due to execution delays resulting into increase in associated costs, TPDDL filed Petition No. 119/MP/2021 before CERC for appointment of an 'Arbicator' to adjudicate the alleged disputes between the parties & initiate exit/Termination

of PPA for Tehri PSP. During proceedings at Hon'ble CERC, THDC mentioned its willingness for terminaton/foreclosure of PPA. Hon'ble CERC has taken these development on records. Accordingly, TPDDL & THDC were permitted to exeute the foreclosure termination agreement for 184.08 MW of Power in terms of CERC Order dated 07/02/2023.

- b. The 184.08 MW Power surrendered due to foreclosure of Tehri PSP project will be replaced with 200 MW Medium Term Hydro Power from Kameng Power Station.

ii. **Price Discovery**

- a. TPDDL had floated RfS incorporating the provision of 100 MW additional capacity under Green-Shoe Option along with original capacity of 100 MW. Three Bidders participated in the tender namely, NTPC Vidyut Vyapar Nigam Limited (NVVNL) (Trader ) with Kamang Hydro (NEEPCO) (Generator), PTC India (trader) with Teesta-III (Generator) and Tata Power Trading Copmpany Limited(trader) with various Hydro Stations of Govt. HP (Generator)).
- b. NVVNL emerged as L1 Bidder and the same was informed to Generator/Trader vide TPDDL email dated 25/01/2023. A Final Tariff of Rs. 5.99/ kWh was discovered during e-reverse auction as follows:

Bidder Name	Capacity (MW)	Rate (Rs./kWh)
NTPC Vidyut Vyapar Nigam Limited	100 MW + 100 MW RTC Power	5.99

Delivery Point : CTU Periphery i.e. Interconnection of Sellar with CTU  
Commencement of Supply: Commencing from 1/05/2023 for 5 years, Supply between May to Sept each year.

- c. NVVNL was requested to confirm additional 100MW capacity under Green shoe option as per conditions specified in TPDDL's Tender which was confirmed by NVVNL vide their email dated 27/01/2023.

iii. **Cost-benefit analysis**

- a. During the Summer preparedness meeting dated 16/03/2022, the DISCOMs were directed to explore Medium Term PPA for Summer period without any liability of Fixed Cost to meet Peak demand occurring during summers. Further, the Commission held an emergency meeting on 29/04/2022 with SLDC, DTL DISCOMs and State GENCOs to take stock of the current Power crisis expected to be arising out of then ongoing Coal Shortage and Skyrocketing Short Term Power Prices.

- b. It was noted that DISCOMs procured Short Term Power from exchanges and from other Bilateral sources at rate ranging from Rs. 5.50/kWh to Rs. 12/kWh to meet 24x7 Power supply to consumers, when CERC vide its Order dated 1/04/2022 introduced the capping of Rs. 12/kWh in Short Term market i.e. DAM, RTM, TAM etc.
- c. During Summer Preparedness Meeting held on 3/03/2023 with DISCOMs, SLDC, GENCO, TRANSCO in the office of the Commission, it was discussed and deliberated that such situation may occur in this Summer also and it was noted that RTC rate of Jan-23 and Feb-23 are Rs. 6.18 / kWh and Rs. 6.68/ kWh, respectively and during the evening and morning hours, the rates are as high as Rs. 9/kWh, even when load is around 3600MW against the peak expected demand of 8100 MW which as per SLDC may touch in July, 2023. An analysis has been done with respect to previous year Short Term procurement done by the DISCOMs to meet the demand which is as follows:

Table-1: Cost-benefit Analysis for 200 MW Medium term Hydro Power

Description	May'22	Jun'22	Jul'22	Aug'22	Sep'22
Quantum of Short-Term Purchase (Except Banking & UI) (MU)	142	213	213	59	42
Rate Short-Term Purchase (Except Banking & UI ) Rate (Rs./kWh)	11.96	9.15	8.44	5.53	7.06
Quantum that may be recouped with this Hydro Tender for 200 MW	146	146	146	146	146
Rate Discovered (Rs./kWh)	5.99	5.99	5.99	5.99	5.99
Cost-benefit (Rs. Cr.)	82	107	92	-55	-58

- d. The surplus Power expected in August & September months can be utilized by Other Delhi DISCOMs, For instance, during the summers of last year also BSES DISCOMs had purchased Short-term Power at high rates, as follows:

Table-2: Short-Term Power Purchase of BRPL & BYPL

Description	DISCOM	May'22	Jun'22	Jul'22	Aug'22	Sep'22
Quantum of Short-Term Purchase (Except Banking & UI) (MU)	<b>BRPL</b>	458	466	382	260	357
Quantum of Short-Term Purchase (Except Banking & UI) (MU)	<b>BYPL</b>	38	5	6	9	9

iv. **Deviations from Model Bidding document**

- a. TPDDL had incorporated eight deviations regarding the Delivery Point, Commencement of Supply, Letter of Credit, deletion of clauses related to Escrow Arrangement, FSA and all-inclusive Tariff based on representations received from interested bidders vide clarifications issued on 13/12/2022. Since these deviations are towards improving bidder participation, hence, the same have been accepted by the Commission.

v. **Project Profile**

- a. A meeting was conducted with TPDDL on 23/02/2023 to assess Project profile & Power evacuation arrangement. TPDDL vide email dated 24/02/2022 submitted the information sought. *The power generated from the Kameng Hydro Electric Project is evacuated through 400 kV Kameng – Balipara D/C Transmission Line of 76 kms and 132 kV Kimi – Khupi – Balipara Line of 69 kms. 400KV double circuit line is used to evacuate power upto Balipara grid substation near Tezpur. 132kV S/C line also evacuate power from Kimi to Balipara via Tenga. The 132kV Balipara — Tenga — Kameng line is being utilized for construction power supply from the Grid."*
- b. It was observed that TPDDL had submitted only daily Generation data for one day in a month. Accordingly, TPDDL was directed to submit the Generation Profile data of Kameng Power Plant for last 3 years vide DERC email dated 1/03/2023. Accordingly, TPDDL submitted Generation profile data for Kameng Power Station vide their email dated 2/03/2023, as follows:

FY	Month	Monitored Capacity (MW)	GENERATION (MU)
2020-21	May-20	300	23.51
	Jun-20		98.58
	Jul-20		221.5
	Aug-20		206.22
	Sep-20		157.95
2021-22	May-21	600	195.85
	Jun-21		286.08
	Jul-21		414.68
	Aug-21		290.2
	Sep-21		281.15
2022-23	May-22	600	213.74
	Jun-22		348.02
	Jul-22		382.84
	Aug-22		426.23
	Sep-22		408.22

5. Being a Single-part Tariff project without any Fixed Cost implication and considering the submissions above, the Commission grants approval on the following:

- a) Procurement of 100MW Hydro Power with Greenshoe Option of additional 100MW for a period of 5 years Commencing from 1/5/2023 for 5 years, Supply between May to Sept each year.
- b) Deviations issued by TPDDL vide clarifications dated 13/12/2022
- c) Adoption of Tariff of Rs. 5.99 / kWh at CTU periphery discovered through e-bidding process at DEEP Portal.

This approval is subject to condition that any Surplus Power available with TPDDL during Summers shall be first utilized within Delhi as required by other DISCOMs under Inter DISCOM Transfer (IDT) mechanism. Delhi SLDC & TPDDL are directed to ensure strict compliance on the same and nonadherence of the said direction will lead to suitable penalty as deemed fit by the Commission.

6. 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 relevant year.
7. Ordered accordingly.

**Sd/-**  
**(Dr. A.K. Ambast)**  
**Member**