



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

F.11(2165)/DERC/2023-24/7937

Petition No. 47/2023

In the matter of: Petition under Section 63 and 86(1)(b) of the Electricity Act, 2003 seeking approval for procurement of power on Short Term Basis through Tariff Based Competitive Bidding Process as per the 'Guidelines for short Term Procurement of Power by Distribution Licensees through Tariff Based bidding process' issued by the Ministry of Power, Government of India, to ensure availability of sufficient power during the summer season of FY 2024-25

Tata Power Delhi Distribution Ltd.

...Petitioner

Coram:

Hon'ble Justice (Retd.) Jayant Nath, Chairperson

Appearance:

Mr. Shri Venkatesh, Advocate, TPDDL

Order

(Date of Order: 15.12.2023)

1. The Instant Petition has been filed seeking approval for procurement of power on Short Term Basis through Tariff Based Competitive Bidding Process as per the Guidelines for Short Term Procurement of Power by the Distribution Licensee through Tariff Based Bidding process ('Short term Guidelines') issued by the Ministry of Power, Government of India, in order to ensure availability of sufficient power during the summer season of FY 2024-25.
2. The Petitioner has made the following prayers:
 - a. *Approve the procurement of power for Short Term Basis through Tariff Based Competitive bidding process to ensure availability of sufficient power during the summer season of 2024;*
 - b. *Approve adoption of tariff as discovered through the process of competitive bidding as elaborated in the Petition.*
 - c. *Allow the Petitioner to issue LoA to the selected bidder(s);*
 - d. *Allow deviations from the Short Term Guidelines as set out at Para 9.12 of the present Petition;*

WEAR FACE MASK

WASH HANDS REGULARLY

MAINTAIN SOCIAL DISTANCING

3. The Petitioner has submitted the following:

- i. That in order to ensure sufficient power during the summer season of FY 2024-25, The Petitioner has carried out the Surplus/ Shortage scenario analysis based on the expected availability from the generators with long term PPAs. The said analysis, as tabulated hereunder, reveal that there may be a shortage of power from April 2024 to September 2024.

Month	April'24		May'24		Jun'24		Jul'24		Aug'24		Sep'24	
Fortnight	FF	SF	FF	SF	FF	SF	FF	SF	FF	SF	FF	SF
Maximum Fortnightly Shortage (-) MW	Nil	-284	-295	-346	-470	-466	-414	-210	-283	-248	-305	-265
	Note: FF- First Fortnight; SF- Second Fortnight											

- ii. On 15.05.2012, 30.03.2016, 30.12.2016 and 21.02.2022, the MoP, vide its Resolution issued the Short-term Guidelines for procurement of power on short-term basis (for a period less than or equal to one year) through the e-bidding portal, i.e., DEEP which is an e-Bidding and e-reverse auction portal developed by MSTC/PFC under the initiative of MoP, Gol, for procurement of Power on Short Term and Medium-term basis.
- iii. On 20.02.2023, the Petitioner filed Petition No. 07 of 2023 before the Commission seeking approval of procurement of upto 250 MW Short-Term power from April 2023 to July 2023 and for adoption of Tariff discovered through the process of competitive bidding as per the short term guidelines issued by MOP, GOI, to ensure availability of sufficient power during the summer season of 2023.
- iv. On 23.02.2023, the Commission, vide its Order in the said Petition, while considering the demand supply scenario certified by the State Load Despatch Centre ("SLDC"), was pleased to accord its approval for procurement of short term power from April 2023 to July 2023.

- v. On 21.10.2023, the Petitioner, in order to meet the higher summer demand for FY 2024-25, issued the Invitation for Bids ("IFB") for procurement of upto 250 MW short term power through Tariff Based Competitive Bidding Process in terms of the Short-Term Guidelines for the period 16.04.2024 to 30.09.2024.
- vi. On the same date, the Petitioner published the Notice Inviting Tender ('NIT') dated 21.10.2023 in five newspapers, and the Request for Proposal was published on the DEEP portal as well as on the Petitioner's website for wide publicity.
- vii. On 26.10.2023, the Petitioner, vide Letter No. Tata Power-DDL/PMG/DPPG/26102023, informed Delhi Power Procurement Group ("DPPG"), Delhi Transco Limited ("DTL") regarding the tender document issued by the Petitioner for procurement of 250 MW RTC/slot wise power on firm basis for the period 16.04.2024 to 30.09.2024 on short term basis. Further, the Petitioner also stated that it shall keep DTL posted on the developments, outcome of the said tender, and accordingly, shall take necessary actions in line with the directions of the Commission.
- viii. In response to the NIT issued by the Petitioner, following bidders/Traders (a total of 12 bids) participated in the e-reverse auction:
 - (a) Jindal Power Limited.
 - (b) Adani Enterprises Ltd.
 - (c) NTPC Vidyut Vyapar Nigam Limited.
 - (d) Shree Cement Limited.; and
 - (e) Tata Power Trading Company Ltd.
- ix. Accordingly, the price bids were opened on 17.11.2023 pursuant to which the Petitioner seeks prior approval of the Commission in order to execute contracts for procurement of power from the successful bidders.
- x. Further, the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 ("Tariff Regulations, 2017") provides that the distribution companies such as the Petitioner herein shall procure power on short-term arrangement or agreement, other than traded through Power Exchange, through a transparent process of open tendering & competitive bidding guidelines issued by Ministry of Power ("MoP"), as amended from time to time.

- xi. In view of the aforesaid regulatory framework, the Petitioner is intending to procure power on short term basis for the summer season of 2024, to ensure uninterrupted supply of electricity to the consumers of the Petitioners. The Commission may appreciate that non approval of procurement of power sought through the present Petition may lead to non-availability of 24x7 uninterrupted power supply as well as may result in power shortage and power cuts.
- xii. The Petitioner, has finalized the generator, quantum, rates & period of supply after the reverse auction conducted through the MSTC E-Commerce portal indicating the bid submitted by the bidders. Accordingly, the Petitioner intends to procure the quantum of power on the basis of rates discovered hereinabove.
- xiii. The Commission vide its various directions qua summer preparedness has acknowledged the higher quantum of power required during the summer months. As per the analysis of the Petitioner, the extra quantum of power is only required during the Summer Season to provide uninterrupted power to the consumers.
- xiv. The Petitioner has already carried out the Surplus/ Shortage scenario analysis for the FY 2024-25 based on the expected availability from the generators with long term PPAs. Based on the outcome of the analysis, it is expected that that there may be shortage of power from April 2024 to September 2024. Accordingly, the power sought to be procured through the aforementioned bidding process may be allowed by the Commission and the Petitioner may be permitted to issue the LoA to the successful bidders.
- xv. The Petitioner, in order to procure power at the most economical rate, has issued letters/emails to the successful bidders requesting them to further reduce the price for supply of power. In this regard, the following bidders have agreed to Petitioner's request and have reduced the prices:

(a) Jai Prakash Ventures Ltd. ("JPVL") which intends to supply power through NVVN Ltd. has reduced the prices as follows:

Sl. No.	Period	Duration	RA Price Rs/kWh	Offer Price (JNSTPP) Rs./kWh
1.	01.09.2024 to 15.09.2024	00:00-24:00	7.13	7.12
2.	16.09.2024 to	00:00-24:00	6.02	6.01

	30.09.2024			
--	------------	--	--	--

- (b) Nava Bharat Ventures Limited ("NBVL") which intends to supply power through TPTCL has reduced the prices as follows:

Sl. No.	Period	Duration (Slot hrs.)	Rate (Rs./unit)	Revised Rate (Rs./unit)
1.	01.05.2024 to 15.05.2024	00:00 to 24:00	8.39	8.37
2.	16.05.2024 to 31.05.2024	00:00 to 24:00	8.40	8.38

- (c) However, Jindal Power Limited vide email dated 24.11.2023, confirmed that there is no reduction in the prices of power offered during reverse auction and there is no scope for further revision on the same.

- xvi. It is also pertinent to highlight that the bidding process undertaken by the Petitioner has rendered a highly competitive price vis-à-vis the bidding conducted by DISCOMs of other States. The same is evident from the following table containing the month wise details of lowest prices discovered by other DISCOMs for the months of April-September 2024:

RA results of recently released Short-Term Tenders		
Tenders issued by other DISCOMs	Type(RTC/Slot wise)	L1 RA Rates (Rs./Unit)
APRIL 2024		
APPCC	RTC	8.49
GRIDCO	RTC	10.00
TANGEDCO	RTC	8.43
TANGEDCO	18:00 to 24:00	14.00
MAY 2024		
APPCC	RTC	8.49
GRIDCO	RTC	9.15
TANGEDCO	18:00 to 24:00	11.40
HPPC	RTC	10.00
JUNE 2024		
APPCC	RTC	8.19
GRIDCO	RTC	8.50
WBSEDCL	RTC	7.47
HPPC	RTC	8.96
UPPCL	00:00 to 05:00	9.5
JULY 2024		
APPCC	RTC	8.19
GRIDCO	RTC	8.50
HPPC	RTC	7.98

UPPCL	00:00 to 05:00	9.06
AUGUST 2024		
APPCC	RTC	8.19
HPPC	RTC	7.97
UPPCL	00:00 to 05:00	9.06
SEPTEMBER 2024		
APPCC	RTC	8.19
HPPC	RTC	8.50
MSETCL	RTC	10.00
UPPCL	19:00 to 24:00	9.5

xvii The Petitioner has carried out the instant bidding strictly in terms of the Short-Term Guidelines of the MoP with certain deviations which may be considered by the Commission:

- (a) Clause 7.13 of the Revised Guidelines dated 30.03.2016 provides that the LOA has to be issued within 15 days from the date of e-Reverse Auction. However, in order to have operational flexibility, the Petitioner intends to issue the LoA within a period 30 days from the close of e-Reverse Auction. In this regard, the Petitioner has included Clause 9 of the RfP read with clarification dated 07.11.2023 which provides for a period of 30 days as the Bid Validity period.

- (b) Clause 7.17 of the Revised Guidelines dated 30.03.2016 provides that the Procurer shall execute a PPA with the selected bidder(s) within 15 days from close of e-Reverse Auction. However, in order to expedite the procurement process and reduce the logistical redundancies, the Petitioner is considering the signed copy of the LoA containing the terms and conditions specified in the Tender documents and the same would be construed as binding contract between the parties. The same ensures that the procurement process is concluded at the earliest and, also, avoids any delay due to multiplicity of documents in this regard, the Petitioner has included Clause 15 in the RfP/tender document read with Clarification dated 02.11.2023 which states that LoA would be treated as a binding contract. Therefore, the Commission may kindly consider the same and allow execution of LOA with the mandatory clauses as a binding contract between the parties.

(c) Deviation from (Timetable for short term Procurement bid process and activities afterwards) of the Revised Guidelines dated 30.03.2016:

S. N.	Event	Elapsed time from Zero date	Revised Time from Zero date	Justification
1	Publication of RfP/Activation of Event	Zero Date	No revision	-
2	Submission of RfP (on line digitally signed non-financial technical Bid and IPOs	4 days	25 days	To increase the competitiveness and responsiveness to the tender based on experience of the Petitioner in the previous bidding exercises.
3	Opening of non financial technical Bids	5 days	25 days	To increase the competitiveness and responsiveness to the tender based on experience of the Petitioner in the previous bidding exercises.
4	Clarification, if any, sought from Bidder(s)	6 days	26 days	To increase the competitiveness and responsiveness to the tender based on experience of the Petitioner in the previous bidding exercises.
5	In case of no clarification, evaluation of non-financial technical Bids (if e-BG is generally available to the Bidders, then the time may be taken as 5 days and subsequent adjustment be made in the remaining events). (In case of clarification sought, the Procurer may allow upto 7 days to the Bidder(s) and subsequent adjustment be made in the	7 days	Not Applicable as clarification has been issued	-

WEAR FACE MASK

WASH HANDS REGULARLY

MAINTAIN SOCIAL DISTANCING

	remaining events).			
6	Opening of IPOs (upto 1300 hrs) and start of e-RA	8 days	27 days	To increase the competitiveness and responsiveness to the tender based on experience of the Petitioner in the previous bidding exercises.
7	Issuance of LOA and submission of signed LOA.	9 days	Issuance of LOA and submission of signed LOA will be after approval by the Commission	To provide operation flexibility to the Petitioner and to make room for exigencies/delays, if any.
8	Signing of PPA	10 days	LOA will be issued to selected bidders. No separate PPA will be signed by the Petitioner in this regard.	LoA is to be treated as a binding contract. To this effect, the Petitioner has included Clause 15 in the RfP/tender document read with Clarification dated 02.11.2023

- xviii The above deviations may be considered by the Commission as the same are intended to bring competitiveness in the bidding process and to discover a better price of power. Notably, the Revised Guidelines dated 30.03.2016 at Clause 8 permits deviations if the same are approved by the Commission.
- xix. It is reiterated that the Petitioner is obligated to provide reliable services to its consumers and any shortage of Power during the summer season may lead to frequent power outages for the consumers of the Petitioner. Therefore, the Petitioner has approached the Commission seeking approval for the power procurement on short term basis.
- xx. The Petitioner further submits that during the peak hours, even by bidding at Rs. 10 per unit (highest Rate at which bidding is allowed presently in Exchange), the Petitioner will not be able to procure the full quantum of power required during summer season of FY 2024 from the power exchanges. Therefore, the Commission may be pleased to allow the power procurement as sought under the present Petition.
- xxi. The bids received from the reverse auction is valid till 16.12.2023 (30 days from bid opening date), therefore, it is imperative that the approval for the short-term power purchase is provided to the Petitioner at the earliest, which will enable the Petitioner to issue LoAs to the successful bidder(s) in time.

Commission Analysis

4. During the hearing on 06.12.2023, the Petitioner submitted that there is certain shortfall with respect to the demand over and above 200 MW Medium-Term supply tender.
5. For assessment of Shortfall, meeting was held with officers of TPDDL on 11.12.2023 wherein TPDDL was informed to submit Demand Supply Scenario based on demand projections of Delhi SLDC for FY 2024-25. TPDDL submitted justification for demand vide their email dated 12.12.2023.
6. Further, subsequent Meeting was held with officers of TPDDL on 12.12.2023 wherein Plant Wise Availability and Profile for Supply Scenario was discussed in detail. Based on the discussions, TPDDL submitted justification for Short Term Power with Demand side and Supply side calculations vide their email dated 13.12.2023.
7. In the tender, it is indicated that the delivery point of Power shall be NR periphery. Open Access Charges, Transmission Charges & Losses along with POC charges & Losses, Scheduling Charges, Operating Charges, Application fee of respective Load Despatch Center upto the delivery point shall be borne by participating Generators/Traders. Guideline No. 7.1 of MoP Guidelines, dated 30/03/2016 mandates minimum participation of 2 bidders to ensure competitiveness. It is observed that 12 nos. of Bidders participated in the tender and the Petitioner conducted the Reverse Auction on 17.11.2023.
8. The quantum for purchase of Short Term Power, discovered rates and period of supply after e-reverse auction at DEEP Portal & further negotiations is given at Annexure P/11 of instant Petition.
9. Further, the Petitioner has sought approval of deviations submitted at Para 9.12 of the instant Petition. In order to increase the competitiveness and responsiveness to the IFB, a deviation has been sought by the Petitioner on LOA which will be issued to bidders selected bidders and the same will be a binding contract between the Parties.
10. After considering the above submissions and subsequent information received through referenced emails, the Commission has analyzed the following:
 - i. The demand estimated by TPDDL is in variance to demand projected by SLDC for April '24 (Second fortnight) to Sept. '24. TPDDL has projected

higher demand in April '24 and May '24 whereas projected demand is lower than SLDC projections for the remaining months. No trend can be deduced in the Demand projections of TPDDL and SLDC however, it is noted both TPDDL & SLDC have over forecasted demand by 4% and 8% respectively w.r.t Actual Demand during summers of FY 2023.

- ii. On the supply side, it is observed that Availability for Thermal Power Stations are considered on the basis of allocation, except for Delhi State Generating Stations (SGS). Approx. 278 MW of Power can be scheduled from Delhi SGS to meet Short Term / Peak Power requirements, as follows:

Delhi GENCOS Allocation to TPDDL				MW
Sr. No.	Station	Power considered by TPDDL in Supply Side (MW) (a)	Allocation as per SLDC (b)	Delta (b)- (a)
1	PPCL	30	64	34
2	GTPS	11	27	16
3	PPCL III	70	298	228
			Total	278

11. Further, State GENCOs Energy Charge Rate (ECR) for April 2023 to Sept. 2023 are analyzed, as follows:

Energy Charge Rate (ECR) of Delhi SGS - Combined Cycle (Rs./kWh)

Plant Name	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
GTPS	12.7	12.6	12.4	12.3	12.2	12.4
PPS-I	10.4	NS	9.9	9.9	9.8	10.0
PPS-III	5.4	5.6	5.4	5.4	6.4	6.4

12. PPS- III, Bawana when runs on Administered Price Mechanism (APM) Gas has Energy Charge Rate (ECR), as per above, in range of Rs.5.5/kWh to Rs.6.5/kWh and when it run on Non-APM Gas will have even lesser ECR then PPS-I since Station Heat Rate (SHR) of PPS-III is better than that of PPS-I.
13. Rates discovered in the subject Petition for Peak Power and RTC for April '24 and May '24 is around Rs.9/kWh at NR periphery. Over and above said rates, various charges like Inter State Transmission Charges, Intra State Transmission Charges, SLDC charges, Operating Charges, Application fee, Transmission Losses etc. will be levied. Therefore, when such other charges are added to discovered price it is prime facie noted that Rate for Peak Power and RTC for April '24 and May '24 discovered will be more than ECR of PPS-I and PPS-III in Combined Cycle mode as these plants are directly connected to Delhi Grid.
14. Accordingly, the Commission accords approval:
- i. To the Deviations as stated in para 3(xvii) of the present order; and

ii. for only Round-the-Clock(RTC) Power from 1.06.2024 to 30.09.2024.

15. However, if the arrangement, as approved in this Order 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 2024-25. This approval is further subject to condition that any surplus power available with TPDDL during Summers of FY 2024-25 be first utilized within Delhi as required by other DISCOM under Inter DISCOM Transfer (IDT) mechanism and they must optimally schedule power from State GENCOs in Combined Cycle mode, optimize purchase of Short Term Power and ensure 24X7 supply of Power.

16. Ordered accordingly.

Sd/-
(Justice (Retd.) Jayant Nath)
Chairperson