

# **Delhi Electricity Regulatory Commission**

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

No. F.11(1833)/DERC/2021-22/6996

# Petition No. 08/2021

In the matter of: Petition seeking approval of deviations from the Model Bidding Document for procurement of 142 MW Hydro Power on medium term

basis by NDMC.

New Delhi Municipal Council

.... Petitioner

## Petition No. 33/2021

In the matter of: Petition seeking adoption of Tariff which has been determined through

Transparent process of bidding in accordance with the guidelines issued by the Central Government, pursuant to the provisions of

Section 63 of the Electricity Act, 2003.

**New Delhi Municipal Council** 

.... Petitioner

**Versus** 

1. PTC India Ltd.

2. Teesta Urja Ltd.

..... Respondents

#### Coram:

Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson Hon'ble Dr. A. K. Ambasht, Member

# Appearance:

- 1. Mr. Tushar Sannu, Advocate, NDMC
- 2. Mr. Ankur Jindal, Advocate, Teesta Urja Ltd.
- 3. Mr. Ravi Kishore, Advocate, PTC India Ltd.

# **ORDER**

(Date of Order: 16.12.2021)

The issue involved in both the Petitions are inter-connected in nature, therefore, we decide to adjudicate both the Petitions by this Common order.

 The Petition No. 08 of 2021 has been filed by M/s New Delhi Municipal Council (NDMC) seeking approval of deviations from the model bidding document for procurement of 142 MW Hydro Power on Medium Term basis. The Petitioner has made the following prayers in its Petition:

- a) Admit the Petition as per the provisions of MINISTRY OF POWER, GOVERNMENT OF INDIA RESOLUTION NO. 23/17/2013-R&R-Vol-VI (Part 2) dated 29<sup>th</sup> January 2019 (notified on 30<sup>th</sup> January 2019):
- b) Allow the changes in the model Bidding Document for procurement of Medium-Term Hydro Power as described in clause 3.3 of the Petition.
- 2. The Petition No. 33 of 2021 has been filed by M/s NDMC seeking adoption of Tariff which has been determined through Transparent process of bidding in accordance with the guidelines issued by the Central Government. The Petitioner has made the following prayers in its Petition:
  - a) Admit the Petition as per the provisions of Ministry of Power, Government of India Resolution No. 23/17/2013-R&R-VOL-VI (PART 2) Dated 30<sup>th</sup> January 2019 read with section 63 of the of the Electricity Act 2003.
  - b) Adopt the tariff as quoted and negotiated with LI Bidder i.e. Teesta Urja Ltd (participated through PTC India Ltd- Trader) as per Para 4.7 above, in terms of the provisions contained in section 63 of the Electricity Act 2003.

#### **Petitioner's Submissions**

- 3. The Petitioner has made the following submissions in both the Petitions:
  - a) The Central Government had notified the Guidelines vide resolution No. 23/17/2013-R&R (Vol-II) dated 10th February 2014, which were further amended vide resolution dated 20th August 2015. Further, the Central Government vide its letter No. 23/17/2013-R&R (Vol-IV) dated 16th January 2017, had issued a single document as the "Standard Bidding Document" comprising both the Model Request for Qualification (the "MRFQ") and the Model Request for Proposal (the "MRFP"), and the Model Agreement for Procurement of Power (the "MAPP") (collectively, the Standard Bidding Document and the MAPP are referred to as the "Model Bidding Documents") to be adopted by distribution licensees for procurement of electricity from the power producers/Traders/DISCOMs. Based on the same, the Central Government had notified the Guidelines vide resolution No. 23/17/2013-R&R (Vol-V) dated 17th January 2017.
  - b) Ministry of Power, Government of India, subsequently issued Revised Guidelines and Model Standard Bidding Documents (MBDs) for procurement of electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO) basis vide Resolution No. 23/17/2013-

R&R-Vol-VI (Part 2) dated 29<sup>th</sup> January 2019 (notified on 30<sup>th</sup> January 2019). Petitioner issued the Model Bidding Documents for Procurement of 142 MW Hydro Power on Medium Term Basis under these guidelines including the Model Bidding Documents and APP (Agreement for Procurement of Power).

Thereafter, Petitioner submitted a letter No. D-197/EE (SLDC)/2020 dated 02/12/2020 seeking approval of minor deviation from the Model Bidding Documents for procurement of 142 MW Hydro Power on medium term basis for three years and further extendable up to two years as prescribed by Ministry of Power Government of India vide resolution no. 23/17/2013-R&R-Vol-VI (Part 2) dated 29th January 2019 (notified on 30th January 2019).

#### Factual Matrix of Petition No. 08 of 2021:

4. The Petitioner, in its letter no. D-197/EE (SLDC)/2020 dated 02/12/2020 NDMC, sought the following minor deviations from the Model Standard Bidding Document in terms bidding guidelines issued by Ministry of Power dated 29<sup>th</sup> January 2019 (notified on 30<sup>th</sup> January 2019) for Procurement of Electricity from Power Stations set up on Finance, Own and Operate (FOO) basis:

Sr.	As per model NIT	NDMC Proposal				
No.						
1.	Provision of <u>ESCROW</u> account vide article 13, clause no. 13.1.1 of bidding document.	(NDMC does not maintain any ESCROW				
2.	Discount of early payment vide article 11, clause 11.11 of bidding document "The parties expressly agree that in the event the utility pays the Tariff within 5 (five) days of the date of submission of the invoice thereof, it shall be entitled to deduct 1% (one per cent) of the amount comprising the Tariff by way of discount for early payment."	the utility pays the Tariff within 2 (two)				

5. The Commission, while granting "In-Principle" approval vide letter No. F.3 (461)/Tariff-Engg./DERC/2016-17/Pt. I/5334/2144 Dated: 21/12/2020, conveyed the following:

"With reference to above mentioned letter of NDMC, I am hereby directed to inform that any decision of the Commission, which may be amenable to challenge by any affected person has to be in the form of an Order by Commission only. Therefore, NDMC is required to file a Petition in this regard."

Further in para 2 it is mentioned as follows;

"2. Meanwhile, in order to obviate any delay "In-Principle" approval is hereby granted to the proposed two changes sought by NDMC in their aforementioned letter to be made in the model Bidding Document issued by Ministry of Power, Gol for procurement of power on medium term basis for floating NIT. "

This "In-Principle" approval is, however, conditional for NDMC to file a separate Petition in this regard.

This issues with the approval of the Commission."

#### Factual Matrix of Petition No. 33 of 2021

- 6. Subsequent to the above said conditional "In-Principle" approval granted by the Commission, the Petitioner floated a Tender/NIT on Deep Portal for e-Bidding process using e-reverse Auction vide NIT No. PFC Consulting Limited/Medium/Supply from hydro-electric power station/20-21/ET/73 Dated 23/12/2020.
- 7. In terms of the NIT, a pre-bid conference was held at NDMC office on 7<sup>th</sup> January 2021 wherein the following prospective bidders participated:
  - i. Arunachal Pradesh Power Corp Private Ltd
  - ii. Tata Power Trading Co. Ltd
  - iii. PTC India Ltd
  - iv. Teesta Urja Ltd
  - v. NVVN Ltď
  - vi. Kreate Energy Ltd
- 8. The technical bids were evaluated, and it was found that the following bidders were meeting the pre-qualification criteria:
  - vii. PTC India Ltd.
  - viii. NTPC Vidyut Vyapar Nigam (NVVN) Limited
- 9. Teesta Urja Ltd. (participated through PTC India Ltd-Trader) emerged as the L1 bidder as the tariff quoted by Teesta Urja Ltd. was higher by 2 paisa per kWh than that which was quoted by them to NDMC under a bilateral purchase proposal, it was decided by the NDMC management to negotiate with the L1 bidder. Accordingly, price negotiations were held with L1 bidder on 08/03/2021. After negotiations, Teesta Urja Ltd reduced the Tariff by 2 paisa per kWh and made it par with the Tariff quoted by them earlier under a bilateral purchase proposal. A copy of letter Ref No.C/PTC/NDMC/MT-Hydro Tender/630 dated 10<sup>th</sup> March 2021

was submitted by PTC India Ltd in this regard and had been attached as Annexure-9 to the Petition. The Petitioner has submitted that the final Tariff (after negotiation) of the L1 bidder comes as under:

"A Tariff of Rs. 5 and Paisa 3 (Rupees Five and Paise Three) per kWh comprising a Base Variable Charge of Rs. 3 and Paise 5 (Rupees Three and Paise Five) per kWh including (i) Rs. 1 and Paise 98 (Rupees one and Paise Ninety-Eight) per kWh as the cost of generation (ii) Rs. 0 and Paise 91 (Rupees Zero and Paise Ninety-One) per kWh as the cost of transmission charge and (iii) Rs. 0 and Paise 16 (Rupees Zero and Paise Sixteen) per kWh as the cost of transmission loss and a Base Fixed Charge of Rs. 1 and Paise 98 (Rupees One and Paise Ninety-Eight) per kWh which is equal to the cost of generation."

Thus, the effective Tariff at Ex Bus bar/ Project Bus bar is Rs. 3.96 per unit (Rs. 1.98 per unit towards Cost of Generation + Rs. 1.98 per unit towards Base fixed charge).

- 10. The Petitioner thereafter filed the instant Petition 33 of 2021 to consider and adopt the tariff as quoted and negotiated with LI Bidder i.e., Teesta Urja Ltd (participated through PTC India Ltd- Trader), in terms of the provisions contained in section 63 of the Electricity Act 2003.
- 11. These matters of the Petitioner were called out for hearing on 02/11/2021 through video conferencing. During the course of hearing, the Commission observed that the power producer M/s Teesta Urja Ltd and the trader M/s PTC India limited are required to be impleaded in the instant petitions. Accordingly, the Commission directed the Petitioner to implead them as respondents and issued notices to them.
- 12. These matters were further called out for hearing on 09/11/2021 through video conferencing. The Counsels for both M/s Teesta Urja Limited and the PTC India Limited were present. The learned Counsel for M/s Teesta Urja Limited and M/s PTC India Limited submitted that the tariff has been discovered through a transparent competitive bidding process involving e-reverse auction. They further submitted that they have no objection if the tariff is adopted by the Commission.

# **Commission Analysis**

13. The Commission in its Interim Order dtd. 21/10/2021 connected Petition Nos. 8/2021& 33/2021 filed by the Petitioner.

## Petition No. 8 of 2021

14. Section 63 of the Electricity Act, 2003 ("Act") provides as under:

"Determination of tariff by bidding process: Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has

been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

- 15. In exercise of the powers conferred under Section 63 of the Act, the Central Government notified revised guidelines on 30<sup>th</sup> January 2019 for Procurement of Electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO).
- 16. The salient features of the Guidelines are as follows:
  - The application of these Guidelines shall be restricted to projects from which power is procured in accordance with an Agreement for Procurement of Power for a period between one and five years, with a provision for extension of this period up to 25% of the initial contract period or one year whichever is lower, with mutual consent.
  - ii) The tariff determined through the DEEP e-Bidding process using e-reverse Auction based on these Guidelines comprising the Model Bidding Documents shall be adopted by the Appropriate Commission in pursuance of the provisions of Section 63 of the Act.
  - iii) Any deviation from the Model Bidding Documents shall be made by the Distribution Licensees only with the prior approval of the Appropriate Commission. Provided, however, that any project specific modifications expressly permitted in the Model Bidding Documents shall not be construed as deviations from the Model Bidding Documents from Power Stations set up on Finance, Own and Operate (FOO) basis.
- 17. The instant Petition bearing No. 8/2021 has been filed by NDMC for seeking approval of the deviations from the Model Bid Document issued wrt the guidelines dtd. 30/01/2019, stipulated above. As per Clause 4 of the said guidelines, any change or deviation in the Model Bidding Document requires prior approval from the Appropriate Commission, as follows:
  - "4. Any deviation from the Model Bidding Documents shall be made by the Distribution Licensees only with the prior approval of the Appropriate Commission. Provided, however, that any project specific modifications expressly permitted in the Model Bidding Documents shall not be construed as deviations from the Model Bidding Documents."
- 18. The Petitioner has sought the following deviations:

As per model NIT	Deviations sought
Provision of ESCROW account vide article 13, clause no. 13.1.1 of bidding document.	Clause to be deleted

Discount of early payment vide article 11, clause 11.11 of bidding document "The parties expressly agree that in the event the utility pays the Tariff within 5 (five) days of the date of submission of the invoice thereof, it shall be entitled to deduct 1% (one per cent) of the amount comprising the Tariff by way of discount for early payment."

#### Maybe read as

"The parties expressly agree that in the event the utility pays the Tariff within 2 (two) working days of the date of submission of the invoice thereof, it shall be entitled to deduct 2% (two per cent) of the amount comprising the Tariff by way of discount for early payment. Provided that in case of payments made on any day after 2 working days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed."

- 19. With regard to deviation sought related to ESCROW Account, the Petitioner has submitted that they do not maintain any ESCROW Account therefore they want to delete the above clause.
- 20. Further, with regard to deviation sought related to rebate, the petitioner submitted that the parties expressly agree that in the event the utility pays the Tariff within 2 (two) working days of the date of submission of the invoice thereof, it shall be entitled to deduct 2% (two per cent) of the amount comprising the Tariff by way of discount for early payment. Provided that in case of payments are made on any day after 2 working days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed.
- 21. The Commission, vide its letter dated 21/12/2020, granted "in-principle" approval to the proposed two changes sought by NDMC to be made in the model Bidding Document issued by Ministry of Power, Gol for procurement of power on medium term basis for floating NIT and the Petitioner was directed to file a Petition for formal approval of the Commission.
- 22. It is observed that the deviation with regard to Rebate is in line with Regulation 138 of DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017 which states as follows:
  - "138. For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed.
  - Provided that in case of payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed."
- 23. It is noted, during the hearing held on 9/11/2021, the counsel appearing for PTC India Ltd. and Teesta Urja Ltd. submitted that they have no objections in the Petition No. 8/2021 and 33/2021 filed by NDMC.

# Petition No. 33 of 2021

- 24. Petition No. 33 of 2021 has been filed by Petitioner U/s 63 of the Electricity Act, 2003 for adoption of Tariff discovered at DEEP Portal, @ 5.03 Rs./kWh at Delivery Point which is NDMC periphery, for procurement of 142 MW Hydro Power from Teesta-III on Medium term basis i.e., for three years and further extendable up to two years.
- 25. NDMC vide letter dated 14/01/2021 has intimated the Commission that tender for procurement of 142 MW Hydro Power on medium term basis was called upon the DEEP (Discovery of Efficient Electricity Price) portal and pre-bid meeting was held on 07/01/2021 and based on the queries raised by the prospective bidders, corrigendum was issued and uploaded on DEEP portal on 13/01/2021.
- 26. Pursuant to the bidding process, LI Bidder i.e., Teesta Urja Ltd (participated through PTC India Ltd- Trader) was identified as the selected bidder. Accordingly, the Petition bearing No. 33 of 2021 has been filed by the Petitioner before this Commission under Section 63 of the Electricity Act, 2003 seeking adoption of Tariff, which has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. From the records submitted by the Petitioner it is observed that the tariff is determined through a competitive bidding process as per the guidelines issued by the Central Government (MoP).
- 27. During the course of hearing, the Petitioner was informed that the PPA enclosed with the Petition is as per that forming part of Model Bidding Document and various details like Supplier Name, Details of Bidding, Transmission charges, Base Fixed Charge, Base Variable Charge, Generating Capacity of Hydro Power Station, tariff, etc., are not filled up and the deviation which they have sought in Petition No. 08/2021 are stricken-off. With regard to this, the Petitioner informed that after the adoption of Tariff from this Commission, NDMC will sign PPA/PSA with PTC India Ltd. and submit the same to its Council for further approval.
- 28. It is observed from the Clause 12.3.1 of NIT that Base Fixed Charges shall be equal to the Base Variable Charges excluding Transmission Charges and Transmission Losses. Relevant extract of the same is as follows:
  - "12.3.1 (b) a Base Fixed Charge which shall be equal to the Base Variable Charge excluding transmission charges and transmission losses specified in Clause 12.2...."
- 29. Accordingly, the discovered Tariff at NDMC periphery of L1 bidder (PTC India Ltd.) was 5.05 Rs./kWh and L2 bidder (NTPC Vidyut Vyapar Nigam Ltd.) was 5.12 Rs./kWh as per Annexure-8 of the Petition. L1 bidder further reduced the tariff to 5.03 Rs./kWh vide their letter dtd. 10/03/2021 enclosed as Annexure-9 of the Petition.

# The proposal of the Petitioner for procurement of 142 MW of Power has been analyzed in the following two parts:

## A) **DEMAND-SUPPLY ANALYSIS:**

- 30. The Commission vide its Order dated 31/03/2007 reassigned the power allocation from different Central and State Generating Stations to Delhi DISCOMs (namely, BRPL, BYPL, NDPL, NDMC & MES). It was further modified vide Review Order dtd. 7/03/2008 for NDMC and accordingly, the Long-Term Power portfolio of NDMC was approved as 350 MW from Badarpur TPS- 125 MW, Dadri-I 125 MW and Pragati-I 100 MW. Thereafter, from FY 2011-12, 100 MW of allocation from Pragati-III Bawana was also approved for NDMC, totaling 450 MW of allocation from long term sources.
- 31. Deptt. of Power, GoNCTD vide its letter dated 12/11/2018 intimated to the Commission that the operation of Badarpur TPS was discontinued from 15/10/2018. It was on account of pollution control in the State of Delhi.
- 32. Further, as PPA with Dadri-I has come to an end on 30/11/2020 due to completion of useful life of 25 years, the tie-up from Long-Term Power sources of NDMC has reduced from 450 MW in FY 2018-19 to 206 MW in FY 2021-22, as follows:

Sr. No.	Generating Stations	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
1	Badarpur TPS	125	-	-	-	
2	NCPP – Dadri	125	125	125	-	
3	Pragati-l	100	100	100	100	
4	PPS-III, Bawana	100	100	100	100	
5	Delhi MSW Solutions	-	-	1	1	
6	GTPS	-	-	-	5	
	Total	450	325	326	206	

- 33. Due to closure of Badarpur TPS and completion of useful life of Dadri-I, the Commission allocates additional share of power from PPS-III Bawana to NDMC in it's Tariff Orders in order to avoid load shedding in their VIP areas viz. North Block, South Block, Nirman Bhawan, Udyog Bhawan, Rail Bhawan etc. and also Parliament House and Rashtrapati Bhawan, Supreme Court of India, to serve critical loads and less dependency on Short Term Sources.
- 34. With regard to proposal of purchase of power from Teesta Urja Ltd., the Commission vide its Interim Order dated 21/10/2021 directed the office of the Commission to get in touch with the officials of NDMC regarding issues raised by the Commission vide letter dated 21/10/2020. Accordingly, the month-wise Demand Supply pattern of NDMC with & without Teesta-III for FY 2020-21 and FY 2021-22 (till September 2021) was also sought from NDMC vide email dated 25/10/2021. The Demand and Supply pattern of NDMC for FY 2020-21 and FY 2021-22 is as follows (as submitted by NDMC vide email dated 27/10/2021):

	Monthwise demand and availability scenerio on actual basis during FY 2020-21 & 2021-22											
Months	Demad	Availability		Shortage/	Months	Demad	Availability		Shortage/	Availability from		Shortage/
Wionchis	(Max)	Long Term	STOA	Surplus	Wionuis	(Max)	Long Term	STOA without Teesta	Surplus (Without Teesta)	TEESTA	STOA with Teesta	Surplus (With Teesta)
Apr-20	128	52	82	6	Apr-21	210	78	36	-96	120	156	24
May-20	241	63	170	-8	May-21	205	73	125	-7	0	125	-7
Jun-20	282	101	187	6	Jun-21	322	103	171	-48	0	171	-48
Jul-20	293	111	187	5	Jul-21	372	106	227	-39	25	252	-14
Aug-20	271	69	150	-51	Aug-21	325	100	156	-69	100	256	31
Sep-20	286	103	173	-10	Sep-21	268	61	107	-100	120	227	20
Oct-20	229	74	178	23	Oct-21							
Nov-20	232	119	39	-74	Nov-21							
Dec-20	178	117	72	12	Dec-21							
Jan-21	206	72	132	-1	Jan-22			•				
Feb-21	179	73	106	0	Feb-22		·					
Mar-21	183	120	48	-15	Mar-22		, in the second second					, in the second second

35. From the above, it is observed that due to closure of Badarpur TPS and completion of useful life of 25 years w.r.t. Dadri-I, NDMC is in shortage of power to meet their demand for which they are procuring power from Short-Term Sources. Accordingly, the need of tie-up of from a reliable source of long term power is well established.

#### B) <u>Cost-Benefit Analysis:</u>

36. Commission observes that the Average Power Purchase Cost (inclusive of Transmission Charges and Losses) of NDMC from FY 2017-18 to FY 2019-20 based on the True-up of Orders issued by the Commission from time to time is of the following Order:

Sr. No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20
1	Average Power Purchase Cost (Rs./kWh)	5.72	6.64	6.88

- 37. Further, Commission vide its Order dated 30/09/2021 projected the Average Power Cost including Transmission Charges as Rs. 6.26/kWh.
- 38. It is worth to note that major consumers in NDMC area are Non-Domestic consumers which comprise of approx. 75% of the total billing whose Average Billing rate is Rs. 11.09/kWh.
- 39. As per Clause 1.2.13 of NIT and based on the bidding done on DEEP-Portal and subsequent letter of PTC India Ltd., final per unit price discovered is of the following order:

Sr. No.	Particulars	Rs./kWh
Α	Base Fixed Charges	1.98
В	Base Variable Charges	3.05
С	Final Tariff	5.03

- 40. Accordingly, it is evident that the Tariff of Rs. 5.03/kWh at NDMC periphery for procurement of 142 MW Hydro Power on Medium term basis from PTC India Ltd. inclusive of Transmission Charges and Losses as well, will ultimately benefit the consumers of NDMC in providing reliable & optimal source of RTC power.
- 41. In view of above, the Commission hereby:
  - a) Accords approval to the deviations sought by the Petitioner in Petition No. 8 of 2021;
  - b) Adopts the tariff discovered at DEEP portal of Rs. 5 and Paisa 3 (Rupees Five and Paise Three) per kWh at NDMC periphery for procurement of 142 MW Hydro Power on Medium term basis.
  - c) Directs the Petitioner to execute PSA/PPA with PTC India Ltd./Teesta Urja Ltd. and submit the same before the Commission for its approval in terms of Clauses 27(3) & 45(3) of DERC Comprehensive (Conduct of Business) Regulations, 2001.
- 42. Ordered Accordingly.

Sd/ (Dr. A.K. Ambasht) Member Sd/-(Justice Shabihul Hasnain 'Shastri') Chairperson