



## Delhi Electricity Regulatory Commission

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110 017.

No. F.11(2180)/DERC/2023-24/7966

### Petition No. 55/2023

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 500 MW from various traders/generators and for the approval of the agreements entered thereto in terms of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 read with Guidelines for short-term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process dated 30<sup>th</sup> March, 2016 and its amendment.

**BSES Rajdhani Power Limited**

**.... Petitioner**

**Versus**

**Manikaran Power Ltd. & Ors.**

**.. Respondents**

**Coram:**

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

### **Appearance:**

**Mr. Buddy A Ranganathan, Advocate, BRPL**

### **ORDER**

(Date of Order: 20.01.2024)

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 Intents (LOIs) dated 22.12.2023 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. The Petitioner has made the following prayers in its Petition:
  - 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. Adopt the discovered weighted average tariff of Rs. 6.79/kWh, as the case may be, as per Table 2 of the present Petition;
  - c. Approve the Letters of Intent dated 22.12.2023 issued to the Respondent and their respective confirmation received from the Respondents; under Section 63 of the Electricity Act, 2003 for procurement of power by the Petitioner from the Respondent and pass a suitable order in this regard;

- d. Allow the Deviations from the Short-Term Guidelines as set out at para 7 of the present Petition.
3. The Petitioner has submitted the following:
- On 30 March 2016, the Ministry of Power (MoP) issued Guidelines for short-term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process (MoP Guidelines). As per the MoP Guidelines and more specifically under Clause 11.4 thereof, in case the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (the ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission. However, if that is not the case, the procurer (the Petitioner) is required to approach the Appropriate Commission for adopting of tariff within 2 days of the signing of the PPA/Lol, which shall, in turn, communicate its decision within a period 7 days from the date of submission of the Petition.
  - On 31 January 2017, the Commission notified the DERC (Terms and Conditions for Determination Tariff) Regulations, 2017 (hereinafter "Tariff Regulations"). As per the Regulations 152(c) of the Tariff Regulations, in case the petitioner is desirous of entering into a short-term arrangement or agreement (other than trading through the Power Exchange) the Petitioner is mandated to follow a transparent bidding process in accordance with the extant guidelines issued by the MoP, i.e. the MoP Guidelines.
  - Even in the case of purchasing power from exchange is extremely difficult as Exchange clearance even during peak winter season is partial & rates are touching an exorbitant amount of Rs. 10 per unit. Estimated shortage of power for FY 2024-25 for the month of April 24 to September 24 as per SLDC projections are reproduced below;

TABLE 1: BRPL Power Supply Position for Summer's 24 based on SLDC Demand dated 12.12.23										
Month	1st fortnight					2nd fortnight				
	00-03	03-09	09-12	12-18	18-24	00-03	03-09	09-12	12-18	18-24
April'24	-209	6	67	-49	-302	-671	-127	-76	-405	-584
May'24	-711	-177	-146	-540	-693	-1028	-435	-316	-857	-997
June'24	-1285	-701	-568	-893	-1160	-1262	-708	-342	-975	-1151
July'24	-1294	-799	-536	-1092	-1245	-1377	-743	-684	-1062	-1286
Aug'24	-1114	-473	-555	-633	-1034	-1194	-849	-647	-836	-1091
Sep'24	-1206	-666	-539	-795	-1181	-1024	-488	-470	-647	-936

- iv. In view of the foregoing and to avoid any power availability issue/ shortage of power in the ensuing FY 2024-25, the Petitioner has decided to procure short term power by way of a tariff based competitive bidding process and in accordance with the MoP Guidelines. To this end, the Petitioner invited bids by way of Tender No. Head (PMG)/BRPL/E Tender/2023-24/169 dated 22.11.2023 for procurement of up to 500 MW of power for the period 1st April 2024 to 30th September 2024.
- v. The Petitioner received several bids from various entities with bids. The Petitioner thereafter vide its email dated 13.12.2023 requested the Traders/Generators to match the L1 rates and increase the quantum. The details of the same are tabulated below:

**Tariff in Rs./kwh (As per e-Ra dated 12.12.23):**

Utility	Tender Quantum	April' 24	May'24	June'24	July'24	Aug'24	Sep'24	Delivery Point
BRPL	Up to 500	8.69-9.30	8.69-9.30	7.26-9.30	6.01-6.13	6.07-6.25	6.47-6.64	NR PP

**Tariff Rs./kwh (after Revised offer dated 18/19.12.23 given by traders against BRPL request )**

Utility	Tender Quantum	April'24	May'24	June'24	July'24	Aug'24	Sep'24	Delivery Point
BRPL	Up to 500	8.69-9.05	8.69-9.05	7.26-9.05	6.01-6.13	6.07-6.25	6.47-6.64	NR PP

- vi. The Petitioner has evaluated the quoted bids, and analysed the bid prices. The Petitioner excluded the bids of above Rs.9/kwh, considering prevailing market conditions. The price discovered through bidding is in line and competitive with the earlier discovered prices of other utilities in recent tenders. Thereafter, the Committee approved to issue LOI to the Respondents on the basis of the bid process evaluation according to the provisions of the RfP document. The Tabular representation of the RTC quantum arrived from the Petitioner's Tender is produced below;

Table 2 :Details of Lol issued to Successful bidders

Sl.No	Trader/Utility	Successful Bided Quantum(Mu's)	Power Purchase Cost (Cr)	Weighted Avg. Rs/kwh
1	TPTCL	319	209.16	6.55
2	PTC	109	92.41	8.46
3	AEL	400	273.03	6.82
4	MPL	46	28.75	6.22
5	Instinct	221	139.83	6.33
6	IEPL	29	20.97	7.28
7	NVVN	36	23.29	6.47
		<b>1160</b>	<b>787.44</b>	<b>6.79</b>

- vii. Letters of Intents (Lol) were thereafter issued to the Respondents on 22.12.2023 and their confirmation were sought out on the same. In the said Lol, it was made clear that they were subject to the approval of the Commission and that upon such confirmation, they would be treated as binding power purchase agreement. Further, confirmations from the Respondents were accordingly received by accepting the Lol.
- viii. The MoP Guidelines require approvals of the Appropriate Commission in case the quantum and rate of power exceed the figures approved in the ARR for the concerned year. However, while the procurement is scheduled for FY 2024-2025, as on date, there is no ARR Order passed by the Commission for FY 2024-2025. Therefore, by way of abundant caution, the Petitioner is filing the present Petition and for the purposes of the same, the Petitioner is relying on the findings of the tariff order dated 30 September 2021 wherein the Commission passed approved the ARR for FY 2021-22 (hereinafter "the Tariff Order").
- ix. As per the Tariff Order, the Commission approved the following quantum and rates for the procurement of short-term power:
- "4.95 In view of above, the Commission has considered Rs. 2.82/kWh from above table, which is Average Rate of FY 2020-21 as Short Term Purchase & Sale, wherever applicable, for FY2021-22."*
- x. The rate approved in the Tariff Order is less than the rate discovered by the Petitioner in the present tendering process and therefore, in light of Clause 11 of the MoP Guidelines, the Petitioner is filing the present Petition seeking approval of the Commission. It is however reiterated that the rate is for ARR

for FY 2021-22 whereas the procurement under consideration is for FY 2024-2025 and therefore, in the absence of an ARR for FY 2024-2025, the ARR rates for FY 2021-2022 are being considered.

- xi. The Commission vide its order dated 15.12.2023, in a similar petition bearing no. Petition No. 47 of 2023 filed by Tata Power Delhi Distribution Ltd ("TPDDL") accorded approval to the short-term purchase of power requested by TPDDL for the ensuing summer season for FY 2024. The Petitioner has provided key similarities in regard to the deviations as prayed by TPDDL in its petition and has also drawn differentiation to the extent of short-term purchase of power in the month of April 2024 and May 2024, in para 7 of the Petition.
- xii. The projections calculated by the Petitioner are entirely based on the SLDC projections as summarized in Table No.1 above. Moreover, as per the projections/ estimations of SLDC for the month of April'24 and May'24, the Petitioner estimates a shortfall of more than 1000 MW (1028 MW approx.) The 300 MW of power shall be arranged from the Petition filed by the Petitioner for Medium Term Purchase of Power, bearing no. 46/2023 which pending adjudication before the Commission. Whereas, up to 500 MW of power will be arranged through Tender No. Head (PMG)/BRPL/E Tender/2023-24/169 dated 22.11.2023 (via the present petition).
- xiii. Despite the aforesaid, the petitioner still expects shortfall of power in April'24 and May'24, which shall be arranged from the market to avoid any shortfall of power.
- xiv. Further, it is pertinent to mention that in the present tender, the Petitioner expects a shortfall of 200 MW in the month of April'24, whereas, 300 MW and 350MW for first and second fortnight of May'24. However, the Petitioner has only a bid of 175 MW for both the months of April'24 and May'24

#### **Commission Analysis**

- 4. The Commission vide Order dated 10.01.2024 directed appropriate Officers of the Petitioner and Officers of the DERC to cross check figures and other facts.
- 5. Accordingly, a meeting was held in the office of the Commission in 11.01.2023 wherein the facts and figures of the Petitioner were deliberated and it was noted that:
  - a. 300 MW Medium Term Power with 300 MW Green shoe option was not factored in Demand-Supply analysis submitted by the Petitioner.

b. PPS-III Bawana allocation to BRPL is 427 MW whereas the Petitioner has considered 101 MW Power availability from said SGS in their Power Supply Position for Summer '24

6. Considering above, the Petitioner was directed to submit revised Power Supply Position for Summer'24 factoring 300 MW Medium Term Power alongwith 300 MW Green Shoe Option with commencement of Power w.e.f. 01.04.2024.
7. Thereafter, Month wise Weighted Average Tariff, Power Quantum (in MW), Energy (MU) from Apr '24 to Sep '24 to be procured through Short term tender as submitted by the Petitioner is as under:

Month	Quantum (MW)	Quantum (Mus)	Wt. avg. TariffRs/Kwh	Trader
April'24	Upto 75 MW	54	8.69	AEL & PTC
May'24	Upto 75 MW	56	8.69	AEL & PTC
June'24	Upto 485 MW	333	7.40	TPTCL,AEL,Instinct,PTC& Ideal energy
July'24	Upto 500 MW	314	6.08	TPTCL,AEL,Instinct,MPL
Aug'24	Upto 300 MW	223	6.17	AEL,TPTCL,Instinct ,& MPL
Sep'24	Upto 350 MW	180	6.49	TPTCL,AEL,Instinct,MPL,NVVN
<b>Total</b>	<b>Upto 75 MW</b>	<b>1160</b>	<b>6.79</b>	

8. However, the Commission has, in Petition No. 46 of 2023, granted approval to the Petitioner for300 MW Medium Term Power with 200 MW Green-shoe Option as against 300 MW Medium Term Power with 300 MW Green-shoe Option.
9. Accordingly, revised Power Supply position considering 300 MW Medium-Term Power along with 200 MW Green-shoe option is as follows:

BRPL - Power Supply position – Surplus (+)/ Deficit (-) for summers'24

Month	1 <sup>st</sup> fortnight					2 <sup>nd</sup> fortnight				
	0-3	3-9	9-12	12-18	18-24	0-3	3-9	9-12	12-18	18-24
<b>April'24</b>	-209	6	67	-49	-302	-671	-127	-76	-405	-584
<b>May'24</b>	-711	-177	-146	-540	-693	-1028	-435	-316	-857	-997

BRPL-Power Supply Position – Surplus (+)/ Deficit (-) for summers'24 Post Commencement of Power from 500 MW Medium term Tender w.e.f. 1/6/2024

Month	1 <sup>st</sup> fortnight					2 <sup>nd</sup> fortnight				
	0-3	3-09	9-12	12-18	18-24	0-3	3-9	9-12	12-18	18-24
<b>June'24</b>	-785	-201	-68	-393	-660	-762	-208	158	-475	-651
<b>July'24</b>	-794	-299	-36	-592	-745	-877	-243	-184	-562	-786
<b>Aug'24</b>	-614	27	-55	-133	-534	-694	-349	-147	-336	-591
<b>Sep'24</b>	-706	-166	-39	-295	-681	-524	12	30	-147	-436

10. The Petitioner, during hearing held on 10.01.2024, mentioned that they have considered full Allocation from State Generating Stations (SGS) in their Demand-

Supply Scenario for Summer of 2024. However, it is observed that they have considered 101 MW Power availability from PPS-III Bawana whereas their allocation as Delhi SLDC from said SGS is 427 MW.

11. Considering allocation as per Delhi SLDC for Delhi's SGS approx. 365 MW of Power can further be scheduled from Delhi SGS, to meet such Short Term / Peak Power requirements, as follows:

Delhi GENCOS Allocation to TPDDL				MW
Sr. No.	Station	Power considered by BRPL in Supply Side (MW) (a)	Allocation as per SLDC (b)	Delta (b)- (a)
1	PPCL	76	93	17
2	GTPS	15	37	22
3	PPCL III	101	427	326
			<b>Total</b>	<b>365</b>

12. Further, State GENCOs Energy Charge Rate (ECR) for April 2023 to Sept. 2023 analyzed are 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

13. PPS- III, Bawana when runs on Administered Price Mechanism (APM) Gas has Energy Charge Rate (ECR), as per above, in range of Rs.5.4/kWh to Rs.6.4/kWh and when it runson 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.
14. Rates discovered in the subject Petition for Peak Power and RTC for April '24 and May '24 is around Rs.8.69/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.
15. Delhi's Peak Demand in FY 2023-24 touched 7438 MW on 22/8/2023 @ 15:16:34 Hrs due to erratic weather conditions including El Nino effect. Since Power Deficit is anticipated in majority slots in Aug '24 as stipulated above in para 7 of this order, it would be prudent to allow the Petitioner to make Short Term Power arrangement upto 300 MW to ensure 24x7 Supply of Power.

16. Accordingly, the Commission grants approval for procurement of Round-the-Clock (RTC) Short Term Power from 01.06.2024 to 30.09.2024, as follows.

Sr. No	Month	Quantum (MW)	Quantum (MU)	Wt. Avg. Tariff (Rs./kWh)
1	June'24	Upto 485 MW	333	7.40
2	July'24	Upto 500 MW	314	6.08
3	Aug'24	Upto 300 MW	223	6.17
4	Sep'24	Upto 350 MW	180	6.49
	<b>Total</b>		<b>1050</b>	<b>6.59</b>

17. Further, it is noted that the Petitioner has sought approval of deviations as set out at para-7 of the instant Petition which are largely in line with the deviations approved by the Commission in Petition 47 of 2023 for TPDDL.

18. In view of above, the Commission accords approval to the following:

- a) For procurement of Round-the-Clock (RTC) Short Term Power from 01.06.2024 to 30.09.2024 as enumerated in para 14 of this Order. 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 FY 2024-25. This approval is further subject to the condition that any surplus power available with BRPL during Summers of FY 2024-25 be first utilized within Delhi as required by other DISCOMs 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; and
- b) The deviations as enumerated in para-7 of the Petition, are hereby approved.

19. Ordered Accordingly.

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