

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Order No. 04 of 2020

In the matter of:

“For the determination of tariff for Distribution Licensees for procurement of power from Wind Power Projects below the threshold limit of eligibility for participating in Competitive Bidding.”

Date of Order: 26.05.2020

CORAM:

Shri Anand Kumar, Chairman

Shri P. J. Thakkar, Member

1. The Commission vide GERC Wind Tariff Order No. 02 of 2020 Dated 30.04.2020, decided the Tariff Framework for Wind projects for the prospective period after due consultation process with the stakeholders as under;

“3.1 Tariff Framework

The tariff for all prospective Wind Power Projects shall be determined based on the rates discovered through competitive bidding.

The tariff for Wind Power Projects below the threshold limit of eligibility for participating in Competitive Bidding shall be considered equal to weighted average of the latest Tariff discovered through Competitive Bidding by State owned DISCOMs for Wind Power Projects and adopted by the Commission.”

2. In order to provide clarity and information to concerned persons regarding weighted average of the latest Tariff discovered through Competitive Bidding by the State Owned DISCOMs for Wind Power Projects and adopted by the Commission, it is decided to issues separate Order in this regard.
3. GUVNL had filed Petition (No. 1849/2019) under Section 63 read with Section 86 (1) (b) for seeking adoption of tariff discovered under Competitive Bidding Process for procurement of power from 202.6 MW Grid connected Wind Power Projects in Gujarat

through RfS No. GUVNL / 1000 MW / Wind (Phase II-R) dated 01.03.2019 & Addendums thereto.

4. The latest tariff for Wind Power Project adopted by the Commission in case of Petition No. 1849/2019 filed by GUVNL vide Order Dated 07.01.2020 is as under;

“5.19. We observe that the tariff at which the Petitioner executed PPAs with bidders under the competitive bidding process is substantially lower as compared to the generic tariff determined by the Commission vide Order No. 2 of 2016 dated 30.8.2016. We, therefore, decide to adopt the tariff in respect of successful bidders as mentioned in Para 5.13 and 5.14 hereinabove discovered under Competitive Bidding conducted by the Petitioner under Section 63 of the Electricity Act, 2003 for procurement of 1000 MW power from the grid connected Wind power projects. We also decide and direct the Petitioner to host the PPAs on its websites for at least 30 days for knowledge of the stakeholders.

6. *We order accordingly.*

7. *With this order the present petition stands disposed of.”*

5. The para 5.13 and 5.14 of Order dated 07.01.2020 in respect of Petition No. 1849/2019 reproduced as under;

“.....

5.13 The Petitioner have executed Power Purchase Agreements (PPAs) with M/s Powerica Ltd, M/s Vena Energy Shivalik Wind Power Pvt Ltd and M/s Anisha Power Projects Pvt Ltd on 29.07.2019, 16.08.2019 and 19.08.2019 respectively, as per the terms and conditions of the tender at the rate of Rs. 2.80/unit. The Petitioner has issued Letter of Award (LoA) and executed PPAs with the successful bidders as per the terms and conditions of the tender for 190.6 MW capacity as listed below:

No.	Successful Bidders for capacity award under the Tender	Capacity (MW)	Tariff (Rs. / unit)	PPA signed on
1	<i>Anisha Power Projects Pvt Ltd</i>	40	2.80	19.08.2019
2	<i>Powerica Ltd</i>	50.6	2.80	29.07.2019
3	<i>Vena Energy Shivalik Wind Power Pvt Ltd</i>	100	2.80	16.08.2019
	Total	190.6		

5.14 Further, we note that based on the request of M/s SJVN Ltd a Central Sector PSU, for early execution of PPA for the 12 MW capacity awarded to it, and taking into consideration that the Petitioner's tendering process under RFS No. GUVNL/1000 MW/Wind (Phase II-R) may take some time for finalization and in order to prevent revenue loss to M/s SJVN Ltd. due to non-operationalization of 12 MW capacity, the Petitioner and M/s SJVN Ltd executed PPA on 30.03.2019 for purchase of power from their 12 MW Wind Power Project at the tariff of Rs. 2.43 / unit which was the L1 tariff discovered in the earlier tender concluded by the Petitioner vide RFS No. GUVNL / 500 MW / Wind (Phase I). Moreover, it is also lower than the tariff discovered during the present tender at Rs. 2.80/unit and in the interest of licensee as well as end consumers of the State. The petitioner has issued Letter of Award (LoA) and executed PPAs with M/s SJVN Ltd. at Rs.2.43/unit for 12 MW on 30.03.2019. Therefore, the Petitioner executed PPAs of 202.6 MW including 12 MW with M/s SJVN Ltd. Accordingly, the Petitioner sought approval of 202.6 MW to be procured under Section 63 of The Act.

.....”

6. The weighted average Tariff for the latest Tariff adopted by the Commission as reproduced in above para is worked out as under;

No.	Successful Bidders for capacity award under the Tender	Capacity (MW)(a)	Tariff (Rs. /unit) (b)	aXb
1	Anisha Power Projects Pvt Ltd	40.0	2.80	112.00
2	Powerica Ltd	50.6	2.80	141.68
3	Vena Energy Shivalik Wind Power Pvt Ltd	100.0	2.80	280.00
4	M/s SJVN Ltd	12.0	2.43	29.16
	Total	202.6		562.84
	<i>Weighted Average Tariff (Rs./Unit)</i>		2.78	

7. The Weighted Average Tariff as worked out in above Table is Rs. 2.78/kWh shall be payable by the distribution licensees to Wind turbine generators which are installed and commissioned during the control period of this order for which the PPAs shall be signed by the distribution licensees with the Wind Turbine Generators.
8. The Weighted Average Tariff as worked above shall remain in force from 30th April, 2020 to the date of issuance of the Order for adoption of new tariff discovered in the next Competitive Bidding Process for procurement of power form Grid connected Wind Power

Projects in Gujarat for State owned DISCOMs.

9. Since it is the first generic Tariff Order for Small Wind Power Project, the Commission has worked out the weighted Average Tariff. Now onwards, as and when new rates are discovered by GUVNL in the next competitive bidding, the new Weighted Average Tariff has to be worked by GUVNL on its own as worked out by the Commission in the present Order and place the new rate on its website within 7 days from the date of adoption Order by the Commission u/s 63 of the Electricity Act.
10. We order accordingly.

Sd/-
(P. J. THAKKAR)
Member

Sd/-
(ANAND KUMAR)
Chairman

Place: Gandhinagar

Date: 26.05.2020