BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

**GANDHINAGAR** 

**Petition No. 1959 of 2021.** 

In the matter of

Petition for approval of STPPA for securing of power to cater to the demand of Dahej

SEZ & Dholera SIR license area under the provisions of the Guidelines for power

procurement by Distribution licensee issued by the Commission under Section 86 (1) (b)

of the Electricity Act, 2003.

Petitioner : Torrent Power Limited, Ahmedabad

Represented by : Shri Chetan Bundela along with Shri Jignesh

Langalia & Ms. Luna Pal

**CORAM:** 

Mehul M Gandhi, Member

S. R. Pandey, Member

Date: 12.05.2021.

<u>ORDER</u>

1. The present Petition has been filed by Torrent Power Limited seeking approval of

Short-Term Power Purchase arrangement for sourcing of power to cater to the demand

of Dahej SEZ and Dholera SIR License Area for the period of from 1st April, 2021 to

31st March, 2022.

2. The brief facts mentioned in the Petition are as under:

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- 2.1 The Petitioner, Torrent Power Limited, is a company incorporated under the Companies Act, 1956 and is engaged in the business of generation and distribution of electricity. It is also a distribution licensee of Dahej SEZ and Dholera SIR license areas.
- 2.2 It is submitted that it has endeavoured to estimate the demand of Dahej SEZ area based on recent trends. Similarly, Dholera SIR is a greenfield area where demand is likely to develop in a phased manner. It is also submitted that in the initial period, TPL-D expects that the power at Dholera SIR will be required for construction purpose and utility services. However, the demand will remain uncertain. Since, the nature of area and scale of industry are similar to Dahej SEZ and Dholera SIR, the Petitioner has estimated the demand for Short Term for Dahej SEZ and Dholera SIR on consolidated basis. Accordingly, the Petitioner has planned to make necessary short term power purchase arrangements from bilateral sources for FY 2021-22 to fulfil the demand of Dahej SEZ and Dholera SIR areas.
- 2.3 The Petitioner has proposed to procure 50 MW (from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022) Round the Clock power (00 Hours to 2400 Hours). The Petitioner has also proposed to procure top up power from the power exchange as may be required in the background of uncertainty of demand.
- 2.4 The Petitioner has proposed certain deviations from the MoP bidding guidelines for availing better terms and flexibility to reduce the overall cost of power procurement, which were approved by the Commission vide its Order dated 24.04.2017 in Petition No. 1636 of 2017:
  - (i) Take or Pay Penalty: The Penalty for "take or pay" and "Supply or pay" shall be Rs. 2 per unit.

- (ii) Take or Pay Quantum: The minimum quantity for "take or pay" and "supply or pay" shall be 80%.
- 2.5 The Petitioner invited bids by publishing a tender notice on 09<sup>th</sup> February, 2021 for procurement of RTC Power on short term basis through e-tendering and on Reverse Auction basis in the newspapers viz. (i) Business Standard (All India Edition) (ii) Mint (All India Edition).
- 2.6 The bidders were required to bid on MSTC's website www.mstcecommerce.com (DEEP Portal). The last date for submission of offers was 13th February, 2021.
- 2.7 The results of the e-bidding and Reverse Auction as obtained from the MSTC website are as follows:

Period	Time	Successful Quantum		Rate at GETCO
	Duration	Bidder	(MW)	periphery
				(Rs./unit)
01st April,	0000 Hours	Adani	50	3.69
2021 to 30 <sup>th</sup>	to 2400	Enterprises Ltd.		
September,	Hours			
2021				
01st Oct,	0000 Hours	Adani	50	3.69
2021 to 31st	to 2400	Enterprises Ltd.		
March,	Hours			
2022				

2.8 The Petitioner submitted that the Standing Committee has evaluated the bids based on facts and circumstances to award bid for the period 01-04-2021 to 30-09-2021

and the evaluation for the period 01-10-2021 to 31-03-2021 is under progress. The Petitioner submitted the Standing Committee Certificates for compliance of MoP guidelines. The Petitioner issued the LOA to the successful bidders for acceptance of bid and the bidders have accepted the same.

- 2.9 The Petitioner has further submitted that in the meanwhile the Ministry of Power has notified the Electricity (Late Payment Surcharge) Rules, 2021. The rules have come into force on the date of their publication in the Official Gazette i.e. 22<sup>nd</sup> February, 2021. It is further submitted that the Petitioner has made necessary changes in the power purchase agreement and executed PPA for the period of 01.04.2021 to 30.09.2021.
- 2.10 Based on the above, the Petitioner requested the Commission to approve the power purchase arrangement as detailed hereinabove for supply of power during the period 01.04.2021 to 30.09.2021 in accordance with provisions of the Guidelines for Power Procurement by Distribution Licensee issued by the Commission read with the provisions of Section 86 (1) (b) of the Electricity Act, 2003.
- 2.11 The Petitioner submitted additional submissions on affidavit dated 30<sup>th</sup> April, 2021. In the additional submissions, the Petitioner submitted that the competitive bidding process was carried out for short term power purchase for the period of 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 to cater the demand of Dahej SEZ and Dholera SIR License area and subsequently based on the facts and circumstances, the Standing Committee decided to award the bid for the period of 01<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021 and in turn, the Petitioner filed a petition on 16<sup>th</sup> March, 2021

before the Commission seeking approval for short term power purchase arrangement.

2.12 The Petitioner has further submitted that the Commission had registered the Petition and directed to remit additional amount of fees in case the Petitioner seeks approval of 50 MW for the balance period of 01st October, 2021 to 31st March, 2022. It is further submitted that the Standing Committee has decided to issue the bid for 50 MW for balance period of 01st October, 2021 to 31st March, 2022. The details of successful bids are as under:

Period	Time	Successful	Quantum	Rate at
	Duration	Bidder	(MW)	GETCO
				periphery
				(Rs./unit)
01st October,	0000 Hours	Adani	50	3.69
2021 to 31st	to 2400	Enterprises		
March, 2022	Hours	Ltd.		

- 2.13 The Standing Committee accordingly decided to issue the Letter of Award (LOA) to Adani Enterprises Ltd. The Petitioner had issued the LOA dated 14<sup>th</sup> April, 2021 to the successful bidder and bidder accepted the same.
- 2.14 Based on the above, the Petitioner has requested the Commission to approve the power purchase arrangement as detailed hereinabove for supply of power during the period of 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 in accordance with provisions of the Guidelines for Power Procurement by Distribution Licensee issued by the Commission read with the provisions of the Section 86 (1) (b) of the Electricity Act, 2003.

- 3. The matter was kept for hearing on 03<sup>rd</sup> May, 2021. Shri Chetan Bundela, on behalf of the Petitioner, mentioned the facts as stated in para 2 above.
- 4. We have considered the submissions made by the Petitioner. The Petitioner has filed the present Petition seeking approval for Short Term Round the Clock (RTC) Power Purchase Arrangement for the period from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 in two phases with same quantum i.e. 50 MW from 01<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021 and 50 MW from 01<sup>st</sup> October, 2021 to 31<sup>st</sup> March, 2022. We also note that the Petitioner, being a distribution licensee, has the Universal Service Obligation to ensure uninterrupted electricity supply to the consumers within the licensee area as provided under Section 43 of the Electricity Act, 2003.
  - 4.1 The Petitioner has prayed to grant the approval for procurement of 50 MW RTC power during (i) 1<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021 and (ii) during 1<sup>st</sup> October, 2021 to 31<sup>st</sup> March, 2022 at the rate of Rs. 3.69/unit (at GETCO periphery) in accordance with the provisions of the Guidelines for Power Procurement by the Distribution Licensee issued by the Commission vide Notification No. 02 of 2013 dated 14<sup>th</sup> August, 2013 read with the Section 86 (1) (b) of the Electricity Act, 2003. It is, therefore, necessary to refer the relevant provisions of Section 86 (1) (b) of the Electricity Act, 2003 and the guidelines issued by the Commission:

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

,,,

As per the aforesaid provision, it is the function of the Commission to regulate the electricity purchase and procurement process of the Distribution Licensee including price quantum and agreement.

4.2 Clause 13, 14, 15 and 16 of the Procurement of Power through Competitive Bidding Guidelines dated 14<sup>th</sup> August, 2013 issued by the Commission are reproduced below:

"…………

- 13. Where the Distribution Licensee is to procure power on a short-term basis or there is a shortfall due to any reason whatsoever, or failure in the supply of electricity from any approved source of supply during the year, for any reason whatsoever, the licensee may enter in to a short-term arrangement or agreement for procurement of power through power exchanges or through a transparent process of open tendering and competitive bidding.
- 14. In case of procurement of power through competitive bidding, the Distribution Licensee shall initiate the process for short-term power procurement in accordance with the Ministry of Power's Guidelines for Short Term Procurement of Power by Distribution Licensees through Tariff based bidding process' notified by the Ministry of Power on 15/05/2012 and in force from time to time. As provided in the MoP Guidelines:
  - a) The bid documentation shall be prepared in accordance with the MoP guidelines and the approval of the GERC shall be obtained unless the bid documents are as per the standard bid documents issued by the Central Government.
  - b) Generally, no deviation shall be allowed from these Guidelines. However, if it is essential to have the deviation from these Guidelines, the same could be done with the prior approval of the GERC.
  - c) The Procurer(s) shall procure short-term power as per the plan approved by the GERC or appropriate body as may have been constituted for the purpose by the GERC. In such case the Distribution Licensees will intimate about the initiation of the procurement process to the GERC.

d) In case procurement of short-term power exceeds the approved annual short-term procurement plan, the Procurer(s) shall obtain prior approval from the GERC or any appropriate body as may have been constituted for the purpose by the GERC.

15. For procurement on short-term basis, a single-stage bid process by inviting Request for Proposal (RFP) shall be adopted. Procurer or authorized representative shall prepare bid document in line with these Guidelines. The Procurer shall publish an RFP notice in at least two national newspapers and upload the same on company website to accord it wide publicity. The bidding shall necessarily be by way of competitive bidding.

16. The PPA shall be signed with the selected bidder(s) consequent to the selection process.

a. After the conclusion of bid process, the Standing Committee constituted for evaluation of RFP bids shall provide appropriate certificate on conformity of the bid process evaluation to the provisions of the RFP document. The Procurer shall provide a certificate on the conformity of the bid process to these Guidelines to the GERC.

b. If the quantum of power procured and tariff determined are within the overall approval granted by the GERC in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the GERC.

In all other cases, the Procurer(s) shall submit a petition to the GERC for adoption of tariff within two days from the date of signing of PPA. The GERC should communicate the decision within seven days from the date of submission of petition.

......,"

As per Clause 13 of the aforesaid guidelines, when the Distribution Licensee needs to procure the power to meet the demand of the consumers on the short-term basis, the Distribution Licensee may do so through energy exchange or through transparent process of open tendering and competitive bidding.

Clause 14 of the aforesaid Guidelines provides that in case of procurement of power through the competitive bidding, the Distribution Licensee shall initiate the process for Short-Term Power Procurement in accordance with the Guidelines for Short-Term Procurement of Power by the Distribution Licensee through tariff based bidding process notified by the Ministry of Power, Government of India on 15<sup>th</sup> May, 2012. The bid documents submitted by the Petitioner are as per the MoP guidelines consist of the deviations earlier approved by the Commission. Thus, the bid documents are in accordance with the MoP guidelines.

Sub-clause (b) of Clause 14 of the aforesaid Guidelines provides that whenever there is any deviation from these Guidelines, the same could be done with prior approval of the Commission. Further, sub-clause (c) of the Clause 14 of the aforesaid Guidelines provides that the procurer shall procure the short term power as per the plan approved by the Commission.

Clause 15 of the said Guidelines provides that for Procurement of Power on short-term basis a single stage bid process by inviting Request for Proposal (RFP)shall be adopted. Further, it is also provided that the procurer/distribution licensee shall publish an RFP notice in at least 2 national newspapers and upload the same on the company's website to accord wide publicity. The bidding shall necessarily be by way of competitive bidding.

Sub-Clause (a) of Clause 16 of the aforesaid Guidelines provides that the Standing Committee needs to be constituted for evaluation of RFP bids who shall provide appropriate certificate on conformity of the bid process evaluation to the provisions of RFP document and conformity of the bid process to these guidelines to the Commission.

Sub-Clause (b) of Clause 16 of the aforesaid Guidelines provides that if the quantum of power procured and tariff determined are within the overall approval granted by the Commission in the Aggregate Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Commission.

4.3 We note that the Petitioner had published the tender notice on 9<sup>th</sup> February, 2021 in the Business Standard (All India edition) and Mint (All India edition) newspapers for procurement of 50 MW RTC power from 1st April, 2021 to 30th September, 2021 and 50 MW RTC power during the period 1st October, 2021 to 31st March, 2022. Thus, the

tender notice issued by the Petitioner in 2 (two) newspapers is in compliance with Clause 15 of the Guidelines for Procurement of Power issued by the Commission.

- 4.4 As per the aforesaid Public Notice, it transpires that the bidders have to submit their offers on MSTC's website (DEEP Portal). The Petitioner has also uploaded the RFP and draft PPA on their website. The last date of submission of bids was 13<sup>th</sup> February, 2021.
- 4.5 We further note that the Petitioner has constituted a Standing Committee as per Clause 6 of the Guidelines for Procurement of Power by the Distribution Licensee issued by MoP. The Standing Committee comprises of following persons:

1.	Shri Naimesh Shah, Vice President	Chairman
2.	Shri Mayank Gupta, Vice President	Member
3.	Shri Dhiraj Bengani, General Manager	Member

The Petitioner submitted a certificate dated 26<sup>th</sup> February, 2021 of Standing Committee. The certificate dated 26<sup>th</sup> February, 2021 issued by the Standing Committee is reproduced below:-

"…… Torrent Power Limited (TPL) decided to invite bids for RTC Power for its license areas of Dahej SEZ and Dholera SIR for following quantity and duration vide its tender no "Torrent Power Limited/Short/20-21/ET/88" dated 8<sup>th</sup> February 2021:

Requisition	Period	Time Slot	Total Quantum
			(MW)
1	01-04-2021 to 30-09-2021	00 Hrs to 2400	50
		Hrs	
2	1-10-2021 to 31-03-2022	00 Hrs to 2400	50
		Hrs	

## Publication of tender

TPL issued tender on DEEP portal on MSTC website on 8<sup>th</sup> February 2021 and published the tender notice on 9<sup>th</sup> February 2021 for procurement of Power on short term basis during 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 in following newspapers:

- 1. Business Standard (All Edition-Eng.): Delhi, Lucknow, Chandigarh, Kolkata, Bhubaneshwar, Mumbai, Pune, Ahmedabad, Chennai, Kochi, Bangalore, Hyderabad
- 2. Mint:- All Edition: Ahmedabad, Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad (Chandigarh & Pune Satellite editions)

## Bid Evaluation

Total 5 bids were received at IPO stage. E-reverse auction was conducted on MSTC's portal on 19<sup>th</sup> February' 21. The result of e-reverse auction is as under:

Requisition	Period	Time	Successful	Quantum	Rate at
		Duration	Bidder/MSTC	(MW)	GETCO
			Regis. no		periphery
					(Rs./unit)
1	01-04-	00 hours	Adani	50	3.69
	2021 to	to 2400	Enterprises		
	30-09-	hours	Ltd/91600		
	2021				
2	01-10-	00 hours	Adani	50	3.69
	2021 to	to 2400	Enterprises		
	31-03-	hours	Ltd/91600		
	2022				

Committee decided and issued Letter of Award (LOA) to Adani Enterprises Limited for 01-04-2021 to 30-09-2021 as per the above table. Evaluation for the period 01-10-2021 to 31-03-2022 is under progress.

The Committee hereby certifies that the bid process evaluation is done according to the provisions of the RfP document and the bidding process is in conformity with the Guideline for short term power procurement issued by Ministry of Power vide notification no. 23/25/2011-R& R dated 30<sup>th</sup> March, 2016...."

It is observed that the Standing Committee has confirmed that the tender notice was published in the newspapers, viz, (i) Business Standard (all India editions): Delhi, Lucknow, Chandigarh, Kolkata, Bhubaneswar, Mumbai, Pune, Ahmedabad, Chennai, Kochi, Bangalore, Hyderabad and (ii) Mint (all India editions): Ahmedabad, Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, (Chandigarh & Pune – Satellite Editions).

- 4.6 The aforesaid certificate dated 26th February, 2021 issued by the Standing Committee states that bids were invited for 50 MW RTC power for the period from 1<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021 and 50 MW RTC power for the period from 1<sup>st</sup> October, 2021 to 31<sup>st</sup> March 2022.
- 4.7 The Certificate also states that total 5 bids were received and after e-reverse auction was conducted on MSTC's Portal on 19th February, 2021 bids of Adani Enterprises Limited for 50 MW @ Rs. 3.69/Unit (at GETCO periphery) for the period from 1st April, 2021 to 30<sup>th</sup> September, 2021 and 50 MW @ Rs. 3.69/Unit (at GETCO periphery) for the period from 1st October, 2021 to 31st March, 2022 were found to be lowest. The said certificate also states that the Committee decided to issue Letter of Award to Adani Enterprises Limited for 50 MW RTC Power @ Rs. 3.69/Unit (at GETCO periphery) for the period from 1st April, 2021 to 30th September, 2021 and evaluation for the period 01st October, 2021 to 31st March, 2022 is under progress. Thereafter, the Petitioner vide additional submission dated 30<sup>th</sup> April,2021 submitted the certificate dated 08th April, 2021 of Standing Committee certifying the bid evaluation process is done according to the provisions of the RfP document and the bidding process is in conformity with the Guidelines for short term power procurement issued by the Ministry of Power vide Notification No. 23/25/2011 - R& R dated 30<sup>th</sup> March, 2016. The Petitioner has also issued the LOA vide Letter dated 14th April, 2021 to Adani Enterprises Limited for supply of power for the period 1st October, 2021 to 31st March, 2022.
- 4.8 We further note that the Petitioner also submitted a certificate dated 08<sup>th</sup> April, 2021 of Standing Committee. The Standing Committee is constitute of following persons:

1.	Shri Naimesh Shah, Vice President	Chairman
2.	Shri Mayank Gupta, Vice President	Member
3.	Shri Dhiraj Bengani, General Manager	Member

The certificate issued by the Standing Committee is reproduced below:

"....... Torrent Power Limited (TPL) decided to invite bids for RTC Power for its license areas of Dahej SEZ and Dholera SIR for following quantity and duration vide its tender no. "Torrent Power Limited/Short/20-21/ET/88" dated 8<sup>th</sup> Feb'21:

Requisition	Period	Time Slot	Total Quantum
			(MW)
1	01-04-2021 to 30-09-2021	00 Hrs to 2400 Hrs	50
2	1-10-2021 to 31-03-2022	00 Hrs to 2400 Hrs	50

## Publication of tender

TPL issued tender on DEEP portal on MSTC website on 8<sup>th</sup> Feb'2021 and published the tender notice on 9<sup>th</sup> Feb'2021 for procurement of Power on short term basis during 1<sup>st</sup> Apr'2021 to 31<sup>st</sup> Mar'2022 in following newspapers:

- 1. Business Standard (All Edition-Eng.): Delhi, Lucknow, Chandigarh, Kolkata, Bhubaneshwar, Mumbai, Pune, Ahmedabad, Chennai, Kochi, Bangalore, Hyderabad.
- 2. Mint:- All Edition: Ahmedabad, Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad (Chandigarh & Pune Satellite editions).

## Bid Evaluation

Total 5 bids were received at IPO stage. E-reverse auction was conducted on MSTC's portal on 19<sup>th</sup> Feb'21. The result of e-reverse auction is as under:

Requisition	Period	Time	Successful	Quantu	Rate at
		Duration	Bidder/MSTC	m	GETCO
			Regis. no	(MW)	periphery
					(Rs./unit)
1	01-04-2021 to	00 hours	Adani	50	3.69
	30-09-2021	to 2400	Enterprises		
		hours	Ltd/ 91600		
2	01-10-2021 to	00 hours	Adani	50	3.69
	31-03-2022	to 2400	Enterprises		
		hours	Ltd/ 91600		

Evaluation for the period 01-04-2021 to 30-09-2021 has already been concluded and corresponding certificate and Letter of Award (LOA) were issued on 26<sup>th</sup> Feb'2021. Committee has now decided and recommend to issue LOA to Adani Enterprises Limited for 01-10-2021 to 31-03-2022 as per the above table.

The Committee hereby certifies that the bid process evaluation is done according to the provisions of the RfP document and the bidding process is in conformity with the Guideline for short term power procurement issued by Ministry of Power vide notification no. 23/25/2011-R& R dated 30th March, 2016...."

It is observed that the Standing Committee has confirmed that the tender notice was published in the newspapers, viz, (i) Business Standard (all India editions): Delhi, Lucknow, Chandigarh, Kolkata, Bhubaneswar, Mumbai, Pune, Ahmedabad, Chennai, Kochi, Bangalore, Hyderabad and (ii) Mint (all India editions): Ahmedabad, Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, (Chandigarh & Pune – Satellite Editions).

- a. The certificate confirms that the bid process evaluation has been done in accordance with the provisions of the RFP document and the bidding process carried out in conformity with the Guidelines for Short-Term Power Procurement issued by the Ministry of Power vide notification No. 23/25/2011- R&R dated 30<sup>th</sup> March, 2016.
- b. Based on the above, we decide that the process for procurement of power is carried out by the Petitioner in conformity with the Guidelines for Short-Term Procurement of Power by Distribution Licensee through Tariff based bidding, issued by the Ministry of Power vide Notification dated 30<sup>th</sup> March, 2016 and the Guidelines for Procurement of Power by Distribution Licensee issued by the Commission vide Notification No. 2 of 2013 dated 14<sup>th</sup> August, 2013.
- c. We, therefore, decide to adopt the tariff of Rs. 3.69/Unit (at GETCO periphery) for procurement of 50 MW RTC power by the Petitioner from Adani Enterprises Limited for the period 1<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021 and Rs. 3.69/Unit (at GETCO periphery) for procurement of 50 MW RTC power for the period 1<sup>st</sup> October, 2021 to 31<sup>st</sup> March, 2022, from Adani Enterprises Limited. The Commission thus, decides to approve the procurement of power by the Petitioner for the period 1<sup>st</sup> April, 2021 to 30<sup>th</sup>

September, 2021 and for the period 1<sup>st</sup> October, 2021 to 31<sup>st</sup> March, 2022 as per the recommendation of the Standing Committee constituted for bid evaluation.

d. We also note that the Ministry of Power has notified the Electricity (Late Payment Surcharge) Rules, 2021. The Rules have come into force on the date of their publication in the Official Gazette i.e. 22<sup>nd</sup> February, 2021. The said Rules read as under:

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".....2 Application.-
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- (b) such Power Purchase Agreements, Power Supply Agreements and Transmission Service Agreements that become effective after these rules come into force, in which tariff is determined under section 63 of the Act.
- 3. Definitions. -(1) In these rules, unless the context otherwise requires,-
- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "base rate of Late Payment Surcharge" means the marginal cost of funds based lending rate for one year of the State Bank of India, as applicable on the 1st April of the financial year in which the period lies, plus five percent and in the absence of marginal cost of funds based lending rate, any other arrangement that substitutes it, which the Central Government may, by notification, in the Official Gazette, specify:

Provided that if the period of default lies in two or more financial years, the base rate of Late Payment Surcharge shall be calculated separately for the periods falling in different years;

- (c) "due date" means the date by which the bill for the charges for power supplied by the generating company or electricity trader or for the transmission service provided by a transmission licensee are to be paid, in accordance with the Power Purchase Agreement, Power Supply Agreement or Transmission Service Agreement, as the case may be, and if not specified in the agreement, forty-five days from the date of presentation of the bill by such generating company, electricity trader or transmission licensee;
- (d) "Late Payment Surcharge" means the charges payable by a distribution company to a generating company or electricity trader for power procured from it, or by a user of a transmission system to a transmission licensee on account of delay in payment of monthly charges beyond the due date;
- (2) Words and expressions used and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.
- 4. Late Payment Surcharge. (1) Late Payment Surcharge shall be payable on the payment outstanding after the due date at the base rate of Late Payment Surcharge applicable for the period for the first month of default.
- (2) The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay provided that the Late Payment Surcharge shall not be more than 3 percent higher than the base rate at any time:

Provided that the rate at which Late Payment Surcharge shall be payable shall not be higher than the rate specified in the agreement for purchase or transmission of power, if any:

Provided further that, if a distribution licensee has any payment including Late Payment Surcharge outstanding against a bill after the expiry of seven months from the due date of the bill, it shall be debarred from procuring power from a power exchange or grant of short term open access till such bill is paid.

The said rules are statutory Rules notified under the Electricity Act, 2003. Therefore, it needs to give an effect in the power procurement by the distribution licensee. We note that the Petitioner has made necessary changes in Article 5.3.3 of the power purchase agreement and executed PPA for the period 01<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021.

- 5. In view of above, this petition is allowed and it is decided to approve the Short Term Power Purchase of 50 MW RTC power @ Rs. 3.69/Unit (at GETCO periphery) for the period 1st April, 2021 to 30th September, 2021 and 50 MW RTC power @ Rs. 3.69/Unit (at GETCO periphery) for the period 1st October, 2021 to 31st March, 2022, from Adani Enterprises Limited as recommended by the Standing Committee of bid evaluation by adoption of tariff as per recommendation of the Standing Committee of Bid Evaluation. It is directed to the Petitioner to submit copies of duly executed PPAs to the Commission confirming on affidavit that the PPAs consist of terms and conditions as per the bidding guidelines documents and deviations approved by the Commission. It is also directed to the Petitioner that for the purpose of transparency, it shall make the bids public by indicating the tariff quoted by all the Bidders, after signing of the PPA or PPA becoming effective, whichever is later. While doing so, only the name of the Successful Bidder(s) shall be made public and tariffs quoted by other Bidders shall be made public anonymously in terms of Clause 11.3 of the 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 notified by Ministry of Power vide Notification No.23/25/2011-R&R dated 30<sup>th</sup> March, 2016.
- 6. The Order is passed as above.
- 7. With this Order the Petition Stands disposed of.

Sd/-[S. R. Pandey] Member Sd/-[Mehul M. Gandhi] Member

Place: Gandhinagar Date: 12.05.2021