

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2343 of 2024.

In the Matter of:

Petition under Section 63 read with Section 86 (1) (b) of the Electricity Act, 2003 for procurement and adoption of tariff discovered pursuant to the Competitive Bidding Process for procurement of power from Grid connected Wind Power Projects through RfS No. GUVNL/500 MW/ Wind (Phase VI) dated 10.07.2023 & Addendums thereto.

And

IA No. 13 of 2024 in Petition No. 2343 of 2024.

In the Matter of:

Interlocutory Application for impleadment of Respondents in Petition No. 2248 of 2023.

Applicant/Petitioner : Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan,
Race Course Circle, Vadodara-390007.

Represented By : Mr. H.N. Shah and Mr. A.H. Chavda
V/s.

Respondent No. 1 : Alfanar Power Limited
16th Floor, DLF Bldg. No. 5,
Tower C, DLF Cyber City, Phase – 3,
Gurugram, Haryana – 122002.

Represented By : Mr. Vishal Bhadauria

Respondent No. 2 : Juniper Green Energy Private Limited
Plot No. 18, 1st Floor,
Institutional Area, Sector 32,
Gurugram, Haryana – 122001.

Represented By : Mr. Kovid Bhatt

CORAM:

**Anil Mukim, Chairman
Mehul M. Gandhi, Member
S.R. Pandey, Member**

Date: 10/06/2024.

ORDER

1. This Petition has been filed by the Petitioner Gujarat Urja Vikas Nigam Limited (GUVNL) under Section 63 read with Section 86(1)(b) of the Electricity Act 2003 *inter alia* seeking following prayers:

- (a) To admit the present petition.*
- (b) To adopt the tariffs discovered by the Petitioner (as mentioned at para 41) and approve the procurement of power from 500 MW Grid connected Wind Power Projects in Gujarat under Competitive Bidding Process through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and Addendums thereto.*
- (c) To allow the Petitioner to sign Power Purchase Agreements with the project developers for the capacity and tariffs mentioned in the Petition.*
- (d) To condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to make addition/change/modification to the Petition as may be required.*
- (e) The Petitioner craves relief of the Commission to allow further submissions, prayers, additions and alterations to this Petition as may be necessary from time to time.*
- (f) Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case, to avoid further delay and in the interest of justice.*

2. The Petitioner has filed this Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003 seeking adoption of tariff by the Commission and hence it is necessary to refer aforesaid Sections as under:

“.....

Section 63:

*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;”
.....”*

As per above Section, whenever transparent competitive bidding process is conducted under Section 63 of the Electricity Act, 2003 in accordance with the guidelines issued by the Central Government, the tariff discovered under such bidding has to be adopted by the Commission.

“.....

Section 86(1) The State Commission shall discharge the following functions, namely: -----

(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, the Commission has to regulate the power procurement of the Distribution Licensees, including the procurement process, the price at which electricity shall be purchased from the generating company or the Licensees or through other sources through agreement for purchase of power for distribution and supply within the State.

3. This Petition filed by the Petitioner is within the purview of the jurisdiction of this Commission and in terms of the powers vested by the Electricity Act, 2003 and Regulations framed thereunder, the Commission admits the present Petition.
4. Facts mentioned in the Petition in brief are as under:
 - 4.1. Government of Gujarat notified the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 in May 2003 for reorganization of the power sector in

the State of Gujarat. Pursuant to this, the Gujarat Electricity Industry Reorganization and Comprehensive Transfer Scheme, 2003 had been notified under the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, whereby, erstwhile Gujarat Electricity Board (GEB) was reorganized, and its functions have been vested in different entities.

- 4.2. The activities of Generation, Transmission, Distribution, Bulk Power Purchase and Supply undertaken by erstwhile Gujarat Electricity Board have been entrusted to separate seven functional entities. The generation activity is assigned to Gujarat State Electricity Corporation Limited (GSECL), transmission activity is assigned to Gujarat Energy Transmission Corporation Limited (GETCO) and the distribution activity is assigned to four distribution companies viz. Uttar Gujarat Vij Company Limited (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Dakshin Gujarat Vij Company Limited (DGVCL) and Paschim Gujarat Vij Company Limited (PGVCL). Further, the function of bulk purchase and bulk sale of power is assigned to the Petitioner, Gujarat Urja Vikas Nigam Limited, as per the re-organization scheme.
- 4.3. It is stated that the Distribution companies (DISCOMs) are mandated to procure power from Renewable Energy Sources as per the provision of Section 86(1)(e) of the Electricity Act, 2003 and in terms of the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 as amended from time to time.
- 4.4. The Petitioner on behalf of its four Distribution companies has been entering into Power Purchase Agreement(s) amongst others with various Renewable Energy Generators for procurement of power from time to time.
- 4.5. Section 63 of the Electricity Act, 2003 provides that 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. The Electricity Act, 2003, the National Electricity Policy, 2005 and the Tariff Policy, 2016 envisages promotion of Renewable Energy Sources and Co-generation of electricity based on renewable generation sources. Section 3 (1) of the Electricity Act, 2003, requires the Central Government to formulate the National Electricity Policy in consultation with the Central Electricity Authority

(CEA) and the State Governments for inter alia development of renewable sources of energy. Section 61 (h) of the Electricity Act, 2003 mandates the State Electricity Regulatory Commissions (SERCs) to specify the terms and conditions for determination of tariff bearing in mind the promotion of co-generation and generation of electricity from renewable sources of energy. As per Section 86 (1) (b) of the Electricity Act, 2003, the Commission to 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. Also, Section 86 (1) (e) of the Electricity Act, 2003 mandates the SERCs to promote co-generation and generation of electricity based on Renewable Energy Sources.

- 4.6. Promotion of competition in the electricity industry in India is one of the key objectives of the Electricity Act 2003. Power purchase costs constitutes the largest cost element for distribution licensees. Competitive procurement of electricity by the distribution licensees is expected to reduce the overall cost of procurement of power and lead to reduction in prices of electricity and result in significant benefits for consumers.
- 4.7. Sections 61 and 62 of the Electricity Act, 2003 empower the State Commissions to specify the terms and conditions for determination of tariff for generation, transmission, distribution and supply of electricity in their State. In order to promote further competition, Section 63 of the Electricity Act 2003 provides that the State Commission to adopt such tariffs which have been determined through a transparent process of Competitive Bidding in accordance with the guidelines issued by the Central Government.
- 4.8. Clause 6.4(2) of the National Tariff Policy, 2016 formulated by the Ministry of Power, Government of India has given specific guidance on purchase of power generated from renewable energy sources. It states that States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources, from Projects above the

notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government. However, till such notification, any such procurement of power from renewable energy sources Projects, may be done under Section 62 of the Electricity Act, 2003.

4.9. The Ministry of Power, Government of India notified the “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects” on 08.12.2017 and subsequently amendments have been made therein on 16.07.2019. Clause 5.1 of the said Guidelines provides following conditions in respect to ‘Bid documentation’:

- a) *“Prepare the bid documents in accordance with these Guidelines and Standard Bidding Documents (SBDs) [consisting of Model Request for Selection (RfS) Document, Model PPA and Model PSA], notified by the Central Government, except as provided in sub clause (c) below.*
- b) *Inform the Appropriate Commission about the initiation of the bidding process.*
- c) *Seek approval of the Appropriate Commission for deviations, if any, in the draft RfS, draft PPA, draft PSA (if applicable) from these Guidelines and/or SBDs, in accordance with the process described in Clause 22 of these Guidelines.*
 - i. *However, till the time the SBDs are notified by the Central Government, for purpose of clarity, if the Procurer while preparing the draft RfS, draft PPA, draft PSA and other Project agreements provides detailed provisions that are consistent with the Guidelines, such detailing will not be considered as deviations from these Guidelines even though such details are not provided in the Guidelines.*
 - ii. *Further, in case of an ongoing bidding process, if the bids have already been submitted by bidders prior to the notification of these Guidelines and/or SBDs, then if there are any deviations between these Guidelines and/or the SBDs and the proposed RfS, PPA, PSA (if applicable), the RfS, PPA and the PSA shall prevail.”*

4.10. It is stated that the Commission vide its letter dated 18.03.2017 addressed to the Petitioner observed that as per provisions of National Tariff Policy, procurement from Renewable Energy Projects by the Distribution Licensees is recommended through Competitive Bidding to keep the tariff low. Further, it was observed by the

Commission that the Government of India and various other State Governments have initiated Competitive Bidding Process in which the discovered tariff has shown substantial reduction. It was also directed in the said letter that the Distribution Licensees to procure electricity from the Wind/Solar Power Projects through Competitive Bidding Process under Section 63 of the Electricity Act, 2003 or by following the Competitive Bidding Process followed by SECI/MNRE. It was further directed that the tariff determined by the Commission in the respective category of Renewable Energy will act as ceiling tariff and the Distribution Licensees may approach the Commission for adoption of the tariff discovered through such Competitive Bidding Process.

- 4.11. It is stated that the Petitioner had formerly undertaken five rounds of Competitive Bidding in the year of 2017, 2019, 2022 and 2023 for purchase of power from grid connected Wind Power Projects and had been granted approval of some deviations from the Commission. Through aforementioned five rounds of Competitive Bidding, the Petitioner has tied up 1802 MW Wind capacity. The present wind installed capacity comprising of PPAs tied up at preferential tariff, REC Mechanism and under Competitive Bidding undertaken by the Petitioner GUVNL has reached 4274 MW.
- 4.12. The Commission vide Notification dated 08.04.2022 has notified the GERC (Procurement of Energy from Renewable Energy Sources) (Third Amendment) Regulations, 2022 stipulating RPO Targets upto FY 2024-25, wherein the Wind RPO percentages are specified as 8.25%, 8.40% and 8.55% for FY 2022-23, FY 2023-24 and FY 2024-25 respectively.
- 4.13. It is stated that the generation benefit from the PPAs executed under Competitive Bidding which may be made available after a lapse of about 24 months will be useful in achieving RPO compliance of ensuing years. The Petitioner accordingly contemplated to initiate Competitive Bidding process for procurement of Wind power from 500 MW capacity. Further, similar to Petitioner's recent Wind Tender (Phase V), the Petitioner envisaged incorporating similar 'Green-shoe option' for upto additional 500 MW capacity.

- 4.14. The Petitioner had also published the Notice Inviting Tender in two English newspapers having wide circulation at National level regarding the tender.
- 4.15. It is stated that while inviting its earlier Wind Tender(s), the Petitioner had obtained approval of the Commission for certain deviations from MoP's Guidelines and the same were duly approved by the Commission vide its Orders dated 15.03.2018 and 26.02.2019. Further, the MOP's Guidelines are silent on the aspect of incorporation of 'Green-shoe option'.
- 4.16. The Petitioner on behalf of the four Distribution Companies proceeded with the Competitive Bidding Process followed by e-reverse auction for procurement of 500 MW grid connected power from Wind Power Projects with additional allocation of upto 500 MW under intimation to the Commission on 10.07.2023. The Petitioner vide letter dated 07.07.2023 also made advanced intimation to the Commission regarding initiation of bidding process.
- 4.17. Moreover, a Pre-Bid Meeting with prospective bidders was conducted on 21.07.2023 to address the issues / queries of the Prospective Bidders. The Petitioner had received various queries/suggestions/recommendations from the prospective bidders and the Petitioner addressed the same at length during the meeting and subsequently also published the Minutes of Meeting duly incorporating a detailed list of queries & suggestions of the Bidders, clarifications / replies thereto. For avoidance of doubt and for the sake of issuance of due clarification, the Petitioner also issued necessary Addendum-1 with regard to the modifications/amendments incorporated in the RfS and Draft PPA.
- 4.18. Thereafter, Ministry of Power, Government of India notified "New Guidelines for Tariff Based Competitive Bidding Process for the Procurement of Power from Grid Connected Wind Power Projects, on 26.07.2023. Clause 4.1 of the said Guidelines provides following conditions in respect to 'Bid documentation':

"a) Prepare the bid documents in accordance with these Guidelines.

b) Seek approval of the Government for deviations, if any, in the draft RfS, draft PPA, draft PSA (if applicable) from these Guidelines and/ or Standard Bidding Documents (SBDs), in accordance with the process described in Clause 18 of

these Guidelines.

However, if the Procurer while preparing the draft RfS, draft PPA, draft PSA and other Project agreements provides detailed provisions that are consistent with the Guidelines, such detailing will not be considered as deviations from these Guidelines.”

4.19. Clause 18 of the aforesaid Guidelines with regard to ‘Deviation from process defined in the Guidelines’ provides as under:

“In case it becomes imperative for the Procurer/intermediate procurer to deviate from these Guidelines and or the SBDs, the same shall be subject to approval by the Appropriate Government before the initiation of the bidding process itself. The Appropriate Government shall approve or require modification to the bid documents within a reasonable time not exceeding 60 (sixty) days.”

4.20. Further, Clause 3 of ‘Applicability of Guidelines’ of aforesaid Guidelines provide as under:

“...In case there are any ongoing bids wherein the last date of bid submission is after the date of notification of these Guidelines, then the bid documents in respect of such bids shall be appropriately modified to bring them in alignment with these Guidelines.”

4.21. Thus, the aforesaid Guidelines provide that if the provisions in the Tender Documents viz. draft RfS & Draft PPA are consistent with the Guidelines, then such detailing will not be considered as deviations from the Guidelines even though such details are not provided in the Guidelines. It is further submitted that the Standard Bidding Documents are yet to be published by MoP, Government of India.

4.22. In terms of Clause No. 18 of New Guidelines, GUVNL vide letter dated 11.09.2023 has approached Energy and Petrochemicals Department, Government of Gujarat for approval of deviations from the New Guidelines. In response to the same, Energy and Petrochemicals Department, Government of Gujarat vide letter dated 29.09.2023 has approved the deviation sought by GUVNL.

- 4.23. In the above background, the Petitioner revised tender documents i.e. RfS & Draft PPA. The Petitioner vide letter dated 30.10.2023 had also forwarded Revised Draft Tender Documents to the Commission submitting that in the revised draft tender documents of proposed Wind Tender (Phase VI), there are no other deviations taken by the Petitioner other than those earlier approved by Energy and Petrochemicals Department, Government of Gujarat vide letter dated 29.09.2023.
- 4.24. Pursuant to the above, the Revised Tender Documents were published on the website of the Petitioner as well as on the web based portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS) on 19.10.2023 for participation in the e-tender and e-reverse auction.
- 4.25. Moreover, on account of revision of tender documents, another Pre-Bid Meeting with Prospective Bidders was conducted on 30.10.2023 to address the issues/queries of the Prospective Bidders. The Petitioner had received various queries/suggestions/recommendations from the Prospective Bidders and the Petitioner addressed the same at length during the meeting and subsequently also published the Minutes of Meeting duly incorporating a detailed list of queries & suggestions of the Bidders, clarifications/replies thereto. For avoidance of doubt and for the sake of issuance of due clarification, the Petitioner also issued necessary Addendum-2 with regard to the modifications/amendments incorporated in the RfS and Draft PPA.
- 4.26. It is further submitted that various Wind Developers had requested for extension of timelines to enable them to undertake various activities as per the bid requirements viz. site identification, conducting wind assessment/feasibility study, negotiation with OEMs, etc. to enable them to formulate competitive tariff. In view of requests received from several Bidders and in the interest of wider participation and to have better competition, the Petitioner has extended the bid deadline and rescheduled the bid deadline from 16.11.2023 to 15.12.2023.
- 4.27. The Technical Bid Opening was held on 19.12.2023 @ 11:30 hours and the Technical Bid Opening of online bids on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS) as well as offline bids was held in the

presence of a Committee comprising of the following members for opening and evaluation of the technical and financial bids:

Technical Bid Evaluation Committee		
Sr. No.	Name	Designation
1.	Smt. Bhavani Ghattamaneni	Chief Finance Manager (RE)
2.	Shri Parthiv Bhatt	Company Secretary
3.	Shri Nilay Joshi	Controller of Accounts (F&A)
4.	Shri M K Jani	Superintending Engineer (RE)

Financial Bid Evaluation Committee		
Sr. No.	Name	Designation
1.	Shri Hiren Shah	General Manager (RE)
2.	Smt. Bhavani Ghattamaneni	Chief Finance Manager (RE)
3.	Shri Parthiv Bhatt	Company Secretary
4.	Shri Nilay Joshi	Controller of Accounts (F&A)

4.28. The Petitioner received bids from four Bidders offering aggregate capacity of 205 MW. The Bid Evaluation Committee scrutinized the bids submitted by the Bidders and deliberated the issues in detail about responsiveness of the bids. Pursuant to the observation of discrepancies, queries were raised by the Petitioner on e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS) against the responsiveness issues. The responsiveness issues and queries raised by the Committee and the compliance/clarification/additional documents submitted by Bidders were duly examined by the Committee to evaluate their qualification. The Technical Bid Evaluation Report duly vetted by Members of Bid Evaluation Committee is also filed with the Petition.

4.29. Based on the techno-commercial bid evaluation by the Committee and their recommendation, the Financial Bids of all technically qualified 4 (four) bidders were opened on 02.01.2024 @ 11:30 hours on the ISN-ETS web-portal in the presence of above-mentioned Bid Evaluation Committee. Thereafter, in accordance with the terms of the RfS, 4 (four) No. of Bidders aggregating to 205 MW capacity were shortlisted by the Committee for e-reverse auction. Since bids for only 205 MW was received, e-RA conducted for only 80% of the subscribed capacity and i.e., 164 MW as per Clause No. 4.3 of RfS.

4.30. The e-reverse auction was conducted on the web-portal of ISN-ETS on 02.01.2024

@ 15:30 hours. Since bids for only 205 MW was received, e-reverse auction was conducted for only 80% of the subscribed capacity as per Clause No. 4.3 of RfS. The e-report generated at the closure of e-reverse auction pursuant to the bucket-filling concept is also filed with present Petition. The result generated at the closure of e-reverse auction on -portal of ISN-ETS is stated as under:

Sr. No.	Name of the Bidder	Capacity (MW)	Price Bid (Rs./unit)	Remarks (Zones)
L1	Alfanar Power Limited	50	3.42	Green
L2	Juniper Green Energy Private Limited	90	3.44	Green
L3	RIH Renewables Private Limited	40	3.45	Yellow
L4	Solarcraft Power India 14 Private Limited	25	3.51	Red
	Total	205		

4.31. It is stated that balance capacity in Yellow Zone is 24 MW, which is less than minimum allocation requirement of 25 MW as per principles of evaluation mentioned in the RfS. Therefore, L3 bidder is not qualified as successful bidder. Further, L4 bidder is out of bucket size of 164 MW. Therefore, L4 bidder is also not qualified as successful bidder. Based on the above, the successful bidders after e-reverse auction are as follow:

Sr. No.	Name of the Bidder	Capacity (MW)	Tariff (Rs./Unit)
L1	Alfanar Power Limited	50	3.42
L2	Juniper Green Energy Private Limited	90	3.44
	Total	140	

The Financial Bid Evaluation Report duly vetted by the Members of Bid Evaluation Committee is also filed with the Petition.

4.32. It is stated that from the above table, following facts emerge:

- (i) GUVNL has recently in February-2024 signed PPAs aggregating to 170 MW capacity at the tariff of Rs. 3.11 to 3.17 per unit under its Wind Tender (Phase V).

- (ii) The tariffs discovered in June-2023 under SECI's 1200 MW Wind Tender (Tranche-XIV) were in the range of Rs. 3.18 to 3.24 per unit. However, SECI has allocated capacity of only 690 MW against tender capacity of 1200 MW.
- (iii) Recently, SECI has discovered tariff in the range of Rs. 3.61 to 3.88 per Unit in 1350 MW ISTS-connected Wind Power Projects (SECI-Tranche-XVI) for Gujarat State. SECI has issued LOA for Gujarat State.
- (iv) It could thus be inferred that the L1 to L2 price (Rs. 3.42-3.44 per unit) under GUVNL's Wind Tender VI is higher compared to tariff discovered in Phase V; however, it is imperative to augment wind capacity in proportionate manner to support and complement the solar power generation particularly due to pattern of wind power generation which is generally higher during non-solar hours and helps in grid balancing. Additionally, wind power is a cost-effective alternative to traditional fossil fuel power plants, helping GUVNL to reduce its overall energy costs.
- (v) Recognizing the urgency to combat climate change, GUVNL has been proactively adding renewable energy capacity to the grid to facilitate the integration of solar and wind power into the existing energy infrastructure, ensuring a smooth transition towards a greener energy mix.
- (vi) It is to state that in the instant Wind Tender (Phase VI), GUVNL has incorporated a provision that only the Bidder falling within the range of L1 tariff and (L1 tariff + 1%) would qualify as successful Bidders, so as to address the issue of lower competition in Wind Tenders. However, there was significant price difference between tariff discovered under GUVNL's last wind tender under Phase-V and this Phase-VI tender due to lower competition during real-time at the time of e-RA, predominantly on account of less No. of bidders, individually offering lesser quantum (MW) compared to the total offered quantity falling under the bucket-list for reverse auction and thereby eligible for availing their quoted price (with adequate profit margin) and hence not exercising price reduction to offer their best competitive price.

- (vii) As per the provisions of the RfS, GUVNL reserves the right to short-close the capacity lower than 500 MW at its discretion, if the prices are abruptly high. Further, the discretion for allotment / non-allotment of additional capacity upto 500 MW under 'Green-shoe Option' is also solely vested with GUVNL. Furthermore, as per the terms of the RfS, GUVNL's decision regarding selection of bidder through e-RA or otherwise based on tariff or annulment of tender process shall be final and binding on all participating bidders. Therefore, GUVNL has exercised its discretion by allotting only base capacity and has not offered the green shoe capacity to the bidders.
- (viii) Considering various factors such as national targets for RE, Capacity requirement as per RPO, Energy Transition Objectives., etc., GUVNL decide to purchase power from 140 MW grid connected Wind Power Projects at the negotiated tariff but not more than tariff of Rs.3.42-3.44 per unit for the base capacity of 140 MW without offering additional equivalent Greenshoe capacity. Accordingly, a negotiation committee was formed comprising of four members to negotiate the issue of higher tariff with the successful bidders of Phase VI as under:
- i. Shri Sobhesh Agarwalla, Independent director
 - ii. Shri H P Kothari, Director (Technical)
 - iii. Shri K P Jangid, Director (Finance)
 - iv. Shri H N Shah, General Manager (RE)
- (ix) Accordingly, separate meetings through Video Conferencing (VC) was held on 06.02.2024 from 12.30 PM onwards wherein all the members were present along with individual successful bidders, viz. M/s Alfanar Power Limited and M/s Juniper Green Energy Pvt. Limited. During meeting, the committee raised issue of much higher tariff discovered in the bid due to lower participation and asked both bidders to offer their best tariff.
- (x) In view of the above mentioned meetings, M/s Alfanar Power Limited and M/s Juniper Green Energy Pvt. Limited have agreed to review and recalculate their offered tariff and respond within 2 days.

(xi) In view of the above discussion, M/s Juniper Green Energy Pvt. Limited vide email dated 06.02.2024 stated that they have submitted the bid with the most competitive tariff, considering the prevailing market conditions and therefore they will not be able to reduce their tariff below the quoted tariff, which is Rs. 3.44 per unit. M/s Alfancar Power Limited through letter vide e-mail dated 08.02.2024 stated that they have reviewed their tariff proposal taking into account various factors such as the recent pricing trends of Wind Turbine Generators (WTGs), land costs in the State of Gujarat, other commodity prices and accordingly, maintain their quoted tariff of Rs 3.42 per unit.

4.33. Based on the above, it is stated that the Petitioner GUVNL has issued Letters of Intent (LOIs) under GUVNL's Wind Tender (Phase VI) to the successful bidders. However, it has been mentioned in the LoI that PPAs shall be signed with successful bidders or its SPV only after the approval of the Commission (GERC) and in accordance with such approval.

4.34. The Petitioner GUVNL has issued Letter of Intents (LoIs) to the following Successful Bidders as under:

- i. M/s. Juniper Green Energy Pvt. Limited (L2 Bidder) vide email dated 22.02.2024 has accepted base capacity of 90 MW.
- ii. M/s Alfancar Power Limited (L1 Bidder) vide email dated 27.02.2024 has accepted base capacity of 50 MW.

4.35. It is stated that the Petitioner GUVNL has issued Letters of Intent (LoIs) under GUVNL's Wind Tender (Phase VI) as below:

Sr. No.	Successful Bidders	Capacity (MW)	Tariff (Rs / unit)
1	M/s Alfancar Power Limited	50	3.42
2	Juniper Green Energy Private Limited	90	3.44
	Total	240	

4.36. It is stated that as per Clause 3.8.4 (vi) of the RfS, the successful Bidders are required to sign PPA with the Petitioner GUVNL within 30 days from the date of

issuance of LoI or within 10 days from the adoption of tariff by the Commission, whichever is later and subsequent extension in this timeline, if required, may be finalized and agreed by the Petitioner GUVNL.

- 4.37. In view of the above and in accordance with Section 63 read with Section 86 (1) (b) of the Electricity Act 2003, the Petitioner has filed the present Petition for adoption of tariff discovered by the Petitioner in Competitive Bidding Process conducted through RfS No. GUVNL/500 MW/Wind (Phase-VI) dated 10.07.2023 and addendums thereto issued by the Petitioner for procurement of power from Grid connected Wind Power Projects in the State of Gujarat.
5. Office of the Commission is in receipt of letters (i) Letter No. JGEPL/GUVNL/03/01 dated 28.03.2024 and (ii) Letter No. APL-GUVNL-NC2024-0080 dated 01.04.2024 from the Respondents, viz., M/s Juniper Green Energy Pvt. Limited (JGEPL) and Alfanar Power Limited respectively stating that they are one of the successful/selected bidders in the Competitive Bidding Process conducted vide RfS No. GUVNL/500 MW/Wind (Phase-VI) dated 10.07.2023 and addendums thereto by the GUVNL for setting up of their respective (i.e., 50 MW & 90 MW) capacity Wind Project in the State of Gujarat. It is also stated that they are one of the Respondents in the present Petition since the Wind Project is to be developed in accordance with the terms of RfS upon adoption of tariff by the Commission and through these letters dated 28.03.2024 & 01.04.2024 submitted that they have no objection to the Petition filed by GUVNL for seeking adoption of discovered tariff and approval thereon as per the present Petition.
6. Subsequently, the IA has been filed by the Petitioner GUVNL which was registered and numbered as IA No. 13 of 2024 in Petition No. 2343 of 2024 wherein GUVNL has sought to implead (i) Alfanar Power Limited, and (ii) Juniper Green Energy Pvt. Limited as Respondents No. 1 and 2 respectively in the present Petition. The Petitioner has also filed amended memo of parties along with the present IA and requested to the Commission to take the amended memo of parties on record.
7. Thereafter, the present matter along with IA No. 13 of 2024 were kept for hearing on 06.04.2024. After hearing the parties, the Commission has passed Daily Order

dated 29.04.2024. The Commission has raised the query regarding discovered of higher price in this bid in comparison to earlier bid within the span of short time and what is the justification for it, the representative of GUVNL submitted that GUVNL has also raised the issue of higher tariff discovered in the bid due to lower participation and asked both the Respondents to offer/revise their best tariff. However, both the Respondents conveyed their inability to reduce the tariff below the quoted tariff due to various factors such as recent pricing trends of WTGs, landed costs, other commodity prices etc. It is also submitted that SECI has discovered tariff in the range of Rs. 3.61 to 3.88 per unit in 1350 MW ISTS-connected Wind Power Projects for Gujarat and also issued LoA for Gujarat State. Further, it was agreed to provide justification with proper reasons on affidavit for such higher tariff discovered under the aforesaid RfS conducted by the Petitioner. The Commission also recorded the submissions of the Respondents and accordingly, impleaded them as party Respondents as Petitioner GUVNL have consented thereto and there was no objection by the Respondents to the same and also taken on record the amended memo of parties filed by the Petitioner GUVNL.

8. In response to the directives of the Commission vide above Order, the Petitioner GUVNL has filed its submissions vide affidavit dated 30.04.2024 in the present matter on 04.05.2024. The relevant extracts of the said submissions are reproduced as under:

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3. In this regard, it is submitted:

(A) That discovered tariffs are in the range of Rs 3.42 — 3.44 per kWh (inclusive of applicable transmission charges, if any), in the transparent competitive bidding process conducted by the petitioner through RfS GUVNL / 500 MW / Wind (Phase VI) dated 10.07.2023 & Addendums thereto as per the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects dated 26.07.2023 issued by MoP.

(B) That earlier, GUVNL had concluded Phase V Wind tenders as per the prevailing Guidelines issued by MoP dated 08.12.2017 and subsequently and amendment dated 16.07.2019 for procurement of wind power under TBCB mode from Wind Projects.

- (C) *GUVNL vide RfS No. GUVNL/500 MW /Wind (Phase V) dated 14.03.2023 & Addendums thereto had issued tender for 500 MW capacity with additional upto 500 MW under Greenshoe option, wherein the tariffs in the range of Rs 3.11 — 3.17 per kWh were discovered. Base capacity to the tune of around 240 MW without offering any Greenshoe capacity has been tied up by GUVNL. The tariff for capacity of 210 MW has been adopted by Hon'ble Commission vide order dated 29.01.2024 & corrigendum dated 07.02.2024.*
- (D) *That nowadays project developers are facing challenges in land acquisition, its registration and conversion / obtaining NA in Gujarat. Also they are facing Transmission connectivity availability issues and ROW issues.*
- (E) *That high wind potential sites are far from substation location thereby adding to costs in setting up the wind power projects. Further, there are issues of limited wind mill suppliers, WTGs supply constraints, increased BOP cost, blockage of wind mill installation cranes also leading to discovery of higher tariff. Due to market volatility, steep increase in prices of commodity like Copper, Steel, Aluminum, and Cement are also reasons of incremental tariff.*
- (F) *That recently, in Jan-2024 SECI has discovered tariff in the range of Rs.3.61 — 3.88 per Unit for 500 MW in Gujarat State, Rs.3.60- Rs.3.68 per unit for 350 MW in Karnataka State, Rs.3.98-Rs.4.24 per unit for 160 MW in Rajasthan state. in 1350 MW ISTS-connected Wind Power Projects (SECI-Tranche-XVI). SECI has issued LOAs for Gujarat State and Karnataka State quantum. The effective tariff for DISCOMs with SECI margin would be Rs.3.67 — Rs.3.95 + transmission charges and losses. Additionally, this power will also have transmission losses. The SECI tied up power is to be delivered at ISTS interconnection point at CTU Network whereas GUVNL's tied up power is to be delivered at GETCO Periphery as per RfS terms and conditions.*
- (G) *Whereas Project location of GUVNL 140 MW is in Gujarat and Energy is deliverable at GETCO periphery whereas CPSU bids are with applicable GNA charges/ transmission charges.*
4. *In view of above submission, discovered tariff in the range of Rs 3.42 — 3.44 per kWh (inclusive of applicable transmission charges if any till GETCO periphery) are within the market range and substantially lower than landed cost of SECI discovered tariff.*
5. *Hon'ble Commission is humbly requested to consider the prayer in Petition No.*

2343 of 2024 and adopt the tariffs discovered in the transparent competitive bidding process conducted by the petitioner through RfS No. GUVNL / 500 MW / Wind (Phase VI) dated 10.07.2023 & Addendums thereto for procurement of 500 MW Power from grid connected Wind Power Projects to be set up / already commissioned/under construction at anywhere in India with additional 500 MW capacity under Greenshoe option issued based on the Tariff Based Competitive Bidding Guidelines for Procurement of Power from Grid Connected Wind Power Projects dated 26.07.2023 issued by MoP.

.....”

9. Thereafter, the Respondent No. 2 Juniper Green Energy Pvt. Limited has filed its submissions vide affidavit dated 09.05.2024 in the present matter in response to the query of the Commission with regard to justification for quoting higher tariff of Rs 3.42-3.44 during the bidding process by the Respondents in comparison to earlier bid within the span of short time.
- 9.1. It is submitted that the Respondent No. 2 vide its letter dated 28.03.2024 has submitted their no objection to the present Petition filed by GUVNL before the Commission for adopting the tariff discovered through Competitive Bidding Process for Procurement of Power from Grid connected Wind Power Projects through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 & Addendums thereto.
- 9.2. It is submitted the following are the reasons and rationale behind quoting the tariff at Rs. 3.44/- for 90 MW capacity: -
 - (1) In current scenarios, due to shortage of land availability, project developers are facing difficulties in securing land either through freehold or leasehold, its registration and conversion from agricultural to non-agricultural land and procuring NA in the State of Gujarat. The identification of land locations for wind locations on the basis of wind resource assessment is very challenging and securing the land which is feasible for establishment of wind turbines become difficult in the light of aforesaid challenges.
 - (2) Developers are also having facing concerns with respect to obtaining consents for 'Right of Way (RoW) and Transmission connectivity availability

issues.

- (3) The high wind potential locations are located distant from the sub-stations, which raises the setup costs for wind power generating plants. In addition, there are problems with a lack of wind turbine generator (WTG) suppliers, WTG components/supply limitations, higher balance of plant costs, availability of cranes and equipment since most of the developers scheduled to commission projects at identical times and obstructions for movement of WTG installation cranes, all of which contribute to the higher costs and resulting into discovered revised Tariff.
- (4) Tariff quoted by the Respondent No. 2 Juniper Green Energy Pvt. Limited is also justified due to the sharp rise in commodity prices such as those of copper, steel, aluminum and cement, which is being caused by market instability.
- (5) The WTG suppliers are not willing to develop the project on turn-key basis due to which the risk and increased cost exposure remain with the Developer due to increase of any commodity pricing (i.e., increase in steel will directly result into increase in tower costs (for both WTG and transmission towers), increase in copper directly results in higher costs of transformer, generators and cables, increase in copper results into higher costs of cables, increase in aluminum results into higher costs of conductors and transmission lines), unavailability of cranes/equipment will increase in standby costs, any right of way or obstructions shall cause standby costs and additional costs and many more risks are to be absorbed well within the anticipated project costs, and therefore, the tariff is justifiable given the risks to be absorbed by the Developers.
- (6) The submissions made by GUVNL before the Commission stating that SECI has discovered tariff in the range of Rs 3.61-3.88 per Unit for 500 MW in Gujarat State, Rs 3.60-3.68 per Unit in Karnataka State, Rs 3.98-Rs 4.24 per Unit for 160 MW in Rajasthan State, in 1350 MW ISTS-connected Wind Power Projects (SECI Tranche-XVI). The SECT tied up power is to be delivered at

ISTS interconnection point at CTU Network whereas GUVNL's tied up power is to be delivered at GETCO periphery as per RfS terms and conditions. Hence, the discovered tariff under RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 & Addendums thereto, are far lower than the tariff discovered under the SECI Tranche-XVI since the periphery of STU is limited when compared with CTU network, while typically the tariff should scale up further due to the limitations.

(7) It is reiterated that in the present Petition, the project location of GUVNL 140 MW is in Gujarat and Energy is to be delivered at GETCO periphery.

9.3. Based on the above reasons/justifications with respect to discovered tariff, it is requested the Commission to consider and allow the adoption of tariffs discovered pursuant to the Competitive Bidding Process for Procurement of Power from Grid connected Wind Power Projects through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 & Addendums thereto.

10. Despite being liberty granted to the Petitioner and Respondents to file their reply, the Respondent No. 1 Alfanar Power Limited has chosen not to file their reply in the present matter.

11. We have considered the submissions made by the Parties. The Petitioner has filed the present Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003. The Petitioner has sought the approval of the Commission for adoption of discovered tariff in the range of Rs. 3.42 – Rs. 3.44 per unit quoted by successful bidders under competitive bidding process followed by e-reverse auction of Bid No. RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto, as stated in above paras.

11.1. The Petitioner is purchasing power in bulk for and on behalf of four Distribution Licensees, namely, DGVCL, MGVCL, PGVCL and UGVCL. The Petitioner also procures the renewable power by entering into agreements with the developers for its four Distribution Licensees towards fulfilment of their RPO as specified by the Commission in the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 as amended from time to time including the GERC (Procurement

of Energy from Renewable Sources) (Third Amendment) Regulations, 2022. In the said Regulations, the Commission has stipulated the RPO requirement of Distribution Licensees till FY 2024-25 as under:

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)				
	Wind (%)	Solar (%)	Hydro Power Purchase Obligation (HPO) (%)	Others (Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/Mini/Micro Hydro) (%)	Total (%)
(1)	(2)	(3)	(4)	(5)	(6)
2017-18	7.75	1.75		0.50	10.00
2018-19	7.95	4.25		0.50	12.70
2019-20	8.05	5.50		0.75	14.30
2020-21	8.15	6.75		0.75	15.65
2021-22	8.25	8.00		0.75	17.00
2022-23	8.25	8.00		0.75	17.00
2023-24	8.40	9.50	0.05	0.75	18.70
2024-25	8.55	11.25	0.10	0.80	20.70

From the above table it is apparent that the Petitioner is required to procure substantial quantum of Wind power, since the Commission has increased the Wind RPO in view of the requirement stipulated by the Government of India. Accordingly, in order to meet the Wind RPO target, the Petitioner had initiated the competitive bidding process followed by e-reverse auction for procurement of 500 MW power from grid connected Wind Power Projects in the State of Gujarat through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto.

11.2. It is observed that the Petitioner initiated the Competitive Bidding Process followed by e-reverse auction as per Section 63 of the Electricity Act, 2003 vide RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto for procurement of 500 MW from the Grid connected Wind Power Projects with additional allocation of upto 500 MW to be set up anywhere in India with an intimation vide letter dated 07.07.2023 to the Commission in terms of the Clause 5.1 (b) of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects dated 08.12.2017 and subsequently amendment dated 16.07.2019 issued by the Ministry of Power, Government of India. In view of the generation benefit from the PPAs executed under Competitive Bidding which may be made available after a lapse of about 24 months

will be useful in achieving RPO compliance of ensuing years and in line with the Petitioner's recent Wind Tender (Phase V), the Petitioner has incorporated the similar 'Green-shoe option' for upto additional 500 MW capacity.

- 11.3. The Petitioner had previously undertaken five rounds of Competitive Bidding in the year of 2017, 2019, 2022 and 2023 for purchase of power from grid connected Wind Power Projects and accordingly, granted approval of some deviations from the Commission. The Petitioner has tied up 1802 MW Wind capacity through aforementioned five rounds of Competitive Bidding. The present wind installed capacity comprising of PPAs tied up at preferential tariff, REC Mechanism and under Competitive Bidding undertaken by the Petitioner GUVNL has reached 4274 MW. Moreover, while inviting its earlier Wind Tender(s), the Petitioner GUVNL had obtained approval of the Commission for certain deviations from MoP's Guidelines and the same were duly approved by the Commission vide its Orders dated 15.03.2018 and 26.02.2019. Further, the MOP's Guidelines are silent on the aspect of incorporation of 'Green-shoe option'.
- 11.4. Ministry of Power, Government of India has notified "New Guidelines for Tariff Based Competitive Bidding Process for the Procurement of Power from Grid Connected Wind Power Projects, on 26.07.2023. Pursuant to the such guidelines, the Petitioner GUVNL vide its letter No. GUVNL/GM (RE)/1234 dated 11.09.2023 had sought approval of the State Government for the deviation in the Wind tenders in certain Clauses from the new Guidelines with regard to Change in Law, Force Majeure, Issuance of Letter of Intent (LoI), Bid Structure, Arrangements related to Commencement of Supply and role of GEDA as a State Nodal Agency, etc., which was also approved and conveyed by the State Government vide letter No. REN/e-file/20/2023/1813/B1 dated 29.09.2023 to such deviations, as proposed by the Petitioner GUVNL.
- 11.5. We note that the Petitioner has also issued 'Notice Inviting Tender' so as to provide wide publicity of the said tender i.e., RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 & Addendums thereto, by publishing notice in the National newspapers, viz, (i) Indian Express, (ii) Business Line Mumbai, (iii) Divya Bhaskar, and (iv) The Hindu on 11.07.2023 having wide circulation and to seek wide participation from the participating bidders. Further, the Petitioner also held a Pre-Bid Meeting with

prospective bidders on 21.07.2023, to address the issues/queries of the prospective bidders. The Petitioner had received various queries/suggestions/recommendations from the prospective bidders and the Petitioner addressed the same during the meeting and also published the Minutes of Meeting duly incorporating a detailed list of queries & suggestions of the bidders, clarifications/replies thereto and in order to avoidance of doubt and for the sake of issuance of due clarification, the Petitioner also issued necessary addendum - I with regard to the modifications/amendments incorporated in RfS and Draft PPA.

- 11.6. Thereafter, in view of the approval of deviations from the State Government vide letter dated 29.09.2023, the Petitioner GUVNL has revised tender documents i.e. RfS & Draft PPA and vide letter dated 30.10.2023 had forwarded Revised Draft Tender Documents to the Commission stating that in the aforesaid revised draft tender documents of proposed Wind Tender (Phase VI), there are no other deviations taken by GUVNL other than those approved by Energy and Petrochemicals Department, Government of Gujarat vide letter dated 29.09.2023.
- 11.7. The Petitioner also hosted the revised Bid Documents on its website as well as on the web based portal of 'M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS)' on 19.10.2023 for participation in the e-tender and e-reverse auction. Further, the Petitioner also held a Pre-Bid Meeting through video conference on 30.10.2023, to address the issues/queries of the prospective bidders. The Petitioner had received various queries/suggestions/recommendations from the prospective bidders and the Petitioner addressed the same during the meeting and also published the Minutes of Meeting duly incorporating a detailed list of queries & suggestions of the bidders, clarifications/replies thereto and in order to avoidance of doubt and for the sake of issuance of due clarification, the Petitioner also issued necessary addendum - II with regard to the modifications/amendments incorporated in RfS and Draft PPA.
- 11.8. We also note that the Petitioner GUVNL has received request from various Wind Developers for extension of timelines to enable them to undertake various activities as per the bid requirements viz. site identification, conducting wind assessment/feasibility study, negotiation with OEMs, etc. to formulate competitive tariff. The last date of bid submission in the tendering process initially was 16.11.2023 and in the interest of wider participation and to have better competition,

the same was subsequently rescheduled to 15.12.2023 and the Technical Bid Opening was held on 19.12.2023 @ 11:30 hours.

- 11.9. We note that the Petitioner received the bids from 4 bidders offering aggregate capacity of 205 MW capacity and the Technical Bid Opening of online bids on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS) as well as offline bids was held on 19.12.2023 @ 11:30 hours in the presence of Bid Evaluation Committee consisting of the following members for opening and evaluation of the technical and financial bids:

Technical Bid Evaluation Committee		
Sr. No.	Name	Designation
1.	Smt. Bhavani Ghattamaneni	Chief Finance Manager (RE)
2.	Shri Parthiv Bhatt	Company Secretary
3.	Shri Nilay Joshi	Controller of Accounts (F&A)
4.	Shri M K Jani	Superintending Engineer (RE)

Financial Bid Evaluation Committee		
Sr. No.	Name	Designation
1.	Shri Hiren Shah	General Manager (RE)
2.	Smt. Bhavani Ghattamaneni	Chief Finance Manager (RE)
3.	Shri Parthiv Bhatt	Company Secretary
4.	Shri Nilay Joshi	Controller of Accounts (F&A)

- 11.10. It is also submitted by the Petitioner that the aforesaid bids received from 4 (four) bidders were opened in the presence of Bid Evaluation Committee and also evaluated by said Committee. We also note that the bids submitted by the bidders were scrutinized by the Bid Evaluation Committee and the issues were also deliberated in detail about responsiveness of the bids. Moreover, in respect of observation of discrepancies, the Petitioner GUVNL had raised queries on e-bidding portal of M/s ISN-ETS against the responsiveness issues. In response to the responsiveness issues and queries raised by the Committee, the compliance/clarification/additional documents submitted by Bidders which were duly examined by the Bid Evaluation Committee for evaluation of the qualification. As per technical evaluation report of the said Committee, it is observed that all the 4 (four) bids received were technically qualified and technical evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

*“TECHNICAL BID EVALUATION REPORT
WIND TENDER (PHASE VI) RFS DATED 10.07.2023*

***TENDER FOR PROCUREMENT OF 500 MW GRID CONNECTED WIND PROJECTS
(PHASE- VI) WITH ‘GREENSHOE OPTION’ OF ADDITIONAL UPTO 500 MW***

December 2023

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1. Background

Gujarat Urja Vikas Nigam Limited (GUVNL) intends to procure wind power of 500 MW through Competitive Bidding Process (conducted through electronically facilitated online web based portal followed by reverse auction) and additional capacity upto 500 MW under ‘Green-shoe Option’ as notified vide RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023.

GUVNL has uploaded the tender documents (RfS and Draft PPA) on its own website as well as on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS).

Ministry of Power vide notification dated 26.07.2023 issued New Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected Wind Power Projects. Revised tender documents i.e., RfS and Draft PPA in line with the new guidelines issued by MoP and deviations approved by Govt. of Gujarat, were published on the e-bidding portal ISN-ETS and its own website on 19.10.2023.

GUVNL had constituted a committee comprising of the following members for opening and evaluation of the technical and financial bids: -

Bid Evaluation Committee		
Sr. No.	Name	Designation
1.	Smt. Bhavani Ghattamaneni	Chief Finance Manager
2.	Shri Parthiv Bhatt	Company Secretary
3.	Shri Nilay Joshi	Controller of Accounts (F&A)
4.	Shri Manishkumar Jani	Superintending Engineer (RE)

This Report outlines the responses of all the Bidders in respect of Techno-commercial (Non-Financial) Bid Evaluation and recommendations of Committee.

2. Details of Tender

RfS Reference No.	RfS No. GUVNL/500 MW/ Wind (Phase VI) dated 10.07.2023
Tender Code	ETS: GUVNL-2023-TN0000105
Tender Description	Purchase of power through competitive bidding process (followed by e-reverse auction) from 500 MW grid connected wind projects to be setup in Gujarat (Phase VI) with Green-shoe Option for additional capacity allotment upto 500 MW.
Tender Type	Single Stage – Double Envelope Auction followed by e-RA
Tender Fees	Rs. 29,500/- (Rs. 25,000 plus 18% GST)
Processing Fees	Rs. 3,54,000/- (Rs. 3,00,000 plus 18% GST)
Earnest Money Deposit (EMD)	Rs. 13 Lakhs per MW
Pre-Bid Meeting(s)	1. Friday, 21 st July, 2023 2. Monday, 30 th October, 2023 (for revised tender documents)
Bid Submission deadline	Friday, 15 th December, 2023 (17 hours) (online) Monday, 18 th December, 2023 (17 hours) (offline)
Technical Bid Opening	Tuesday, 19 th December, 2023 (11:30 hours)
Financial Bid Opening & e-RA	Will be informed to eligible bidders
Project Completion Period	24 months from date of execution of PPA
Term of PPA	25 years from Scheduled Commencement of Supply Date (SCSD).
Technology	Revised List of Models & Manufacturers (RLMM) of Wind Turbines prepared by MNRE as updated until SCOD of Project

3. Response to RFS

A total of 4 (Four) bid responses, aggregating to total capacity of 205 MW were received. The details of Bidders and the capacity offered by them are tabulated below: -

Sr. No.	Bidders	MW
1	Juniper Green Energy Private Limited	90
2	RIH Renewables Private Limited	40
3	Solarcraft Power India 14 Private Limited	25
4	Alfanar Power Limited	50
	Total	205

4. Principles of Evaluation

As per the terms of the tender documents, the techno-commercial evaluation of the bids is to be done in accordance with the bid evaluation methodology specified in the RfS.

The Technical Bids of only those Bidders are to be considered whose bids/documents have been received on or before the due date and time of submission of bids as per the terms of the RfS.

Due examination of the documents submitted by the Bidders is to be done ascertaining the eligibility criteria specified under the RfS. In case of a perceived non-responsiveness, queries are to be raised by GUVNL on the ISN-ETS web-portal and clarifications/additional documents are to be sought from the concerned bidders within 2 days from the date of such intimation from GUVNL.

Upon due submission of clarifications/additional documents sought (if any) and careful examination of the same by the Members of the Bid Evaluation Committee, the Financial Bids of only such qualified Bidders are to be opened as per the terms and conditions of the RfS.

The response to the RfS submitted by the Bidders are to be scrutinized to establish Techno-Commercial eligibility criteria as per the RfS which are as under: -

(i) Technical Eligibility Criteria: - Declaration regarding prior (pre-bid) OEM/EPC tie-up with not less than three manufacturers for Design, Engineering, Supply & Procurement, Construction, Operation & Maintenance.

(ii) Financial Eligibility Criteria: - The Net-Worth of the Bidder or its Affiliate or Parent / Ultimate Parent as on date of financial year ending i.e. 31.03.2023 or 31.12.2022 or 31.03.2022 as the case may be, shall not be less than INR 1.27 Crores per MW (of the capacity quoted).

- The 'net-worth' to be considered for the above purpose shall be the cumulative net-worth of the bidding company or consortium together with the net-worth of those Affiliates of the Bidder(s) that undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.*
- For avoidance of doubt, 'net-worth' as per section 2 (57) of the Companies Act 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
- For meeting the above financial eligibility criteria, if data is provided by the Bidder in USD, equivalent rupees of 'net-worth' and other financial parameters will be calculated by Bidder using Reserve Bank of India's reference rates prevailing on the date of closing of accounts for the respective financial year. For currency other than USD, Bidders shall convert such currency into USD as per the exchange rates certified by their banker prevailing on the relevant date and used for such conversion.*
- Certificate from Chartered Accountants, certifying the 'net-worth' of the bidder per MW of quoted capacity as on date of financial year ending i.e. 31.03.2023 or 31.12.2022 or 31.03.2022 as the case may be, or in case the Bidder is a newly formed company, supported by documentary evidence of its recent formation at ROC or in case the 'net-worth' of the Bidder as on date of financial year ending is not meeting the criteria, then the Certificate issued by a Chartered Accountant computing 'net-worth' based on certified copy of Balance Sheet,*

Profit & Loss account, Schedules and cash flow statement as on latest available date supported with bank statement shall be required to be submitted.

- In case a bidder submits the net-worth credentials of its Parent/Affiliate, a Board Resolution from such Parent/Affiliate shall be submitted, undertaking that in case the bidder(s) fails to contribute required equity funding and performance bank guarantee, the same shall be contributed by such Parent/Affiliate.*
- Pursuant to evaluation of 'net-worth criteria" as part of the technical bid, if it is found by GUVNL that the bidder is eligible for lesser quantum than the quantum for which bid has been submitted, then the bidder shall be qualified for such lesser quantum, provided that such quantum is not less than minimum bid capacity 25 MW for intra-state Projects and 50 MW for inter-state projects.*

(iii) Disclosure regarding complying with the requirements of O.M. issued by the Dept. of Expenditure, Ministry of Finance, Govt. of India, vide No. 6/18/2019- PPD dated 23.07.2020 and subsequent amendments & clarifications thereto, pertaining to restriction on procurement from countries sharing land border with India.

5. Technical Bid Opening

The Technical Bid Opening was convened at 11:30 hours on 19.12.2023. The Technical Bids (online as well as offline) were opened before the below mentioned Members Nominee Members of the Bid Evaluation Committee.

Sr. No.	Name & Designation of the Members / Nominee Members of the Bid Evaluation Committee constituted by GUVNL
1.	<i>Smt. Bhavani Ghattamaneni, CFM</i>
2.	<i>Shri Parthiv Bhatt, Company Secretary</i>
3.	<i>Shri Nilay Joshi, COA (F&A)</i>
4.	<i>Shri Manishkumar Jani, Superintending Engineer</i>

The Members of the Bid Evaluation Committee scrutinized the bids, documents enclosed thereunder, as well as the electronic responses submitted by the Bidders and deliberated on the issues in detail about responsiveness of the submitted bids.

As per RfS Clause No. 3.20: The Bidder shall submit the response to RfS which shall remain valid upto One Hundred Eighty (180) days from the last date of submission of response to RfS ("Bid Validity"). GUVNL reserves the right to reject any response to RfS which does not meet the aforementioned validity requirement.

Earlier, the last date of bid submission (bid deadline) was 07.08.2023, which was extended by GUVNL upto 15.12.2023. As per the terms of the RfS, the Bid shall be valid upto 180 days from last date of submission of response to RfS i.e. 12.06.2024 (as per revised deadline).

6. Responsiveness Issues

Upon scrutiny of the bid documents of the Bidders, the following observations were made by the Members of the Bid Evaluation Committee.

- The bid submitted by M/s Solarcraft Power India 14 Pvt. Limited had validity upto 18.05.2024 instead of 12.06.2024 (180 days from bid submission deadline of 15.12.2023).*
- The bid submitted by M/s Alfanar Power Limited had validity upto 07.06.2024 instead of 12.06.2024 (180 days from bid submission deadline of 15.12.2023).*

Pursuant to the observation of discrepancies, queries were raised by GUVNL through e-mail on 19.12.2023 against the responsiveness issues.

The responsiveness issues raised by GUVNL, and the compliance / responses / documents submitted by such Bidders are discussed in the subsequent section.

7. Queries and responses/compliances thereto

(i) Solarcraft Power India 14 Pvt. Limited

Query: *The bid submitted by M/s Solarcraft Power India 14 Pvt. Limited had validity upto 18.05.2024 instead of 12.06.2024 (180 days from bid submission deadline of 15.12.2023). Accordingly, they were asked to extend bid validity within two days for ensuring the technical qualification.*

Response: Query has been complied by submission of scanned copy of the revised Covering Letter on 20.12.2023 by extending bid validity till 12.06.2024.

(ii) M/s Alfanar Power Limited

Query: The bid submitted by M/s Alfanar Power Limited had validity upto 07.06.2024 instead of 12.06.2024 (180 days from bid submission deadline of 15.12.2023). Accordingly, they were asked to extend bid validity within two days for ensuring the technical qualification.

Response: Query has been complied by submission of scanned copy of the revised Covering Letter on 20.12.2023 by extending bid validity till 12.06.2024.

8. Evaluation of responses / compliances

The brief status pursuant to bid evaluation and compliance to queries is indicated in the following table: -

Sr. No.	Name of Bidder	Capacity Offered (MW)
1	Juniper Green Energy Private Limited	90
2	RIH Renewables Private Limited	40
3	Solarcraft Power India 14 Private Limited	25
4	Alfanar Power Limited	50
	Total	205

1. Way Forward

Based on the techno-commercial bid evaluation, the Committee recommends that the Financial Bids of above 4 (Four) no. of qualified bidders may be opened.

Sr. No.	Name	Designation	Signature
1	Smt. Bhavani Ghattamaneni	Chief Finance Manager	Sd/-
2	Shri Parthiv Bhatt	Company Secretary	Sd/-
3	Shri Nilay D Joshi	COA (Finance & Accounts)	Sd/-
4	Shri Manishkumar Jani	Superintending Engineer	Sd/-

.....”

From the Technical Evaluation Report, it is apparent that all the 4 (four) bidders offering aggregate capacity of 205 MW were found to be responsive and hence were deemed qualified for opening of their financial bids. Accordingly, as per the Technical Report of the Bid Evaluation Committee and recommendation after

technical bid evaluation of all the 4 (four) bidders to be technically qualified, the financial bids of 4 (four) bidders aggregating to total 205 MW capacity were opened on 02.01.2024 on e-bidding portal of M/s ISN-ETS in presence of the Bid Evaluation Committee.

11.11. In accordance with aforesaid said report, the Financial Bids of all 4 (four) bidders were opened on 02.01.2024 on e-bidding portal in presence of Bid Evaluation Committee. As per financial bid evaluation report of the said Committee it is observed that all the 4 (four) bids received were financial qualified and financial bid evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

“FINANCIAL BID EVALUATION REPORT

***Ref : Tender for Procurement of 500 MW grid connected Wind Projects
(Phase –VI) with Green-Shoe option of additional upto 500 MW***

Jan 2024

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1. Background

Gujarat Urja Vikas Nigam Limited (GUVNL) intends to procure wind power upto capacity of 500 MW through Competitive Bidding Process (conducted through electronically facilitated online web based portal followed by reverse auction) and additional capacity upto 500 MW under ‘Green Shoe Option’ as notified via RfS No. GUVNL / 500 MW / Wind (Phase VI) dated 10.07.2023.

GUVNL has uploaded the tender documents (RfS and Draft PPA) on its own website as well as on the e-bidding portal of M/s ISN Electronic Tender Services Pvt. Limited (ISN-ETS).

Ministry of Power vide notification dated 26.07.2023 issued New Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected Wind Power Projects. Revised tender documents i.e., RfS and Draft PPA in line with the new guidelines issued by MoP and deviations approved by Govt. of Gujarat, were published on the e-bidding portal ISN-ETS and its own website on 19.10.2023.

GUVNL had constituted a committee comprising of the following members for opening and evaluation of the technical and financial bids: -

Sr. No.	Name	Designation
1.	Shri H N Shah	General Manager (RE)
2.	Smt. Bhavani Ghattamaneni	Chief Finance Manager
3.	Shri Parthiv Bhatt	Company Secretary
4.	Shri Nilay Joshi	Controller of Accounts (F&A)

The Report outlines the Financial Bid Evaluation and recommendations of the Committee.

2. Financial Bid Opening

The Technical Bid Opening was conveyed at 11:30 hours on 19.12.2023. Pursuant to the recommendations of the Committee vide the "Technical Bid Evaluation Report", the Financial Bid (Electronics Forms) of below mentioned 4 (four) technically qualified Bidders were opened on the e-bidding portal of M/s. ISN-ETS at 11:30 hours on 02.01.2024 before the Bid Evaluation Committee at GUVNL, Vadodara.

Sr. No.	Name of bidder	Capacity Offered (MW)
1.	Juniper Green Energy Private Limited	90
2.	RIH Renewables Private Limited	40
3.	Solarcraft Power India 14 Private Limited	25
4.	Alfanar Power Limited	50
	Total	205

The Members of the Bid Evaluation Committee scrutinized the electronic responses submitted by the Bidders and evaluated shortlisted bidders qualified for e-reverse auction in terms of the RfS.

3. Principles of Evaluation

As per the terms of the tender documents, the financial evaluation of the bids is to be done in accordance with the bid evaluation methodology specified in the RfS based on the tariff quoted by the Bidders in the Electronic Forms.

As per the terms of the RfS, the Total Eligible Bidders for e-reverse auction is to be decided as per illustration below: -

Assuming

T = Total number of techno-commercially qualified bidders,

ST = Capacity of the total number of techno-commercially qualified bidders

SK = Cumulative capacity till the “ k ”th serial number bidder (not the ‘ k ’th rank bidder) after ranking is done in ascending order from L1 onwards

SE = Eligible Capacity for Award

n = No. of bidders shortlisted for e-RA

SE = Eligible capacity for award	(i) In case $ST \leq 500$ MW; $SE = 0.8 \times ST$, (ii) In case $ST > 500$ MW; $SE = 0.8 \times ST$, subject to maximum eligible capacity being 500 MW.
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Total eligible bidders for e-Reverse Auction

(i) In case $(0.8 \times ST) \leq 500$ MW – All techno-commercially qualified bidders whose financial bids are in accordance with the provisions of the RfS, will be shortlisted for e-RA.

Accordingly, the no. of Bidders shortlisted for e-RA, i.e., $n=T$

(ii) In case $(0.8 \times ST) > 500$ MW – The lowest ranked bidder i.e., the bidder quoting the highest tariff (H1 Bidder) shall be eliminated at this stage and remaining techno-commercially qualified bidders whose financial bids are in accordance with the provisions of the RfS, will be shortlisted for e-RA.

Accordingly, the no. of Bidders shortlisted for e-RA, i.e., $n=T - 1$

Note: -

(a) In case more than one bidder is ranked as H1 bidder (same tariff), then all such bidders will be eliminated at this stage.

(b) The above elimination will take place subject to the condition that the total bid capacity after such elimination remains more than 300 MW. In the contradictory scenario, no elimination will take place at this stage.

Upon conclusion of e-RA process, the Bidders in the "Green Zone" and "Yellow Zone" shall be selected in the ascending order with lowest quoted tariff (being L1) till the tender capacity (500 MW) is exhausted. The bidders who fall within the range of (and including) the lowest tariff (L1 tariff) +1% of the L1 tariff, hereinafter referred to as "the range" will be declared as Successful Bidders.

The lowest quoting bidder will be allotted its qualified project capacity and then, next higher bidder will be allotted its qualified project capacity and so on, till the total capacity is exhausted.

In case of the last Selected Bidder, if the balance project capacity is less than the total project capacity mentioned by the bidder, then the balance capacity shall be awarded to the bidder till the total capacity is exhausted subject to a minimum allocation of 25 MW/50 MW, as the case may be.

Provided, in case the partial capacity (balance capacity till the total capacity of offer is exhausted) offered to the last Bidder after completion of the e-reverse auction is lower than 50% of the total quoted capacity by such Bidder, the Bidder shall have an option to refuse such offered partial capacity within 7 days of issuance of Letter of Intent (LOI) and the BG against EMD submitted by such Bidder shall be returned along with those of the Unsuccessful Bidders.

Further, in case the partial capacity offered is greater than or equal to 50% of the total quoted capacity by such Bidder, then it shall be mandatory for the last Bidder to accept such partial capacity offered against its quoted capacity, subject to the

total cumulative capacity awarded after e-RA to the successful Bidders not exceeding 500 MW. In case the last Bidder refuses to accept such partial capacity offered by GUVNL, the Bank Guarantee against EMD submitted by such Bidder shall be encashed by GUVNL.

4. Evaluation of shortlisted bidders qualified for e-RA

As per the terms of the tender documents, the Total Eligible Bidders shortlisted for e-reverse auction are as per details tabulated herein below: -

Sr. No.	Name of bidder	Price Bid (Rs./unit)	Capacity (MW)	Remarks
1	Alfanar Power Limited	3.42	50	Shortlisted for e-RA
2	Juniper Green Energy Pvt. Ltd.	3.49	90	Shortlisted for e-RA
3	Solarcraft Power India 14 Pvt. Ltd.	3.51	25	Shortlisted for e-RA
4	RIH Renewables Pvt. Ltd.	3.54	40	Shortlisted for e-RA

5. Way forward

Based on the financial bid evaluation in term of the RfS, the above mentioned 4 (four) no. of bidders aggregating to 205 MW capacity are short listed for participating in the e-reverse auction to be convened at 15:30 hours on 02.01.2024.

Since Bids for only 205 MW has been received, e-RA would be conducted for only 80% of the subscribed capacity i.e. 164 MW as per clause No. 4.3 of RfS and principles of evaluation mentioned above at Sr. No. 3.

6. Electronic – Reverse Auction:

The tariffs discovered in the e-reverse auction are as under:

Sr. No.	Name of bidder	Capacity (MW)	Price Bid (Rs./unit)	Remarks (Zones)
L1	Alfanar Power Limited	50	3.42	Green
L2	Juniper Green Energy Pvt. Limited	90	3.49	Green
L3	RIH Renewables Pvt. Limited	40	3.45	Yellow
L4	Solarcraft Power India 14 Pvt. Limited	25	3.51	Red
	Total	205		

Balance capacity in Yellow Zone is 24 MW, which is less than minimum allocation requirement of 25 MW as per principles of evaluation mentioned above at Sr. No. 3. Therefore, L3 is not qualified as successful bidder.

Based on the above, the successful bidders after e-reverse auction are as follow:

Sr. No.	Name of bidder	Capacity (MW)	Price Bid (Rs./unit)
L1	Alfanar Power Limited	50	3.42
L2	Juniper Green Energy Pvt. Limited	90	3.49
	Total	140	

7. Certificate

This certificate is being issued by Financial Bid Evaluation Committee constituted for GUVNL's tender bearing RfS No. GUVNL/500 MW/ Wind (Phase VI), in terms of Clause No. 10.2 of the Guidelines for Competitive Bidding issued vide Notification dated 26.07.2023.

This is to certify that Financial Bid Evaluation Committee has critically evaluated the bids and that the bidding process and the evaluation in respect of GUVNL's tender for the procurement of 500 MW grid connected power from Wind Power Projects with Greenshoe Option of additional upto 500 MW through competitive bidding (followed by e-reverse auction) has been conducted in conformity to the provisions of the RfS dated 10.07.2023. In this regard, the e-RA has been conducted on 02.01.2024 in the presence of Bid Evaluation Committee on online web based portal i.e. <http://www.bharat-electronictender.com>.

Sr. No.	Name	Designation	Signature
1.	Shri H N Shah	General Manager (RE)	Sd/-
2.	Smt. Bhavani Ghattamaneni	Chief Finance Manager	Sd/-
3.	Shri Parthiv Bhatt	Company Secretary	Sd/-
4.	Shri Nilay Joshi	Controller of Accounts (F&A)	Sd/-

.....”

11.12. As per the terms and conditions of the tender, 4 (four) bidders with aggregate capacity of 205 MW could qualify against the tendered capacity of 500 MW for the e-reverse auction and the Petitioner accordingly conducted the e-reverse auction.

11.13. In the E-Reverse auction of 02.01.2024 a report generated on the web-portal of ISN-ETS is reproduced below:

S#	Bidder's Name	Quoted Value	Loaded Value	Currency	Date/Time of Bidding	Bidder's Quantity	Difference in % (Bid- Value Vs Start- Price)
1	Alfanar Power Limited	3.42	3.42	Indian Rupee	02-Jan-2024 12:55:09 RTZ	50.00	0%
2	Juniper Green Energy Private Limited	3.44	3.44	Indian Rupee	02-Jan-2024 15:33:38 RTZ	90.00	0.58%
3	RIH Renewables Private Limited	3.45	3.45	Indian Rupee	02-Jan-2024 15:30:33 RTZ	40.00	0.87%
4	Solarcraft Power India 14 Private Limited	3.51	3.51	Indian Rupee	02-Jan-2024 12:55:09 RTZ	25.00	2.56%

11.14. We note that the Petitioner GUVNL after the conclusion of bidding process has also certifying that the Evaluation Committee constituted for evaluation of RfS bids has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

11.15. It can be observed from above table that at the end of E-Reverse auction, the quoted tariff value and quantum in MW of 4 (four) bidders i.e., (i) Alfanar Power Limited, (ii) Juniper Green Energy Private Limited, (iii) RIH Renewables Private Limited, and (iv) Solarcraft Power India 14 Private Limited, is as per result generated at the closure of E-Reverse Auction on e-bidding portal for 205 MW. Moreover, as per above ranking, the total offered/bidder capacity by (i) Alfanar Power Limited of 50 MW at the tariff of Rs. 3.42 per unit, (ii) Juniper Green Energy Private Limited of 90 MW at the tariff of Rs. 3.44 per unit, (iii) RIH Renewables Private Limited of 40 MW at tariff of Rs. 3.45 per unit, and (iv) Solarcraft Power India 14 Private Limited of 25 MW at the tariff of Rs. 3.51 per unit, works out to 205 MW. Accordingly, the Petitioner has stated in para 36 of the Petition as under:

Sr. No.	Name of the Bidder	Capacity (MW)	Price Bid (Rs./ unit)	Remarks (Zones)
L1	Alfanar Power Limited	50	3.42	Green
L2	Juniper Green Energy Private Limited	90	3.44	Green
L3	RIH Renewables Private Limited	40	3.45	Yellow
L4	Solarcraft Power India 14 Private Limited	25	3.51	Red
	Total	205		

11.16. We note that the Petitioner has GUVNL has signed PPAs in February 2024

aggregating to 170 MW capacity at the tariff of Rs. 3.11 to 3.17 per unit under its Wind Tender (Phase V). The tariffs discovered under SECI's recent 1200 MW Wind Tender (Tranche-XIV) are in the range of Rs. 3.18 to Rs. 3.24 per unit but SECI has allotted capacity of only 690 MW against tender capacity of 1200 MW. Recently, SECI has discovered tariff in the range of Rs. 3.61 to 3.88 per Unit in 1350 MW ISTS-connected Wind Power Projects (SECI-Tranche-XVI) for Gujarat State. It is submitted by the Petitioner that the L1 to L2 price (Rs. 3.42-3.44 per unit) under GUVNL's Wind Tender VI is higher compared to tariff discovered in Phase V, however, it is imperative to augment wind capacity in proportionate manner to support and complement the solar power generation particularly due to pattern of wind power generation which is generally higher during non-solar hours and helps in grid balancing. Additionally, wind power is a cost-effective alternative to traditional fossil fuel power plants, helping GUVNL to reduce its overall energy costs.

11.17. We also note that in the present Wind Tender (Phase VI), the Petitioner GUVNL has incorporated a provision that only the bidder falling within the range of L1 tariff and (L1 tariff + 2%) would qualify as successful Bidders so as to address the issue of lower competition in Wind tenders. However, there was significant price difference between tariff discovered under GUVNL's last wind tender under Phase-V and this Phase-VI tender due to lower competition during real-time at the time of e-RA, on account of less No. of bidders, individually offering lesser quantum (MW) compared to the total offered quantity falling under the bucket-list for reverse auction and thereby eligible for availing their quoted price (with adequate profit margin) and hence not exercising price reduction to offer their best competitive price.

11.18. We also note that as per the terms and conditions of the RfS, the Petitioner GUVNL reserves the right to short-close the capacity lower than 500 MW at its discretion, if the prices are abruptly high. Further, the discretion for allotment/non-allotment of additional capacity upto 500 MW under 'Green-shoe Option' is also solely vested with the Petitioner GUVNL. As per the terms of the RfS, GUVNL's decision regarding selection of bidder through e-RA or otherwise based on tariff or annulment of tender process shall be final and binding on all participating bidders. Therefore, the Petitioner GUVNL has exercised its discretion by allotting only base capacity and has

not offered the green shoe capacity to the bidders.

11.19. In the above various factors such as national targets for RE, capacity requirement as per RPO, energy transition objectives., etc., it was decided by GUVNL to purchase power from 140 MW grid connected Wind Power Projects at the negotiated tariff but not more than tariff of Rs. 3.42-3.44 per unit for the base capacity of 140 MW without offering additional equivalent Greenshoe capacity. Accordingly, Negotiation Committee was constituted comprising of four members viz. (1) Mr. Sobhesh Agarwalla, Independent Member, (2) Mr. H. P. Kothari, Director (Technical), (3) Mr. K.P. Jangid, Director (Finance), and (3) Mr. H.N. Shah, General Manager (RE) to undertake negotiation with the Bidders Nos. L1 to L4 with regard to the issue of higher tariff with the successful bidders of Phase VI. Pursuant to above, a separate meetings through Video Conferencing was held on 06.02.2024 at 12:30 PM onwards wherein all the above members and successful bidders were present and the Committee has raised the issue of higher tariff discovered in the bid due to lower participation and requested the bidders to offer their best tariff and bidders also agreed to review and recalculate their offered tariff and respond within 2 days.

11.20. In view of the above negotiation, M/s Juniper Green Energy Pvt. Limited vide its email dated 06.02.2024 while expressing difficulties over the market condition and has conveyed that they will not be able to reduce their tariff below the quoted tariff of Rs. 3.44 per unit. Whereas M/s Alfanar Power Limited through letter vide e-mail dated 08.02.2024 while maintaining their quoted tariff of Rs 3.42 per unit after duly revision of their tariff proposal considering various factors such as the recent pricing trends of Wind Turbine Generators (WTGs), land costs in the State of Gujarat, other commodity prices and accordingly, since both the successful bidders have not agreed to reduce tariffs, the Petitioner GUVNL has issued Letters of Intent (LoI) to these bidders under GUVNL's Wind Tender Phase – VI. However, it was mentioned in the LoI that PPAs shall be signed with successful bidders or its SPV only after the approval of the Commission.

11.21. We also note that the Respondents M/s Alfanar Power Limited and M/s. Juniper Green Energy Pvt. Limited vide emails dated 27.02.2024 and 22.02.2024 have accepted base capacity of 50 MW and 90 MW respectively.

11.22. We also note that in compliance of the directives of the Commission vide Order date 29.04.2024, the Petitioner GUVNL has filed its submissions vide affidavit dated 30.04.2024 and stating that the tariffs discovered are in the range of Rs 3.42 — 3.44 per kWh (inclusive of applicable transmission charges, if any), in the transparent competitive bidding process conducted through RfS No. GUVNL / 500 MW / Wind (Phase VI) dated 10.07.2023 & Addendums thereto as per Guidelines dated 26.07.2023 issued by MoP, Government of India. Earlier, GUVNL had concluded Wind tenders (Phase- V) as per the prevailing Guidelines dated 08.12.2017 and subsequently vide amendment dated 16.07.2019 for procurement of wind power under TBCB mode from Wind Projects, issued by MoP, Government of India. GUVNL vide RfS No. GUVNL/500 MW /Wind (Phase V) dated 14.03.2023 & Addendums thereto had issued tender for 500 MW capacity with Greenshoe option of additional upto 500 MW, wherein the tariffs discovered was in the range of Rs 3.11 — 3.17 per kWh and GUVNL has tied up the base capacity of around 240 MW without offering any Greenshoe capacity and the tariff for 210 MW capacity has been adopted by the Commission vide Order dated 29.01.2024 & corrigendum dated 07.02.2024. We also note the submissions of GUVNL that nowadays project developers are facing challenges in land acquisition, its registration and conversion / obtaining NA in Gujarat and also facing Transmission connectivity availability issues and ROW issues. Further, high wind potential sites are far from substation location thereby adding to costs in setting up the Wind Power Projects and there are issues of limited windmill suppliers, WTGs supply constraints, increased BOP cost, blockage of wind mill installation cranes also leading to discovery of higher tariff. Due to market volatility, steep increase in prices of commodity like Copper, Steel, Aluminum, and Cement are also reasons of incremental tariff. Also, recently in January 2024 SECI has discovered tariff in the range of Rs.3.61-3.88 per Unit for 500 MW in Gujarat State, Rs.3.60- Rs.3.68 per unit for 350 MW in Karnataka State, and Rs.3.98-Rs.4.24 per unit for 160 MW in Rajasthan State in 1350 MW ISTS-connected Wind Power Projects (SECI-Tranche-XVI). The effective tariff for DISCOMs with SECI margin would be Rs.3.67 - Rs.3.95 + transmission charges and losses. Moreover, this power will also have transmission losses and the SECI tied up power is to be delivered at ISTS inter-connection point at CTU Network whereas GUVNL's tied up power is to be delivered at GETCO Periphery as per RfS terms and conditions. Therefore,

discovered tariff in the range of Rs 3.42-3.44 per kWh including the applicable transmission charges, if any, till GETCO periphery, are within the market range and substantially lower than landed cost of SECI discovered tariff.

11.23. We note that the Respondent No. 2 Juniper Green Energy Pvt. Limited vide its letter dated 28.03.2024 submitted their no objection to the present Petition filed by GUVNL. We also taken on records the submissions dated 09.05.2024 of Respondent No. 2 wherein it was stated that at present scenarios, due to shortage of land availability, project developers are facing difficulties in securing land either through freehold or leasehold, its registration and conversion from agricultural to non-agricultural land and procuring NA in the State of Gujarat. The identification of land locations for wind locations on the basis of wind resource assessment is very challenging and securing the land which is feasible for establishment of wind turbines become difficult in the light of aforesaid challenges. Developers are also having facing concerns with respect to obtaining consents for 'Right of Way (RoW) and Transmission connectivity availability issues. It is also stated by the Respondent No. 2 that the high wind potential locations are located distant from the sub-stations, which raises the setup costs for wind power generating plants. In addition, there are problems with a lack of wind turbine generator (WTG) suppliers, WTG components/supply limitations, higher balance of plant costs, availability of cranes and equipment since most of the developers scheduled to commission projects at identical times and obstructions for movement of WTG installation cranes, all of which contribute to the higher costs and resulting into discovered revised Tariff. It also submitted that the tariff quoted by the Respondent No. 2 is justified due to the sharp rise in commodity prices such as those of copper, steel, aluminum and cement, which is being caused by market instability. The WTG suppliers are not willing to develop the project on turn-key basis due to which the risk and increased cost exposure remain with the Developer due to increase of any commodity pricing (i.e., increase in steel will directly result into increase in tower costs (for both WTG and transmission towers), increase in copper directly results in higher costs of transformer, generators and cables, increase in copper results into higher costs of cables, increase in aluminum results into higher costs of conductors and transmission lines), unavailability of cranes/equipment will increase in standby

costs, any right of way or obstructions shall cause standby costs and additional costs and many more risks are to be absorbed well within the anticipated project costs, and therefore, the tariff is justifiable given the risks to be absorbed by the Developers. It is submitted that in the present Petition, the project location of GUVNL 140 MW is in Gujarat and Energy is to be delivered at GETCO periphery.

11.24. We also note that the Respondent No. 1 Alfanar Power Limited has chosen not to file their reply in the present matter despite a liberty had granted to them. However, during the hearing on 06.04.2024, the representative appearing for the Respondent No. 1 has submitted that Respondent M/s Alfanar Power Limited having no objection to adoption of tariff discovered under Competitive Bidding Process carried out vide RFS No. GUVNL/500 MW/Wind (Phase-VI) dated 10.07.2023 & Addendums thereto, by the Petitioner GUVNL.

11.25. Accordingly, the Petitioner GUVNL has issued Letter of Intents (LoIs) dated 21.02.2024 to the successful Bidders at the tariff of Rs. 2.42-2.44 per unit. In view of above, the total allotment of 140 MW capacity under the tender is as under:

Sr. No.	Bidder's Name	Capacity (MW)	Tariff (Rs. / KWH)
01.	M/s Alfanar Power Limited	50	3.42
02.	M/s Juniper Green Energy Pvt. Limited	90	3.44
	Total	140	

11.26. The Commission, therefore, decides to adopt the above discovered tariff quoted by above mentioned bidders respectively for their capacity at tariff as sought by them, viz., (i) M/s Alfanar Power Limited and (ii) M/s Juniper Green Energy Pvt. Limited with their respective tariff for setting up Wind Power Projects in Gujarat, as prayed by the Petitioner.

11.27. We also note that the Ministry of Power had notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 on 22.02.2021. The said Rules are superseded by the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 on 03.06.2022. The aforesaid Rules, 2022 provides that this Rules are in supersession of earlier notified Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 except as respects things done or omitted to be done before

such supersession. The said Rules would apply for the outstanding dues of generating companies, Inter-State transmission licensees and electricity trading licensees after the notification of the Rules on 03.06.2022 and accordingly, applicable in the present matter. We note that the Petitioner has initiated and conducted the competitive bidding process through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto, by issuing the 'Notice Inviting Tender' on 11.07.2023. It is stated in the said Rules, 2022 that the Central Government in exercise of powers conferred by Section 176 (1) of the Electricity Act, 2003 and in supersession of the Electricity (Late Payment Surcharge) Rules, 2021 except as respects things done or omitted to be done before the supersession has notified Electricity (Late Payment Surcharge) Rules, 2022 which has to come in force on the date of its publication in the Official Gazette. i.e., from 03.06.2022 onwards. In this regard, we are of view that as per provisions of bidding guidelines, the distribution licensee or intermediary procurer has to approach the Commission for adoption of tariff discovered under competitive bidding process in terms of Section 63 of Electricity Act, 2003 and the Commission has to decide and adopt the discovered tariff within 60 days from such submissions by the distribution licensee or intermediary procurer. In the present case, the Petitioner has approached the Commission for adoption of tariff discovered through competitive bidding process conducted vide RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto which is an ongoing process. We also note that as per the submissions of the Petitioner GUVNL that though the LoIs have been issued to the successful bidders but the PPAs are yet to be signed by the Petitioner with the successful bidders although the Petitioner has filed Draft PPA with the Petition to be executed with the successful bidders. Therefore, we are of view that the aforesaid Rules are notified under the Electricity Act, 2003 and therefore, it need to be given effect, if any, in the power procurement by the distribution licensee. Hence, we direct the Petitioner GUVNL to incorporate and align the Clauses of the Electricity (Late Payment Surcharge) Rules appropriately in the PPAs to be signed with the successful bidders, if already not incorporated.

11.28. We note that the Petitioner has issued the LoIs to all the successful bidders but PPAs are yet to be executed with such successful bidders. Accordingly, the Petitioner is

directed to execute the PPAs with the successful bidders, i.e., Respondents No. 1 and 2 herein, as per decision in this Order. We note that the Petitioner is required to submit the copy of the signed PPAs and therefore, the Petitioner is directed to submit copies of duly executed PPAs to the Commission alongwith an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission in its Orders dated 15.03.2018 and 26.02.2019 and deviations approved vide letter dated 29.09.2023 by EPD, Government of Gujarat. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, to publicly disclose the name (s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Clause 11.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

11.29. In view of the foregoing, the Commission is satisfied with the entire tendering process including the e-reverse bidding conducted by the Petitioner in a transparent manner and discovered tariff of successful bidders with quoted capacity and allocated capacity to them as stated above.

12. SUMMARY OF DECISIONS:

12.1. Considering the recommendation of Bid Evaluation Committee Report and above analysis, we decide to adopt the tariff discovered under the competitive bidding process conducted by the Petitioner through RfS No. GUVNL/500 MW/Wind (Phase VI) dated 10.07.2023 and addendums thereto, issued by the Petitioner GUVNL for Procurement of Power from Grid connected Wind Power Projects to be set up anywhere in India as under:

Sr. No.	Bidder's Name	Capacity (MW)	Tariff (Rs. / KWH)
01.	M/s Alfancar Power Limited	50	3.42
02.	M/s Juniper Green Energy Pvt. Limited	90	3.44
	Total	140	

- 12.2. Apart from the directives of the Commission in this Order, the Petitioner to sign the Power Purchase Agreement(s) with the successful bidders with allocated capacity and tariff as per above table.
- 12.3. We direct the Petitioner to submit the copies of duly executed PPAs to the Commission alongwith an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved by the Commission in its Orders dated 15.03.2018 and 26.02.2019 and deviations approved vide letter dated 29.09.2023 by EPD, Government of Gujarat. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Clause 11.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.
13. Order accordingly.
14. With this Order the present Petition stand disposed of.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.

Date: 10/06/2024.