

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2350 of 2024.

In the matter of:

Petition under Section 86 (1) (a), (b) & (e) of the Electricity Act, 2003 and other applicable provisions of the Electricity Act, 2003 for procurement of power under the Government of Gujarat "Gujarat Renewable Energy Policy- 2023".

Petitioner: Gujarat Urja Vikas Nigam Limited

Represented by: Ms. G. Bhavani along with Mr. M.M.Pandya

Co-Petitioner No.1: Madhya Gujarat Vij Company Limited, Vadodara

Represented by: Mr. A. R. Patel

Co-Petitioner No.2: Uttar Gujarat Vij Company Limited, Mehsana

Represented by: Mr. B.G.Pranami

Co-Petitioner No.3: Paschim Gujarat Vij Company Limited, Rajkot

Represented by: Mr. R. J. Vala

Co-Petitioner No.4: Dakshin Gujarat Vij Company Limited, Surat

Represented by: Nobody remain Present.

CORAM:

**Mehul M. Gandhi, Member
S.R. Pandey, Member**

Date: 08/08/2024.

DAILY ORDER

1. The matter was kept for hearing on 28.06.2024.

2. Ms. G. Bhavani appearing on behalf of the Petitioner GUVNL submitted that the present Petition has been filed seeking approval of mechanism of applicable tariff for purchase of power from solar projects above 0.5 MW up to 4.0 MW and Wind projects above 0.5 MW to less than 10 MW as well as draft Power Purchase Agreement (PPA) under the Gujarat Renewable Energy Policy-2023.
 - 2.1. She submitted that pursuant to the directive of the Commission, all the procurement of renewable energy including solar power is being done on the competitive bidding basis by the Petitioner. Moreover, the Ministry of Power has also published the "Guidelines for Tariff based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Projects" on 28.07.2023. In case of STU connected Solar projects, minimum bid quantum is specified as 10 MW (Clause 5.2). Thus, Competitive Bidding Guideline are not applicable for intra State projects below 10 MW Solar PV projects. Further, she submitted that Ministry of Power has published "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Projects." dated 26.07.2023. In case of STU connected Wind projects, minimum bid quantum is specified as 10 MW (Clause -3). The Competitive Bidding Guideline are not applicable for intra State projects below 10 MW Wind projects.

 - 2.2. On query of the Commission regarding process of discovery of tariff in such projects, the representative of the Petitioner submitted that it is as per pre fixed levelized tariff as per the mechanism decided by the Commission as per the Clause 16.3 of the Gujarat RE Policy -2023.

 - 2.3. She further submitted that the tariff applicable for RE projects exempted from competitive bidding process as per MNRE guidelines under Gujarat Renewable Energy Policy- 2023 shall be as per following mechanism:

16.3.1 Purchase from Solar Power Projects:

DISCOMs may procure power from distributed solar projects up to 4 MW capacity at a pre-fixed levelized tariff as per the mechanism decided by GERC i.e. simple average of tariffs discovered and contracted under the competitive bidding process conducted by GUVNL for non-park solar projects in the preceding 6-month period, i.e., either April to September or October to March, as the case may be, plus 20 paisa/unit, which shall be applicable for the signing of PPAs in subsequent 6-month period and such tariff shall remain fixed for the 25 year term of the PPA.

Further, in case generic tariff is determined by GERC for solar project and such tariff is lower than tariff as stated in above para, lower tariff will be applicable for purchase of solar power from such project and the same shall be fixed for entire term of PPA.

16.3.2 Purchase from wind power projects:

DISCOMs may procure power from small size wind power projects up to 10 MW capacity at a pre-fixed levelized tariff equal to the simple average of tariff discovered and contracted under the competitive bidding process conducted by GUVNL for wind projects in the preceding 6-month period, i.e., either April to September or October to March, as the case may be, which shall be applicable for the signing of PPAs in subsequent 6-month period and such tariff shall remain fixed for the 25-year term of the PPA.

Further, in case generic tariff is determined by GERC for wind project and such tariff is lower than tariff as stated in above para, lower tariff will be applicable for purchase of wind power from such project and the same shall be fixed for entire term of PPA.

Further, in case generic tariff is determined by GERC for wind project and such tariff is lower than tariff as stated in above para, lower tariff will be applicable for

purchase of wind power from such project and the same shall be fixed for entire term of PPA.

16.3.3. For above projects, if the tariff is not available for preceding 6- month period, then available tariff of latest 6-month tariff shall be considered.

16.3.4 Purchase of power from the RE project setup under the specific scheme / guideline of State or Central Government, as the case may be, will be governed as per the terms and conditions of respective scheme/ guidelines. Further the tariff for such projects shall be as approved by GERC.

2.4. She further submitted that the Commission may approve the Petition under Section 86 (1) (a), (b) and (e) of the Electricity Act, 2003. The Commission has raised the query about the tariff discovered under different competitive Biddings during the last 2-year period for the Solar and Wind Power Project specifying the tariff rate, its technical parameters and Capacity Utilization Factor (CUF) agreed in the PPA etc. are required to put on record by the Petitioner. She agreed to file the above submissions showing details as sought by the Commission.

2.5. She further submitted that GUVNL has prepared draft Standard Operating Procedure (SOP) for purchase of power from solar project up to 4 MW and wind project less than 10 MW under the Clause No 16.3 of GoG policy "Gujarat Renewable Energy Policy-2023". She submitted that the Petitioner GUVNL had published said SOP on website of GUVNL and all DISCOMs and GETCO for inviting comments /suggestions of the Stakeholders / developers within 10 days. The comments from Stakeholders with justification of GUVNL is placed with the Petition.

2.6. She further submitted that the Commission has already approved a similar mechanism of applicable tariff for purchase of power from solar projects above 0.5 MW to 4.0 MW under the Government of Gujarat Policy for development of Small Scale Distributed Solar Projects (SSDSP) - 2019 vide order in Petition No. 1802 of 2019. She submitted that for

the purpose of purchase of power from Solar Projects above 0.5 MW to 4.0 MW the Petitioner GUVNL intends to apply the same approved mechanism.

- 2.7. On further query of the Commission for whether inviting comments and suggestions from the stakeholders as the matter is pertaining to procurement of power from wind and solar power plants and approval of draft PPA and draft Standard Operating Procedure (SOP) for purchase of power the Petitioner has admitted and as agreed for the same.
3. We have noted the submissions of the Petitioner. We note that the present petition has been filed by the Petitioners under Section 86 (1) (a), (b) & (e) and the other applicable provisions of the Electricity Act, 2003 seeking the approval of the mechanism of tariff for purchase of power under GoG Renewable Energy Policy, 2023 as specified therein and also approval of PPA and SOP. However, since the approval sought for involves the applicable tariff and term and conditions of PPA for the small Solar PV projects/Wind projects, we are of the view that a public hearing is required to be conducted to take into account the suggestions/objections/comments of the stakeholders. The Petitioner is, therefore, directed to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State and also upload the present petition with all relevant documents on its website and invite comments/suggestions/objections from the stakeholders on the affidavit within 30 days from the date of issue of public notice. The Petitioner shall state in the public notice that the stakeholders shall file their comments/objections/suggestions to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT City, Gandhinagar – 382 355 in five copies along with affidavit in support of their submissions with a copy to the Petitioner. The Petitioner is directed to file a comprehensive affidavit of the same.
4. The staff of the Commission is directed to upload the Petition along with all relevant documents on the website of the Commission after the public notice is issued and a copy thereof is provided to this Office by the Petitioner. The Staff of the commission is also directed to provide copy of the suggestions/objections received if any provide copy of

the same to the Petitioner. The Petitioner is directed to file its submissions of the comments within 15 days to the objectors and copy of the same provided to the commission.

5. Next date of hearing will be intimated separately.

6. Order accordingly.

Sd/-
[S.R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.

Date: 08/08/2024.

