

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**

**Petition No. 2360 of 2024.**

**In the matter of:**

**Petition under Section 63 read with Section 86 (1) (b) of the Electricity Act, 2003 for adoption of tariff discovered under Competitive Bidding Process for Procurement of Power from Grid connected Wind Solar Hybrid Power Projects through RfS No. TPL/Hybrid/01/2024 dated 16.01.2024.**

Petitioner : Torrent Power Limited (TPL)  
Samanvay, 600, Tapovan,  
Ambawadi, Ahmedabad – 380015.

Represented by : Mr. Jignesh Langalia and Ms. Luna Pal

**CORAM:**

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

**Date: 02/09/2024**

**ORDER**

1. This Petition has been filed by the Petitioner Torrent Power Limited (TPL) under Section 63 read with Section 86(1)(b) of the Electricity Act 2003 *interalia* seeking following prayers:

*(a) Admit the Petition as submitted.*

*(b) Adopt the tariff discovered under Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects for base capacity and greenshoe capacity for fulfilment of RPO of its license areas.*

*(c) Allow additions/ alterations/ changes/ modification to the submissions.*

*(d) Condone any inadvertent omissions/ errors/ shortcomings.*

*(e) Grant any other relief/s as it deems fit and appropriate under the circumstances of the case 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. It is stated that Torrent Power Limited is a Company incorporated under the Companies Act, 1956 and has filed this petition in its capacity as distribution licensee of Ahmedabad/Gandhinagar and Surat license areas.
  - 4.2. The Commission in exercise of the powers conferred under Sections 61, 66, 86 (1) (e) and 181 of the Electricity Act 2003 (36 of 2003), has made the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 vide its Notification No. 03 of 2010 dated 17<sup>th</sup> April, 2010 for promoting sale of power from renewable energy sources and for procurement of energy from renewable sources by distribution licensee within the State of Gujarat. In the RPO Regulations, the Commission has specified the minimum percentage for procurement of power from Wind, Solar, Biomass, Bagasse and Other Sources.

4.3. Thereafter, the Commission has issued amendments to the said RPO Regulations from time to time and accordingly, the Commission vide GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 prescribing the minimum percentage of procurement of power from renewable energy from FY 2017-18 to FY 2024-25. The prescribed trajectory for FY 2024-25 is as follows:

<b>Year</b>	<b>Wind</b>	<b>Solar</b>	<b>Hydro</b>	<b>Others</b>	<b>Total RPO</b>
FY 2024-25	8.55%	11.25%	0.10%	0.80%	20.70%

4.4. It is further submitted that the Ministry of Power, Government of India vide Notification dated 20.10.2023 has notified the following RPO trajectory as under:

<b>Year</b>	<b>Wind</b>	<b>Hydro</b>	<b>Distributed RE</b>	<b>Other RPO</b>	<b>Total RPO</b>
FY 2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
FY 2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
FY 2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
FY 2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
FY 2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
FY 2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

4.5. It is submitted that at present the Petitioner TPL has already tied up 402 MW Wind Power and 206 MW Solar Power on long term basis. In addition, the Petitioner has also tied up 450 MW Solar power through Competitive Bidding Process. Additionally, the solar Rooftop capacity has reached 540 MW in the Petitioner's license area during FY 2023-24. Further, the Petitioner has also signed tripartite agreement to procure 15 MW power from MSW plant though the project is expected to be commissioned during FY 2024-25.

4.6. The tie-ups as above suffice RPO to the tune of about 1,417 MUs from Solar and 1,052 MUs from Wind & MSW which is about 18% of the likely energy

requirement of the Petitioner for FY 2024-25. In turn, there is a shortfall in complying with Commission's RPO target of 20.70%. Further, vis a vis RPO target specified in MoP Order of 30% for FY 2024-25, there is a shortfall of about 1,665 MUs which will increase to 2270 MUs in FY 2029-30. This shortfall primarily necessitates tie-ups from new Wind Capacity.

- 4.7. In order to fulfil the above shortfall, the Petitioner is required to tie up renewable power particularly Wind-Solar Hybrid Power.
- 4.8. The Ministry of Power vide its resolution dated 21<sup>st</sup> August 2023 has issued the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects. As per Clause 5.1 of the Guidelines, in case of any deviations from the Guidelines and/or Standard Bidding Documents (SBDs), the same needs to be approved by the Government in accordance with the process described in the Guidelines. In turn, the Petitioner had approached the Energy and Petrochemicals Department, Govt. of Gujarat seeking approval of deviations.
- 4.9. The Petitioner has submitted that it has received EPD's approval of the deviations vide its Letter No: EPCD/0356/12/2023 dated 20<sup>th</sup> December, 2023 in terms of "Eligible Projects", "Bid Size", "Maximum Capacity", "Offtake constraints due to Grid Unavailability", "Payment in case of reduced offtake", "Delivery Point", and "Delay in Commissioning on Account of Delay in LTA/GNA Operationalization".
- 4.10. With regard to processing of tender, the Petitioner issued tender on e-bidding portal [www.bharat-electrontender.com](http://www.bharat-electrontender.com) on 16<sup>th</sup> January, 2024 and published tender notice on 17<sup>th</sup> January, 2024 for procurement of 300 MW power with additional 150 MW under Green shoe option from grid connected RE Hybrid

Projects through tariff based competitive bidding process, in the following newspapers:

- Business Standard (All India Edition)
- Mint (All India Edition)

4.11. The bidders were required to bid on the website [www.bharat-electronicstender.com](http://www.bharat-electronicstender.com). The last date for submission of offers was 7<sup>th</sup> February, 2024. Pre-bid meeting was conducted on 25<sup>th</sup> January, 2024 and 6 companies (out of 9 companies which have shown interest in attending Pre-Bid meeting) participated in the pre-bid conference. Written clarifications were sought by bidders and responses were issued vide addendums dated 2<sup>nd</sup> February, 2024, 9<sup>th</sup> February, 2024, 12<sup>th</sup> February, 2024, 15<sup>th</sup> February, 2024 and 4<sup>th</sup> March, 2024 by the Petitioner. The due date for submission of bid was subsequently extended to 11<sup>th</sup> March, 2024 based on requests by bidders.

4.12. Post submission of bids, e-bidding was carried out on 15<sup>th</sup> March, 2024 wherein two (2) bidders qualified for the Reverse Auction. The results of the Reverse Auction are summarized hereunder:

<b>Sr. No.</b>	<b>Successful Bidder</b>	<b>Quantum (MW)</b>	<b>Tariff (Rs./unit)</b>
1	Torrent Power Limited/ ETS-IN-2020-RS0000192	300 MW	3.65
2	Purvah Green Power Private Limited/ ETS-IN-2024-RS0000179	100 MW	3.66

4.13. Torrent Power Limited emerged as successful bidder. The Standing Committee evaluated the bids and recommended to award the bid for base capacity to successful bidder. The copy of Standing Committee Certificate for compliance of MoP Guidelines is also filed with the present Petition. In turn, the Petitioner has issued the LOA for base capacity of 300 MW and Torrent Power Limited has accepted the same.

4.14. The Petitioner also evaluated the demand-supply position of its license areas vis-a-vis existing tie up of long-term renewable sources and requirement for tying up of additional wind-solar hybrid power for fulfilment of its renewable power purchase obligation. Based on the detailed evaluation, the Petitioner exercised the green shoe option and proposed to procure 150 MW Wind-Solar Hybrid Power in addition to 300 MW base capacity. Accordingly, the Petitioner has also offered 150 MW Greenshoe capacity to Torrent Power Limited as per Clause 3.2 of the RfS at the same tariff of Rs. 3.65 per unit and the bidder has accepted the said offer. On basis of the same, Evaluation Committee has recommended for issuance of LoA for 150 MW greenshoe capacity to the successful bidder Torrent Power Limited. While the Guidelines mandates that PPA should be executed within 30 days from issuance of LoA, the Petitioner proposes to submit the copy of the PPA signed by the Petitioner with the successful bidder.

4.15. Based on the above, the Petitioner has requested the Commission to adopt tariff discovered by the Petitioner in Competitive Bidding Process conducted through RfS No. TPL/Hybrid/01/2024 dated 16<sup>th</sup> January 2024 for procurement of power from Grid Connected Wind Solar Hybrid Projects in accordance with Section 63 read with Section 86 (1) (b) of the Electricity Act 2003.

5. The matter was kept for hearing on 28.06.2024. Mr. Jignesh Langalia, appearing on behalf of the Petitioner reiterated the submissions as stated in above para 4. In response to the query of the Commission that who opted the Greenshoe Option and at what rate, it is submitted that the Petitioner has offered 150 MW Greenshoe capacity to Torrent Power Limited at the L1 tariff of Rs 3.65 per unit which was accepted by the bidder TPL and accordingly, Evaluation Committee has recommended to issue LoA for 150 MW as



Greenshoe Capacity and the same has been issued to the Successful Bidder by the Petitioner. In response to further query of the Commission that what is the recent discovered tariff under tender issued by GUVNL and tender issued by SECI and what is CUF declared in such bids and what is CUF declared under the present Petition, and what are reasons and justification for such difference in tariff discovered and CUF?, it is submitted that the tariff discovered under GUVNL's bid was in range of Rs. 3.33 - Rs. 3.39 per unit and CUF was 30% and in case of SECI's bid, the tariff discovered was in range of Rs. 3.41-Rs. 3.42 per unit for 1500 MW and in another bid for 1200 MW, the tariff discovered was Rs. 3.33-Rs. 3.46 per unit and CUF was 30% whereas in case of the Petitioner TPL, CUF is 50%.

6. After hearing the Petitioner, the Commission has passed Daily Order dated 10.07.2024 wherein it is also observed that the Petitioner has not submitted all details pertaining to present bidding process, i.e., all the details since initiation of bidding process by publishing the public notice to completion of bidding process and filing of the Petition for adoption of tariff and also the copy of report generated on the web-portal of Bharat-electronic tender after e-reverse auction. The representative for the Petitioner has agreed to provide the same. Accordingly, the Commission has directed the Petitioner to provide the details of bidding process including details of recently discovered tariff.
7. In response to the directives of the Commission, Petitioner TPL filed its submission on 22.07.2024. The relevant extracts of the said submission are reproduced as under:

“.....

***Re- Report generated on the web-portal after e-reverse auction***



3. *The Hon'ble Commission in Para 2.5 of the daily order has asked the Petitioner to submit copy of report generated on the web-portal of Bharat-electronic tender after e-reverse auction. In this regard, the Petitioner is submitting the same at **Enclosure- A** of the present submission.*

### **Re- Bidding Process**

4. *The Hon'ble Commission in Para 3.1 of the daily order has sought all details pertaining to present bidding process, i.e., all the details since initiation of bidding process by publishing the public notice to completion of bidding process and filing of the Petition before the Hon'ble Commission for adoption of tariff.*
5. *In this regard, the Petitioner would like to submit that the Petitioner has already tied up 402 MW wind power and 206 MW solar power on long term basis. In addition, the Petitioner has also tied up 450 MW solar power through competitive bidding process. Additionally, the solar rooftop capacity is estimated to reach ~540MW in the Petitioner's license area during FY 2023-24. Further, the Petitioner has also signed tripartite agreement to procure 15 MW power from MSW plant though the project is yet to be commissioned.*
6. *The tie-ups as above would suffice RPO to the tune of about ~1,417 MUs from Solar and ~1,052 MUs from Wind & MSW. This in turn is about ~18% of the likely energy requirement of the Petitioner for FY 2024-25. Thus, there is a shortfall in complying with Hon'ble GERC's RPO target of 20.70%. Further, vis a vis RPO target specified in MOP order of ~30% for FY 2024-25, there is a shortfall of about 1,665 MUs which will increase to ~2,270 MUs in FY 2029-30. This shortfall primarily necessitates tie-ups from new Wind Capacity.*
7. *In order to fulfil the above shortfall, the Petitioner is required to tie up renewable power particularly wind-solar hybrid power. Since the generation benefit from any new RE project through Competitive Bidding shall be made available only after a lapse of about 18-24 months and because the Petitioner is required to fulfil its RPO which is in increasing trend and because the tariffs of RE power are fixed for the period of 25 years, the Petitioner initiated the Competitive Bidding Process followed by e-reverse auction for procurement of 300 MW grid*

connected power from Wind Solar Hybrid projects with Greenshoe option of additional capacity upto 150 MW.

8. As per requirement of Clause 5.1 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects (hereinafter referred to as "Guidelines") issued by the Ministry of Power vide its resolution dated 21.08.2023, the Petitioner had approached the Energy and Petrochemicals Dept., Govt. of Gujarat (hereinafter referred to as EPD) seeking approval of deviations. In turn, the Petitioner has received EPD's approval of the deviations in terms of "Eligible Projects", "Bid Size", "Maximum Capacity", "Offtake constraints due to Grid Unavailability", "Payment in case of reduced offtake", "Delivery Point", and "Delay in Commissioning on Account of Delay in LTA/GNA Operationalization" vide Letter No: EPCD/0356/12/2023 dated 20.12.2023. The copy of TPL's submission to EPD and in turn EPD approval is attached at **Enclosure-B** of the present submission.
9. Post receipt of approval of deviations, the Petitioner has issued tender on e-bidding portal [www.bharat-electronictender.com](http://www.bharat-electronictender.com) on 16.01.2024 and published tender notice on 17.01.2024 for procurement of 300 MW power with additional 150 MW under Green shoe option from grid connected RE Hybrid Projects through tariff based competitive bidding process, in the following newspapers:
  - a) Business Standard (All India Edition)
  - b) Mint (All India Edition)
10. The copy of tender documents i.e. RFS & PPA along with Public Notice has been submitted as Annexure-1 & 2 of the original petition dated 19.04.2024.
11. The Pre-Bid Meeting was held on 25.01.2024, wherein 6 bidders participated. Subsequently, the Petitioner has issued the responses on clarification sought by the bidders during Pre-bid meeting vide addendum dated 02.02.2024, 09.02.2024, 12.02.2024, 15.02.2024 and 04.03.2024. The Petitioner has also granted extension of timeline for submission of bids & in turn the opening of technical & financial bids vide corrigendum dated 03.02.2024, 13.02.2024, 19.02.2024,

26.02.2024, 29.02.2024, and 12.03.2024 to increase participation. The final due date for submission of bid was 11.03.2024. Whereas, the date for opening of technical bid was 12.03.2024 and financial bid was 15.03.2024. Copy of the bidder queries alongwith aforementioned addendum and corrigendum are enclosed herewith at Enclosure-C & C1 of the present submission.

12. Out of the 6 interested bidders, only 3 bidders submitted the bid before the due date. On 12.03.2024, technical bids were opened, and on evaluation, all bidders were found technically qualified. List of bidders who participated and capacity offered is as below:

<b>Sr. No.</b>	<b>Bidders</b>	<b>Bidder's Quantum (MW)</b>
1	M/s. Torrent Power Limited	300
2	M/s. Purvah Green Power Pvt. Limited	100
3	M/s. Megha Engineering and Infrastructure Limited	100

13. Pursuant to the technical bid opening, e-bidding was carried out on 15.03.2024 wherein two (2) bidders qualified for the Reverse Auction. The results of the Reverse Auction are summarized hereunder. The detailed bid report is enclosed at **Enclosure-D** of the present submission:

<b>Sr. No.</b>	<b>Bidders</b>	<b>Bidder's Quantum (MW)</b>	<b>Tariff discovered (Rs./kWh)</b>	<b>Rank</b>
1	M/s. Torrent Power Limited	300	3.65	L1
2	M/s. Purvah Green Power Private Limited	100	3.66	L2

14. Based on the above M/s. Torrent Power Limited was found as successful bidder with quoted Tariff of Rs. 3.65/kWh for a quantum of 300 MW. The Standing Committee evaluated the bids and recommended to award the bid for base capacity to successful bidder. The Evaluation

*Committee Report has been submitted as **Annexure- 3** of the original petition dated 19.04.2024.*

- 15. Pursuant to the recommendation of evaluation committee, the Petitioner has issued the LoA for 300 MW to M/s Torrent Power Limited who has accepted the LOA. The copy of the LOA with acceptance has been submitted as **Annexure-4** of the original petition dated 19.04.2024.*
- 16. It is submitted that in the present tender, there are provisions for allocating additional 150 MW capacity through Greenshoe Option at L1 tariff to the extent of the quoted capacity. Pursuant to the receipt of LOA, Torrent Power Limited had expressed its willingness to execute PPA in respect of additional capacity as may be offered under greenshoe option.*
- 17. Based on the demand-supply position of its license areas vis-a-vis existing tie up of long-term renewable sources and requirement for tying up of additional wind-solar hybrid power for fulfilment of its renewable power purchase obligation, the Petitioner deemed it appropriate to exercise the green shoe option and procure 150 MW wind-solar hybrid power in addition to 300 MW base capacity. Accordingly, the Petitioner has also issued the LOA for 150 MW greenshoe capacity to Torrent Power Limited. The copy of Ms. Torrent Power Ltd.'s willingness to offer capacity under greenshoe, Evaluation Committee Report, LOA, and its acceptance has been furnished at **Annexure-5** of the original petition dated 19.04.2024. Upon issuance of the Order of the Hon'ble Commission, the Petitioner shall also submit the copy of Power Purchase Agreement.*

#### ***Re- Reasonability of Tariff discovered through Bidding Process***

- 18. The Hon'ble Commission in Para 2.5 of the daily order has sought justification and details regarding recently discovered tariff along with details of CUF with reasons and justification for difference in tariff discovered.*
- 19. In this regard, the Petitioner would like to submit that in the SECI (Tranche-VIII) bid for Wind-Solar Hybrid of 1200 MW dated 13.04.2024,*

*the tariff discovered was Rs. 3.43-Rs. 3.46 per unit at ISTS with 30% CUF. In addition to discovered tariff, buyer needs to pay 7 Paise/unit to SECI as trading margin. Thus, considering the ISTS Charges of ~Rs. 0.42 per unit & ISTS loss of ~3.53% (Losses for June-2024), landed cost of power at InSTS works out to ~Rs. 4.04-4.07 per Unit.*

20. *Further, in the SJVN (Phase-II) bid for Wind-Solar Hybrid of 1500 MW dated 10.06.2024, the tariff discovered was Rs. 3.41-Rs. 3.42 per unit at ISTS with 30% CUF. Considering SJVN trading margin of 7 Paise/unit, ISTS charges of ~Rs. 0.42 per unit and ISTS loss of ~3.53% (June-2024) landed cost of power at InSTS works out to ~Rs. 4.02-4.03 per Unit.*
21. *Regarding GUVNL, the rate discovered in the 500 MW Wind-Solar Hybrid (Phase II) bid is Rs. 3.33-3.39 per unit. Further, in the Phase II bid, the successful bidders are required to deliver minimum CUF of 30% at GETCO periphery whereas the Petitioner has mandated minimum CUF of 50%. Also, GUVNL has not specified any fixed ratio for wind and/or solar except minimum 1/3<sup>rd</sup> capacity from one technology whereas the Petitioner has mandated the ratio of wind to solar capacity of 2:1 considering the estimated shortfall in the RPO. Thus, there are clear distinction between the bids of GUVNL & TPL.*
22. *Recently, the Hon'ble Commission has been pleased to adopt the tariff of Rs. 3.42-3.44 per unit in case of GUVNL for procurement of standalone wind power with minimum CUF of just 22% for 500 MW tender vide its order dated 02.01.2024. Further, the Hon'ble Commission has also adopted the tariff of Rs. 2.54 per unit in case of GUVNL for procurement of standalone solar power with minimum CUF of only 17% for 600 MW tender vide its order dated 10.06.2024.*
23. *Based on the above, the Petitioner submits that the rate of Rs. 3.65 per unit, for procurement of 300 MW from Wind-Solar Hybrid along with 150 MW greenshoe, is competitive and will help the Petitioner to comply with its RPO requirements.*

*.....”*

8. We have considered the submissions made by the Petitioner. 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 of Rs. 3.65 per unit quoted by successful bidder under Competitive Bidding Process followed by e-reverse auction of Bid No. RfS No. TPL/Hybrid/01/2024 dated 16.01.2024, issued by TPL for Procurement of Power through Competitive Bidding Process.

- 8.1. The Petitioner procures the renewable power by entering into agreements with the developers towards fulfilment of its 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

8.2. The Ministry of Power, Government of India vide Notification dated 20.10.2023 has also notified the following RPO trajectory as under:

<b>Year</b>	<b>Wind</b>	<b>Hydro</b>	<b>Distributed RE</b>	<b>Other RPO</b>	<b>Total RPO</b>
FY 2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
FY 2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
FY 2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
FY 2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
FY 2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
FY 2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

From the above table and the existing RE tie-up status of the Petitioner, it is apparent that the Petitioner is required to procure substantial quantum of Wind & Solar power in view of the requirement stipulated by the Commission and the Government of India. Accordingly, in order to meet the Wind & Solar RPO target, the Petitioner initiated the Competitive Bidding Process followed by e-reverse auction for Procurement of Power from Grid Connected Solar Photovoltaic Power Projects through RfS No. TPL/Hybrid/01/2024 dated 16.01.2024.

8.3. Ministry of Power, Government of India has notified "New Guidelines for Tariff Based Competitive Bidding Process for the Procurement of Power from Grid Connected Solar PV Power Projects, on 28.07.2023. Pursuant to the such guidelines, the Petitioner TPL had sought approval of the State Government for the deviation in the Solar tenders in certain Clauses from the new Guidelines and the State Government has granted its approval vide Letter No: EPCD/0356/12/2023 dated 20<sup>th</sup> December, 2023 with regard to "Eligible Projects", "Bid Size", "Maximum Capacity", "Offtake constraints due to Grid Unavailability", "Payment in case of reduced offtake", "Delivery Point", and "Delay in Commissioning on Account of Delay in LTA/GNA Operationalization".



8.4. We note that the Petitioner issued tender on e-bidding portal [www.bharat-electronictender.com](http://www.bharat-electronictender.com) on 16<sup>th</sup> January, 2024 and published tender notice on 17<sup>th</sup> January, 2024. The bidders were required to bid on the website [www.bharat-electronictender.com](http://www.bharat-electronictender.com). The last date for submission of offers was 7<sup>th</sup> February, 2024. Pre-bid meeting was conducted on 25<sup>th</sup> January, 2024 and 6 companies (out of 9 companies which have shown interest in attending Pre-Bid meeting) participated in the pre-bid conference. Written clarifications were sought by bidders and responses were issued vide addendums dated 2<sup>nd</sup> February, 2024, 9<sup>th</sup> February, 2024, 12<sup>th</sup> February, 2024, 15<sup>th</sup> February, 2024 and 4<sup>th</sup> March, 2024 by the Petitioner. The due date for submission of bid was subsequently extended to 11<sup>th</sup> March, 2024 based on requests by bidders.

8.5. Out of the 6 interested bidders, 3 bidders submitted the bid before the due date. On 12.03.2024, technical bids were opened and on evaluation, all bidders were found technically qualified by the evaluation committee comprising of the following officials:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1	Shri Sudhir Prasad	Executive Director
2	Shri Naimesh Shah	Vice President
3	Shri Kashyap Desai	Vice President

8.6. Relevant extract of the Bid Evaluation Committee Report is as under:

***“Details of tender***

<i>RfS Reference No.</i>	<i>RfS no. TPL/Hybrid/01/2024 dated 16<sup>th</sup> Jan'24</i>
<i>Capacity</i>	<i>Total 300 MW RE Hybrid Projects to be developed + additional capacity upto 150 MW under Greenshoe option</i>
<i>Minimum Bid Capacity</i>	<i>50 MW</i>
<i>Term of PPA</i>	<i>25 years from SCOD</i>

<i>Technology</i>	<i>Commercially established and operational technology</i>
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### **Publication of tender**

*TPL-D issued tender on e-bidding portal [www.bharat-electronictender.com](http://www.bharat-electronictender.com) on 16<sup>th</sup> Jan'24 and published the tender notice on 17<sup>th</sup> Jan'24 for procurement of 300 MW power with additional 150 MW under Greenshoe option from grid connected RE Hybrid Projects through tariff based competitive bidding process in following newspapers:*

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

### **Principles of Evaluation**

*The approach to evaluation has been that all the bidders who qualify under the terms specified in the bidding documents, the financial bid of such qualified bidders shall be opened. Also, in case of a perceived non-responsiveness, clarifications are to be sought from the concerned bidders.*

### **Bid process and Evaluation**

*Pre-bid meeting was conducted on 25<sup>th</sup> Jan'24 and 6 companies (out of 9 companies which have shown interest in attending Pre-Bid meeting) participated in the pre-bid conference. Written clarifications were sought by bidders and responses were issued vide addendum dated 02<sup>nd</sup> Feb'24, 09<sup>th</sup> Feb'24, 12<sup>th</sup> Feb'24, 15<sup>th</sup> Feb'24 and 04<sup>th</sup> Mar'24 by TPL-D. Due date for submission of bid was 07<sup>th</sup> Feb'24, which was subsequently extended to 11<sup>th</sup> Mar'24 based on requests by bidders.*

The technical bid opening event was convened on 12<sup>th</sup> Mar'24. A total of 3 (three) responses for aggregate capacity of 500 MW were received by TPL-D. The list of the bidders and the capacity offered is as below:

<b>Sl.</b>	<b>Bidder</b>	<b>Bidder's quantum (MW)</b>
1	Torrent Power Limited	300
2	Purvah Green Power Private Limited	100
3	Megha Engineering and Infrastructures Limited	100

On scrutiny of the bid documents submitted by participating bidders, all the bidders who had submitted their bids were found to be responsive and hence were deemed qualified for opening of their financial bids. Accordingly, the Committee recommended opening of financial bids of all the three bidders.

8.7. Based on above the financial bids were opened and 2 (two) bidders were shortlisted. The relevant extract of the Bid Evaluation Committee is as under:

“.....

Accordingly, the bids were opened on 15<sup>th</sup> Mar'24 on e-bidding portal in the presence of the Committee.

Based on the evaluation of financial bids submitted, 2 (two) bidders were shortlisted for e-reverse auction round as per the methodology prescribed in the RfS for shortlisting of bidders for E-reverse auction (Bidder with highest tariff of Rs. 3.98/unit i.e. Megha Engineering and Infrastructures Limited got eliminated). E-reverse auction was conducted on e-bidding portal on 15<sup>th</sup> Mar'24. The result of e-reverse auction is as under:

<b>Sl.</b>	<b>Successful Bidder/ Baharat Electronic tender portal Reg. no.</b>	<b>Bidder's quantum (MW)</b>	<b>IPO Tariff (Rs./kWh)</b>	<b>Tariff discovered (Rs./kWh)</b>	<b>Rank</b>
1	Torrent Power Limited/ ETS-IN-2020-RS0000192	300	3.79	3.65	L1

2	Purvah Green Power Private Limited/ ETS-IN-2024- RS0000179	100	3.87	3.66	L2
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***Committee certification***

*At the end of e-reverse auction, M/s Torrent Power Limited was found as successful bidder with quoted tariff of Rs. 3.65/kWh for a quantum of 300 MW.*

*In view of above, Committee recommends to issue Letter of Award to the Successful Bidder for a quantum of 300 MW at Rs. 3.65/kWh.*

*The Committee hereby certifies that the bid process and the evaluation has been conducted in conformity to the provisions of the RfS document.”*

8.8. Based on the above, M/s Torrent Power Limited was found as successful bidder with quoted Tariff of Rs. 3.65/kWh for a quantum of 300 MW. The Standing Committee evaluated the bids and recommended to award the bid for base capacity to successful bidder. Pursuant to the recommendation of evaluation committee, the Petitioner has issued the LoA for 300 MW to M/s Torrent Power Limited who has accepted the LoA.

8.9. We note that in the present tender, there are provisions for allocating additional 150 MW capacity through Greenshoe Option at L1 tariff to the extent of the quoted capacity. Pursuant to the receipt of LoA, Torrent Power Limited had expressed its willingness to execute PPA in respect of additional capacity as may be offered under greenshoe option.

8.10. We note that based on the demand-supply position of its license areas vis-a-vis existing tie up of long-term renewable sources and requirement for tying up of additional Wind-Solar Hybrid Power for fulfilment of its Renewable Power Purchase Obligation, the Petitioner deemed it appropriate to exercise the green

shoe option and procure 150 MW Wind-Solar Hybrid Power in addition to 300 MW base capacity.

- 8.11. The Bid Evaluation Committee has evaluated the Petitioner's recommendation and accepted the same. The relevant extract is as under:

“ ...

***Bid Evaluation & Recommendation***

*Further to the Evaluation Committee meeting dated 16<sup>th</sup> Mar'24, wherein Committee had recommended for issuing LoA to Torrent Power Limited (being a Successful Bidder) for 300 MW RE Hybrid Power Project. TPL-D offered additional 150 MW RE Hybrid Capacity under greenshoe option to TPL being a Successful Bidder at L1 rate of Rs.3.65/kWh discovered in e-Reverse Auction vide letter dated 18<sup>th</sup> Mar'24.*

*TPL accepted the additional 150 MW RE Hybrid capacity under Greenshoe option offered by TPL-D vide its letter dated 22<sup>nd</sup> Mar'24.*

*In view of above, Committee recommends to issue Letter of Award (LoA) to the Torrent Power Limited for additional 150 MW RE Hybrid capacity at Rs.3.65/kWh under Greenshoe Option.*

***Committee certification***

*The Committee hereby certifies that the bid process and the evaluation has been conducted in conformity to the provisions of the RfS document.”*

- 8.12. We note that based on above, the Petitioner has also issued the LoA for 150 MW Greenshoe capacity to Torrent Power Limited and the same was accepted by Torrent Power Limited.
- 8.13. We note that the Petitioner TPL has submitted the additional details as directed by the Commission in its Daily Order dated 10.07.2024. We note that on the issue

of submission of Bid Report, the Petitioner TPL has submitted the same vide its submission dated 22<sup>nd</sup> June, 2024. On the issue of submission of additional details regarding tendering process, the Petitioner has submitted the copy of the EPD approval of deviations, the addendum and corrigendum issued, and the detailed bid report.

- 8.14. We note that on the issue of reasonability of tariff discovered, the Petitioner TPL has submitted that in the SECI (Tranche-VIII) bid for Wind-Solar Hybrid of 1200 MW dated 13.04.2024, the tariff discovered was Rs. 3.43-Rs. 3.46 per unit at ISTS with 30% CUF. In addition to discovered tariff, buyer needs to pay 7 Paise/Unit to SECI as trading margin. Thus, considering the ISTS Charges of ~Rs. 0.42 per unit & ISTS loss of ~3.53% (Losses for June-2024), landed cost of power at InSTS works out to ~Rs. 4.04-4.07 per Unit. Further, in the SJVN (Phase-II) bid for Wind-Solar Hybrid of 1500 MW dated 10.06.2024, the tariff discovered was Rs. 3.41-Rs. 3.42 per unit at ISTS with 30% CUF. Considering SJVN trading margin of 7 Paise/Unit, ISTS charges of ~Rs. 0.42 per unit and ISTS loss of ~3.53% (June-2024) landed cost of power at InSTS works out to ~Rs. 4.02-4.03 per Unit.
- 8.15. We note that regarding tariff discovered by GUVNL, the rate discovered in the 500 MW Wind-Solar Hybrid (Phase II) bid is Rs. 3.33-3.39 per unit. Further, in the Phase II bid, the successful bidders are required to deliver minimum CUF of 30% at GETCO periphery whereas the Petitioner has mandated minimum CUF of 50%. Also, GUVNL has not specified any fixed ratio for wind and/or solar except minimum 1/3<sup>rd</sup> capacity from one technology whereas the Petitioner has mandated the ratio of wind to solar capacity of 2:1 considering the estimated shortfall in the RPO. Thus, there are clear distinction between the bids of GUVNL & TPL.



- 8.16. We also note that this Commission has decided to adopt the tariff of Rs. 3.42-3.44 per unit in case of GUVNL for procurement of standalone wind power with minimum CUF of 22% for 500 MW tender vide its Order dated 02.01.2024. Further, the Commission has also adopted the tariff of Rs. 2.54 per unit in case of GUVNL for procurement of standalone solar power with minimum CUF of 17% for 600 MW tender vide its Order dated 10.06.2024.
- 8.17. We note that rationality of tariff discovery is generally analyzed on the basis of prevailing market prices. Hence, as analyses hereinabove the discovered tariff of Rs 3.65 per kWh under the present tender is within the prevailing market range and the same is also approved by the Petitioner's Bid Evaluation Committee.
- 8.18. We note that in the National targets for RE that the Government of India has commitment in revised Nationally Determined Contribution (NDC) at global level, 50% of total electrical installed capacity of the Country is to be tied up from non-fossil fuel-based energy sources by 2030. Moreover, RPO targets are notified from time to time. DISCOMs are mandated to fulfill the same and non-compliance of the same would result into penalties in accordance with the Regulations/Guidelines. Thus, substantial RE capacity addition would be required in future years in order to comply with the RPO targets specified by the Commission from time to time.
- 8.19. We note that as per Clause 10.2 of the 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects' dated 28.07.2023 issued by the Ministry of Power, Government of India, after the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids has to certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS. As already noted above, the Petitioner in compliance to aforesaid clause has certifying that the Committee has critically evaluated the bids and that the bidding



process and the evaluation has been conducted in conformity to the provisions of the RfS.

8.20. We also note that the Ministry of Power, Government of India 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. TPL/Hybrid/01/2024 dated 16.01.2024. 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. TPL/Hybrid/01/2024 dated 16.01.2024 which is an ongoing process. We also

note that Petitioner has filed LoA and Draft PPA with the Petition to be executed with the successful bidders. Further, we are of view that the aforesaid Rules are notified under the Electricity Act, 2003 and therefore, it needs to be given effect, if any, in the power procurement by the distribution licensee. Hence, we direct the Petitioner TPL 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.

- 8.21. 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 bidder(s) with quoted capacity and allocated capacity to them as stated above.
- 8.22. The Commission, therefore, decides to adopt the above discovered tariff as mentioned above to Torrent Power Limited for allocated capacity at corresponding tariff as prayed by the Petitioner TPL.
- 8.23. Accordingly, the Petitioner is directed to execute the PPAs with the successful bidders as per decision in this Order. We note that the Petitioner is also 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 along with 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 EPD, Government of Gujarat and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved. 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 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

## 9. SUMMARY OF DECISIONS:

- 9.1. 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. TPL/Hybrid/01/2024 dated 16.01.2024 issued by the Petitioner TPL for Procurement of 300 MW power with additional 150 MW under Green shoe option from Grid connected RE Hybrid Projects as under:

Sr. No.	Successful Bidder	Quantum (MW)	Tariff (Rs./unit)
1	Torrent Power Limited/ ETS-IN-2020-RS0000192	450 MW	3.65

- 9.2. Based on the above, the Petitioner is directed to sign the Power Purchase Agreement(s) with the successful bidder with allocated capacity and tariff as per above table.
- 9.3. We direct the Petitioner to submit copies of duly executed PPA to the Commission along with 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 Government from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those approved.
- 9.4. 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 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

10. With this Order, the present Petition stands disposed of.

11. Order accordingly.

**Sd/-**  
**[S. R. Pandey]**  
**Member**

**Sd/-**  
**[Mehul M. Gandhi]**  
**Member**

Place: Gandhinagar.

Date: 02/09/2024.

