

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005**  
**Tel. 022 22163964/65/69 Fax 22163976**  
**Email: mercindia@merc.gov.in**  
**Website: [www.mercindia.org.in](http://www.mercindia.org.in) / [www.merc.gov.in](http://www.merc.gov.in)**

**Case No. 277 of 2018**

**In the matter of**

**Petition of Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for seeking approval for long term procurement of 235MW Solar Power under ‘Mukhyamantri Saur Krishi Vahini Yojana’ with 2 to 10 MW Capacity projects connected to distribution network under section 63 of the Electricity Act, 2003 for meeting the Solar Renewable Purchase Obligations.**

**Coram**

**Anand B. Kulkarni, Chairperson**  
**I.M. Bohari, Member**  
**Mukesh Khullar, Member**

Maharashtra State Electricity Distribution Company Limited (MSEDCL) ..... Petitioner

**Appearance**

For MSEDCL

: Ms.Kavita Gharat (Rep.)

**ORDER**

**Date: 27 November, 2018**

1. Maharashtra State Electricity Distribution Co. Ltd (**MSEDCL**) Plot No G-9, 5<sup>th</sup> Floor, Prakashgad, Station Road, Bandra (East), Mumbai - 400 051, has filed a Petition on 6 June, 2018 seeking approval for adoption of tariff for long term procurement of 1000 MW Solar power under Section 63 of the Electricity Act (**EA**), 2003 for meeting the Solar Renewable Purchase Obligations (**RPO**).
2. MSEDCL’s prayers are as follows:
  - a) .....
  - b) *To accord approval for adoption of tariff for 235 MW solar power as discovered and further negotiated in the Competitive bidding conducted by MSEDCL vide*

*Rfs No. MSEDCL /PP/NCE/2018/1000 MW Solar/T-04 dated 27/04/2018 and the same to be made eligible for meeting the Solar RPO requirement of MSEDCL.*

- c) To consider the submission made by the Petitioner and consider the same positively while deciding the Petition as well as for further actions;*
- d) .....*
- e) ....*
- f) ...”*

3. MSEDCL in its Petition has stated as follows:

**3.1. Procurement of long term 235 MW Solar power through competitive bidding:-**

- a) It had planned to procure 1000MW solar power under ‘*Mukhyamantri Saur Krishi Vahini Yojana*’ from 2 to 10 MW capacity projects connected to distribution network in 20 Circles (218 Taluka) out of 44 circles having day time predominant Agriculture load through competitive bidding.
- b) The Ministry of Power (MoP), vide its Notification dated 03 August, 2017, issued Guidelines under Section 63 of EA, for Tariff- based Competitive Bidding for long-term procurement of 5 MW and above from grid-connected Solar PV Power Projects.
- c) The Commission in its order dated 06 December, 2017 in Case No. 157 of 2017 while approving Long/Medium/Short term procurement of Renewable Energy through Competitive Bidding has ruled that MSEDCL shall approach the Commission through specific Petition prior to the bidding process only if it requires any deviation with respect to the bidding documents.
- d) Accordingly, MSEDCL had filed Petition in Case No. 131 of 2018 before the Commission seeking approval for deviation in standard bidding document for long term procurement of solar power under ‘*Mukhyamantri Saur Krishi Vahini Yojana*’ with 2 to 10 MW capacity projects connected to distribution network with total quantum of 1000 MW through competitive bidding and for initiation of tendering process.
- e) The Commission vide order dated 12 June, 2018 has accorded the approval for initialization of the competitive bidding process with deviation in standard bidding document of the condition that the minimum project capacity shall be 2 MW instead of 5 MW at single location.

3.2. MSEDCL floated a tender MSEDCL Rfs No. MSEDCL/ PP/ NCE/ 2018/ 1000 MW Solar/T-04 dated 27/04/2018:

- a. MSEDCL floated the Tender to procure 1000 MW Solar Power from 2 to 10 MW capacity projects connected to distribution network in 20 Circles (218 Taluka) out of 44 circles having day time predominant Agriculture load through competitive bidding, to meet its RPO requirement and to feed Day Time supply to Ag Consumers.
- b. The pre-bid meeting was held on 9 May, 2018. The replies to pre-bid queries were uploaded on TCIL website on 19 May, 2018. The last date of bid submission was 22 May, 2018 which was extended to 5 June, 2018 and further to 21 June, 2018 as per various requests received from developers. Total 6 bidders submitted their response to tender for a total of 287 MW solar capacity. Out of 6, one bidder for 2 MW capacity is technically disqualified. The financial bids of remaining (5) bidders were opened on 28 June, 2018.
- c. Thus, the bids are received for total 28 Talukas (in 13 Circle) of total 285 MW solar capacity and rates are ranging from Rs. 3.09 to 3.30 p.u. as under:

| Sr. No. | Name of Bidder                                 | Cumulative Bidding Capacity (MW) | No.of Taluka | Taluka       | Circle     | IPO rate |
|---------|--|----------------------------------|--------------|--------------|------------|----------|
| 1       | Kintech Synergy                                | 5                                | 1            | Chandur      | Amaravati  | 3.19     |
| 2       | Shapoorji Pallonji Infra. Capital Co. Pvt. Ltd | 100                              | 10           | Kinwat       | Nanded     | 3.12     |
|         |  |                                  |              | Mantha       | Jalna      | 3.15     |
|         |  |                                  |              | Parli,       | Beed       | 3.18     |
|         |  |                                  |              | Dharur       |            | 3.09     |
|         |  |                                  |              | Beed         |            | 3.18     |
|         |  |                                  |              | Kannad       | Aurangabad | 3.09     |
|         |  |                                  |              | Madha        | Solapur    | 3.15     |
|         |  |                                  |              | Akkalkot     |            | 3.11     |
|         |  |                                  |              | Parner       | Ahmednagar | 3.15     |
|         |  |                                  |              | Jamkhed      |            | 3.10     |
| 3       | TPSOL RESCO THREE Pvt. Ltd                     | 50                               | 5            | Kalamb       | Yavatmal   | 3.19     |
|         |  |                                  |              | Babhulgaon   |            |          |
|         |  |                                  |              | Tiosa        | Amaravati  | 3.19     |
|         |  |                                  |              | Dhamangaon   |            |          |
|         |  |                                  |              | Chandurbazar |            |          |
| 4       | Kalthia Engg and Construction Ltd              | 10                               | 1            | Dhule        | Dhule      | 3.30     |
| 5       | AT Capital Advisory India Pvt. Ltd             | 120                              | 12           | Chandwad     | Nasik      | 3.30     |
|         |  |                                  |              | Yeola        | Malegaon   |          |
|         |  |                                  |              | Nandgaon     |            |          |
|         |  |                                  |              | Malegaon     |            |          |

| Sr. No. | Name of Bidder | Cumulative Bidding Capacity (MW) | No.of Taluka | Taluka         | Circle  | IPO rate |
|---------|----------------|----------------------------------|--------------|----------------|---------|----------|
|         |                |                                  |              | Deola          |         |          |
|         |                |                                  |              | Baglan(Satana) |         |          |
|         |                |                                  |              | Parola         | Jalgaon | 3.30     |
|         |                |                                  |              | Jamner         |         |          |
|         |                |                                  |              | Sindkheda      | Dhule   | 3.29     |
|         |                |                                  |              | Shirpur        |         |          |
|         |                |                                  |              | Sakri          |         |          |
|         |                |                                  |              | Dhule          |         |          |

- d. As the rates discovered in MSEDCL's tender for procurement of 1000 MW Solar power under "Mukhyamantri Saur Krishi Vahini Yojana" were high, it was decided to negotiate with the bidders to lower their rates.
- e. Accordingly, the bidders /participants were called up for negotiation on 23.07.2018 and 23.08.2018 for negotiation. Following bidders submitted revised offers upto tariff rate of Rs.3.15 per unit :

| Sr. No. | Name of Bidder   | Capacity (MW) | Taluka       | Rate/Unit |
|---------|--|---------------|--------------|-----------|
| 1       | Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd | 80(10x8)      | Kinwat       | 3.12      |
|         |  |               | Mantha       | 3.15      |
|         |  |               | Dharur       | 3.09      |
|         |  |               | Kannad       | 3.09      |
|         |  |               | Madha        | 3.15      |
|         |  |               | Akkalkot     | 3.11      |
|         |  |               | Parner       | 3.15      |
|         |  |               | Jamkhed      | 3.10      |
| 2       | TPSOL RESCO THREE Pvt. Ltd                             | 50(10x5)      | Kalamb       | 3.13      |
|         |  |               | Babhulgaon   |           |
|         |  |               | Tiosa        |           |
|         |  |               | Dhamangaon   |           |
|         |  |               | Chandurbazar |           |
| 3       | Kintech Synergy (P) Ltd                                | 5(5x1)        | Chandur      | 3.15      |
| 4       | AT Capital Advisory India Pvt. Ltd                     | 100 (10x10)   | Yeola        | 3.15      |
|         |  |               | Nandgaon     |           |
|         |  |               | Malegaon     |           |
|         |  |               | Deola        |           |

| Sr. No. | Name of Bidder | Capacity (MW) | Taluka         | Rate/Unit |
|---------|----------------|---------------|----------------|-----------|
|         |                |               | Baglan(Satana) |           |
|         |                |               | Parola         |           |
|         |                |               | Sindkheda      |           |
|         |                |               | Shirpur        |           |
|         |                |               | Sakri          |           |
|         |                |               | Dhule          |           |
|         | <b>Total</b>   | <b>235 MW</b> |                |           |

- f. The rate quoted by the bidder up to Rs. 3.15/unit at 11 kV Level are economical to MSEDCL considering the losses and Transmission/Wheeling charges applicable as below:

| NTPC Recent Tariff rates | CTU Loss @ 3.80 % | STU Loss @ 3.82% | 11 kV Loss @ 9% | Project capacity advantage @ 10 paise per unit |
|--------------------------|-------------------|------------------|-----------------|--|
| 2.59                     | 2.69              | 2.80             | 3.08            | 3.18   |

- g. CTU charges are waived off for RE projects eligible for RPO by CERC, however STU Transmission charges and distribution wheeling charges are applicable on it. Hence renegotiated rates i.e. Rs. 3.15 per unit or below from these bidders are financially viable and economical along with the benefits of distributed generation.
- h. The Commission in its Order dated 6 December, 2017 for Case No. 157 of 2017 directed as below:
- “In case the standard bidding document is used by MSEDCL then a specific petition shall be filed by MSEDCL after bidding process for adoption of tariff as is mandated under Sec-63 of EA 2003. The said Petition shall cover the following, for approval of the Commission. (i) quantum of power , (ii) Period of power flow, Tariff rate of the RE power to be procured, under Tariff Based Competitive Bidding Process for Short term/ Medium term /Long term basis for adoption under Section 63 of the Act.”*
- i. In view of above, MSEDCL has requested for adoption of tariff offered under Section 63 of the EA, 2003 after completion of bidding process.
- j. MSEDCL has sought approval for the final tariff discovered/offered through the Competitive bidding as below:

| Sr. No. | Name of Bidder   | Capacity (MW) | Taluka         | Rate |
|---------|--|---------------|----------------|------|
| 1       | Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd | 80(10x8)      | Kinwat         | 3.12 |
|         |  |               | Mantha         | 3.15 |
|         |  |               | Dharur         | 3.09 |
|         |  |               | Kannad         | 3.09 |
|         |  |               | Madha          | 3.15 |
|         |  |               | Akkalkot       | 3.11 |
|         |  |               | Parner         | 3.15 |
|         |  |               | Jamkhed        | 3.10 |
| 2       | TPSOL RESCO THREE Pvt. Ltd                             | 50(10x5)      | Kalamb         | 3.13 |
|         |  |               | Babhulgaon     |      |
|         |  |               | Tiosa          |      |
|         |  |               | Dhamangaon     |      |
|         |  |               | Chandurbazar   |      |
| 3       | Kintech Synergy (P) Ltd                                | 5(5x1)        | Chandur        | 3.15 |
| 4       | AT Capital Advisory India Pvt. Ltd                     | 100 (10x10)   | Yeola          | 3.15 |
|         |  |               | Nandgaon       |      |
|         |  |               | Malegaon       |      |
|         |  |               | Deola          |      |
|         |  |               | Baglan(Satana) |      |
|         |  |               | Parola         |      |
|         |  |               | Sindkheda      |      |
|         |  |               | Shirpur        |      |
|         |  |               | Sakri          |      |
|         |  |               | Dhule          |      |
|         | Total  | 235 MW        |                |      |

k. MSEDCL has requested for signing of PPA for a period of 25 years with successful bidders at the tariff discovered through competitive bidding followed by negotiations as shown above for procurement of 235MW solar power.

4. The proceedings of the hearing held on 26 November, 2018 are summarized as follows:

4.1. The representative of MSEDCL reiterated its submission as made in its Petition and its subsequent additional submission.

4.2. MSEDCL has further re-negotiated the Tariff discovered through the Competitive bidding. The weighted average of Tariff is Rs 3.13/unit.

4.3. Upon query of the Commission about increase in rate as against approved by the Commission of Rs 2.72 / unit for procurement of 1000 MW in Case No.164 of 2018.

MSEDCL stated that the reason for increase in Tariff from Rs 2.72 to Rs 3.13/Unit because of the geographic spread and smaller size of Solar Power units. Secondly, the earlier rates were at the distribution periphery and exclude the transmission and distribution losses upto 11 kV level. Lastly, all the solar plants would be located within the State with social benefits albeit with minimal additional cost.

### **Commission's Analysis and Rulings**

5. MSEDCL under the instant Petition has sought approval for Adoption of tariff for 235 MW Solar power under the 'Mukhyamantri Saur Krishi Vahini Yojana' with 2 to 10 MW Capacity projects connected to distribution network. The Tariff was discovered following the competitive bidding process and the same is prayed to be made eligible for meeting the Solar RPO requirement of MSEDCL.
6. In the past, the Commission by its Order dated 6 December, 2017 in Case No. 157 of 2017 had permitted MSEDCL to procure Wind, Solar and Bagasse based cogeneration RE power on Short Term, Medium term and Long term basis at the rate discovered through Tariff based Competitive Bidding (e-reverse auction). Further, the Commission in that Order dated 6 December, 2017 had also ruled that in case the standard bidding document is used by MSEDCL then a specific Petition shall be filed by MSEDCL after bidding process for adoption of tariff as is mandated under Section 63 of EA 2003. The said Petition shall cover the following, for approval of the Commission. (i) quantum of power, (ii) Period of power flow, Tariff rate of the RE power to be procured, under Tariff Based Competitive Bidding Process for Short term/ Medium term /Long term basis for adoption under Section 63 of the Act.
7. Accordingly, MSEDCL had approached in Case No. 131 of 2018 seeking approval for deviation in Standard bidding document for long term procurement of solar power under 'Mukhyamantri Saur Krishi Vahini Yojana' with 2 to 10 MW Capacity projects connected to distribution network with total quantum of 1000 MW. The Commission by its Order dated 12 June, 2018 had accorded approval for initialisation of the competitive bidding process with deviation in standard bidding document of the condition that the minimum project capacity shall be 2 MW instead of 5 MW.
8. The Commission notes that, MSEDCL in the proceeding of Case No. 131 of 2018 had stated that it is in cumulative short fall of 2050 MUs under Solar RPO obligation upto March 2017.
9. The Commission notes that due process for procurement of solar power has been followed by MSEDCL. It further notes that the discovered tariff rates are within the vicinity of the rates earlier approved by Commission if one considers the transmission and distribution losses, plant size and the geographic spread. Rates were competitively obtained and were twice negotiated to lower those rates further. The Commission is

satisfied that MSEDCL has made prudent efforts for seeking approval for adoption of the weighted average tariff rate of Rs. 3.13 per unit.

10. In view of foregoing, and in line with the mandate under section 63 of the EA, the procurement and rates are approved by the Commission as proposed by MSEDCL. Hence following Order.

**ORDER**

- 1. The Commission accords approval for procurement of Solar Power from following parties for 25 Years as rate discovered through the competitive bidding process as below:**

| Sr. No.      | Name of Bidder   | Capacity (MW) | Taluka         | Rate |
|--------------|--|---------------|----------------|------|
| 1            | Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd | 80(10x8)      | Kinwat         | 3.12 |
|              |  |               | Mantha         | 3.15 |
|              |  |               | Dharur         | 3.09 |
|              |  |               | Kannad         | 3.09 |
|              |  |               | Madha          | 3.15 |
|              |  |               | Akkalkot       | 3.11 |
|              |  |               | Parner         | 3.15 |
|              |  |               | Jamkhed        | 3.10 |
| 2            | TPSOL RESCO THREE Pvt. Ltd                             | 50(10x5)      | Kalamb         | 3.13 |
|              |  |               | Babhulgaon     |      |
|              |  |               | Tiosa          |      |
|              |  |               | Dhamangaon     |      |
|              |  |               | Chandurbazar   |      |
| 3            | Kintech Synergy (P) Ltd                                | 5(5x1)        | Chandur        | 3.15 |
| 4            | AT Capital Advisory India Pvt. Ltd                     | 100 (10x10)   | Yeola          | 3.15 |
|              |  |               | Nandgaon       |      |
|              |  |               | Malegaon       |      |
|              |  |               | Deola          |      |
|              |  |               | Baglan(Satana) |      |
|              |  |               | Parola         |      |
|              |  |               | Sindkheda      |      |
|              |  |               | Shirpur        |      |
|              |  |               | Sakri          |      |
|              |  |               | Dhule          |      |
| <b>Total</b> |  | <b>235 MW</b> |                |      |

- 2. The Commission accords approval for signing the PPAs with the above parties as per the rates discovered through the competitive bidding process.**



3. The Solar power procured from these projects shall be counted towards fulfilment of its Solar RPO for the respective periods.

Sd/-  
**(Mukesh Khullar)**  
Member

Sd/-  
**(I.M. Bohari)**  
Member

Sd/-  
**(Anand B. Kulkarni)**  
Chairperson

  
**(Abhijit Deshpande)**  
Secretary

