

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.merc.gov.in

Case No. 51 of 2022

Petition of MSEDCL seeking approval for adoption of tariff discovered for long term procurement of 10.5 MW solar power under ‘Pradhan Mantri Kisan Urja Suraksha Evam Uthhan Mahabhiyan’ (PM-KUSUM) under Section 63 of the Electricity Act, 2003 for meeting the Solar Renewable Purchase Obligations.

M/s Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) : Petitioner

- 1) Shri. Suresh Narayan Kalpande.
 - 2) Shri. Deepak Vishwas Kadam.
 - 3) Ms. Sangeeta Ashok Malik.
 - 4) Shri. Vaibhav Swarupchand Bardiya.
 - 5) Shri. Krishna Gokulchand Sharma.
 - 6) Ms. Rajani Dhanraj Kawale.
 - 7) Shri. Durgaprasad Kumbhare.
 - 8) Shri. Ravindrakumar Radhakisan Agrawal.
 - 9) Shri. Anil Gokulchand Sharma.
- : Respondent

Coram

Sanjay Kumar, Chairperson
I.M. Bohari, Member
Mukesh Khullar, Member

Appearance:

For the Petitioner : Smt. Kavita Gharat, CE (RE)
For the Respondent No. 2 : Shri. Deepak Vishwas Kadam.

ORDER

Date: 04 May, 2022

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Petition on 14 March, 2022 seeking approval for adoption of Tariff for long term power procurement from 10.5 MW solar projects selected through competitive bidding process under 'Pradhan Mantri Kisan Urja Suraksha Evem Uthhan Mahabhiyan' (PM-KUSUM) under component A from 0.5 to 2 MW capacity projects connected to distribution network under Section 63 of the Electricity Act 2003, for meeting the Solar Renewable Purchase Obligations.

2. MSEDCL's main prayers are as follows:

“

- a) *To admit the Petition as per the provisions under Section 63 of the Electricity Act (EA), 2003.*
- b) *To accord approval for adoption of tariff as mentioned in table under para 3.4 and signing of PPA with successful bidder for 10.5MW solar power as discovered through Competitive bidding conducted by MSEDCL.*
- c) *To accord approval to made this power eligible for meeting the Solar RPO requirement of MSEDCL.....”*

3. MSEDCL in its Petition has stated as follows:

- 3.1. The Government of India on 08 February, 2019 launched PM-KUSUM Scheme and issued guidelines on 22 July, 2019 for implementation of decentralized solar projects with capacity of 0.5 to 2 MW under Component-A of the PM-KUSUM. These Guidelines dated 22 July, 2019 also provides the standard PPA document.
- 3.2. MNRE on 13 January 2021 sanctioned 500 MW capacity for MSEDCL under Component-A of PM-KUSUM Scheme for FY 2020-21.
- 3.3. As per MNRE guidelines and standard PPA documents, MSEDCL floated tender for long term procurement of 500 MW solar power with ceiling rate of Rs. 3.10 per unit through competitive bidding (E-reverse auction) under component A of PM-KUSUM through www.mahadiscom.in web portal.
- 3.4. The bids of 12.5 MW capacity were received against 500 MW. After the technical and price bid opening, the tariff adoption Petition (Case No. 9 of 2022) for 12.5 MW was filed in MERC on 20 December, 2021. The Commission vide Order dated 16 February, 2022 accorded approval for Tariff adoption and procurement of Power of 12. 5 MW Power.
- 3.5. On 18 August 2021, MSEDCL floated tender for long term procurement of 487 MW solar

power with ceiling rate of Rs. 3.10 per unit under KUSUM A Component. After the technical & price bid opening, the tariff adoption petition for 31.75 MW was filed in MERC on 12 January, 2022.

3.6. For balance capacity, MSEDCL floated tender for long term procurement of 444 MW solar power with ceiling rate of Rs. 3.10 per unit, through competitive bidding (E-reverse auction) under KUSUM A Component on 27 October 2021.

3.7. The pre-bid meeting was conducted on 09 November 2021. The last date of submission of Bid was 31 December 2021.

3.8. 11 bids were received with a total cumulative bidding capacity of 13.5 MW. 2 bids (3 MW) were found technically disqualified. The financial bids are opened on 14 January 2022 for rest 9 bids with cumulative capacity of 10.5 MW. The discovered Tariff is as below :

Sr. No.	Tender No. and Capacity	Name of Bidder	Capacity (MW)	Quoted Tariff (Rs/kWh)
1.	T-33 (444 MW)	Suresh Narayan Kalpande	2	3.10
2.		Deepak Vishwas Kadam	1	3.10
3.		Sangeeta Ashok Malik	0.5	3.10
4.		Vaibhav Swarupchand Bardiya	1	3.10
5.		Krishna Gokulchand Sharma	1	3.10
6.		Rajani Dhanraj Kawale	1	3.10
7.		Durgaprasad Kumbhare	1	3.10
8.		Ravindra kumar Radhakisan	2	3.10
9.		Anil Gokulchand Sharma	1	3.10
10.		Sun Power Technology (Shrikun Mahale)	1	Technically disqualified as EMD not submitted
11.		Yeshwant Bhanudas Khose	2	

3.9. MSEDCL submitted the present Petition for adoption of above-mentioned Tariff for 10.5 MW solar power discovered through competitive bidding process under Section 63 of the Electricity Act, 2003.

4. At the e-hearing through video conferencing held on 12 April, 2022, the Petitioner reiterated its submissions made in the Petition.

Commission's Analysis and Rulings

5. MSEDCL has filed the present Petition for adoption of tariff discovered for 10.5 MW Solar project under Component-A of PM-KUSUM scheme selected through competitive bidding process under Section 63 of the Electricity Act, 2003.
6. The Commission notes that under component A of PM-KUSUM, Solar PV project of 0.5 to 2 MW capacity is to be setup by farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organisations & Water User associations. Option of independent developer setting up such a project by taking land from the farmers on lease agreement is also available under this scheme. MNRE has sanctioned 500 MW capacity under component A of PM-KUSUM scheme for MSEDCL. Under this scheme, MSEDCL is eligible for procurement-based incentive of Rs. 0.40 per unit or Rs. 6.6 lakh per MW of installed capacity, whichever is less, for a period of 5 years from CoD of the project.
7. Accordingly, MSEDCL floated a tender for procurement of 500 MW Solar power under Component-A of PM-KUSUM, wherein 0.5 to 2 MW of solar projects are to be setup and connected to 11 or 22 kV level in MSEDCL's substation. MSEDCL fixed ceiling rate of Rs. 3.10 per unit for this bidding process. Further, MSEDCL has used model PPA provided by MNRE for bidding purpose without any deviation. Initially MSEDCL received bids for 12.5 MW capacity. The Tariff for the said capacity has been adopted by the Commission vide its Order dated 16 February 2022 in Case No. 9 of 2022.
8. MSEDCL refloated tender for the balance capacity of 487 MW out of 500 MW on 18 August, with ceiling rate of Rs. 3.10 per unit. In response, MSEDCL received the eligible bids for 31.75 MW. MSEDCL filed the Petition for adoption of the discovered Tariff for said 31.75 MW capacity. The Commission vide Order dated 25 April, 2022 in Case No. 23 of 2022, adopted the discovered Tariff and accorded approval for procurement of such power.
9. Subsequently, MSEDCL refloated the tender of further balance capacity of 444 MW out of 500 MW. Last date for bid submission was 31 December, 2021. In response, MSEDCL received 11 bids with cumulative Capacity of 13.5 MW, However, 9 out of 11 bids were found technically qualified for cumulative capacity of 10.5 MW, whose financial bids were opened on 14 January 2022.
10. Accordingly, after competitive bidding process, MSEDCL has received following tariff:

Sr. No.	Name of Bidder	Capacity (MW)	Tariff (Rs/kWh)
1.	Suresh Narayan Kalpande	2	3.10
2.	Deepak Vishwas Kadam	1	3.10

Sr. No.	Name of Bidder	Capacity (MW)	Tariff (Rs/kWh)
3.	Sangeeta Ashok Malik	0.5	3.10
4.	Vaibhav Swarupchand Bardiya	1	3.10
5.	Krishna Gokulchand Sharma	1	3.10
6.	Rajani Dhanraj Kawale	1	3.10
7.	Durgaprasad Kumbhare	1	3.10
8.	Ravindrakumar Radhakisan Agrawal	2	3.10
9.	Anil Gokulchand Sharma	1	3.10
		10.5 MW	

Above discovered rate is comparable to the recently adopted rate of Rs. 3.09 to 3.10 per unit for the projects with capacity of 0.5 to 2 MW projects PM-KUSUM (Component A) vide Order dated 16 February 2022 in Case No. 9 of 2022 and Order dated 25 April, 2022 in Case No. 23 of 2022.

It is pertinent to note that under PM-KUSUM Component-A scheme, MSEDCL will get procurement-based incentive (Rs. 0.40 per unit or Rs. 6.6 lakh per MW of installed capacity, whichever is less) from MNRE for first 5 years from CoD of the project, subject to the annual submission of documents regarding monthly payment for energy purchase and monthly lease rent.

Therefore, the Tariff discovered in present bidding process is reflective of current market trends, multi-fold benefits of de-centralised generation, and the impact on the tariff to the consumers will offset to the extent of Procurement Based Incentives.

11. Accordingly, in line with the mandate under Section 63 of the Electricity Act 2003, the Commission deems it fit to adopt and approve tariff as highlighted in above para 10 for 10.5 MW Cumulative Solar projects on long term basis i.e. for the period of 25 years under Component-A of PM-KUSUM scheme.
12. Having ruled as above, the Commission notes that as against balance 444 MW capacity out of 500 MW allocated by MNRE, only 10.5 MW bids have been received. Considering benefit under PM-KUSUM scheme, MSEDCL needs to take extra efforts to provide adequate publicity to the scheme/bidding process so that more and more bids are received.
13. Hence, the following Order.

ORDER


- 1. Case No. 51 of 2022 is allowed.**

2. The Commission accords its approval for procurement of 10.5 MW on long term basis from solar generator as stated in Para 9. Parties shall sign the PPA based on documents published during bidding process. This signing shall be completed within 30 days from issuance of this Order. MSEDCL shall submit a copy of the PPA to the Commission within 15 days of entering into it.
3. The Solar Power procured from these projects shall be eligible towards fulfilment of Maharashtra State Electricity Distribution Co. Ltd.'s Solar RPO for the respective periods.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary

