

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 114 of 2022

Petition seeking approval for adoption of tariff discovered for long term procurement of 14 MW solar power under ‘Pradhan Mantri Kisan Urja Suraksha Evam Uthhan Mahabhiyan’ (PM-KUSUM).

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

- 1) Ashutosh Valmik Rajput
- 2) Laxmikant Narayanrao Loharekar.
- 3) Majid Rafik Shaikh.
- 4) Manda Maruti Sanap.
- 5) Pandurang Shankar Gajare.
- 6) Prasen Hemantrao Vinchurkar.
- 7) Rahul Pritamsingh Upwasani
- 8) Rajesh Uttamrao Vitekar.
- 9) Ramhari Vyankatrao Mantri.
- 10) Sadashiv Vyankatrao Mantri.
- 11) V.D Electricals.
- 12) Varad Electricals And Engineering.

: Respondent

Coram

Sanjay Kumar, Chairperson
Mukesh Khullar, Member

Appearance:

For the Petitioner :

Ms. Kavita Gharat, CE (RE)

For the Respondent :

Mr. Majid Rafik Shaikh (Rep.)
Mr. Ajinkya Maruti Sanap (Rep.)
Mr. Prasen Hemantrao Vinchurkar (Rep.)
Mr. Pravin Kidey (Rep.)

ORDER

Date: 21 July 2022

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Petition on 30 May 2022 seeking approval for adoption of tariff for long term power procurement from 14 MW solar projects selected through competitive bidding process under Section 63 of the Electricity Act 2003 under component A of 'Pradhan Mantri Kisan Urja Suraksha Evem Uthhan Mahabhiyan' (PM-KUSUM) from 0.5 to 2 MW capacity projects connected to distribution network, 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 14MW 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 Case has stated as follows:**
 - 31 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 0.5 to 2 MW under Component-A. Guidelines dated 22 July 2019 provide for standard PPA document.

 - 32 MNRE on 13 January 2021 had sanctioned 500 MW capacity to MSEDCL under Component-A for FY 2020-21.

 - 33 As per MNRE guidelines and standard PPA documents, MSEDCL floated tender for long term procurement of 500 MW solar power with ceiling tariff of Rs. 3.10 per unit through competitive bidding (E-reverse auction) under KUSUM Component-A through www.mahadiscom.in web portal.

 - 34 The previous Tenders floated & response received under PM-KUSUM-A scheme are as below:

Sr No	Name of Scheme	Tender floated (MW)	Bid Capacity received (MW)	Capacity finalized (MW)	Remarks
1	PM KUSUM-A	500	12.5	12.5	Tariff adoption done in Case No 9 of 2022, Case No 23 & Case No 51 of 2022 respectively
2		487	46.75	31.75	
3		444	13	10.5	
			59.25	54.75	

- 35 MSEDCL floated tender for cumulative balance capacity for long term procurement of 445 MW solar power with ceiling tariff of Rs. 3.10 per unit through competitive bidding (E-reverse auction) under KUSUM-A Component through www.mahadiscom.in web portal on 17 February 2022
- 36 The pre-bid meeting was conducted on 28 February 2022. The last date of submission of Bid was 11 April 2022.
- 37 13 bids were received with a total cumulative capacity of 15 MW. Technical bids were opened on 13 April 2022 and during technical scrutiny, bid of M/s Sant Muktai Vikas Farmer Producer Co. Ltd was disqualified for non-submission of BG towards EMD as per eligibility criteria. Financial bids of 12 qualified bidders (14 MW) were opened on 06 May 2022. The details are as below:

Sr.No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1	T-45 (445 MW)	Ashutosh Valmik Rajput	1	3.09
2		Laxmikant Narayanrao Loharekar	2	3.05
3		Majid Rafik Shaikh	0.5	3.10
4		Manda Maruti sanap	1	3.10
5		Pandurang Shankar Gajare	1	3.09
6		Prasen Hemantrao Vinchurkar	1	3.10
7		Rahul Pritamsingh Upwanshi	1	3.10
8		Rajesh Uttamrao Vitekar	2	3.10
9		Ramhari Vyankatrao Mantri	2	3.09
10		Sadashiv Vyankatrao Mantri	0.5	3.09
11		V.D Electricals	1	3.10
12		Varad Electricals & Engineering	1	3.10

- 38 MSEDCL submitted the present Petition for adoption of above-mentioned Tariff for 14 MW solar power discovered through competitive bidding process under Section 63 of the Electricity Act, 2003.
- 39 At the e-hearing through video conferencing held on 28 June 2022, the Petitioner reiterated its submissions made in the Petition. None of the Respondent raised any objection to the Petition.

Commission's Analysis and Rulings

4. MSEDCL has filed this Petition for adoption of tariff discovered for 14 MW Solar project under PM-KUSUM Component-A scheme selected through competitive bidding process under Section 63 of the Electricity Act, 2003.
5. The Commission notes that under component A of KUSUM-A, Solar PV project of 0.5 to 2 MW capacity is to be setup by farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations & Water User associations. Option of independent developer setting up such a project by taking land from the framers on lease agreement is also available under this scheme. MNRE has sanctioned 500 MW capacity under KUSUM-A scheme for MSEDCL. Under this scheme, MSEDCL is eligible for procurement-based incentive of Rs. 0.40 P.U. or Rs. 6.6 lakh per MW of installed capacity, whichever is less, for a period of 5 years from CoD of the project.
6. Accordingly, MSEDCL floated a tender for procurement of 500 MW Solar power under PM-KUSUM Component-A 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/kWh for this bidding process. Further, MSEDCL used model PPA provided by MNRE for bidding purpose without any deviation.
7. As MSEDCL has received less response against bid capacity, it re-floated the tender for remaining capacity. Details of Bids floated, discovered tariff and its adoption Order by the Commission till dated are tabulated below:

Sr No	Tender floated (MW)	Bid Capacity received	Capacity finalized (MW)	Tariff Discovered (Rs per Unit)	Tariff adoption Order
1	500	12.5	12.5	3.05-3.10	16 Feb 2022 in Case No. 9/2022
2	487	46.75	31.75	2.93-3.10	25 Apr 2022 in Case No. 23/2022
3	444	13	10.5	3.10	4 May 2022 in Case No. 51/2022
		59.25	54.75		

8. Subsequently, MSEDCL refloated the tender for further balance capacity of 445 MW out

of 500 MW. Last date for bid submission was 11 April, 2022. In response, MSEDCL received 13 bids with cumulative Capacity of 15 MW. However, 12 out of 13 bids were found technically qualified for cumulative capacity of 14 MW, whose financial bids were opened on 6 May 2022.

9. Accordingly, after competitive bidding process, MSEDCL has received following tariff:

Sr.No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1	T-45	Ashutosh Valmik Rajput	1	3.09
2		Laxmikant Narayanrao Loharekar	2	3.05
3		Majid Rafik Shaikh	0.5	3.10
4		Manda Maruti sanap	1	3.10
5		Pandurang Shankar Gajare	1	3.09
6		Prasen Hemantrao Vinchurkar	1	3.10
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8		Rajesh Uttamrao Vitekar	2	3.10
9		Ramhari Vyankatrao Mantri	2	3.09
10		Sadashiv Vyankatrao Mantri	0.5	3.09
11		V.D Electricals	1	3.10
12		Varad Electricals & Engineering	1	3.10
			14 MW	

Above discovered rate is comparable to the recently adopted Tariff (as tabulated in para 7 above) for 0.5 to 2 MW projects under PM-KUSUM (Component A).

10. It is pertinent to note that under PM-KUSUM Component-A scheme, MSEDCL will get procurement-based incentive (Rs. 0.40 P.U. or Rs. 6.6 lakh per MW of installed capacity, whichever is less) from MNRE for first 5 years from CoD of the project. Therefore, apart from the fact that the tariff discovered in present bidding process is reflective of current market trends, the procurement based incentive will further impact in reducing the power purchase cost to that extent.
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 9 for 14 MW Cumulative Solar projects on long term basis (for the period of 25 years) under PM-KUSUM Component-A scheme.
12. Having ruled as above, the Commission notes that as against balance 445 MW capacity out of 500 MW allocated by MNRE, only 14 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. 114 of 2022 is allowed.
2. The Commission accords its approval for procurement of 14 MW on long term basis from solar generator as stated in Para 11. 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/-
(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary


MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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