# RAJASTHAN ELECTRICITY REGULATORY COMMISSION
# JAIPUR

**Petition No. RERC/2179/2023**

Petition filed under Section 63 (Determination of Tariff by Bidding Process) Of the Electricity Act 2003, read with Regulation 19 and 21 Of RERC (Transaction of Business), Regulations, 2021, for approval of Levelized Tariff Discovered Through Transparent Competitive Bidding carried out by JDVVNL for solar power projects under Component-C (Feeder Level Solarization) of PM-KUSUM Scheme under TN-DSM-02.

**Coram:**

**Dr. B.N. Sharma, Chairman**

**Shri Hemant Kumar Jain, Member**

Jodhpur Vidyut Vitran Nigam Limited. **Petitioner**

**Date of hearing:** **21.11.2023**

Present : Sh. Bipin Gupta, Advocate for Petitioner.

**Date of order** **24.11.2023**

## Order

1. The present Petition has been filed by Jodhpur Vidyut Vitran Nigam Limited (hereinafter referred to as 'Petitioner') under Section 63 of the Electricity Act, 2003 for Determination of Tariff by bidding process read with regulation 19 and 21 of the RERC (Transaction of Business), Regulations, 2021, for approval of Levelized tariff discovered through transparent competitive bidding carried out by JdVVNL for Solar Power Projects under Component-C (Feeder Level Solarization) of the PM-KUSUM Scheme under TN-DSM-02.

2. The matter was heard on 21.11.2023. Advocate Sh. Bipin Gupta, appeared for the Petitioner.

3. Petitioner in its petition and during hearing mainly submitted as under:

3.1. PM-KUSUM Scheme: The scheme launched by the Ministry of New and Renewable Energy (MNRE) in 2019 to promote decentralized solar energy generation for farmers. Component-C involves solarization of grid-connected agriculture pumps or feeders using solar power plants.

3.2. SKAY portal: A dedicated platform has also been launched by the Government of Rajasthan in 2022 to facilitate land procurement and leasing for solar power developers and farmers/landowners under PM-KUSUM Component-C.

3.3. TN-DSM-02 tender: A tender floated by JDVVNL for setting up solar power plants at specific locations made available by NHAI along the Amritsar-Bhatinda-Jamnagar Corridor. The tender received bids for 10 out of 11 solar power plants identified with a total capacity of 27.43 MW as one bid being not qualified.

3.4. Solar plants are proposed at specific locations on the spare land made available by NHLML/NHAI along the Amritsar-Bhatinda-Jamnagar Corridor.

3.5. Total 11 nos. solar PV power plants have been identified with total capacity of 27.43 MW to be installed in the vicinity of 8 nos. of 33 / 11 kV Substations at specific locations made available by NHLML/NHAI along the Amritsar-Bhatinda-Jamnagar Corridor, having 1,606 nos. connected agriculture consumers for the purpose of setting up grid connected solar power plant to meet the annual power requirement of feeders using solar energy.

3.6. The Petitioner has opted for RESCO mode for implementation of the projects.

3.7. Owing to poor response of the bidders, JdVVNL extended the due date of bid submission from time to time and lastly on 18.03.2023 and finally the technical bid was opened on 13.04.2023 for 04 nos. bidders with following participation status:

a. No. of bidders who participated for only 1 plant: 02 Nos.
(One firm submitted separate bids for 02 plants)

b. No. of bidders who participated for 2 plants : NIL

c. No. of bidders who participated for 3 plants : NIL

d. No. of bidders who participated for 4 plants : 01 No.

e. No. of bidders who participated for 5 plants : 01 No.

Further, plant wise participation status is given below:

f. No. of plants where only 1 bid received : 11 Nos.

g. No. of plants where 2 bids received : NIL

h. No. of plants where 3 bids received : NIL

i. No. of plants where 'NO' bid is received : NIL

j. No. of plants where 4 bids received : NIL

3.8. The levelized tariff for 25 years included all applicable taxes (incl. GST), duties, etc. quoted by the bidders in the price bid for price bid of TN-DSM-02.

3.9. Under TN-DSM-02 for 10 nos.(out of total 11 nos. SPV plants- being no qualified bid received for 01 plant) of Solar PV projects, the respective single bidder / L1 bidder, agreed on a reduced levelized tariff offered during the negotiation meeting dated 07.06.2023 as per decision of the competent authority.

3.10. Petitioner had earlier filed petition (2155/2023) before the Commission which was disposed of vide order dated 21.9.2023. In the order, the Commission did not adopt TN- DSM-02 for want of some clarifications from MNRE. In the said order the following clarifications were sought:

*"Point No. 23. As regard the TN-DSM-02 Commission is of the view that in TN-DSM-02, the land is being leased by NHAI, therefore looking to the object of the KUSUM Scheme, following clarifications are required from MNRE:*

1. *Whether these projects can be set up under KUSUM Scheme?*
2. *Whether the CFA will be available for these projects?"*

*"Point No. 24. Accordingly, the Commission directs Discom to seek clarification on above points from MNRE and thereafter, if these projects are permissible under the scheme of MNRE with CFA, then file a separate petition for adoption of tariff in TN-DSM-02"*

3.11. The petitioner thereafter on 26.09.2023 requested the MNRE for clarifications and MNRE vide their e-mail dated 06.10.2023 clarified that Scheme Guidelines of Component-C allows the installation of Solar pumps which are in the vicinity of sub stations and must cater to the agriculture feeder. MNRE clarified that these plants can be installed under PM KUSUM Component-C at any land parcel, subject to provisions of the Guidelines. Recently MNRE also simplified the land aggregation process via. OM dated 12.7.2023. Further, MNRE also clarified that CFA of solar power plant would be Rs. 1.05 Cr per MW .

3.12. In view of above, in line with RfS document and as per Section 63 of Electricity Act, 2003, the petitioner prays for approval of following Solar PV plant wise levelized tariff for the projects under Component C of PM-KUSUM scheme, which has been discovered through the transparent competitive bidding process of MNRE guidelines and The Rajasthan Transparency in Public Procurement Rules, 2013.

**For TN-DSM-02-**

| S.No. | Bidder Name | GSS Name (circle name) | SPV Plant Capacity (MW) | Bidder Rank | Final Tariff (Rs. Per Unit) |
|---|---|---|---|---|---|
| 1 | M/s Diwakar Renewable & Infra Pvt Ltd | 1.(KOLHA)Hanumangarh | 2.52 MW | L1 | 3.550 |
| | | SIR MANDI/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| | | SIR MANDI/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |

| S.No. | Bidder Name | GSS Name (circle name) | SPV Plant Capacity (MW) | Bidder Rank | Final Tariff (Rs. Per Unit) |
|---|---|---|---|---|---|
| | | Dhadhaniya Sasan/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| 2. | M/s Rama Reflection India | Bhikamkor/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| 3. | M/s Rudra Urja Pvt Ltd., New Delhi Ltd | Kapurisar / Bikaner | 0.75 MW | L1 | 3.550 |
| 4. | M/s Stockwell Solar Services Pvt Ltd, Jaipur | Norangdesar/Bikaner | 4.00 MW | L1 | 3.550 |
| | | Norangdesar/Bikaner | 2.52 MW | L1 | 3.550 |
| | | Rasisar/ Bikaner | 2.52 MW | L1 | 3.550 |
| | | Rasisar/ Bikaner | 2.52 MW | L1 | 3.550 |

4. The Petitioner prayed as under:

(i) To approve a ceiling level of levelized tariff under PMKUSUM Scheme Component C (feeder level solarization).

(ii) To exempt the Petitioner from filing petitions for approval of levelized tariff for such group of solar power plants to be installed under Component-C (feeder level solarization) wherein the discovered levelized tariff for 25 years is less than or equal to the ceiling tariff as decided by the Hon'ble Commission .

(iii) To allow the petitioner to file individual/ project specific petition for approval of levelized tariff for each such solar power plant under feeder level solarization wherein the discovered levelized tariff for 25 years is more than the ceiling tariff as decided by the Hon'ble Commission.

(iv) To condone any error/ omission and to give opportunity to rectify the same;

(v) To permit the Petitioner to make further submission, additions and alterations to this Petition as maybe necessary from time to time;

(vi) To pass any such other order/ s and/ or direction/ s, which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

5. As regards Future capacity additions for feeder level solarization under Component-C of PM-KUSUM Scheme petitioner has submitted as under:

5.1. MNRE has sanctioned target of solarisation of 1,00,000 grid connected agricultural pumps sanctioned to Rajasthan Discoms for FY 2021-22 and FY 2022-23 under PM-KUSUM Component-C feeder level solarisation.

5.2. Petitioner is under process of finalization the substation wise solar power plants capacities against the above mentioned MNRE target and as per the tentative figures around 2164 nos. solar power plants with cumulative capacity of 5775.74 MW on 2164 nos. of 33/11 kV Substations are planned for installation for feeder level solarization under subsequent tenders by the Petitioner.

5.3. To avoid any delay or faster implementation on account of filing of numerous individual petitions for approval of discovered levelized tariff for each solar power plant and to ensure timely achievement of targets for feeder level solarization under Component-C of PM-KUSUM scheme, the petitioner prays for a ceiling level of levelized tariff under PM-KUSUM Scheme Component C (feeder level solarization), with following conditions:

a) For solar power plants under feeder level solarization wherein the discovered levelized tariff for 25 years is less than or equal to the ceiling tariff decided by the Commission, the Petitioner may be allowed to file a single petition, say on a quarterly or half yearly basis, for such group of solar power plants for approval of levelized tariff in parallel to project execution by the developer.

b) For solar power plants under feeder level solarization wherein the discovered levelized tariff for 25 years is more than the ceiling tariff, the Hon'ble Commission may allow the petitioner to file individual/ project

specific petition for each such solar power plant, for approval of levelized tariff.

**Commission's view:**

6. We have considered the submissions made on behalf of Petitioner.

7. The present Petition has been filed under Section 63 (Determination of Tariff by Bidding Process) of the Electricity Act, 2003, read with Regulation 19 and 21 of RERC (Transaction of Business), Regulations, 2021, for approval of levelized tariff discovered through transparent competitive bidding carried out by JdVVNL for Solar Power Projects under Component-C (Feeder Level Solarization) of PM-KUSUM Scheme under TN-DSM-02.

8. It is noted that based on response received on SKAY portal for TN-DSM-02, JdVVNL identified 11 nos. solar PV power plants with total capacity of 27.43 MW to be installed in the vicinity of 8 nos. of 33/11 kV Substations at specific locations made available by NHLML/ NHAI along the Amritsar-Bhatinda Corridor having 1606 nos. connected agriculture consumers for the purpose of setting up grid connected solar power plant to meet the annual power requirement of feeders using solar energy.

9. On 10.02.2023, JdVVNL published the Request for Selection (RfS) on e-procurement portal of Rajasthan for TN-DSM-02 and the technical bid was opened on 13.04.2023 for 4 nos. bidders. On 07.06.2023 the competent authority of JdVVNL negotiated on the quoted levelized tariff with the bidders within the computed levelized tariff range of without lease rent and with maximum lease rent.

10. As a result of above, under TN-DSM-02 for 10 nos.(out of total 11 nos. SPV plants- being no qualified bid received for 01 plant) of Solar PV projects, the respective single bidder / L1 bidder, agreed on a reduced levelized tariff offered during the negotiation meeting dated 07.06.2023 as per decision of the competent authority.

11. In view of above, in line with RfS document and as per Section 63 of Electricity Act, 2003, the petitioner in the Petition has prayed for approval of following Solar PV plant wise levelized tariff for the projects under Component-C of PM-KUSUM scheme, which has been discovered through the transparent competitive bidding process of MNRE guidelines and The Rajasthan Transparency in Public Procurement Rules, 2013.

**For TN-DSM-02-**

| S.No. | Bidder Name | GSS Name (circle name) | SPV Plant Capacity (MW) | Bidder Rank | Final Tariff (Rs. Per Unit) |
|---|---|---|---|---|---|
| 1 | M/s Diwakar Renewable & Infra Pvt Ltd | 1.(KOLHA)Hanumangarh | 2.52 MW | L1 | 3.550 |
| | | 2.SIR MANDI/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| | | 3.SIR MANDI/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| | | 4.Dhadhaniya Sasan/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| 2. | M/s RAMA REFLECTION INDIA | 1.Bhikamkor/Jodhpur(DC) | 2.52 MW | L1 | 3.550 |
| 3. | M/s Rudra Urja Pvt Ltd., New Delhi Ltd | 1.Kapurisar / Bikaner | 0.75 MW | L1 | 3.550 |
| 4. | M/s Stockwell Solar Services Pvt Ltd, Jaipur | 1.Norangdesar/Bikaner | 4.00 MW | L1 | 3.550 |
| | | 2.Norangdesar/Bikaner | 2.52 MW | L1 | 3.550 |
| | | 3.Rasisar/ Bikaner | 2.52 MW | L1 | 3.550 |
| | | 4.Rasisar/ Bikaner | 2.52 MW | L1 | 3.550 |

12. It is observed that the petitioner had earlier filed a petition (2155/2023) before the Commission which was disposed of by the Commission vide order dated 21.09.2023, directed the Petitioner to seek certain clarifications from MNRE. The petitioner has submitted copies of the e-mails received from MNRE in response to their letter dated 26.09. 2023. During the hearing the Counsel of the Petitioner submitted that MNRE vide their e-mail dated 06.10.2023 has clarified that Scheme Guidelines of Component-C allows the installation of Solar pumps which are in the vicinity of sub stations and must cater the agriculture feeder. MNRE further clarified that these plants can be installed under PM KUSUM Component-C at any land parcel, subject to provisions of

the Guidelines. It is also brought to our notice that recently MNRE has also simplified the land aggregation process via OM dated 12.7.2023. Further, MNRE also clarified that CFA of solar power plant would be Rs. 1.05 Cr per MW.

13. Petitioner prayed that in line with RfS document and as per Section 63 of the Electricity Act, 2003, the approval for 10 Nos in TN-DSM-02 Solar PV plant wise levelized tariff for the projects under Component C of PM-KUSUM scheme may be given, which has been discovered through the transparent competitive bidding process of MNRE guidelines and the Rajasthan Transparency in Public Procurement Rules, 2013.

14. The Commission considering the submissions of the petitioner approves the purchase of power from 10 nos. of solar PV plants in TN-DSM-02 for 25 years under Component-C of PM KUSUM Scheme.

15. It is also observed that the Petitioner has also prayed to exempt them from filing petitions for approval of levelized tariff for such group of solar power plants to be installed under Component-C (FLS) wherein the discovered levelised tariff for 25 years is less than or equal to the ceiling tariff as decided by the Commission. In this regard we are of the view that for approval of the tariff for the power procurement u/s 63 of the Electricity Act 2003 the procuring Discoms have to file the Petition for adoption of the tariff. Therefore, Petitioner's request in this regard cannot be accepted and all Discoms are required to file petition for adoption of tariff for each of the bid conducted by them.

16. Accordingly, looking to the submissions of the Petitioner, the Commission orders as under:

(1) The Commission approves the purchase of power from 10 nos. of solar PV plants in TN-DSM-02 (as per table at para 10 above) for 25 years under Component-C of PM KUSUM Scheme.

(2) The Commission approves Rs 3.55/kWh as the ceiling tariff for the solar projects to be set up under PM KUSUM Scheme, Component-C Feeder Level Solarisation.

(3) The Commission also directs that the Discom will use the above ceiling tariff in their future bids. However, before initiating every future bidding the Discoms will continuously monitor the market condition and in case of any downwards revision in the cost, they should revise the above ceiling tariff downwardly at their own level.

(4) In case upward revision is required in the ceiling tariff the Discoms shall file a separate petition before the Commission.

(5) Discoms are also advised to preferably select the feeders where maximum CFA from the GoI may be availed so that benefit of lower tariff can be achieved.

(6) Discoms will continuously monitor the change in law events and will ensure timely recovery/ payment on account of change in law events as per law.

(7) Discoms should follow the directions issued by MNRE in respect of implementation of Feeder Level Solarisation under Component-C of PM KUSUM Scheme from time to time.

(8) All Discoms should invariably file petition for adoption of tariff for each of the bid conducted by them.

17. The Petition is disposed of accordingly. Copy of this order be sent to all Discoms.

(Hemant Kumar Jain)
Member

(Dr. B.N. Sharma)
Chairman