

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400 005
Tel. No. 022 22163964/65/69 – Fax 022 22163976
E-mail mercindia@mercindia.com
Website: www.mercindia.com

Case No. 56 of 2010

In the matter of
Maharashtra State Electricity Distribution Company Ltd.'s (MSEDCL) Petition
for approval of Power Purchase Agreement (PPA) with M/s. Adani Power Maharashtra
Ltd. (APML) for 125 MW long term power procurement and adoption of tariff

Shri V.P. Raja, Chairman
Shri Vijay L. Sonavane, Member

ORDER

Dated: May 19, 2011

Maharashtra State Electricity Distribution Company Limited (MSEDCL) filed a petition under affidavit on September 20, 2010, for approval 125 MW Power Purchase Agreement (PPA) initialed by MSEDCL and M/s. Adani Power Maharashtra Ltd. (APML) and adoption of tariff.

2. The main prayers in the Petition are as follows:

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1. *Approval for initialed PPA signed with APML for additional 125 MW*
2. *Approval for additional power procurement of 125 MW.*
3. *Approval of adoption of tariff for additional power procurement of 125 MW from M/s APML, under CBG case -1, stage -2.”*

3. MSEDCL, in its Petition, submitted as under:

- a) The Petitioner, MSEDCL, is a company incorporated under the provisions of the Indian Companies Act, 1956 with its registered office at Prakashgad, Bandra (E),

Mumbai and is a deemed licensee under Section 14 of the Electricity Act, 2003 (EA 2003) for distribution of electricity in the State of Maharashtra.

- b) The Commission has approved power procurement quantum of 2000 (-20%/+30%) MW in Case No.28 of 2009. After prior approval of Government of Maharashtra (GoM), MSEDCL signed the PPA's with qualified bidder as below.

Sr. No	Name of Bidding Company	Levellised tariff (Rs./kWh)	Capacity offered MW	PPA signed date
1.	M/s. Adani Power Maharashtra Ltd.	3.28	1200	31.03.2010.
2.	M/s. Indiabulls Power Ltd. (Amaravati)	3.26	1200 (450+750*)	22.04.2010 & 05.06.10
3.	M/s. Emco Energy Ltd.	2.879	200	17.03.2010
	Total Quantum		2600	

*GoM accorded approval on 24.05.10 for power procurement of additional 750 MW from Amaravati Project at levellised tariff of Rs.3.26/kWh.

- c) MSEDCL submitted a petition on June 22, 2010 (Case No.22 of 2010) for adoption of the tariff discovered through the bid process for Power procurement of 2000 (-20%/+30%) MW under Case1 Stage-2.
- d) M/s APML offered additional supply of 125 MW on negotiated levellised tariff i.e, Rs. 3.28/kWh on same terms and conditions of offer dated August 7, 2009 through letter dated January 2, 2010.
- e) MSEDCL prepared the demand-supply forecast with 8% and 10% growth in peak load for the year 2014-15 and 2015-16. It shows surplus of 1222 MW and 180 MW, respectively.
- f) MSEDCL Board has accorded approval vide B.R.1018 dated January 5, 2010 for additional 125 MW Power procurement from APML and the proposal was sent to GoM for approval on January 12, 2010.
- g) GoM conveyed approval of Cabinet sub-committee of Energy Meeting held on May 6, 2010, vide letter dated May 24, 2010, for additional 125 MW Power procurement from APML at levellised tariff of Rs. 3.28/kWh, on same terms and conditions of earlier offer submitted by M/s. APML on August 7, 2009, subject to the Commission's approval.

- h) The PPA is initialed by MSEDCL and APML for additional 125 MW and is in line with PPA of APML signed for 1200 MW.
- i) Contract Performance Guarantee (CPG) of Rs. 37.5 Cr. has been submitted by APML valid up to November 1, 2014.
- j) MSEDCL seeks approval of additional 125 MW Power procurement under Case-1 stage-2 in addition to already approved quantum of 2600 MW vide Case No. 28 of 2009.
- k) MSEDCL submitted that the initialed PPA signed with M/s. APML for additional 125 MW Power procurement, along with requisite documents, before the Commission, for approval of initialed PPA between MSEDCL and APML, for additional quantum of 125 MW, and adoption of tariff.

4. The Commission, vide Notice dated September 29, 2010, scheduled a hearing in the matter on October 21, 2010, and directed MSEDCL to serve a copy of its Petition along with its accompaniments to the four authorised Consumer Representatives.

5. At the hearing held in the matter on October 21, 2010, Shri A.S. Chavhan, CE (PP) and Shri. S.G. Metre, EE (PP), appeared on behalf of MSEDCL. Dr. Ashok Pendse of Thane Belapur Industries Association and Ms. Ashwini Chitnis of Prayas Energy Group were also present.

6. Shri Chavan, CE PP) MSEDCL submitted that the current Petition is in pursuance of the Commission's direction in its Order dated September 12, 2010 in Case No.14 of 2010 and briefed about the necessity of having 125 MW PPA with Adani Power Maharashtra Ltd.

7. Dr. Ashok Pendse submitted that there is a deviation in the Competitive Bidding Guidelines (CBG) issued by Ministry of Power (MoP). Since, as per the Competitive Bidding Guidelines no further amendments shall be carried out beyond the Request of Proposal (RFP) stage.

8. Dr. Ashok Pendse further submitted that MSEDCL had not submitted its compliance report on the directives issued through Order dated September 12, 2010 in Case No.14 of 2010, and earlier directives in its RoP dated October 11, 2010 in Case No.56 of 2010. Therefore, MSEDCL should give reason for exceeding the projected demand. For any additional PPA, MSEDCL should have opted for the Competitive Bidding process method for determining the tariff. In this present matter, the levellised tariff sought for approval is Rs.3.28 per kWh, which is higher than the earlier PPAs.

9. Ms. Ashwini Chitnis of Prayas submitted that she agrees with the suggestions made by Dr. Pendse of TBIA. Ms. Ashwini sought further information from MSEDCL, which are as under:

- a) Whether the present Petition is in accordance with the provision of Competitive Bidding Guidelines (CBG)
- b) Since, the proposed PPA is for about 25 years, it is necessary to mention from which Unit No. of Tiroda Plant, M/s APML is going to allocate PPA of 125 MW.
- c) MSEDCL in its PPA with respective sellers has deviated from the RFQ document approved by the Commission in Case-1 Stage 2 (2000 MW). The PPA of Case-1 Stage 2 (2000 MW) has not been approved by the Commission till date. Therefore, it is too early to consider this PPA for 125 MW before resolving all the pending issues about the validity of PPA in Case 1 Stage 2 (2000 MW).
- d) It is noticed that the levellised tariff for Tiroda phase 2 project is Rs. 3.28/kWh as against the levellised tariff is Rs. 2.8752/kWh under MoU Route.
- e) Petition of MSEDCL (Case No. 22 of 2010) for adoption of the tariff for procurement of 2000 MW (-20%/+30%) power on Long Term Basis under International Competitive Bidding Process (Case 1 Stage 2) is pending with the Commission.
- f) Ms. Ashwini Chitnis further submitted that based on the Order in Case No.14 of 2010 and RoP in Case No. 22 of 2010, Prayas had sought certain information from MSEDCL, which has not been complied so far. Under the present situation, it is premature to consider the current proposal of MSEDCL and the same may be disposed of without any merit.

10. While emphasizing the need for proper planning for short and long term requirement of power, the Commission directed MSEDCL to submit status of the various PPAs entered with various suppliers and the Milestone achieved by the project developers. A copy of the same should also be served to the Consumer Representatives.

11. The Commission, vide its Notice dated October 21, 2010, scheduled a hearing in the matter on November 3, 2010, which was latter postponed to November 26, 2010 vide Notice dated November 2, 2010.

12. Prayas Energy Group vide its letter dated October 24, 2010 raised following points which are as under:

- a) Prayas appreciate the urgency and in fact welcomed any steps taken towards contracting power on long term basis through a fair and transparent bidding process. However, it is extremely important that while doing so due care is being taken in ensuring compliance with competitive bidding guidelines and other legal and statutory requirements, so that the contractual agreements/arrangements can survive test of time and legal scrutiny. This is extremely critical to ensure that the contracted power actually becomes available to MSEDCL as per the agreed tariff and terms and conditions. Only then such agreements will truly serve the interests of MSEDCL as well as its consumers.
- b) MSEDCL should first explain how the current petition complies with the procedural and legal requirements as defined under the Competitive Bidding Guidelines.
- c) MSEDCL has requested adoption of 125 MW of power on long term basis from M/s. Adani Power Maharashtra Limited at earlier discovered levellised tariff of Rs. 3.28 per unit. However, Prayas feels that before considering this petition some of the important issues raised regarding the earlier petition filed by MSEDCL, Case No. 22 of 2010 for adoption of tariff discovered through Case-1 Stage 2 of Competitive Bidding process need to be addressed. As the present petition is based on the earlier tariff adoption case, it is only natural to consider the same after the earlier matter is closed and the Commission issues a formal tariff adoption Order in that regard.
- d) Prayas in its earlier submission related to Case No.22 of 2010 has highlighted instances of serious deviations from Standard Bidding Documents apart from the ones approved by the Commission. Under such circumstances, MSEDCL should first clarify the reasons for such deviations and the Commission should issue an Order approving/rejecting the same with detail explanation regarding how such deviations comply with the bidding guidelines or otherwise.
- e) Further as per the directive issued by the Commission in Case No.14 of 2010, MSEDCL should submit the information as stated below to support its claim of contracting 125 MW on long term basis. Relevant extract from the RoP is as follows :
- “
- The Commission also directed MSEDCL to submit the following information within one week of the hearing:*
- *MSEDCL's demand supply forecast for next 10 years,*

- *MESDCL's immediate, medium and long term power purchase plans and the efforts undertaken in this regard*
- *Current status of all the projects expected to be commissioned in next 3 years*
- *Rationale for procuring the quantum proposed in the current petition in the context of the above mentioned points*
- *Actual vs. projected demand and supply for FY 2008-09 and FY 2009-10, including Mumbai Peak"*

f) In the above mentioned Record of Proceeding MSEDCL was directed to submit the above information within one week from the date of issuance of the RoP. It is also pertinent to mention here that as per CERC's recent advice to the Government of India regarding time frame for tariff based competitive bidding, the CERC study makes certain observations regarding the tariffs discovered by MSEDCL through its Stage 2 round of Case I bidding. The report states that tariff discovered by MSEDCL is in fact higher than cost plus tariff worked out for similar project. In such a situation, MSEDCL should justify, (based on the above planning process) why it still wishes to procure additional quantum at such high tariff instead of going for a fresh round of bidding for this additional requirement.

g) As stated before, power purchase planning and procurement is one of the most critical areas as far as distribution business is concerned and any steps towards contracting capacity on long term basis are more than welcome, especially in a shortage situation that we are facing today. However care should be taken that such capacity is contracted at reasonable rates discovered through fair and transparent bidding processes and that contractual agreements are sound enough to withstand legal scrutiny. Any short coming in ensuring legal and or procedural compliance with the bidding guidelines and or other statutory provisions may lead to litigations or disputes later on. Hence, Prayas feels that it is the Commission's duty to ensure that power purchase contracts are in line with bidding guidelines and are legally sound.

13. MSEDCL vide its letter dated October 29, 2010 submitted the reply to queries raised by Prayas, authorized Consumer Representative by email dated October 24, 2010. The point-wise reply summarised as under:

Sr	Comments/Observations by Prayas	MSEDCL's Response
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No		
1	Compliance with Competitive bidding guidelines.	The power procurement of 125MW is based on Case-1 Stage-2 tender for 2000 (+30%, -20% MW), which is conducted through fair and transparent bidding process. The additional 125 MW is on same terms and conditions of the above tender. Hence, 125MW is over the tendered quantum, approval of the Commission is being sought.
2	Explanation of current petition complying with procedural and legal requirements as defined under the Competitive Bidding Guidelines.	The unrestricted demand may increase more than the prediction of 8%. To sustain the future power consumption growth in Maharashtra, it will be prudent to tie up for this power. Government of Maharashtra (GoM) has approved procurement of additional 125 MW on the basis for tendered process Case-1 Stage-2 carried out as per transparent and competitive bidding guidelines subject to the Commission approval.

14. Further, MSEDCL vide its letter dated November 11, 2010 submitted the reply to queries raised by Consumer Representatives in respect of this case, which are as under:

Sr No	Query	MSEDCL's Response
1	As per the Competitive Bidding Guidelines no further amendments shall be carried out beyond the RFP stage. There appears to be deviations from the conditions of the Competitive Bidding Guidelines (CBG) issued by Ministry of Power (MoP).	The power procurement of 125MW is based on Case-1 Stage-2 tender for 2000(+30%, -20% MW), which is conducted through fair and transparent bidding process. The additional 125 MW is on same terms and conditions of the above tender. Hence, 125MW is over the tendered quantum, approval of the Commission is being sought.
2	MSEDCL had not submitted its compliance report on the directives issued through Order dated September 12, 2010 in Case No. 14 of 2010 and earlier directives in its RoP dated	MSEDCL complied vide letter No CE/PP/Add 125MW/33308 dated October 29, 2010

	October 11, 2010	
3	MSEDCL should give reason for exceeding the project demand.	The unrestricted demand may increase more than the prediction of 8%. To sustain the future power consumption growth in Maharashtra, it will be prudent to tie up for this power. Government of Maharashtra (GoM) has approved procurement of additional 125 MW on the basis for tendered process Case-1 Stage-2 carried out as transparent process of Competitive Bidding and subject to the Commission approval.
4	The levellised tariff sought for approval is Rs 3.28 per kWh, which is higher than the earlier PPAs. In this present matter, M/s. Adani Enterprises in Gujarat is giving 100 MW and rate offered is Rs 2.89 per kWh.	<p>The tariffs are discovered through Competitive Bidding process.</p> <p>Case-1 Stage-1 bid submission was in February 2008.</p> <p>Case-1 Stage-2 bid submission was in August 2009.</p> <p>Both processes have different evaluation indices corresponding to their period.</p> <p>The rate offered by M/s. Adani Enterprises in Gujarat was in January 2007 and to be supplied in 2010. Hence, the rate cannot be compared.</p>
5	Whether the present Petition in accordance with provision of Competitive Bidding Guidelines.(CBG)	The petition is in accordance with the provision of Competitive Bidding Guidelines. Government of Maharashtra (GoM) has approved procurement of additional power i.e., 125 MW on the basis for tendered process Case I Stage 2 (2600 MW) carried out as per transparent and under the provisions of Competitive Bidding Guidelines and subject to Commission's approval.
6	It is necessary to maintain from which unit of Tiroda plant, M/s APML is going to allocate PPA of 125MW	M/s. APML is allocating 125MW power from Tiroda Plant, Unit-1.

7	The PPA of Case-1 Stage-2 (2000MW) has not been approved by the Commission till date. Therefore, it is too early to consider this PPA for 125MW before resolving all the pending issues about the validity of PPA in Sase-1 Stage 2 (2000MW)	The petition for adoption of tariff for Case-1 Stage-2 (2000MW) and petition for 125MW is separate and can be considered simultaneously.
8	It is noticed that the levellised tariff for Tiroda phase-2 project is Rs.3.28 /kWh as against the Levellised tariff is 2.8752/kWh under MoU route.	APML has stated in the bid the use of indigenous as well as imported coal for offered capacity (linkage @ 42.80%, distance 400 k.m., Captive Coal @ 29%, distance 150 k.m. and Imported Coal @ 28.20%, distance 800 k.m. from Paradip Port); however, CERC calculated tariff as per cost plus methodology is on domestic coal as fuel source and coal transportation distance is taken as minimum value i.e, 100 k.m. Thus, difference in tariff may be due to above reasons.
9	Petition of MSEDCL (Case No. 22 of 2010) for adoption of Tariff for procurement of 2000 MW(-20%, +30%) power on long term basis under international competitive bidding process (Case-1 Stage2) is pending with the Commission.	No comments.
10	Based on the Order in Case No. 14 of 2010 and RoP in Case No. 22 of 2010, Prayas had sought certain information from MSEDCL, which has not been complied so far.	MSEDCL complied vide letter No CE/PP/MSEDCL/Case-1/25810 dated 16.08.2010 and again letter No. CE/PP/Add125MW/33308 dated October 29, 2010
11	Commission directed MSEDCL to submit status of the various PPAs entered with various suppliers and the milestone achieved by the project	MSEDCL complied vide letter No CE/PP/Add 125MW/33308 dated October 29, 2010

developers.	
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15. At the hearing held in the matter on November 26, 2010, Shri. A.S. Chavan, C.E. (Power Purchase) and Shri. S.G. Metre, E.E. (PP), appeared on behalf of MSEDCL.

16. The Commission enquired the issue raised by Prayas Energy Group in letter to the Commission and referred to the statutory advice rendered by Chairman, CERC to the Secretary (Energy), GoI. In the said letter, the rate of Rs 3.28/kWh of Adani Power Maharashtra Ltd. is about Rs. 0.40 more than the calculation done by CERC on cost plus basis.

17. Shri. Chavan submitted that the levellised price of electricity for power project depends on the several variables and factors such as unit size, number of units for plant project, technology, environmental consideration, water resources, boiler type, nature and type of balance of equipment, Plant Load Factor, Location of plant, transportation cost of coal, fuel type, nature of fuel, whether the plant is just imported or domestic fuel, year of procurement of plant and equipment, escalation rate for the fuel, discounting rate used etc. Unless all such variables and factors are similar in case of the options i.e. competitive bidding as well as cost plus methodology, comparison of price is not possible.

18. The Commission directed MSEDCL to submitted the calculations, which has resulted in the higher tariff through the Competitive Bidding route as compared to the tariff calculated through cost plus methodology

19. MSEDCL vide its submission dated December 14, 2010 submitted the explanation of the difference between levellised tariff arrived through Competitive Bidding at Rs. 3.28/kWh for Tiroda Project of M/s. Adani Power Maharashtra Limited and the levellised tariff at Rs. 2.8752/kWh derived on the cost plus basis by CERC for the same project in the letter dated October 16, 2010. MSEDCL has submitted the impact of transportation of fuel, interest rate on debt and auxiliary consumption on the project. MSEDCL further submitted that transportation distance for fuel is considered 500 k.m. even though Adani in their bid has stated distance of more than 500 k.m. to 1000 k.m. Considering, the minimum distance of transportation for fuel, interest rate on debt and auxiliary consumption, there is increase of almost 38 paise/kWh on account of the above variation. The levellised tariff arrived through CBG and Cost plus basis are almost the same.

20. MSEDCL submitted that the tariffs under the referred CERC's statutory advice have been computed based on CERC norms and certain project specific assumptions. As per the letter, the regulated tariff for Tiroda Phase –II project of Adani Power Maharashtra Ltd. under cost plus method has been computed as Rs. 2.8752/ kWh as against Rs. 3.28 discovered under Competitive Bidding Process.

21. MSEDCL submitted at the review of the assumptions used by CERC, the following key variations are observed:

a) Cost of Transportation of fuel:

CERC has considered a distance of 100 k.m. between the source of fuel (i.e., Coal) and the power plant site; however, the bidder has indicated a distance of more than 500 k.m. upto 1000 k.m. in his bid. In case, MSEDCL compute the tariff based on CERC's norms itself, considering minimum distance of 500 k.m., the impact of increase in 400 k.m. transportation distance in this component results in an overall increase of levellised Tariff of about 29 paisa/Unit.

b) Auxiliary Consumption:

CERC has considered Auxiliary consumption as 6%, whereas as per CERC norms it is 6.50% in case the plant is based on Cooling Tower. Thus, the levellised tariff based on CERC's norms would increase by 1 paisa/Unit.

c) Rate of Interest:

CERC has assumed an interest on long term debt at 7.06% per annum. However, the actual rate would depend on the financing arrangement of the developer. As per Power Finance Corporation (PFC) guidelines, the rate of finance is 11% for Corporate. It may be noted every 1% change in the rate of Interest will have an effect of about 2 paisa/Unit on the levellised tariff, which implies increase of 8 paisa/Unit.

22. MSEDCL has also submitted the justification for procurement of additional 125 MW power, which are summarized as under:

a) 17th EPS has forecasted demand growth at 8% to 10%. If growth rate is considered as 10%, it is seen that there will be a surplus of 179 MW in FY 2014-15 and 2676 MW in FY 2015-16. It is expected that unrestrictive demand will be higher and hence it will be prudent to tie up for the available power of 125 MW.

b) Considering the growth in demand and to bridge the gap, MSEDCL have taken measures curbing the deficit by procuring power through Competitive bidding process in two stages under Case 1 as per MoP guidelines. It is seen that levellised tariff has increasing trend and is evident through comparison of Stage 1 and Stage 2 rates and the rates discovered in Case 1 Bidding in other States. The levellised tariff obtained

through CBG Case 1 Stage 2 (bid submission and bid opening date August 7, 2009) seems to be more than levelled tariff of Case 1 Stage 1 (bid submission and bid opening date February 21, 2008) indicating that there is an increase in levelled rates.

- c) The scenario of levelled tariff under Case 1 of two states viz. Rajasthan and Karnataka which were in the similar time zone of Case 1 Stage 2 is as below:

Levelled tariff discovered through Competitive Bidding in Rajasthan under Case 1 for bid submission and bid opening date August 6, 2009 is as under:

Sr. No.	Bidder	Location	MW Offered	Levelled Rate in Paisa/kWh
1	Adani Power Limited	Rajasthan	1200	324.83(323)*
2	PTC (GMR)	Orissa	100	381
3	PTC (IndoBharat)	Orissa	200	395.2
4	R K Power Gen	Chhattisgarh	300	430.43
5	Jindal Thermal	Orissa	450	438.01

Karnataka Bid Rates for 2000 MW, offers received of 2980 MW for Bid opened on March 2, 2010 is as under:

Sr. No.	Bidder	Location	MW	Fuel Coal Type	Levelled Rate in Paisa/kWh
1	Monnet Power Co. Ltd.	Orissa	150	Imported	375.7
2	Thermal Power Tech Corporation	Andhra Pradesh	430	Imported	377.1
3	Meenaxi Energy Ltd.	Andhra Pradesh	200	Domestic	380.1
4	JSW Energy Ltd.	Karnataka	600	Imported	381.2
5	East Coast Energy Pvt. Ltd.	Orissa	400	Imported	388.9

6	NCC Power Project Ltd.	Andhra Pradesh	400	Imported	388.9
7	Jindal India Thermal Power	Orissa	200	Domestic	446.3
8	JSW Energy Ltd.	Maharashtra	600	Imported	557.4

MSEDCL submitted that the levellised rates quoted by bidders have increasing trend. The reason for the increasing trend is the qualification criteria as laid in SBD are stringent for land, water, fuel and Ministry of Environment and Forest (MoEF) clearance for new upcoming project is a tedious and cumbersome process leading to limited emerging project developers.

In view of above, MSEDCL submitted that it will be prudent to tie up the 125 MW power at rate discovered through competitive price of Rs. 3.28/Unit.

23. The Commission vide its email dated October 1, 2010 directed MSEDCL to verify that whether L1 (Emco Energy Ltd.) and L2 (Indiabulls Power Ltd. Amravati) bidders are willing to supply additional quantum of 125 MW at the rate discovered through Competitive Bidding Process.

24. MSEDCL vide its letter dated March 25, 2011 informed the Commission that MSEDCL has enquired from Emco Energy Ltd. and Indiabulls Power Ltd., Amravati for their willingness to supply additional quantum of 125 MW at rate discovered through competitive bidding.

25. Emco Energy Ltd. and Indiabulls Power Ltd vide its letter dated March 19, 2011 and March 21, 2011 respectively indicated to MSEDCL their inability to supply additional quantum of 125 MW at the rate discovered through Competitive Bidding i.e., Rs.2.879/kWh for Emco Energy Ltd. and Rs.3.26/kWh for Indiabulls Power Ltd.

26. Having heard the Parties, and after considering the material placed on record, the Commission is of the view as under:

27. The Commission Order dated December 28, 2010 in Case No. 22 of 2010 has adopted the tariff discovered through Case-1 Stage 2 of Competitive Bidding for the quantum of 2600 MW for long term after considering the submission made by Consumer Representatives. As regards the process of procurement of additional quantum of 125 MW from Adani Power Maharashtra Ltd. on the basis of recently concluded Competitive Bidding process for

procurement of 2600 MW power on Long term basis under Case 1 Stage 2, the Commission is of the view that procurement of additional quantum on the same terms and conditions is not emphasized in the Guidelines and tariff discovered should be on the market conditions prevailing at that point of time.

28. The Commission after examination of the bids recently concluded under Case 1 bidding for long term in the State of Karnataka and Rajasthan has observed that the levellised tariff in these States discovered through long term Competitive Bidding are more when compared with the tariffs discovered by MSEDCL in Case I Stage 2 long term power procurement process i.e., 3.28/kWh. In the past period the tariff discovered were lower at that point of time and the escalation index notified by the CERC were different for different time period. Therefore, tariff discovered could not be compared from the past PPAs.

29. The Commission also directed MSEDCL to enquire whether L1 (Emco Energy Ltd.) and L2 (Indiabulls Power Ltd., Amravati) bidders are willing to supply additional quantum of 125 MW at the rate discovered through Competitive Bidding Process. Both the bidders informed MSEDCL of their inability to supply additional quantum of 125 MW at the rate discovered through Competitive Bidding.

30. As quantum of procurement of power is less and it is not advisable to start a fresh process of procurement of power of 125 MW through Competitive Bidding process, therefore, as a special case the Commission approves the adoption of tariff for additional power procurement of 125 MW from Adani Power Maharashtra Ltd. at a levellised tariff of Rs. 3.28/kWh within same terms and conditions as indicated in Case I Stage 2 PPA entered by Adani Power Maharashtra Ltd. However, the present process should not create precedence in the future power procurement for medium term or long term for approval of tariff, above the Commission approved quantum for Distribution Licensees in the State. The Commission also directs MSEDCL to submit the PPA between MSEDCL and APMIL for the quantum of 125 MW for record. The PPA should also be made public and uploaded on the website of MSEDCL.

With the above observations and rulings, MSEDCL's Petition in Case No.56 of 2010 is disposed of.

Sd/-
(Vijay L. Sonavane)
Member

Sd/-
(V.P. Raja)
Chairman