

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 127 of 2008

In the matter of
Brihan Mumbai Electric Supply and Transport (BEST) Undertaking's Petition seeking approval of quantum of power procurement through Competitive Bidding Process.

Shri V.P. Raja, Chairman
Shri A. Velayutham, Member
Shri S.B. Kulkarni, Member

ORDER

Dated: August 17, 2009

The Brihan-Mumbai Electric Supply & Transport Undertaking (BEST) filed a Petition under affidavit before the Commission on December 24, 2009, under Section 63 of the Electricity Act, 2003, seeking approval of the quantum of power for long-term power procurement through Competitive Bidding Process.

2. The prayers made by BEST in the Petition are as under:

- *Approve the proposed quantum of power purchase for medium and long term basis.*
- *Allow BEST to procure 300 MW of power on Medium and 500 MW of power on long term basis through Case-1 Competitive Bidding Route.*
- *Allow BEST to initiate competitive bidding process.*
- *Condone any inadvertent omission/errors/shortcomings.*

3. The Commission scheduled a hearing on the Petition filed by BEST on February 10, 2009, in the presence of Consumer Representatives authorised on a standing basis under Section 94(3) of the EA 2003. Notices were issued accordingly.

4. During the hearing, BEST made a presentation on the salient features of the Petition for approval of proposed quantum of power under Medium-Term Power Procurement and Long-Term Power Procurement through Competitive Bidding process under Case-1 Bidding.



5. The Commission enquired of BEST regarding the period of procurement of power on medium-term and long-term. BEST clarified that the quantum under medium-term procurement, i.e., 300 MW would be procured for a period of 4 years, i.e., till FY 2011-12, and the quantum under long-term, i.e., 500 MW after FY 2011-12. The Commission suggested to BEST that it may revisit the period of procurement of power on medium-term and on long-term basis separately and may consider procurement of power from next year onwards on long-term basis.

6. In the context of the assumptions used for the demand projections, the Commission advised BEST to co-relate the same based on the Development Plan and Re-Development Plan of Mumbai being prepared by Brihan-Mumbai Municipal Corporation and Mumbai Metropolitan Regional Development Authority.

7. The Commission directed BEST to submit the Bidding Documents and approach the Commission for prior approval of deviations from the Draft Competitive Bidding Guidelines (CBG) and Standard Bidding Documents (SBD) for Case-I Competitive Bidding, after incorporating the requirement of 500 MW on Long-Term basis.

8. In accordance with the Commission's direction, BEST filed a Petition under affidavit before the Commission on June 25, 2009, under Section 63 of the Electricity Act, 2003, seeking approval of the quantum of power purchase and deviations/references taken in Bidding Documents vis-à-vis the SBD for procurement of power on Long-Term Basis under the Case-I route, in Case No. 33 of 2009.

9. In the said Petition in Case No. 33 of 2009, BEST submitted that earlier, the SBD were available only for procurement under Case-2 route and the Procurers generally had to customise the SBD under Case-2, as required for the specifications related to Case-1. However, the Ministry of Power notified the "Amendment to the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees" Ref No. 23/11/2004-R&R (Vol.VI) dated March 27, 2009. It has also notified the SBD for procurement under Case-1 route in March 2009.

10. BEST submitted that it had prepared the Bid Documents in accordance with the aforesaid Guidelines and adopted the notified SBD for Case-1 and at places where the Bid Documents provided the distribution licensee with an option to decide on certain parameters, such as amount of penalty in case of termination of agreement, minimum percentage of fuel off take, etc., to the extent possible, BEST has taken the reference from the SBD of Case-2.



11. BEST also sought the Commission's approval for procurement of quantum of power of 400 MW with an option of increasing or reducing the capacity sought to be procured by 20%.

12. The Commission issued an Order in Case No. 33 of 2009 on August 4, 2009, and approved the quantum of power to be procured through the competitive bidding process and the deviations in the Bidding Documents from the SBD for Case-1.

13. Considering the fact that BEST filed a fresh Petition for approval of the quantum of power purchase and deviations/references taken in Bidding Documents vis-à-vis the SBD for procurement of power on Long-Term Basis under the Case-I route, and the Commission has already issued the Order in Case No. 33 of 2009, the directives issued to BEST in the present Case have already been complied with, and the prayers made by BEST in this Petition do not need to be gone into again. Hence, no further approval is required in the present case.

In view of the above, the present petition numbered as Case No. 127 of 2008 is hereby disposed off.

Sd/-
(S. B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(V. P. Raja)
Chairman



(P B Patil)
Secretary, MERC