

the period from 05th March 2022 to 20th May 2022 against Tender No.18 of 2022.

- ii. To approve the power procurement of 284.4 MU for the period 5th March 2022 to 20th May 2022.
- iii. To pass such other orders as this commission may consider deemed fit and proper.

2. Facts of the Case:

The petitioner has filed this petition under Section 63 of the Electricity Act 2003 seeking adoption of tariff for procurement of RTC power upto 250 MW under Short term tender for the period from 05.03.2022 to 20.05.2022 floated by Tamil Nadu Generation and Distribution Corporation Limited as approved by the Commission in M.P.4 of 2022 dated 15.03.2022.

3. Contentions of the Petitioner in P.P.A.P.No.3 of 2022:-

3.1. The petitioner has stated that Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), incorporated under the Companies Act, 1956, and the successor entity of erstwhile Tamil Nadu Electricity Board and engaged in the business of Generation, Distribution activities and a distribution licensee in the State of Tamil Nadu for distribution of electricity to various categories of consumers in the State of Tamil Nadu and the electricity so required is availed from various sources such as its own generating stations, and purchase of power from various Central Generating Stations of its share, Independent Power Plants, Captive Power Plants,

Wind generators, Co-generation plants, Bio – mass plants, Merchant power plants, Power exchanges etc.

3.2. The petitioner has stated that all time high demand met by TANGEDCO and the all time high consumption in the State of Tamil Nadu is as below –

- a. All time high demand 16845.5 MW met on 10.04.2021
- b. All time high consumption 372.702 MU met on 09.04.2021

3.3. The power position for the month of March'22 was reviewed by TANTRANSCO and it was anticipated that 1500 MW RTC Power would be required to meet minimum demand in view of considerable increase in demand owing to summer months and public exams for schools/colleges are scheduled during the 2022 summer period, IT firms and commercial establishments also resume their operations, Industrial operations have also gained momentum post covid lockdown and due to the weather conditions during summer, the demand over grid will increase significantly. Therefore, a short term tender (TANGEDCO/SHORT/PP 18 - 2022) was floated for procurement up to 1000 MW RTC power and 1000 MW for evening peak hours from 01.03.2022 to 20.05.2022.

3.4. TANGEDCO also stated that in order to ensure seamless flow of power to meet the anticipated demand and in view of urgency to ensure the availability of transmission corridor, Tender process was initiated by publishing the notice in

newspapers and uploading Request for Proposal (RfP) in MoP's e-bidding portal (DEEP) on 09.02.2022.

3.5. The non-financial technical bids were opened on 15.02.2022. Totally 5 bids were received from 2 bidders are as follows:

RTC Power

Sl.No	Name of the Bidder	No of bids
1	NVVN Ltd	4
2	PTC INDIA Limited	1
Total number of bids		5

PEAK HOURS POWER

Sl.No	Name of the Bidder	No of bids
1	NVVN Ltd	2
Total number of bids		2

3.6. The Initial price offer was opened on 16.02.2022 and e-Reverse Auction was held on the same Day. The details of the bidders and rate emerged per unit in e-Reverse Auction and on further negotiation are as follows:

RTC POWER

Name of the bidder	Period / Duration	Source of Power	e-Reverse Auction		After negotiation	
			Quantum offered in MW	Rate offered per unit in Rs.	Quantum offered in MW	Rate per unit in Rs.
PTC India Limited	01.03.22 to 31.03.22 / RTC power	Adhunik Power & Natural Resources Limited (Adhunik)	50	5.24	50	4.82
NVVN Ltd (NVVN)		Jindal Power Ltd (Jindal)	200	5.37	200	5.37
		Sembcorp Energy India Ltd (Sembcorp)	40	5.65	40	5.65
		Nava Bharat Energy India Ltd (NavaBharat)	60	6.75	60	6.75
PTC	01.04.22 to 30.04.22 / RTC power	Adhunik	50	5.24	50	5.10
NVVN		JaypeeNigrie Super Thermal Plant (JNSTPP)	100	5.24	100	5.24
		Sembcorp	100	5.24	100	5.20
		Jindal	200	5.37	200	5.37
		Nava Bharat	55	6.75	55	6.75
PTC	01.05.22 to 20.05.22 / RTC power	Adhunik	50	5.24	50	5.10
NVVN		JNSTPP	100	5.24	100	5.24
		Jindal	200	5.37	200	5.37
		Sembcorp	40	5.95	40	5.95
		Nava Bharat	55	6.75	55	6.75

Power for peak hours

Name of the bidder	Period / Duration	Source of Power	e-Reverse Auction		After negotiation	
			Quantum offered by bidders in MW	Rate offered per unit in Rs.	Quantum offered in MW	Rate per unit in Rs.
NVVN Ltd (NVVN)	01.03.22 to 31.03.22 / 17-23 hours	Jindal	200	9.97	As per Section 7.1 of MoP guidelines, the minimum number of bidders should be at least two for each requisition. Hence this event was not processed further.	
NVVN	01.04.22 to 30.04.22 / 17-23 hours	JNSTPP	100	8.95	100	8.95
		Jindal	200	9.97	200	9.97
NVVN	01.05.22 to 20.05.22 / 17-23 hours	JNSTPP	100	8.95	100	8.95
		Jindal	200	9.97	200	9.97

Apart from PTC source (Adhunik) of supply for the period from 01.03.22 to 20.05.22 and NVVN source (Sembcorp) of supply for the period from 01.04.22 to 30.04.22, other generators did not come forward to match with L1 rates and also requested for further Negotiation to procure RTC power. In case of power for peak hours the rates discovered in this tender appear to be high and hence it is not processed further.

3.7. TANGEDCO had already filed Miscellaneous petition (M.P. No: 4 of 2022) seeking approval and the Commission has accorded approval in its order dated

15.03.2022 to procure RTC power up to 1000 MW and 1000 MW for evening peak hours. In view of prevailing shortage of coal stocks and upcoming summer months the average cost may increase above Rs.6.94 per unit and hence the price discovered under this tender appears to be reasonable. Considering the increase in demand owing to summer months and benefit for the public TANGEDCO has issued LoA's to the successful bidders up to 450 MW at the rate range up to from 4.82 to Rs.5.24 per unit and the details are as follows:

Name of the trader	Period	Source of Power	Duration	Quantum in MW	Rate per unit in Rs.
PTC	05.03.22 to 31.03.22	Adhunik	00-24 hours	50	4.82
	01.04.22 to 30.04.22	Adhunik	00-24 hours	50	5.10
	01.05.22 to 20.05.22	Adhunik	00-24 hours	50	5.10
NVVN	01.04.22 to 30.04.22	Sembcorp	00-24 hours	100	5.20
NVVN	01.04.22 to 30.04.22	JNSTPP	00-24 hours	100	5.24
	01.05.22 to 20.05.22	JNSTPP	00-24 hours	100	5.24

3.8. As per clause 7.2 of Guidelines issued by MoP for short term procurement of power, Standing Committee was constituted for evaluation of bids and as per clause 11.2 of MoP Guidelines, the Committee has provided appropriate certification on conformity of the bid process evaluation according to the provisions of RfP document.

3.9. And hence, the petitioner prayed the Commission, for adoption of tariff at the range of Rs.4.82/- to Rs.5.24/- per unit for having purchased a quantum of 284.4MU at

TANTRANSCO periphery in procurement of RTC power up to 250 MW during the period from 05th March '22 to 20th May '22 against Tender No. 18 of 2022.

4. Findings of the Commission:-

4.1. We have heard the submission of the learned Standing Counsel for TANGEDCO. This petition is sequel to the Orders issued in M.P. No.4 of 2022 dated 15-03-2022 wherein this Commission has accorded approval for procurement of RTC power of 500 MW for March 2022, 1000 MW for April 2022 and 1000 MW for May 2022 (1.5.2022 to 20.5.2022) and 1000 MW evening peak power for the period from 01.03.2022 to 20.5.2022 through a Short Term tender No.TANGEDCO/Short/PP-18-2022 through e-Bidding portal (DEEP).

The commission also approved in the above M.P.4 of 2022 for the following deviations as sought by the petitioner from the guidelines of the Ministry of power -

- (i) deletion of payment security clause viz opening of Letter of Credit,
- (ii) deletion of Contract Performance Guarantee clause
- (iii) to release the BG/EMD after the fulfilling the contractual obligations
- (iv) to fix the validity of the tender 30 days from the date of e-Reverse Auction process (excluding the date of e-RA).
- (v) deletion of change in law clause losses.

4.2. The petitioner had sought approval for floating of above Tender to meet the following requirement anticipated during March 2022 to May 2022

Month	Anticipated demand in MW (a)	TANGEDCO's availability in MW (b)	Requirements in MW (a-b) = (c)	To be purchased from this tender
March '22	15600	13230	2370	1000
April'22	16000	14630	1370	1000
01.05.2022 to 20.05.2022	15700	14730	970	1000

Though power requirement was above 1000 MW as stated in Col.(c) of the above table, taking into account of Hydel power & Wind power availability, the Tender quantity restricted to 1000 MW.

4.3. In this petition, the Petitioner has stated that the above short term purchase is required in view of considerable increase in demand owing to summer months and Public exams scheduled during the summer period of 2022 for schools/colleges, resumption of their operations by IT firms / Commercial establishments, momentum gained of Industrial operations after COVID-19 Lock down and of the weather conditions during summer. The demand may increase in this duration significantly.

4.4. According to the approval, the petitioner has proceeded for Tender process through MoP's e-bidding portal. It received 5 bids totally from 2 bidders for RTC power, and 2 bids from 1 bidder for Peak Hours power. In the e-Reverse Auction held on 16.02.2022, PTC source (Adhunik) of supply for the period from 01.03.2022 to

20.05.2022 and NVVN source (Sembcorp) for the period from 01.04.2022 to 30.04.2022, have come forward to match with L1 rates.

4.5. In result of this tender process, the petitioner issued LoA's to the successful bidders upto 450 MW at the price range from Rs.4.82 to Rs.5.24 per unit as below –

Name of the trader	Period	Source of Power	Duration	Quantum in MW	Rate per unit in Rs.
PTC	05.03.22 to 31.03.22	Adhunik	00-24 hours	50	4.82
	01.04.22 to 30.04.22	Adhunik	00-24 hours	50	5.10
	01.05.22 to 20.05.22	Adhunik	00-24 hours	50	5.10
NVVN	01.04.22 to 30.04.22	Sembcorp	00-24 hours	100	5.20
NVVN	01.04.22 to 30.04.22	JNSTPP	00-24 hours	100	5.24
	01.05.22 to 20.05.22	JNSTPP	00-24 hours	100	5.24

The petitioner also stated that in adherence to the clause 7.2 of Guidelines issued by the Ministry of Power for Short term procurement of power, the Standing Committee was constituted for evaluation of bids and as per Clause 11.2 of MoP Guidelines, the Committee has certified the conformity of bid process evaluation in line with the RfP.

4.6. The petitioner has prayed in the main petition and sought approval for the procurement of 284.4 MU during the period from 5th March 2022 to 20th May 2022.

4.7. While hearing this petition on 19.10.2022, Commission made the following observation in the Daily Order -

"Commission directed TANGEDCO to file the split up details for 284.4 Million units and also from whom the purchase were made along with additional details to be given to the Registry within a week. Orders reserved."

Adverting to the above, the petitioner has furnished the following additional details of break up as ordered by the Commission in the above Daily Order.

Name of the trader	Period	Source of Power	Duration	Quantum in MW	Rate per unit in Rs.	Energy in MU
PTC	05.03.22 to 31.03.22	Adhunik	00-24 hours	50	4.82	32.4
	01.04.22 to 30.04.22	Adhunik	00-24 hours	50	5.10	36
	01.05.22 to 20.05.22	Adhunik	00-24 hours	50	5.10	24
NVVN	01.04.22 to 30.04.22	Sembcorp	00-24 hours	100	5.20	72
NVVN	01.04.22 to 30.04.22	JNSTPP	00-24 hours	100	5.24	72
	01.05.22 to 20.05.22	JNSTPP	00-24 hours	100	5.24	48

Total in MU = 284.4

4.8. The petitioner also stated that the price discovered under this tender appears to be reasonable in view of the prevailing shortage of coal stocks and the expected average cost increase over Rs.6.94 / Unit during the summer months. On the above, the petitioner has sought to approve the purchase of upto 450 MW in the price range of Rs.4.82 to Rs.5.24 per unit.

4.9. Though the price seems to be high compared to the price adopted for short term purchase during the last summer (2021 – COVID period) which was around Rs.3.40 / Unit, we have to take into account of the average power purchase rate of TANGEDCO for the corresponding months since it represents the current price situation of the market as below –

Sl.No.	Month	Average Power Purchase cost (as per Power Purchase Return)
1	3/2022	Rs.5.34 / Unit
2	4/2022	Rs.5.86 / Unit
3	5/2022	Rs.5.67 / Unit

4.10. In view of the above facts, it is found that the petitioner has adopted the process of bidding issued by the MoP and the price discovered under Tender PP – 18 of 2022 seems to be reasonable. Hence, the Commission hereby adopts the rate of Rs.4.82 to Rs.5.24 per Unit for procurement of 284.4 MU during the period 05.03.2022 to 20.05.2022.

(Sd.....)
(K.Venkatesan)
Member

(Sd.....)
(M.Chandrasekar)
Chairman

/True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission