

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under section 82 (1) of the Electricity Act, 2003)
(Central Act 36 of 2003)

PRESENT:-

Thiru S.Akshayakumar Chairman

Thiru G.Rajagopal Member

and

Dr.T.Prabhakara Rao Member

P.P.A.P.No.1 of 2018

Tamil Nadu Generation and Distribution
Corporation Limited,
144, Anna Salai,
Chennai – 600 002.

... Petitioner
(Thiru M.Gopinathan
Standing Counsel for TANGEDCO)

Vs.

Nil

... Respondent

Date of hearing: 24-04-2018

Date of Order: 08-06-2018

The P.P.A.P.No.1 of 2018 came up for final hearing on 24-04-2018. The Commission upon perusal of the Petition and connected records and after hearing the submissions of the Counsel for the Petitioner hereby makes the following:

ORDER

1. Prayer of the Petitioner in P.P.A.P.No.1 of 2018:-

The prayer of the Petitioner in the above P.P.A.P.No.1 of 2018 is,-

- (i) for adoption of tariff for procurement of 550 MW RTC power for March 2018 and 450 MW RTC power for April 2018 to the successful bidders against

Tender No. 09-2017 at Rs.4.20 per unit being the Landed Cost at TN periphery;

- (ii) for approval for the procurement of 733.2 MU for the period from 01-03-2018 to 30-04-2018; and
- (iii) to pass such other orders as the Commission may consider deemed fit and proper.

2. Facts of the Case:-

The petition has been filed seeking adoption of tariff for procurement of 550 MW RTC power for March 2018 and 450 MW RTC power for April 2018 from traders / generators in pursuance of the Tender No.9 of 2017 floated by TANGEDCO.

3. Contentions of the Petitioner in P.P.A.P.No.1 of 2018:-

3.1. The demand of electricity in Tamil Nadu State is steadily increasing and an all time high demand of 15343 MW was met on 29-04-2016 and all time high consumption of 345.617 MU supplied on 29.04.2016. R&C in the State has been lifted with effect from 05.06.2015 and directions of the Government of Tamil Nadu issued under section 11 of Electricity Act, 2003 have been revoked with effect from 01.06.2016.

3.2. After reviewing the power position, SLDC had given indent for power procurement to meet the anticipated demand. Based on the indent, a Miscellaneous Petition was filed before the Commission seeking approval for power procurement under short term tender.

3.3. Simultaneously a tender was also floated through MoP's E-bidding DEEP portal. As per MoP's guideline for procurement of power under short term tender, TANGEDCO published Notice inviting tender in two All India Edition of English dailies viz. The New Indian Express and Deccan Chronicles and two Tamil Dailies viz Dinathanthi and Dinamalar on 21.11.2017 and RfP uploaded in TANGEDCO website and also in DEEP portal for E-bidding on 20.11.2017.

3.4. The non-financial technical bids were opened on 27.11.2017 at 11.00 hrs. The following 19 bids were received.

Sl. No.	Name of Trader / Generator	No. of Bids
1	Shree Cement Ltd	2
2	GMR Energy Trading Ltd	2
3	Manikaran Power Ltd	1
4	NTPC Vidyut Vyapar Nigam Ltd (NVVN)	2
5	PTC India Ltd	3
6	Chettinad Cement Corporation Ltd	3
7	DB Power Ltd	1
8	Semb Corp Gayatri Power Ltd	1
9	JSW Energy Ltd	1
10	Adani Enterprises Ltd	1
11	Arunachal Pradesh Power Corporation Private Ltd.	2
	Total No. of Bids	19

3.5. All bidders have accepted the terms and conditions of RfP without any deviation and uploaded the proof for the payment of required EMD in the form of Bank Guarantee and the proof for having paid the tender processing fees. As all the bids were in order as per the RfP, all bids were considered for opening of price bids.

3.6. The price bids were opened on 28.11.2017 and e-Reverse Auction commenced and ended on the same day, via the DEEP E-bidding portal. The RA discovered tariff was in the range of Rs.4.31 to Rs.4.35 per kwh.

3.7. After RA process, all bidders were addressed on 30.11.2017 to offer price discount in the rate quoted / discovered in e- Tender/ RA. Only three bidders had responded and reduced from their quoted tariff viz Manikaran (Sai Regency) reduced from the quoted tariff of Rs.4.65 to Rs.4.50 per kwh, JSW/Karnataka from quoted tariff of Rs.5.75 to 5.20 per kwh and M/s.Shree Cement had reduced below the RA discovered rate and offered 100 MW @ Rs.4.25 per kwh. None of the selected bidders in RA had reduced their rates.

3.8. The Commission had accorded approval for the procurement of 550 MW and 450 MW for the month of March 2018 and April 2018 respectively for the rate of Rs.4.31 per Kwh to Rs.4.35 per Kwh discovered in TANGEDCO's tender as the maximum ceiling limit for power procurement in its order dated 31.01.2018.

3.9. In the meantime, all the bidders were requested to extend the validity twice by TANGEDCO. During the 2nd extension, only five bidders had extended their validity (Shree Cements, DB Power, APPCPL (MB Power), JSW Energy Ltd and Sembcorp Gayatri Power Ltd).

3.10. While extending their validity, Shree Cement, Sembcorp Gayatri and DB Power had offered RTC power at the rate of Rs.4.20 per Kwh for both the months of March 2018 and April 2018. Though APPCL and JSW had extended their bid validity, they retained the rate (APPCL – Rs.4.34 for March 2018 and Rs.4.31 for April 2018 and JSW – Rs.5.20 for both months).

3.11. The details of bidders, who have offered tariff reduction less than the tariff discovered in RA and quantum, are as follows:-

Trader / Source	Month	Offered quantum & tariff	
		MW	Rs./kwhr.
Shree Cements, Rajasthan	March 2018	50	4.20
	April 2018	50	4.20
Sembcorp Gayatri, AP	March 2018	300	4.20
	April 2018	300	4.20
D.B.Power Ltd., Chhattisgarh	March 2018	200	4.20
	April 2018	100	4.20

Total Quantum for March 2018 : 550 MW

Total Quantum for April 2018 : 450 MW

3.12. The Letter of Award was issued to three bidders, who had offered to supply at Rs.4.20 per kwh for aggregated quantum of 550 MW and 450 MW for the month of March 2018 and April 2018 respectively at the rate of Rs.4.20 per kwh.

3.13. 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.

4. Findings of the Commission:-

4.1. The prayer of the Petitioner in this petition is to adopt a tariff of Rs.4.20 per unit being the landed cost at Tamil Nadu periphery for procurement of 550 MW RTC for March 2018 and 450 MW RTC power for April 2018 to the successful bidders against the Tender No.09-2017 and also for approval for the procurement of 733.2 MU for the period from 01-03-2018 to 30-04-2018.

4.2. We have gone through the petition filed by the Petitioner. This Commission has approved for procurement of 550 MW and 450 MW for the month of March 2018 and April 2018 respectively in M.P.No.16 of 2017 dated 31-01-2018. The present petition is the sequel to the said Miscellaneous Petition for the adoption of tariff.

4.3. Based on the indent for power procurement given by SLDC, the Petitioner has floated a tender through MoP's e-bidding DEEP Portal. As per the MoP's guidelines for Short Term Tender, notice inviting tenders has been published in two All India Edition of English Dailies and two Tamil Dailies and the RfP uploaded in TANGEDCO website and also in DEEP Portal for e-bidding on 20-11-2017. The price bids were opened on 28-11-2017 and e-Reverse auction commenced and ended on the same day, via the DEEP E-bidding portal. The Reverse Auction discovered tariff was in the range of Rs.4.31 to Rs.4.35 per kwh. After Reverse Auction process, bidders were addressed to offer their discount in the rate quoted / discovered in e-bidding. Only three bidders have responded and reduced from the quoted tariff namely Manikaran (Sai Regency) reduced its tariff from Rs.4.65 to Rs.4.50 per kwh, JSW/Karnataka has reduced its tariff of Rs.5.75 to 5.20 per kwh and M/s.Shree Cement had reduced below the RA discovered rate and offered 100 MW @ Rs.4.25 per kwh and none of the selected bidders in RA had reduced the rates.

4.4. In the meantime, all the bidders were requested to extend the validity twice by TANGEDCO. During the 2nd extension, only five bidders had extended their validity (Shree Cements, DB Power, APPCPL (MB Power), JSW Energy Ltd and Sembcorp Gayatri Power Ltd). While extending their validity, Shree Cement, Sembcorp Gayatri

and DB Power had offered RTC power at the rate of Rs.4.20 per Kwh for both the months of March 2018 and April 2018. Though APPCL and JSW had extended their bid validity, they retained the rate (APPCL – Rs.4.34 for March 2018 and Rs.4.31 for April 2018 and JSW – Rs.5.20 for both months).

4.5. The details of bidders, who have offered tariff reduction less than the tariff discovered in RA and quantum, are as follows:-

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		MW	Rs./kwhr.
Shree Cements, Rajasthan	March 2018	50	4.20
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Sembcorp Gayatri, AP	March 2018	300	4.20
	April 2018	300	4.20
D.B.Power Chhattisgarh Ltd.,	March 2018	200	4.20
	April 2018	100	4.20

Total Quantum for March 2018 : 550 MW
Total Quantum for April 2018 : 450 MW

4.6. Based on the directions of the Commission in the above said M.P.No.16 of 2017 dated 31-01-2018, the Petitioner has submitted a Certificate by the Bid Evaluation Committee consisting of Tmt.U.B. Eleni, CE/PPP, Tmt.B.Rajeswari, FC/Cost and Thiru K.J. Dandeker, Chartered Accountant. The said Evaluation Committee has certified that the bidding process had been through DEEP Portal e-bidding Portal as per the Ministry of Power guidelines dated 30-03-2016 and according to the provisions of the Request for Proposal, TANGEDCO/SHORT/PP-09/2017 dated 20-11-2017.

4.7. It has been stated by the Petitioner that Letter of Award was issued to the above three bidders who had offered to supply at Rs.4.20 per kwh for aggregate of 550 MW and 450 MW for the month of March 2018 and April 2018 respectively.

4.8. As per section 63 of the Electricity Act, 2003 (Central Act 36 of 2003), the Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. In this case, the Petitioner has obtained the quantity approval of the Commission in the said M.P.No.17 of 2017 and the Commission has already approved certain deviations from MoP guidelines as stated in the said Miscellaneous Petition. In the above circumstances, the Commission approves the procurement of the power made by the Petitioner for the quantum and at the rate and for the period mentioned in para 4.5 above.

Ordered accordingly.

5. Appeal:-

An appeal against this order shall lie before the Appellate Tribunal for Electricity under section 111 of the Electricity Act, 2003 within a period of 45 days from the date of receipt of a copy of this order by the aggrieved person.

(Sd)
(Dr.T.Prabhakara Rao)
Member

(Sd.....)
(G.Rajagopal)
Member

(Sd.....)
(S.Akshayakumar)
Chairman

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission