

Rajasthan Electricity Regulatory Commission

Petition No. RERC-2213/2024

Petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 and all other powers enabling it in this behalf for Adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited in RVUN's 2000 MW Solar Park on the same Term and Condition as discovered through tariff-based competitive bidding process for RVUN 810 MW Solar Power Project under RE bundling Scheme.

Coram:

Dr.B. N. Sharma, Chairman
Sh. Hemant Kumar Jain, Member
Dr. Rajesh Sharma, Member

Petitioner : Rajasthan Rajya Vidyut Utpadan Nigam Ltd.

Respondents :

1. Jaipur Vidyut Vitran Nigam Ltd.
2. Ajmer Vidyut Vitran Nigam Ltd.
3. Jodhpur Vidyut Vitran Nigam Ltd.
4. Rajasthan Urja Vikas Nigam Ltd.& IT Services Ltd.

Date of hearing : 03.04.2024 and 30.04.2024

Present :

1. Sh. Ankit Sharma, Authorized Rep. for Petitioner.
2. Sh. Umang Gupta, Advocate for Respondents.

Date of Order:

15.05.2024

ORDER

1. Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (hereinafter referred as 'RVUN' or "Petitioner"), has filed the instant Petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 and all other powers enabling it in this behalf for adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited in RVUN's 2000 MW Solar Park on the same Term and Condition as discovered through tariff-based competitive bidding process for RVUN 810 MW Solar Power Project under RE bundling Scheme.
2. Notice was issued through Online Portal to the Respondents to file reply to the petition. Accordingly, Rajasthan Urja Vikas Nigam Ltd. (RUVNL) submitted its reply on 12.04.2024, RVUNL submitted its rejoinder on 24.04.2024.
3. The matter was heard finally on 30.04.2024. Sh. Ankit Sharma, appeared for Petitioner as authorized representative and Sh. Umang Gupta, Advocate appeared for Respondents.
4. Petitioner in its petition, rejoinder and during hearing has submitted as under:
 - 4.1. Petitioner has filed this petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 for Adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited in RVUN's 2000 MW Solar Park on the same Term and Condition as discovered through tariff-based competitive bidding process for RVUN 810 MW Solar Power Project under RE bundling Scheme.
 - 4.2. Ministry of Power, Government of India ("MoP") through a series of directives/guidelines, launched the 'Scheme for Flexibility in generation and scheduling of Thermal/Hydro power stations' and 'Implementation of

trajectory for replacement of Thermal Energy with Renewable Energy' thereof, towards bundling of RE & storage power for successful implementation of the scheme in order to facilitate bundling of Renewable Energy, by substituting part of costlier thermal/hydro energy.

- 4.3. MoP vide order dated 12.04.2022, launched the revised Scheme, followed by amendments dated 28.09.2022, 21.06.2023 and 12.09.2023 which allows a Generating Company under Section 62 of the Act or its subsidiary to establish an RE Power Plant through tariff based competitive bidding process under Section 63.
- 4.4. RVUN entered in MoU on 13.10.2022 with Coal India Limited (CIL) for installing Solar Power Project in the RVUN's 2000 MW Solar Park.
- 4.5. The process of TBCB conducted for procuring power from 810 MW Solar Power Project to be installed in RVUN's 2000 MW Solar Park is as under:
- 4.5.1 For procuring Solar Power, RVUN floated NIT TN-13/2022-23 on 16.12.2022. Two firms participated M/s SJVN Green Energy Limited and M/s NLC India Limited with price bids as under:

Name of Firm	Price Bid (Rs./kWh)
M/s SJVN Green Energy Limited	3.03
M/s NLC India Limited	2.95

- 4.5.2 Further, Bid Evaluation Committee discussed recently carried out reverse auction by Rajasthan Urja Vikas Nigam Limited (RUVN), wherein the base price was taken as Rs. 2.65 per KWh and bid decrement as Rs. 0.01. It was decided to keep same base price and bid decrement for reverse auction against RVUN subject tender.
- 4.5.3 The E-reverse auction was held on 10.08.2023 and the tariff of Rs. 2.64 per kWh was finalized in the favour of M/s NLC India Limited as L-1 bidder.

- 4.5.4 As per the MoU dated 13.10.2022 between CIL and RVUN, CIL vide its letter dated 07.09.2023 agreed for supplying of 900 MW Solar Power from solar Project to be installed by CIL in RVUN 2000 MW Solar Park at Pugal, Bikaner with tariff Rs. 2.64 per kWh.
- 4.5.5 Further, in 319th meeting of Board of Director of RVUN dated 18.09.2023 approved the proposal for procurement of 900 MW Solar Power to be installed by Coal India Limited (CIL) in RVUN's 2000 MW Solar Park, Pugal, Bikaner, on the same Term and Condition as discovered through TBCB process for RVUN 810 MW Solar Power Project and to supply the same to Discoms under MoPs Scheme for flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage Power.
- 4.5.6 RVUN thereafter approached the MoP, Government of India vide letter dated 26.09.2023 for procurement of 900 MW Solar Power to be installed by Coal India Limited (CIL) in RVUN's 2000 MW Solar Park, Pugal, Bikaner, on the same Term and Condition as discovered through TBCB process for RVUN 810 MW Solar Power Project under RE bundling Scheme. MoP, Gol accorded its approval and directed to approach RERC for adoption of tariff vide order dated 26.10.2023.
- 4.6. RVUN submitted that the methodology for energy accounting shall be as per metering and sharing of gain shall be on the basis of balancing cost.
- 4.7. In the view of above submissions Petitioner prayed as under:-
- (a) Adopt the Tariff Rate of Rs. 2.64 per Unit under Section 63 and 86 (1)(b) of the Electricity Act, 2003 and all other powers enabling it in this behalf for Adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited in RVUN's 2000 MW Solar Park on the same Term and

Condition as discovered through tariff-based competitive bidding process for RVUN 810 MW Solar Power Project under RE bundling Scheme.

(b) Direct the Discoms coming under this replacement scheme to schedule the solar power on pro-rata basis under the same existing PPAs from the Petitioner.

5. Respondent in its reply and during the hearing has submitted as under:

5.1. Present petition filed under Section 63 of the Electricity Act, 2003 according to this Section tariff should be determined through transparent bidding process therefore it is essential for the Petitioner to ensure that the process of competitive bidding is in conformity with the guidelines issued by the Ministry of Power, GOI and the Commission while passing necessary orders should be satisfied that the bidders are selected through a transparent process as per section 63 of the Electricity Act, 2003.

5.2. The Petitioner entered into a MOU dated 13.10.2022 with CIL for setting up of Solar power project. On the basis of this MOU, Coal India Limited agreed, vide its letter dated 07.09.2023, to supply 900 MW Solar Power to RVUN at the tariff of Rs. 2.64 per kWh.

5.3. The PPA for procuring RE Power from 900 MW Solar PV Power Project to be entered into by RVUNL and Coal India Limited shall be for 25 years. Clause 4.1.1(c) of the PPA confers obligation upon the Solar Project Developer (SPD) to commence the supply of power on or before the Scheduled Commissioning Date, i.e., 15 months from signing the PPA, and to continue the supply of RE energy throughout the term of the Agreement.

5.4. In this regards Commission shall issue necessary directions to ensure the development of 900 MW Solar PV Power Project will be completed within the time period prescribed in the PPA and for fulfillment of all other

obligations relating to supply of RE Powers so that the benefit on timely completion of the work may be passed on to the consumer for the State.

- 5.5. The financial liability on account of inefficiency attributable to the Petitioner or the Bidder shall not fall upon the Respondents.
- 5.6. Further the RVUNL shall act as an intermediary procurer whereby it will procure the RE Power from the 900 MW Solar PV Power Project and supply the energy bundled with RE Power to the Discoms at a rate which shall be lower than the Energy Charge Rate (ECR). And the net savings realized from supply of such RE energy instead of Thermal or Hydro Power shall be shared between the RVUNL and the DISCOMS in the ratio of 50:50 basis as per Clause 6.7 and 6.8 of the Revised Scheme of MoP.
- 5.7. In this regard, the Commission may direct the Petitioner to submit the prescribed methodology to be adopted for energy accounting and computation of financial gains to be shared with the Discoms in the ratio of 50:50.
- 5.8. Respondents requested that before adopting tariff for 900 MW Solar Power Project, the Commission to ensure that the RVUNL and CIL duly comply with the rates, terms and conditions discovered in 810 MW Solar Power Project through TBCB. The Commission may adopt the tariff, if, satisfied being transparent and in conformity with the guidelines issued by GOI.

Commission's view

6. Commission has considered the submissions, reply and oral arguments made on behalf of the Petitioner and Respondents.

7. Petitioner filed this petition under Section 63 and 86 (1)(b) of the Electricity Act, 2003 for adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited in RVUN's 2000 MW Solar Park on the same Terms and Conditions as discovered through earlier tariff-based competitive bidding process of 810 MW Solar Power Project under RE bundling Scheme.
8. We observe that MoP, GOI vide order dated 12.04.2022, issued a Scheme followed by amendments dated 28.09.2022, 21.06.2023 and 12.09.2023, for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power.
9. The scheme allows a Generating Company under Section 62 of the Act or its subsidiary to establish a RE Power Plant through tariff based competitive bidding process under Section 63.
10. Section 3 of the above scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy reads as under:

3.1. In the case of RE power plant co-located within the premises of a Generating Station under section 62, the appropriate Commission shall determine the tariff of RE supplied.

Provided that such RE power plant shall be established through a competitive EPC tendering.

Provided also that a Generating company may also establish a RE power plant, co-located within the premises of its Generating Station, through a Joint Venture (JV) company, if such Generating Company has at least 26% share in the JV, through competitive EPC tendering.

3.2. A Central or State Generating Company may establish a RE power plant, which is not co-located within the premises of its Generating Station, through competitive EPC tendering mode, after taking authorization from the appropriate Government.

3.3. In all other cases except para 3.1 and para 3.2, RE shall be procured on a competitive basis.

3.4 A Generating Company or its subsidiary which has established a Generating Station under section 62 shall also be allowed to establish an RE power plant through tariff based competitive bidding process under section 63 provided the bids are called by a Central Government approved third party.

Provided that the appropriate State Government may also designate any third party as Bid Process Coordinator, for tariff based competitive bidding process under section 63, for calling bids on behalf of a State Generating Company or its subsidiary."

11. In view of above provisions of the scheme, if the RE power plant is not co-located then generating company can establish RE power plant either by competitive EPC tendering mode or by tariff based competitive bidding process under section 63.
12. MOP, GOI thereafter issued Guidelines dated 26.08.2022 as per Section 63 of the Act for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects for utilisation under scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage power.
13. As per Section 63 of the Act, it is necessary that the procurement is to be done following the bidding process in terms of guidelines issued by GOI. The guidelines dated 26.08.2022 issued by MoP, GOI in this regard mandates for transparent competitive bidding for procurement of power. However, in

the present case Petitioner has not conducted any bid for procurement of 900 MW Solar Power.

14. It is noted that Petitioner is seeking adoption of Tariff for 900 MW Solar Power Project to be installed by Coal India Limited on the same Terms and Conditions as per its earlier tariff-based competitive bidding process for 810 MW. The Petitioner has not conducted any bid for procurement of 900 MW Solar Power Project which is contrary to the provisions of the Scheme and Guidelines issued by MOP,GOI in this regard.
15. It is observed that the Petitioner for procuring the RE power from 900 MW Solar Power Project to be installed by Coal India Limited has proposed a process which is contrary to the provisions of Electricity Act, 2003, Tariff Policy, flexibility scheme dated 12.04.2022 and the guidelines dated 26.08.2022 of MOP, GOI as amended from time to time.
16. In view of the above, we deem it appropriate not to adopt the Tariff for 900 MW Solar Power Project allotted to Coal India Limited on the same Terms and Conditions as per its earlier tariff-based competitive bidding process.
17. The petition is disposed of accordingly.

(Dr. Rajesh Sharma)
Member

(Hemant Kumar Jain)
Member

(Dr. B. N. Sharma)
Chairman