

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 168 of 2023

Case of Mindspace Business Parks Private Limited, Gigaplex Estate Private Limited and KRC Infrastructure and Projects Private Limited for approval of combined short term wind power procurement for the period from 01 August 2023 to 31 July 2024.

Coram

Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

- 1) Mindspace Business Parks Private Limited
- 2) Gigaplex Estate Private Limited
- 3) KRC Infrastructure and Projects Private Limited : Petitioners

Appearance

For the Petitioner : Mr. Hemant Singh, (Adv.)

ORDER

Date: 21 June 2024

1. M/s Mindspace Business Parks Private Limited (MBPPL), M/s Gigaplex Estate Private Limited (GEPL) and M/s KRC Infrastructure and Projects Private Limited (KRCIPPL), [Jointly referred as “the Petitioners”], has filed this petition on 25 July 2023 being Case No. 168 of 2023 under Section 86 (1) (b) of the Electricity Act (EA), 2003 for approval of combined short term wind power procurement for the period from 01 August 2023 to 31 July 2024.
2. **The Petitioners main prayers are as under:**
 - a) *Grant an early hearing in the matter.*
 - b) *Approve the combined short term wind power procurement of upto 70 MW from M/s. Manikaran Power Limited for the period 01.08.2023 to 31.07.2024 at Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects;*

3. The Petitioners, in Petition has stated as follows:

3.1 The Petitioners MBPPL, GEPL and KERCIPPL are deemed Distribution Licensees in their respective IT & ITeS Special Economic Zone (SEZ) area. The Commission has taken on record their deemed Distribution Licensee status and subsequently notified their respective the Specific Conditions of Licence.

3.2 Existing PPA's: The Petitioners have entered into Power Purchase Agreement (PPA) dated 14 September 2022 for 8MW with M/s. GMRETL (Source- Birla Carbon Ltd.) for RTC Power (Base Power) at the average rate of Rs. 6.35/kWh from 01 November 2022 to 31 October 2023. The said PPA was approved, and adoption of tariff was done by the Commission vide its Order dated 28 October 2022 in Case No 177 of 2022.

3.3 The Commission in its Order in Case No 177 of 2022 had also approved the PPA with M/s. PTC India Ltd. (Source - NSL Sugars Ltd.) for Peak Power (Renewable Energy) (08:00 to 23:00 hours Excluding Saturday and Sunday) for 4 MW at the average rate of Rs. 7.95/kWh from 01 Novemembr 2022 to 28 February 2023.

3.4 Prior to expiry of the Peak Power PPA in February 2023, the Petitioners had initiated a combined Short-Term Power Procurement of conventional/ non-conventional power of 4 MW peak power (08:00 to 23:00 hours except on Saturdays, Sundays) for the period 01 March 2023 to 31 October 2023 through competitive bidding on 17 November 2022. Details of the bids received are summarized as under:

(a) M/s. PTC India Ltd. (Source - NSL Krishnaveni Sugars Ltd.) was L1 with rate of Rs. 8.10/kWh for the month of March 2023 and M/s. PTC India Ltd. (Source - NSL Sugars Ltd.-Koppa) was L1 with an average rate of Rs. 8.08/kWh for the period of August 2023 to October 2023 and emerged as the successful bidder for Peak Power.

(b) The Letter of Award (LOA) was issued to M/s. PTC India Ltd. (Source -NSL Krishnaveni Sugar Limited.) for Peak Power (08:00 to 23:00 hours) at the average rate of Rs. 7.90/kWh (negotiated price) from 01 March 2023 to 31 March 2023 only, expecting the better price discovery for the Peak power for the period of August 2023 to October 2023.

3.5 Subsequently, the Petitioners had initiated a combined Short-Term Power Procurement of non-conventional power of up to 9MW peak power (08:00 to 23:00 hours except on Saturdays, Sundays) as per the revised load projection for the period 01 April 2023 to 31 October 2023 through competitive bidding on 02 February 2023 as per the Standard Bidding Guidelines issued by Ministry of Power (MoP). However, at the end of the timelines for bid submission i.e 13 February 2023, the Petitioners received no participation from the bidders.

3.6 For the month of April 2023, the Petitioners floated the bid on Exchange platform under Long Duration Contracts (LDC) on 08 March 2023, for meeting its Peak Power

requirement and to fulfil its Universal Supply Obligation. The Petitioners had fulfilled its Peak power requirement (08:00 to 23:00 hrs) of 8.5 MW at Rs.10/kWh under Green Long Duration Contract (LDC).

- 3.7 The Petitioners had again floated a combined Short-Term Power Procurement of non-conventional power with monthly requisition with variable quantum of up to 8MW peak power (08:00 to 22:00 hours except on Saturdays, Sundays) for the period 01 May 2023 to 31 October 2023 through competitive bidding on 06 March 2023 as per the standard bidding guidelines issued by MoP. Due to receipt of a single bid at higher price in the range of Rs. 8.75 to 9.25/kWh for each requisition, the Petitioners had annulled the said tender.
- 3.8 To meet the peak power (08:00 to 16:00 hrs) requirement for the month of May 2023 the Petitioners floated the bid on Exchange platform under Long Duration Contracts (LDC) on 08 March 2023. The Petitioners had procured 5 MW at the rate of Rs. 6.25/ kWh under Green Long Duration Contract (LDC) for the month of May 2023. The Petitioners are presently meeting its peak power including green requirement other than the contracted power capacity on month-to-month basis from June, 2023, from the power exchanges, till such time the competitive bid are discovered.
- 3.9 The Petitioners had again floated a combined Short-Term Wind (RE) Power Procurement for actual RTC power requirement of 7 MW for the period 01 July 2023 to 30 June 2024 through competitive bidding on 22 May 2023 as per the standard bidding guidelines issued by MoP. As per the request received from bidders the bid submission timelines were extended five times. However, the Petitioners had not received a bid against the said tender dated 22 May 2023.
- 3.10 Despite the best efforts, the Petitioners are left without any firm power procurement contracts/arrangements for the period from June 2023 onwards to meet its demand and are meeting through purchase of power from Power Exchanges. These market developments are completely beyond the Petitioners control. The Petitioners have been appraising the Commission from time to time about the purchase of short-term power.
- 3.11 As a result of no participation/discovery of higher tariff in the recent tenders, the Petitioners again published Notice for Invitation dated 14 June 2023 on its website for procurement of Wind Power upto 70 MW for the period 01 August 2023 to 31 July 2024 from Intra-State projects who's Energy Purchase Agreement (EPA)'s have expired or going to expire, to purchase power from RE sources at lower rate not only to meet its demand but also to optimize power purchase cost and also to meet RPO and Green Energy Requirement.
- 3.12 In response to the above, the Petitioners received offer from M/s. Manikaran Power Limited (MPL) to supply of wind (RE) power. MPL has provided its offer dated 20 June 2023 to supply wind power upto 70 MW for the period 01 August 2023 to 31 July 2024

through Wind (RE) Plants located in Maharashtra. The details of quantum of supply and rate of power offered is as shown below:

	MBPPL	GEPL	KRCIPPL
Quantum of Supply	Up to 30 MW	Up to 20 MW	Up to 20 MW
Rate of Power at delivery	Rs 2.25/kWh (for Group I wind plants) Rs. 2.52/kWh (for Group II, III, IV wind plants) The above rate is at delivery point and includes all charges and losses as applicable up to the delivery point (Generator Periphery).		

3.13 The Petitioners, have issued Letter of Intent (LOI) on 04 July 2023 to MPL to purchase the said power subject to the approval of the Commission in view of the following:

- a) The rate offered by MPL for the period 01 August 2023 to 31 July 2024 is as approved by the Commission for expired PPAs of Wind Power with MSEDCL in its Order dated 15 November 2017 in Case No 155 of 2017. The Commission in the said Order has allowed the prayer of MSEDCL to purchase wind power in short term, from the projects with expired PPAs through the MoU route at Rs 2.52/kWh.
- b) The Commission in its MTR Order on 31 March 2023 for MBPPL, GEPL and KRCIPPL have approved rate of Rs 4.90/kWh for procurement of power from RE sources, whereas the wind power offered by MPL is at much lower rate of Rs 2.25/kWh and Rs 2.52/kWh and the same will result in lower the average power purchase cost benefitting the Consumers. The billing would be based on actual energy supplied and there would not be any additional burden of fixed charges.
- c) The power supplied is green power thereby will help the Petitioners in meeting the RPO as well as Green Energy demand of the Consumers. MPL will not claim the RECs against the energy supplied to the Petitioners under this arrangement.
- d) The offer received from MPL may be extended for a further period of one year subject to availability of power from MPL.

3.14 In line with the directions of the Commission in the respective MTR Order 31 March 2023, the Petitioners have already initiated the preliminary work for long term procurement of RE power Hybrid (Solar and Wind) and will approach the Commission for the approval of draft RfS and PPA shortly. Since, the process and commissioning of plants for long term Hybrid project may take at least 18-24 months, the Petitioners may extend the existing contract with MPL up to May 2025/till commencement of actual power flow under proposed Hybrid (Wind+Solar) arrangement.

3.15 The cost of wind power being procured is at Rs. 2.25/ kWh and Rs. 2.52/kWh which is less than Rs 4.90/kWh approved by the Commission in MTR Order for RE power

purchase. This will lead to lowering of the overall power purchase cost thereby in the overall interest of the Consumers.

3.16 The Petitioners requests the Commission to approve the combined short term wind power procurement of up to 70 MW from MPL for the period 01 August 2023 to 31 July 2024 at Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects under Section 86 (1)(b) of the EA, 2003. The power shall be scheduled from 01 August 2023. As per the STOA procedure of MSLDC, MPL has submitted applications for the month of August 2023 on the MSLDC STOA portal for which the Petitioners have given their consent to schedule the power from 01 August 2023 as per the terms and conditions of the LoI dated 04 July 2023.

4. **At the E-hearing held on 07 May 2024:**

During the hearing the Petitioners reiterated its submission mentioned in the petition. The Commission reserved the matter for final Orders.

Commission's Analysis and Ruling:

5. The Petitioners (MBPPL, GEPL & KRCIPPL) are deemed Distribution Licensee in their specific SEZ area and the Commission in the past has already taken on record their status as deemed Distribution Licensee. Further, the Commission has also notified the Specific Conditions of Distribution License applicable to each one of them.
6. The Commission notes that the Petitioners in this petition has sought approval to the combined short term Wind power procurement of up to 70 MW from M/s. Manikaran Power Limited (MPL) for the period 01 August 2023 to 31 July 2024 at Rs 2.25/kWh for Group-I Wind projects and Rs 2.52/kWh for Group-II to IV wind projects, whose EPA's with MSEDCL's are expired. Accordingly, the Commission frames following issues for its consideration.

Issue (1): Approval for Short term power procurement of the Petitioners.

Issue (2): Approval of the tariff rate offered by MPL.

Issue (3): Other Issues.

The Commission's ruling on above issues is given in subsequent paragraphs.

7. **Issue (1): Approval for Short Term power procurement.**

7.1 The Commission notes that, in its MTR Order dated 31 March 2023 issued for MBPPL (Case No 216 of 2022), GEPL (Case No 215 of 2022) and KRCIPPL (Case No 214 of 2022), it has approved the power purchase rate and quantum for FY 2023-24 & FY 2024-25, which includes power from short term Sources. The Commission has approved APPC rate of Rs. 5.28/ kWh for both MBPPL and GEPL, and Rs 4.90/kWh for KRCIPPL.

7.2 Thus, in MTR Order, the Commission has already allowed the Petitioners to procure power on a short-term basis. The Petitioners' present power procurement is in accordance with above said Tariff Order and hence the Commission is considering the same.

8. Issue (2): Approval of the Wind tariff rate offered by MPL.

8.1 In the past, the Petitioners have entered PPA dated 14 September 2022 for 8MW with M/s. GMRETL (Source- Birla Carbon Ltd.) for RTC Power (Base Power) at the average rate of Rs. 6.35/kWh from 01 November 2022 to 31 October 2023. The said PPA was approved, and adoption of tariff was done by the Commission vide its Order dated 28 October 2022 in Case No 177 of 2022. In the same Order, the Commission has approved short term procurement of peak power (08:00 to 23:00 hours Excluding Saturday and Sunday) of 4 MW from M/s PTC India Ltd. (Source- NSL Sugar Ltd.) at tariff of Rs. 7.95/kWh for the period of 1 November 2022 to 28 February 2023.

8.2 The Commission notes that prior to expiry of the Peak Power PPA in February 2023, the Petitioners had initiated a combined Short-Term Power Procurement of conventional/ non-conventional power of 4 MW peak power (08:00 to 23:00 hours except on Saturdays, Sundays) for the period 01 March 2023 to 31 October 2023 through competitive bidding on 17 November 2022. However, considering the higher discovered tariff, LOA was issued only for the month of March 2023 at tariff of Rs. 7.90/kWh.

8.3 Subsequently, the Petitioners had initiated a combined Short-Term Power Procurement of non-conventional power of up to 9MW peak power as per the revised load projection for the period 01 April 2023 to 31 October 2023 through competitive bidding on 02 February 2023. However, at the end of the timelines for bid submission i.e 13 February 2023, no bid was received.

8.4 Afterwards, the Petitioners had again floated a combined Short-Term Power Procurement of non-conventional power with monthly requisition with variable quantum of up to 8MW peak power (08:00 to 22:00 hours except on Saturdays, Sundays) for the period 01 May 2023 to 31 October 2023 through competitive bidding on 06 March 2023. However, as only single bid at a higher price in the range of Rs. 8.75 to 9.25/kWh was received, the Petitioner annulled the said tender process.

8.5 As none of the competitive bidding processes have given fruitful results, the Petitioners have met its peak power including green requirement other than the contracted power capacity on month-to-month basis from the power exchanges. The Petitioners have again floated a combined Short-Term Wind (RE) Power Procurement for actual RTC power requirement of 7 MW for the period 01 July 2023 to 30 June 2024 through competitive bidding on 22 May 2023. Upon the request received from bidders the bid submission timelines were extended five times, however, the Petitioners had not received a bid against the said tender dated 22 May 2023.

8.6 As all power procurement processes as per MoP's Competitive Bidding Guidelines have not resulted into discovery of reasonable tariff, the Petitioners had published Notice for Invitation dated 14 June 2023 on its website for procurement of Wind Power up to 70 MW from Intra-State projects whose EPA have expired or going to expire. In response to that MPL provided its offer dated 20 June 2023 to supply wind power from the projects located in Maharashtra at Rs 2.25/kWh for Group-I Wind projects and Rs 2.52/kWh for Group-II to IV wind projects. Subsequently LoI dated 04 July 2023 were issued to MPL by the Petitioners.

8.7 The Commission in its Order dated 02 November 2018 in Case No. 264 of 2018 has allowed MSEDCL to continue Short-Term Wind Power Procurement at rate Rs. 2.25 (Group-I) & Rs.2.52 (Group II, III and IV). The relevant portion of the said Order is reproduced below:

“Commission’s Analysis and Ruling

10.3 Review Point No.3, 4 and 5

*c. MSEDCL has also submit that it has developed a web-based portal from 01.01.2018 through which wind generator shall apply on-line for the sale of power to MSEDCL on short term basis, 30 days in advance of the period for which it desires to sale power. MSEDCL further stated that it is purchasing short term (3 to 12 months) wind energy @ Rs. 2.25/- per unit for group I and @ Rs. 2.52/- per unit Group II, III and IV through MoU route. However, in this petition it has sought approval for competitive bidding on long term basis from wind energy. **The Commission is of the view that MSEDCL shall continue to procure short term power on the above principle and for long term procurement, the Commission has provided the methodology in the subsequent paragraph”.** **(Emphasis added)***

8.8 Further, the Commission in its Order dated 09 April 2019 in Case No.50 of 2019 has ruled that for Short-Term procurement it has already approved rate of Rs. 2.52 (Group II, III and IV) and Rs. 2.25 (Group I) through MoU route. The relevant portion of the said Order is as reproduced below:

“Commission’s Analysis and Ruling

6.

The Commission by above dispensation has once again allowed MSEDCL to procure short-term (3 to 12 months) Wind Energy at Rs. 2.52 per unit through the MoU route for wind Projects in Groups II to IV and Rs. 2.25 per unit for Group I Projects, which was earlier approved by the Commission in its Order dated Order dated 15 November, 2017 in Case No 155 of 2017. **(Emphasis added)**

8.9 The Commission notes that the Petitioners had published Notice for Invitation dated 14 June 2023 on its website for procurement of Wind Power. It is pertinent to note that that

the price of short-term power purchase discovered through competitive bidding by different Discoms across the country through the DEEP portal is ranging between Rs. 5.32/kWh to Rs. 11.00/kWh. During the month of June 2023, on the Indian Energy Exchange (IEX) for Green Day-Ahead Market (G-DAM) weighted average price was Rs 4.95/unit. Similarly, for the Green Term-Ahead Market (G-TAM) the average monthly price for Solar at Rs 3.24/unit, for non-Solar at Rs 5.76/unit and for Hydro at Rs 6.28/unit.

8.10 The Commission in its MTR Order dated 31 March 2023 issued for MBPPL, GEPL and KRCIPPL, it has approved rate of Rs 4.90/kWh for procurement of power from RE sources (Solar & Non-Solar) for FY 2023-24 & FY 2024-25. Whereas, under the present petition the wind power offered by MPL is at the rate of Rs 2.25/kWh and Rs 2.52/kWh which is much lower rate than that of the above rates.

8.11 In this background, the rate of Rs 2.25/kWh and Rs 2.52/kWh offered to the Petitioners by MPL seems to be market reflective. Further, said power is being supplied from Wind generators whose EPA based on generic tariff has been expired and the Commission has approved same rate which is being offered to Petitioners for procurement of power from these wind generators for period post expiry of EPAs.

8.12 In view of foregoing facts, the Commission notes that the above offered tariff of Rs 2.25/kWh and Rs 2.52/kWh would not only lower the average power purchase cost of the Petitioners, but it would also prove as cheaper tariff rates to the end electricity Consumers.

8.13 Additionally, since the billing of Wind power would be based on actual energy supplied and being a single part tariff, there would not be any additional burden of fixed charges. Moreover, it is pertinent to note that this power from Wind sources would be utilized by the Petitioners in fulfilling their RPO as well as the green energy demand of the electricity consumers. In view of foregoing facts, the Commission notes that the discovered wind tariff is competitive and in line with the current market trends.

8.14 The Commission notes that the Petitioners issued LoA dated 04 July 2023 to MPL which was accepted by MPL. Accordingly, the Commission give consent for executing EPA/PPA with MPL for procurement of the combined Short -Term power up to 70 MW as per the MoP Guidelines dated 31 March 2016 and its amendment dated 23 February 2022. The Petitioners shall submit copy of final EPA/PPA for records of the Commission.

9. **Issue (3): Other Issues:**

9.1 The Petitioners has requested the Commission's approval, that the offer received from MPL may be extended for a further period of one year subject to availability of power from MPL. On this issue of extension of MPL's offer, the Commission notes that there is neither any explicit submission from the Petitioners nor any assurance of MPL, placed on record by the Petitioners. Therefore, this issue of extension of MPL's offer, is premature and cannot be allowed at this stage.

9.2 The Petitioners has requested for early hearing in this matter; however, it is also observed that, no separate Interlocutory Application filed for urgent listing/hearing of this Case. Therefore, the matter was listed for the Hearing as per the chronology of the Cases filed before the Commission. The Commission further notes that since the proposed power flow under this Case was starting from 01 August 2023 onwards, it was expected that the Petitioners should have filed this Petition well in advance. However, the petition was filed only on 25 July 2023 i.e. 5-6 days prior to the date of power flow. This casual approach of the Petitioners is not acceptable and therefore the Commission directs the Petitioners to be alert/vigilant as regards to filing of such matters, in future. Having ruled as above, the Commission directs the Petitioners to initiate the next power procurement process well in advance so that issue of time constraint for re-tendering in case of single bidder or higher discovered tariff is avoided.

10. Hence, following Order:


ORDER

1. **Petition in Case No. 168 of 2023 is allowed.**
2. **The Commission approves the combined Short-Term Wind Power Procurement for the period from 01 August 2023 to 31 July 2024 by the Petitioners, viz. (1) Mindspace Business Parks Private Limited, (2) Gigaplex Estate Private Limited and (3) KRC Infrastructure and Projects Private Limited, for their respective SEZ Licence area, as stated in para 8 above.**
3. **The Petitioners, Mindspace Business Parks Private Limited, Gigaplex Estate Private Limited and KRC Infrastructure and Projects Private Limited, to submit copies of the Final EPA/PPA to the Commission for records.**

Sd/-
(Surendra J Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

