

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 04 of 2025

Case of Laxmipati Balaji Supply Chain Management Limited for seeking consent for execution of Power Purchase Agreement and Adoption of Tariff for Short-Term procurement of power of 1 MW RTC for a period of one year from 1 February 2025 to 31 January 2026, for its FTWZ and IT/ITES SEZ at Village Sai, Tal. Panvel, Raigad.

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IA No. 05 of 2025 in Case No 04 of 2025

Interlocutory Application of Laxmipati Balaji Supply Chain Management Limited for urgent hearing in Case No 04 of 2025.

Coram

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

M/s Laxmipati Balaji Supply Chain Management Limited (LBSCML) : Petitioner

V/s

M/s Manikaran Power Limited (MPL) : Respondent

Appearance

For the Petitioner : Mr. Palaniappan Meyyappan (Rep.)

For the Respondent : None

ORDER

Date: 18 February 2025

1. The petitioner, Laxmipati Balaji Supply Chain Management Limited (LBSCML), has filed petition on 03 January 2025 being a Case No. 04 of 2025 seeking consent for execution of Power Purchase Agreement (PPA) and Adoption of Tariff for Short-Term procurement of power of 1 MW Round the Clock (RTC) for a period of one year from 01 February 2025 to 31 January 2026, for its FTWZ and IT/ITES SEZ at Village Sai, Tal. Panvel, Raigad. Further it has also filed an Interlocutory Application (IA) before the Commission, as IA. No 05 of 2025 in Case No 04 of 2025, for urgent hearing in this matter/Case.

2. **LBSCML's main prayers are as under:**

Case No 04 of 2025

a. Approve the Power Procurement Plan to continue short-term power procurement till 31st January, 2026;

- b. Adopt the tariff of Rs. 6.30/kWh discovered through competitive bidding for procurement of 1 MW RTC power for a period of one year from 1st February, 2025 to 31st January, 2026;*
- c. Provide consent for execution of the PPA between the Petitioner and Manikaran Power Limited for procurement of 1 MW RTC power, for a period of one year from 1st February, 2025 to 31st January, 2026;*
- d. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a further date;*

IA No 05 of 2025 in Case No 04 of 2025

The Hon'ble Commission may be pleased to grant an urgent hearing on this petition (in Diary No.6/2025) and provide the necessary relief at the earliest.

3. LBSCML in its Petition has stated as follows:

Under Case No 04 of 2025:

- 3.1 Arshiya Limited, previously known as Arshiya International Ltd., is a company registered under the Companies Act, 1956. It received approval from the Ministry of Commerce in 2009 to establish a Special Economic Zone (SEZ) in Sai Village, Panvel, Raigad, Maharashtra. The SEZ spans 45.76 hectares and was later expanded to include an additional IT SEZ on 10.27 hectares of land in 2018. Laxmipati Balaji Supply Chain Management Limited (LBSCML), a registered company under the Companies Act, 2013, signed a Co-Developer Agreement with Arshiya Limited in 2018 to provide utility services, including electricity distribution, within the SEZ. LBSCML was granted Co-Developer status by the Ministry of Commerce in 2018 to manage utility services within the SEZ. The Commission (MERC) recognized LBSCML as a deemed Distribution Licensee for the SEZ area in December 2018 and issued specific regulations for its operations in February 2019.
- 3.2 In February 2024, the Commission approved a PPA between LBSCML and Manikaran Power Limited (MPL) for 1 MW RTC power from 1 February 2024 to 31 January 2025, at a tariff of Rs. 6.40/kWh. As the existing PPA will expire on 31 January 2025, LBSCML plans to procure power for another year, given the uncertainty of demand and prevailing high-power prices. The company decided to undertake short-term power procurement for 1 MW RTC through competitive bidding under Section 63 of the Electricity Act (EA), 2003.
- 3.3 LBSCML initiated the process by publishing notices in prominent newspapers on 18 November 2024 and issued a Request for Participation (RFP) on the Discovery of Efficient Electricity Price (DEEP) Portal, adhering to the Ministry of Power (MoP)'s Standard

Bidding Guidelines. The RFP's bid submission deadline was extended from 26 November 2024 to 4 December 2024, through a corrigendum. LBSCML also appointed PFC Consulting Limited (PFCCL) as its Authorized Representative to conduct the e-bidding process. The following Bid Schedule was stipulated in the RFP for submission of Bids, evaluation of Bids, e-RA process, and issue of LOA, etc.:

Sr. No	Event	Date & Time
1	Publication of Request for Proposal (RFP)/ Activation of Event	18/11/2024
2	Submission of Bids (on-line digitally signed non-financial Technical Bid and IPOs)	16:00 hours on 04/12/2024
3	Opening of non-financial Technical Bids	05/12/2024
4	Clarification, if any, sought from Bidder(s)	06/12/2024
5	In case of no clarification, evaluation of non-financial Technical Bids	09/12/2024
6	Opening of IPOs (up to 13:00 hrs) and start of e-RA	10/12/2024
7	Issuance of LOA and submission of signed LOA	12/12/2024
8	Signing of PPA	16/12/2024

3.4 LBSCML states that despite extending the bid submission deadline to 4 December 2024, only one bidder submitted a bid on the DEEP Portal for the required power supply. The Standing Committee, which included an external member as per the Standard Bidding Guidelines, evaluated and qualified the single bidder for the price bid opening scheduled on 10 December 2024.

3.5 As per Para 7.1 of the Competitive Bidding Guidelines issued by the Government of India under Section 63 of the EA, 2003, LBSCML requires the Commission's consent to proceed with the selection of the single bidder (MPL). Following the technical evaluation, the Standing Committee recommended forwarding the process to PFCCL for opening the price bid and conducting the Electronic-Reverse Auction (E-RA). The shortlisted bidder for e-RA Auction and the Initial Price Offer received from the interested Bidder is as follows:

Name of the Bidder	Source of Power	Status
Manikaran Power Limited (MPL)	Birla Carbon India Private Limited	Technically Qualified

Name of the Bidder	Quantity Offered	Source of Power	Offer Price (Rs/kWh)	Ranking
MPL	1 MW	Birla Carbon India Private Limited	6.30	L1

3.6 After E-RA session, no changes were made by the bidder, and the final bid price discovered was Rs. 6.30/kWh, offered by MPL. This rate is slightly lower than the existing bilateral contract rate of Rs.6.40/kWh. To further reduce power purchase costs and minimize the impact on consumer tariffs, LBSCML requested MPL on 15 December 2024, to lower the quoted rate. However, MPL responded on 18 December 2024, stating that after discussions with their generator, Birla Carbon India Private Limited, they could not reduce the price further. MPL confirmed that Rs. 6.30/kWh was the best possible price

at the Maharashtra periphery. LBSCML reviewed recent orders issued by the Commission for short-term power purchase rates by other Distribution Licensees in Maharashtra. These approved rates were analyzed to ensure the discovered rate aligns with prevailing market conditions, demonstrating that the Rs. 6.30/kWh rate is competitive and reasonable within the current market scenario.

Sl.	Particulars	Period	Quantum in MW	Average Tariff (Rs/kWh)
1	Maharashtra Industrial Township Limited (Order dated 1 April 2024 in Case No. 199 of 2023)	01.12.2023 to 30.06.2025	15 MW (Round the Clock)	7.82
			6 MW (Peak – 17:00 to 24:00 hours)	9.73
2	Nidar Utilities Panvel LLP (Order dated 20 August 2024 in Case No. 107 of 2024)	01.08.2024 to 30.11.2024	3 MW (Round the Clock)	6.15
3	SEZ Biotech Park (Manjari and Hadapsar SEZ) (Order dated 14 August 2024 in Case No. 66 of 2024)	01.07.2024 to 30.06.2025	8 MW	6.42
4	Jawaharlal Nehru Port Authority (Order dated 9 October 2024 in Case No. 138 of 2024)	01.09.2024 to 31.08.2025	1.8 MW	6.30
5	MSEDCL (Order dated 5 November 2024 in Case No. 162 of 2024)	01.04.2025 to 31.05.2025	800 MW	6.30 to 6.92
6	Nidar Utilities Panvel LLP (Order dated 31 December 2024 in Case No. 174 of 2024)	01.12.2024 to 30.06.2025	7 MW (Round the Clock)	6.60

3.7 The table indicates that recently discovered rates for RTC power by other Distribution Licensees in Maharashtra, as adopted by the Commission, range from Rs 6.15/kWh to Rs. 7.82/kWh. Notably, the Commission recently approved a rate of Rs. 6.30/kWh for JNPA and Rs. 6.60/kWh for NUPLLP, aligning with market trends. A detailed comparison of recently discovered tariffs on the DEEP Portal further highlights the competitiveness of these rates.

Sr No.	Bidding Entity	Period	Quantum (MW)	Discovered Tariff (Rs/kWh)
1	TANGEDCO, Tamil Nadu	01.02.2025 to 31.05.2025	200 MW to 1200 MW	5.60 to 12.00
2	APDCL, Assam	01.05.2025 to 30.09.2025	100 MW	5.58 to 5.50
3	TPDDL, Delhi	16.04.2025 to 30.09.2025	50 MW to 250 MW	5.00 to 8.00
4	CESC, Kolkata	01.04.2025 to 30.06.2025	300 MW	5.85 to 6.00
5	NPCL, Noida	01.11.2024 to 31.03.2025	100 MW	3.85 to 6.50
6	TPCL	01.01.2024 to 31.03.2025	100 MW	4.14 to 8.75

Sr No.	Bidding Entity	Period	Quantum (MW)	Discovered Tariff (Rs/kWh)
7	KSEBL, Kerala	01.04.2025 to 31.05.2025	500 MW	9.46 to 10.77
8	APPCC, Andhra Pradesh	01.01.2025 to 30.06.2025	1000 MW	7.50 to 12.99

- 3.8 The table shows that short-term power purchase prices discovered through competitive bidding by various Distribution Licensees on the DEEP Portal range from Rs. 3.85/kWh to Rs.12.99/kWh. LBSCML's discovered rate of Rs.6.30/kWh is lower than most others and reflects market trends, considering the small power requirement. Based on this competitive pricing, the Standing Committee recommended issuing a Letter of Award (LoA) to MPL, which was issued on 21 December 2024, and subsequently accepted by MPL. LBSCML now seeks the Commission's consent, as required under the Standard Bidding Guidelines, to adopt the tariff and approve the execution of the PPA with MPL.
- 3.9 The petition is being filed within 4 days of receiving the Letter of Acceptance (LoA) from the winning bidder. LBSCML requests the Commission to approve a tariff of Rs. 6.30 per kWh for one year, from 01 February 2025 to 31 January 2026, for supplying 1 MW of Round-the-Clock (RTC) power. It also requests consent to sign a PPA with MPL

Under IA No 05 of 2025:

- 3.10 LBSCML has filed an Interlocutory Application seeking an urgent hearing on its Petition in Case No 4 of 2025. With the power supply set to commence on 01 February 2025, and limited time available, the Petitioner has urged the Commission to expedite the hearing and grant the requested relief promptly.
4. **At the E-hearing in IA No. 05 of 2025, held on 14 January 2025,** LBSCML requested for urgent hearing in Case No 4 of 2025 and further requested the Commission to approve a tariff of Rs. 6.30 per kWh for one year as submitted in that Case. The Commission allowed the IA 05 of 2025 and gave consent to LBSCML for execution of PPA and Adoption of Tariff. Accordingly, the Commission reserved the main matter in Case No 04 of 2025, for final Orders.

Commission's Analysis and Ruling:

5. The Petitioner, LBSCML is a deemed Distribution Licensee in SEZ area and the Commission took on record LBSCML's status as deemed Distribution Licensee vide its Order in Case No. 275 of 2018 dated 17 December 2018. Further, the Commission has also notified the MERC (Specific Conditions of Distribution License applicable to Laxmipati Balaji Supply Chain Management Ltd. for FTWZ and IT/ITES SEZ at Village Sai, Tal. Panvel, Dist. Raigad) Regulations, 2019 on 27 February 2019.
6. The Commission notes that LBSCML has filed this petition seeking:
- Approval of its power procurement plan to continue short-term power procurement from 01 February 2025 till 31 January 2026.

- (ii) Adoption of the competitively discovered tariff of Rs. 6.30/kWh for a period of one year, i.e., from 01 February 2025 to 31 January 2026 for power supply up to 1 MW RTC, and
- (iii) Approval/consent to sign the PPA with the Respondent, M/s Manikaran Power Ltd. (MPL) the sole winning bidder under this matter.

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

7. Issue I- Approval for Short term power procurement Plan:

- 7.1 The Commission vide its Order dated 01 February 2024 in Case No. 227 of 2023 and Case No. 228 of 2023 has approved the short-term PPA of LBSCML with Manikaran Power Limited (MPL) for the period of 1 year from 01 February 2024 to 31 January 2025 and adopted the tariff of Rs. 6.40/kWh for supply of 1 MW power (0.5 MW Base Load RTC and 0.5 MW peak load from 9.00 to 23.00 Hrs except Sundays and Public holidays) for purchase of power from MPL.
- 7.2 The Commission notes that LBSCML's current PPA would be expiring on January 31, 2025, it is required to enter the PPA for period beyond 31 January 2025. As regards the load i.e. 1 MW, the Commission notes LBSCML's submission that the same is yet to increase, which has been recognised by the Commission in the Tariff Order dated 31 March 2023 in Case No 220 of 2022. The Commission in its last tariff Order for LBSCML, dated 31 March 2023(Case No 220 of 2020) has approved power purchase quantum from short term sources, with a rate of Rs. 5.45 / kWh for FY 2024-25.
- 7.3 Thus, in the above-said tariff Order, the Commission has already allowed LBSCML to procure power on a short-term basis. The Commission further notes LBSCML's submission that considering the uncertainty of its demand and the prevalent power markets higher rates, it has decided to continue power procurement on short term basis for next one year. Furthermore, the Commission also notes that LBSCML's MYT Petition (Case No 218 of 2024) is under consideration of the Commissions wherein it has shown its intention to tie-up with short-term source of power for the control period of FY 2025-26 to FY 2029-30. Considering above said last tariff Order and ongoing proceedings of MYT petitions, LBSCML's present power procurement plan (for next one year) is in line with these developments, and hence the Commission allows the same.

8. Issue II & III – Adoption of Tariff and approval for signing of PPA:

- 8.1 The Commission notes that LBSCML has undertaken procurement of Short-Term Power of 1 MW for the period of 1 February 2025 to 31 January 2026 as per competitive bidding guidelines notified by the Central Government under Section 63 of the EA, 2003 without taking any deviation in bidding conditions.
- 8.2 The Commission notes that LBSCML issued a Public Notice in "Maharashtra Times", Mumbai Edition and "Times of India", Delhi Edition on 18 November 2024 for

procurement of power in line with the e-Tendering and e-Reverse Auction process as per the Standard Bidding Guidelines.

- 8.3 Further RfP dated 18 November 2024 for procurement of power from 01 February 2025 to 31 January 2026 was also issued through the DEEP portal on website (www.mstcecommerce.com), in accordance with the Standard Bidding Guidelines, without any deviation. Subsequently, Corrigendum of the RFP was published on 26 November 2024 for extension of Bid Submission Date from 26 November 2024 to 4 December 2024. LBSCML has also appointed PFC Consulting Ltd. (PFCCL) as Authorised Representative to conduct the e-bidding process. The Commission notes that the advertisements in the newspapers and RfP publication on website by LBSCML ensured that the adequate publicity has been provided for competitive bidding process.
- 8.4 The Commission notes that single bidder has participated and was qualified in the bidding process and subsequently in the e-Reverse Auction process. Post E-Reverse Auction, Tariff of Rs. 6.30/kWh at Maharashtra State Transmission periphery was discovered from the single bidder, MPL.
- 8.5 The Commission notes that Para 7.1 of the Competitive Bidding Guidelines (Short Term Power Procurement) dated 30 March 2016 notified by the Government of India under Section 63 of the EA, 2003, stipulates following remedy in case of single bidder:

“To ensure competitiveness, the minimum number of Bidders should be at least two for each requisition. If the number of Bidders responding to the RfP is less than two, and Procurer still wants to continue with the selection process, the selection of that single Bidder may be done with the consent of the Appropriate Commission.” (Emphasis added)

Above clause empowers the Commission to approve power procurement from single bidder after ensuring the competitiveness of quoted tariff.

- 8.6 The Commission also notes that LBSCML has carried out further negotiations with the successful bidder, MPL however there is no reduction in discovered tariff of Rs 6.30/kWh, which is slightly lower than the rate (Rs. 6.40/kWh) of existing bilateral contract.
- 8.7 It is pertinent to note that that the price of short-term power purchase discovered through competitive bidding by different Distribution Licensees across the country through the DEEP portal is ranging between Rs. 3.85/kWh to Rs. 12.99/kWh. During the year 2024, the rate discovered by other Distribution Licensees in Maharashtra and adopted by the Commission, has ranged between Rs. 6.15/kWh to Rs. 7.82/kWh for RTC power. Further, the Commission has recently adopted the rate of Rs. 6.30/kWh for 1.8 MW power to Jawaharla Neharu Port Authority (JNPA) [Order dated 9 October 2024] and the rate of Rs. 6.60/kWh for 7 MW RTC power to Nidar Utilities (NUPLLP) [Order dated 31 December 2024]. Considering these facts and very small quantum of power requirement (1 MW), the rate of Rs 6.30/kWh discovered by LBSCML seems to be market reflective.

8.8 Section 63 of the EA, 2003 mandates the Commission to adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the Competitive Bidding Guidelines issued by the Central Government.

“Section 63. (Determination of tariff by bidding process):

Notwithstanding anything contained in section 62, the Appropriate 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.”

8.9 In view of the foregoing, the Commission notes that tariff discovered by LBSCML fulfils mandate and requirements for adoption as set out in Section 63 of the EA, 2003. Accordingly, the Commission adopts Power Procurement tariff of Rs. 6.30 / kWh for supply of 1 MW (RTC) power to LBSCML for the period of 01 February 2025 to 31 January 2026 by MPL.

8.10 The Commission notes that LBSCML issued LoA to MPL vide its letter dated 21 December 2024 which was accepted by MPL. Accordingly, the Commission give consent for executing PPA with MPL for procurement of Short -Term power up to 1 MW as per the MoP Guidelines dated 31 March 2016 and its amendment dated 23 February 2022. LBSCML shall submit copy of final PPA for records of the Commission.

8.11 Having ruled as above, the Commission directs LBSCML to initiate 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.

9. Hence, following Order:


ORDER

- 1. The Petition in Case No. 04 of 2025 is allowed. Accordingly, IA No. 5 of 2025 is disposed of.**
- 2. The Commission adopts the Short-Term Power Procurement for the period of 01 February 2025 to 31 January 2026 by Laxmipati Balaji Supply Chain Management Limited for its SEZ as stated in para 8.9 above.**
- 3. Laxmipati Balaji Supply Chain Management Limited, to submit copy of Final 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

