

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 224 of 2024

Petition of MSEDCL for seeking adoption of tariff for long term procurement of 150 MW power from intra-state grid connected solar power projects under Section 63 of the Electricity Act 2003.

IA. No. 11 of 2025 in Case No. 224 of 2024

Interlocutory Application of MSEDCL for seeking urgent listing of Case No. 224 of 2024.

M/s Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)... Petitioner

M/s. Juniper Green Energy Private Ltd. (JGEPL)... Respondent

Coram

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

Appearance:

For the Petitioner : Mr. Anup Jain (Adv.)

For the Respondent : None

ORDER

Date: 17 March 2025

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Petition on 5 December 2024 seeking adoption of tariff for long term power procurement

of 150 MW power from intra-state grid connected solar power projects under Section 63 of the Electricity Act 2003. MSEDCL has referred to Regulation 39 of MERC (Transaction of Business and Fees and Charges) Regulations, 2022 and Regulation 7.6 of MERC (Renewable Purchase Obligations, its Compliance and implementation of Renewable energy certificate framework) Regulations, 2019 (RPO Regulations,2019) and its 1st amendment.

2. **MSEDCL's major prayers are as follows:**

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- a) *To admit the Petition as per the provisions under Section 63 of the Electricity Act (EA), 2003.*
- b) *To accord approval for adoption of tariff for 150 MW solar power at tariff of Rs.2.75 per kWh for 20 years discovered through Competitive bidding and the same to be made eligible for meeting the other RPO requirement of MSEDCL.*
- c) *To accord approval for draft PPA and signing of PPA with successful bidder at discovered tariff.*

...”

3. On 06 January 2025, the Petitioner filed IA No.11 of 2025 in Case No.224 of 2024 for urgent listing of matter.

4. The IA along with main matter was listed for hearing on 14 January 2025. The Advocate of MSEDCL narrated the scheme of arrangement and process adopted by MSEDCL in conducting the bidding. He requested the Commission to consider the Petition on merits.

5. **MSEDCL in its Case has stated as follows:**

5.1 The Ministry of Power (MoP), vide its Notification dated 28 July 2023, has issued Guidelines under the provisions of Section 63 of the Electricity Act, 2003 for Long Term Procurement of Solar Power from Grid Connected Solar PV Power Projects with or without Energy Storage through tariff based Competitive Bidding.

5.2 MSEDCL being an obligated entity has to meet its assigned RPO targets by procuring Renewable Power or by purchasing Renewable Energy Certificates (REC). MSEDCL intends to infuse actual renewable power in the system, rather than relying on RECs to meet its RPO targets which is also in consumer interest in terms of competitiveness of power purchase cost.

5.3 The Commission notified RPO Regulations,2019 on 27 December 2019 and set up ambitious RPO Targets for the obligated entities. Subsequently, vide notification dated 24 February 2024 RPO targets are amended as under:

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

5.4 As per Regulation 7.6 of RPO Regulations, 2019, procurement of RE power by a Distribution Licensee at a rate discovered through transparent process of competitive bidding needs to be considered for fulfillment of RPO of Distribution Licensee.

5.5 Considering the future 'Other RPO' targets, MSEDCL needs to procure a considerable quantum of Solar power.

5.6 MSEDCL has floated a tender on 11 March 2024 for procurement of 1000 MW solar power from Inter/Intra State Grid connected solar projects (Phase-XI) for 20 years through competitive bidding (E-reverse auction) on Bharat-ETS web portal in line with the MoP guidelines dated 28 July 2023 and its amendment thereof. Further, MSEDCL floated this tender without any ceiling cap/rate in line with MNRE letter dated 05 March 2020.

5.7 The Pre-bid meeting was conducted on 21 March 2024. The replies to pre-bid queries were uploaded on 16 April 2024. The last date of submission of bid was 3 April 2024 which was extended to 22 April 2024, 09 May 2024 and 24 May 2024 on request of prospective bidders.

5.8 Total two bidders have submitted online bids on Bharat-ETS portal totaling capacity of 550 MW. The details are as under:

Sr. No.	Name of Bidder	Capacity (MW)
1	Aqua Green Engineering Management Pvt. Ltd.	400
2	Juniper Green Energy Pvt. Ltd.	150
	Total	550 MW

5.9 The technical bids were opened on 24 May 2024. Both bids were found techno-commercially qualified. The financial bids were opened on 28 May 2024.

5.10 As per the provisions of RfS under clause 4(B) Second Envelope (Financial Bid) Evaluation (Step-2):

- i. All techno-commercially qualified bidders whose financial bids are in accordance with the provisions of the RfS, will be shortlisted for e-RA.
- ii. However, in Case of Capacity of the total number of techno-commercially qualified bidders (ST) is less than or equal to 1000 MW, the eligible capacity for e-RA i.e S-RA will be as under,

In Case ST ≤ 1000 MW	S-RA = 0.5xST
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5.11 The e-RA is conducted on 16 September 2024. The capacity eligible under e-RA is 50% of the bidding capacity, since the bids offered received capacity is less than 1000 MW. Hence, the e-RA is carried out for 275 MW capacity for discovering the rate through competitive bidding. The rates discovered in e-RA are as under:

Sr. No.	Name of bidder	IPO Rate (INR) (Rs/kWh)	Bidding Capacity (MW)	Tariff quoted in e-RA (Rs/kWh)
1	Juniper Green Energy Pvt. Ltd.	3.09	150	2.75 (L1)
2	Aqua Green Engineering Management Pvt. Ltd	3.10	400	3.10 (L2)
Total			550	

5.12 The tariff discovered in MSEDCL's previous tenders for utility scale projects are:

Project Location	Reverse auction date	Discovered Tariff (Rs/kWh)
Intra-State	04.08.2022	2.90-2.91
Intra-state	02.12.2022	2.90
Intra-State	13.04.2023	2.79

5.13 Further, the latest tariffs discovered by other/ central agencies are as below:

Bidding Company	Discovered Rate (Rs/kWh) excluding trading margin	Landed Tariff (Rs/kWh)
NHPC 1200 MW, Sep-2024	2.56-2.57*	3.11-3.12
SECI Pan India -Tranche-XVI 500 MW, Aug-2024	2.48-2.49*	3.03-3.04
SJVN, 1200 MW, Aug-2024	2.52-2.53*	3.07-3.08

*Trading margin of Rs.0.07 per kWh will be applicable over and above the tariff discovered. Moreover, the tariff mentioned above will be governed under the Uniform Renewable Energy Tariff (URET) mechanism.

- 5.14 On comparing the MSEDCL's results with the latest discovered tariff of Central agencies tender results, the MSEDCL's rate seems competitive.
- 5.15 The offered tariff of Rs.2.75/kWh for 150 MW capacity is lower than Rs.4.81 per unit i.e. Average Power purchase cost (APPC) approved by the Commission for FY 2023-24.
- 5.16 Considering the rates discovered for the projects under current market scenario, the final tariff rates received for 150 MW capacity in MSEDCL's 1000 MW Intra state solar tender at STU/Maharashtra periphery i.e. Rs. 2.75/kWh are competitive rates and are found reasonable to MSEDCL.
- 5.17 The Commission in the Petition filed by M/s. T.P. Saurya Limited seeking Review of the Order dated 11 March 2022 in Case No. 15 of 2022 has noted that it does not calibrated/redetermined the discovered tariff rather it applies a test of market reflectiveness.
- 5.18 The Commission, in its Order dated 06 December 2017 for Case No. 157 of 2017, ruled that MSEDCL shall approach the Commission through specific Petition prior to the bidding process, only if MSEDCL requires any deviation with respect to the bidding documents. In view of the above, MSEDCL through the present petition has approached the Commission for adoption of tariff discovered for long term procurement of 150 MW Intra-state solar power through competitive bidding.
- 5.19 MSEDCL requests the Commission to approve the final tariff discovered in the Competitive bidding process for 150 MW capacity as below:

Sr. No.	Name of the Bidder	Capacity allocated in MW	Price Discovered Rs/kWh	Period of Power Flow
1	Juniper Green Energy Private Limited	150	2.75	20 Years

Commission's Analysis and Rulings

6. The present Petition has been filed by MSEDCL for the adoption of Tariff discovered through competitive bidding under Section 63 of the EA, 2003 for procurement of 150 MW Solar Power. The Commission notes that although e-RA is carried out for 275 MW capacity, MSEDCL has planned for procurement of only 150 MW. As per MSEDCL, the rate discovered for 150 MW capacity is market reflective.
7. Based on submission on record, the following issues are framed herein for deciding the present tariff adoption Petition under Section 63 of the Electricity Act, 2003:
- i. Whether Competitive bidding process is in accordance with the Guidelines notified

- under Section 63 of the Electricity Act, 2003
- ii. Quantum of Solar power capacity procurement to be allowed.
- iii. Whether tariff discovered through competitive bidding is in accordance with market condition?

In subsequent paragraphs, the Commission has scrutinized the above aspects with reference to the present Petition.

8. Issue A: Whether Competitive bidding process is in accordance with the Guidelines notified under Section 63 of the EA, 2003:

8.1. The Commission notes that MSEDCL has prepared tender documents based on Ministry of Power’s Guidelines dated 28 July 2023 for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Solar PV power Projects with or without Energy Storage.

8.2. MSEDCL has floated the bid for procurement of 1000 MW Solar RE Power from Inter/Intra State Grid connected solar projects (Phase-XI) on Bharat-ETS web portal on 11 March 2024. In response, (2) bids for cumulative capacity of 550 MW were received. Both the bidders found techno-commercially qualified.

8.3. E-Reverse Auction process was conducted on 16 September 2024. As per stipulations in RfS document the capacity eligible under e-RA is 50% of bidding capacity, since the bids offered received are less than 1000 MW. The e-RA is carried out for 275 MW capacity for discovering the rate through competitive bidding. The rates discovered are as below:

Sr. No.	Name of bidder	IPO Rate (INR) (Rs/kWh)	Bidding Capacity (MW)	Tariff quoted in e-RA (Rs/kWh)
1	Juniper Green Energy Pvt. Ltd.	3.09	150	2.75 (L1)
2	Aqua Green Engineering Management Pvt. Ltd	3.10	400	3.10 (L2)
Total			550	

8.4. The Commission also notes that MSEDCL has proposed tariff adoption for quantity offered by only lowest (L1) bidder, which is consistent with competitive bidding guidelines and provisions of RFS which stipulates that capacity through bucket filling approach can be allocated to other bidders only if their quoted tariff is within 3% of L1 tariff. In the present case, tariff quoted by L2 bidder is beyond 3% of L1 tariff.

8.5. The Commission notes that MSEDCL has conducted transparent process of bidding which

is in accordance with the guidelines notified by the Government of India.

9. Issue B: Quantum of Solar power capacity procurement to be allowed.

9.1. The Commission notes that MSEDCL has filed the present Petitions with two-fold objectives i.e. to meet the electricity demand of consumers by accommodating RE sources in power basket and to comply with RPO targets.

9.2. As per MSEDCL’s Resource Adequacy Study (ST-DRAP and MT-DRAP), MSEDCL has contracted following Solar capacities:

Resource	Commissioned capacity as of FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Solar	4331	2095	9605	4475*	-	-	-

* Consent Given

The Commission notes that the proposed procurement will be supplemental to MSEDCL’s effort to meet resource adequacy considerations.

9.3. Apart from the above, the Commission notes that RPO (Amendment) Regulations, 2024 stipulates RPO trajectory till FY 2029-30. The notified trajectory is as below:

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

9.4. The quantum proposed to be procured by MSEDCL will supplement its effort to meet RPO targets and fulfil past RPO gaps. Considering these factors, the proposed quantum of 150 MW of solar power procurement seems to be justified.

10. Issue C: Whether tariff discovered through competitive bidding is in accordance with market condition and guiding principle under Section 61 of the EA, 2003.

10.1. MSEDCL has stated that tariff discovered under the present bidding process i.e. Rs. 2.75 per kWh for solar projects to be set up in Maharashtra is reflective of market and hence requested the Commission to adopt the same.

10.2. The Commission vide its Order dated 31 March 2023 in Case No.242 of 2022 has adopted the discovered tariff of Rs.2.90-2.91 per kWh for 500 MW Solar Power procurement on long term basis from intra-state projects. Similar tariffs have been adopted by the Commission, in its Order dated 11 May 2023 in Case No. 41 of 2023 for 500 MW Solar Power procurement from intra-state Solar projects. The tariff discovered in the present case is well below the earlier adopted tariff of Rs 2.90-2.91 per kWh. The project under consideration is being developed within Maharashtra. Hence, the impact of Inter State transmission charges and losses are not applicable. Considering the same, it can be concluded that the Tariff proposed for adoption in the present petition is reflective of the current market trends.

10.3. Accordingly, as per the mandate given under Section 63 of the Electricity Act 2003, the Commission deems it fit to adopt and approve tariff Rs. 2.75 per kWh for 150 MW Solar power procurement on long term basis (for the period of 20 years).

11. Hence, the following Order.

ORDER

1. **Case No. 224 of 2024 is allowed.**
2. **Procurement of 150 MW on long term basis from grid connected Solar power PV projects at a Rs.2.75 /kWh is allowed.**
3. **Maharashtra State Electricity Distribution Co. Ltd to enter into a Power Purchase Agreement with the successful bidder for a period of (20) years and submit the copy for records of the Commission within a month from date of this Order.**
4. **The Solar Power procured from these projects shall be eligible towards fulfilment of Maharashtra State Electricity Distribution Co. Ltd.'s 'Other RPO' for the respective periods.**

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

