



Date: 17/01/2023

To,
The Secretary
Maharashtra Electricity Regulatory Commission
World Trade Centre, Centre No.1,
13th Floor, Cuffe Parade,
Colaba, Mumbai- 400005

Subject:

Case No. 173 of 2022

Adani Electricity Navi Mumbai Limited
(PETITIONER NO. 1)

Adani Transmission Limited
(PETITIONER NO. 2)

Re: Response to the clarifications as sought by the Hon'ble Commission vide communication dated 12.01.2023 in Case No. 173 of 2022

The Petitioner No. 1 i.e., Adani Electricity Navi Mumbai Limited ("**AENML**") alongwith its parent company Adani Transmission Ltd./ Petitioner No. 2 ("**ATL**") approached this Hon'ble Commission by way of filing a Petition being **Case No. 173 of 2022**, under 6th proviso of Section 14 and Section 15 of the Electricity Act, 2003 ("**the Act**") readwith Maharashtra Electricity Regulatory Commission (General Conditions of Distribution License) Regulations, 2006 and Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 (as amended on 28.11.2022) for grant of Distribution License for the entire geographically contiguous area comprising of Mulund, Bhandup, part of Thane District, Navi-Mumbai, Panvel, Kharghar, Taloja and Uran ("**Proposed License Area**").

Pursuant to the filing of the aforementioned petition, the Hon'ble Commission vide the communication dated 12.01.2023, has sought for certain clarifications

pertaining to the averments/ annexures of the said petition which are being adequately responded hereinafter:

1. **Query-1:** *Sub-rule (2) of Rule 3 of Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 specify that requirement of Capital Adequacy to be considered by excluding the other 'committed investments'. Accordingly, the Petitioner to submit the details of 'committed investments' of Adani Transmission Ltd. with supporting documents.*

In regard to the above query, it is submitted that considering the projects which are in ATL bucket as on today, the Committed Equity Investments of ATL is ~Rs. 3500 Cr.

2. **Query-2** *The Petitioner has proposed 'area of supply' which also includes surrounding areas to the Municipal Corporation (which has clear demarcated boundaries) however, the Petitioner to submit the details of boundaries of such surrounding areas to clearly demarcate (i.e., with identified landmark, such as road, lake, ward boundaries etc along with GPS coordinates to the extent feasible) the proposed area of supply.*

The landmarks of boundary of proposed license area under various Municipal Corporations and surrounding areas are as below:

Municipal Corporation of Greater Mumbai:

- East – Thane Creek
- West – Sanjay Gandhi National Park
- North – Mulund Check Naka
- South – JVLR

Thane Municipal Corporation:

- East – Ulhas River
- West – Yevur Hills
- North – Gaimukh
- South – Mulund Check Naka

Navi Mumbai Municipal Corporation:

- East – Palm Beach Road

- West – Parsik Hills
- North – Digha Gaon
- South – Panvel Creek

Panvel Municipal Corporation:

- East – Karanjade
- West –Taloja MIDC
- North – Shil Phata Road
- South – JNPT Road

Other surrounding areas which do not have clear landmarks, AENML has given its Geo-coordinates in **Annexure-A**.

3. **Query-3:** *The Petitioner to submit its Power procurement plan for first five years of operations with projected demand, projected consumption, long term procurement, short term procurement, proposed mix of power, RPO fulfilment, power purchase cost and mode of procurement etc.*

Based on the projects specified under Business Plan submitted along with License Application/ Petition, the tentative power procurement in line with Regulation 21 of MERC (MYT) Regulations 2019 is as under-

Energy Requirement Projections

AENML has projected power demand for the first five-year operation after the grant of License by Hon'ble MERC. Projected demand for first five year is tabled below:

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Consumption in MUs	1421	2274	3126	3979	4737
Projected Demand in MW	253	406	558	710	845

Supply Side Considerations

Planning the right mix of generation capacity from the Long Term / Medium-term, Short-Term contracts and the RE energy is very important for any distribution licensee, as it has to ensure continuity and reliability of supply at reasonable rates. Basically, the quantum of long term (LT)/ medium term (MT) power in the portfolio

should be such that it neither results in a significant amount of surplus power with the Licensee nor should it unduly increase the inherent risks in buying short-term power.

In view of the above, AENML has proposed that after the grant of License by Hon'ble Commission, it shall initiate bid process for Medium Term power procurement through competitive bidding. AENML shall keep commencement period of medium-term power procurement one year after grant of licensee. Parallely, AENML shall initiate the process of procurement of wind solar hybrid power to meet Renewable Purchase Obligation (RPO) through competitive Bidding.

Thereafter, depending upon load consumption pattern of its consumer for initial days of operation and type of consumers and future RPO requirement, AENML shall initiate Long Term Power procurement through competitive bidding. AENML shall seek this Hon'ble Commission's approval as specified under MERC (MYT) Regulations from time to time.

AENML proposes to source incremental / balance power on Short Term basis through competitive bidding / Power Exchanges.

Further, in order to manage energy shortfall/ surplus situation effectively, AENML is proposing to enter into Inter Discom Agreement with Mumbai Discoms for Sale/ Purchase of Power. AENML has approached Adani Electricity Mumbai Limited (AEML) for Inter Discom Agreement, and they have in principle agreed for proposed arrangement.

AENML has projected power purchase cost as per the table below. However, it is submitted that the actual power purchase cost shall depend upon the results of competitive bidding, prevailing power exchange rates, etc.

Particular	Yr1 - one year after grant of License	Yr2	Yr3	Yr4	Yr5
Projected Consumption in MUs	1421	2274	3126	3979	4737
Sources					
RE Hybrid Power in MUs	426	682	782	995	853
Projected rate for RE Hybrid in Rs per kwh	2.53	2.53	2.53	2.53	2.53
RE Hybrid Power Cost Rs Cr	108	173	198	252	216
Medium Term PP in MUs	876	876	876	876	876
Projected rate MTPP in Rs per kwh	4.58	4.58	4.58	4.58	4.58
Medium Term Power Cost Rs Cr	401	401	401	401	401
Short Term PP in MUs	119	716	1469	2108	3008
Rs per kwh	5	5	5	5	5
Short Term Power Cost Rs Cr	59	358	734	1054	1504
Total PP cost in Rs Cr	568	932	1333	1707	2121
Weighted Avg Rate in Per unit	4.00	4.10	4.26	4.29	4.48

Notes:

1. RE -Hybrid power requirement- assumed at 18% to 30% of total annual requirement.
2. Rate of RE Hybrid is Rs 2.53 per kwh as per latest auction of SECI Hybrid - Tranche V.
3. 100 MW MTPP at rate ~ Rs 4.58 pu based on latest NPCL medium term bid of Rs 4.05 per kwh (at CTU periphery)
4. Short Term rate is assumed at Rs 5 per kwh based on prevailing short-Term rates (July'22-Nov'22 rate was Rs 4.93 pu)

4. **Query-4:** It is observed that network rollout is preferred in mostly industrial/commercial dominated area in the initial years. The Petitioner to submit the criteria for prioritising the specific area in network rollout and also explain in detail as to how its proposed network development would ensure that the issues such as cherry picking of cross subsidizing consumers and selective network laying would be avoided in the network rollout plan in prioritising the area as well as within the area.

We hereby present our network rollout phasing in the following table that includes the consumption mix of various areas:

Area	Area type	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	C&I ^^	Non C&I^^
BHANDUP URBAN DIVISION									45%	55%
Bhandup East	Residential / Commercial	Y	Y							
Ishwar nagar	Residential / Commercial	Y	Y							
Pannalal	Residential / Commercial	Y	Y							
MULUND DIVISION									33%	67%
Mulund Neelam nagar	Residential / Commercial						Y			
Mulund Panch Rasta	Residential / Commercial						Y			
Sarvodaya	Residential / Commercial						Y			
THANE DIVISION - I									40%	60%
Gadkari	Residential / Commercial					Y				
Kisan nagar	Residential / Commercial					Y				
THANE DIVISION - II									44%	56%
Kopri	Residential / Commercial					Y				
Power House	Residential / Commercial			Y	Y					
Vikas Complex	Residential / Commercial			Y	Y					
WAGLE ESTATE DIVISION									41%	59%
Kolshet Urban		Y	Y	Y						
Lokmanya nagar	Residential / Commercial				Y					
Wagle estate	Industrial				Y					
WASHI CIRCLE										

Area	Area type	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	C&I ^^	Non C&I^^
NERUL DIVISION O&M									45%	55%
CBD Belapur	Residential / Commercial				Y					
Inorbit mall										
Nerul	Residential / Commercial				Y					
Palm Beach	Residential / Commercial				Y	Y				
PANVEL DIVISION URBAN									63%	37%
Kalaumboli	Residential / Commercial			Y						
Khargar	Residential / Commercial			Y						
Panvel	Residential / Commercial			Y	Y					
Panvel Bhingari	Industrial	Y	Y							
Uran	Industrial	Y	Y							
VASHI DIVISION									81%	19%
Airoli	Industrial/ Residential						Y			
Koparkhairane	Industrial/ Residential					Y				
Vashi	Industrial/ Residential				Y	Y				

Source of Consumption mix : Derived from MSEDCL Energy audit report Q2 Fy22 submitted with BEE

AENML's intent has been to start having network presence in multiple areas as quickly as possible. Hence, the proposed rollout plan covers multiple non-contiguous areas during the initial years.

Also, as it can be seen from the above table, commercial and industrial (C&I) and Non-C&I mix of all the divisions are almost in the same range with non-C&I consumption forming the predominant consumption except for two divisions viz., Panvel & Vashi. The planning of pockets is also considering the likely outlet

availability so as to declare USO readiness in larger number of pockets at the earliest.

Further, Network rollout shall be planned in small, localized pockets as indicated in the above table and such pockets shall be declared 'Universal Supply Obligation (USO)' compliant upon completion of laying of the network. In such pockets, any consumer who applies to the AENML, supply shall be released as per prevailing MERC Regulations/protocols, which will ensure appropriate consumer mix without any discrimination whatsoever. However, for consumers requiring supply at Extra High Voltage, USO can be met on grant of license subject to EHV connectivity. Similarly, the USO for consumers requiring supply at 33/ 22 kV or 11 kV can be declared for larger areas as compared to small pockets proposed for the USO to LT consumers and such obligations are to be met within MERC SoP Regulations.

5. **Query-5:** *Petitioner in its business plan has proposed to use incumbent's network whereas in its reply to the objections it has submitted that it proposes to supply power to the consumers through its own distribution network. Petitioner should clarify the same.*

AENML submits that in terms of 6th Proviso to Section 14 of the Act, AENML proposes to lay its own distribution network within the Proposed License Area.

AENML further submits before this Hon'ble Commission that in terms of the captioned petition and post grant of distribution license, it shall duly comply with the duties and obligations of a distribution licensee as laid down under Section 42 and 43 of the Act read with the provisions of MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 ("**MERC (SoP) Regulations**"). In terms of the said provisions of law, AENML shall develop and maintain an efficient, coordinated and an economical distribution system as per applicable law in its Proposed License Area. AENML is duty bound to provide supply of electricity to the consumers upon receiving request to supply power from consumers, upon grant of License, as per the extant rules and terms & conditions of grant of License.

6. **Query-6:** *Petitioner in its business plan, has proposed to develop the distribution network in phased manner. For some parts of proposed distribution license area (i.e., Mulund division, Thane division-1, Vashi division) wherein no distribution network is proposed to be setup earlier than 5th year. AENML to clarify its strategy to supply to the consumers in an area who approach AENML till its network development in that area.*

As stated above in response to query 4, AENML has proposed to lay the network in a phased manner so that the network is developed to cover/ cater to the entire area over a period of six years. As the consumer mix and network development timeline for each area demonstrates, there is no preference given to any one area over the other due to consumer mix.

Once AENML is in position to give supply to the applicant/ consumer as per Electricity Act, 2003 / MERC (SoP) Regulations, AENML shall declare the concerned area/ pocket as USO ready. In such pockets whosoever applies for supply from AENML, AENML shall give the connection without any discrimination within the timelines specified under Electricity Act, 2003 / MERC (SoP) Regulations. However, for consumers requiring supply at Extra High Voltage, the same can be met on grant of license subject to connectivity. Similarly, power supply for consumers requiring such supply at 33 kV or 22kV or 11 kV can be declared/ provided in larger areas as compared to small pockets proposed for LT consumers, and AENML shall meet such applicant's requirement in line with the provisions under the MERC SoP Regulations.

7. **Query-7:** *AENML is a main applicant whose name the grant of license is applied for along with ATL which is a parent company of AENML. As the conditions of grant of license are relied upon the financial conditions of ATL, ATL should confirm that the majority shareholding of ATL should continue during the license period, if granted. Further ATL shall undertake that for any change in shareholding of AENML it shall comply with the relevant provisions of the Act.*

The Applicant/ AENML is a fully owned subsidiary of Adani Transmission Limited (ATL)/ Petitioner No. 2. Further, if any change in the majority shareholding of ATL in AENML takes place during the term of license, the Petitioners undertake to seek appropriate approval from this Hon'ble Commission.

8. **Query-8:** *It is noted that AENML in its reply dated December 29, 2022 to the objection of Mr. Yogesh Khairnar, AENML has referred to the judgment of Hon'ble APTEL in Appeal 246 & 229 of 2012. AENML to clarify whether the said judgment is applicable to the present case in light of observations in Para 78 & 80 (vii) of the said Judgement.*

AENML has only referred to the said judgment in its reply to Mr. Yogesh Khairnar to indicate the factual position that there are existing judicial pronouncements for dealing with network development in parallel license situations. AENML has not opined/ committed as to whether the said judgment will be applicable in the instant case. AENML has provided its own network layout plan in the business plan, which is reproduced herein as well.

It is stated that the Petitioners are ready and willing to furnish any further information/ document as may be necessary for disposal of the captioned petition upon requisition by this Hon'ble Commission.

In view of the above, this Hon'ble Commission may treat the clarifications sought vide communication dated 12.01.2023, stand clarified and proceed the captioned petition accordingly.

Sincerely

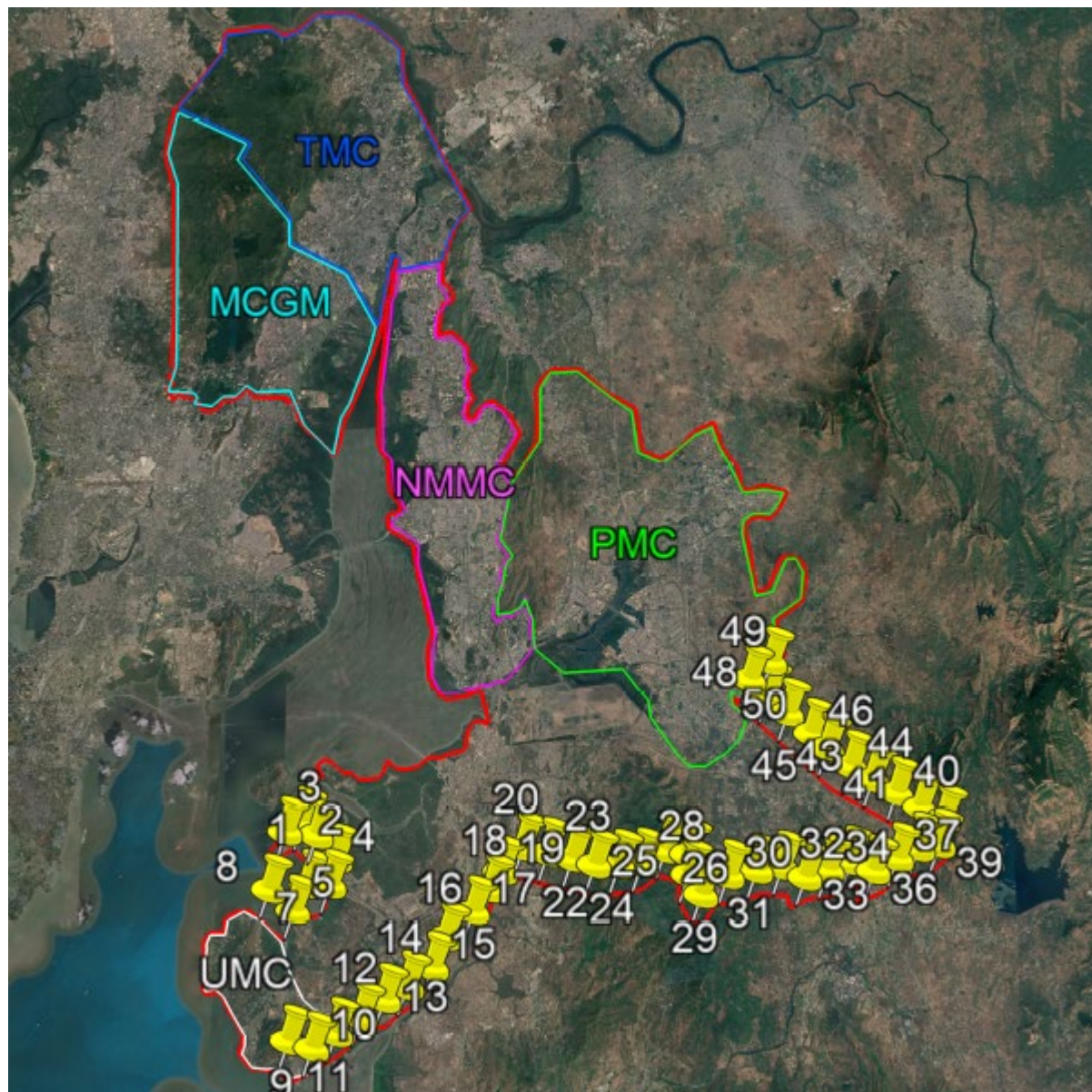


Mr. Kishor Patil
Authorized Signatory
(AENML)



Mr. Manish Kumar
Authorized Signatory
(ATL)

Annexure-A: Geo coordinates of surrounding areas



Geo-co-ordinates		
Sr. No. as marked in Map	Latitude	Longitude
1	18°55'56.40"N	72°56'12.65"E
2	18°56'10.31"N	72°56'39.48"E
3	18°55'51.08"N	72°57'0.69"E
4	18°55'15.95"N	72°57'31.15"E
5	18°54'39.07"N	72°57'22.15"E
6	18°54'39.51"N	72°56'47.28"E
7	18°54'2.60"N	72°56'26.79"E
8	18°54'33.22"N	72°55'48.60"E
9	18°50'57.85"N	72°56'21.81"E
10	18°50'47.63"N	72°56'58.64"E
11	18°51'8.10"N	72°57'34.35"E
12	18°51'30.66"N	72°58'12.37"E
13	18°51'55.40"N	72°58'47.54"E
14	18°52'13.17"N	72°59'22.67"E
15	18°52'40.07"N	73° 0'0.99"E
16	18°53'23.46"N	73° 0'21.89"E
17	18°53'59.50"N	73° 1'3.34"E
18	18°54'31.43"N	73° 1'30.68"E
19	18°54'56.82"N	73° 1'46.34"E

Geo-co-ordinates		
Sr. No. as marked in Map	Latitude	Longitude
20	18°55'30.89"N	73° 2'20.23"E
21	18°55'22.63"N	73° 2'58.77"E
22	18°55'14.39"N	73° 3'36.54"E
23	18°55'5.48"N	73° 4'11.30"E
24	18°55'4.49"N	73° 4'48.71"E
25	18°55'6.31"N	73° 5'23.64"E
26	18°55'25.78"N	73° 6'0.73"E
27	18°55'19.39"N	73° 6'35.34"E
28	18°54'49.94"N	73° 6'36.20"E
29	18°54'21.38"N	73° 6'55.43"E
30	18°54'48.40"N	73° 7'36.92"E
31	18°54'55.78"N	73° 8'21.37"E
32	18°55'0.44"N	73° 9'0.86"E
33	18°54'45.13"N	73° 9'36.49"E
34	18°54'55.02"N	73°10'11.40"E
35	18°55'6.45"N	73°10'46.52"E
36	18°54'53.30"N	73°11'22.68"E
37	18°55'10.68"N	73°11'58.99"E
38	18°55'25.24"N	73°12'32.36"E
39	18°55'30.07"N	73°13'4.66"E
40	18°56'6.34"N	73°13'12.87"E

Geo-co-ordinates		
Sr. No. as marked in Map	Latitude	Longitude
41	18°56'24.47"N	73°12'37.54"E
42	18°56'46.48"N	73°12'1.27"E
43	18°57'5.71"N	73°11'24.55"E
44	18°57'25.81"N	73°10'51.44"E
45	18°57'52.26"N	73°10'15.75"E
46	18°58'13.45"N	73° 9'50.68"E
47	18°58'43.63"N	73° 9'14.22"E
48	18°59'10.94"N	73° 8'44.50"E
49	18°59'34.54"N	73° 8'16.09"E
50	18°59'59.98"N	73° 8'49.84"E