

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
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**Case No. 176 of 2017**

**Date: 14 December, 2017**

**Coram: Shri Anand B. Kulkarni, Chairperson  
Shri Deepak Lad, Member**

**In the matter of Petition filed by BEST Undertaking under Section 86 (1)(b) of the Electricity Act, 2003 to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State**

Brihanmumbai Electric Supply and Transport Undertaking (BEST) ...Petitioner  
Vs  
The Tata Power Company Limited (Generation) (TPC-G) ...Respondent

**Appearance**

Representative for the Petitioner: Dr. Surendrakumar Bagde (Rep.)  
Dr. Rajendra Patsute (Rep.)  
Shri Satyajit Suklabaidya (Rep.)  
Representative for Respondent: Smt. Deepa Chawan (Adv.)

**DAILY ORDER**

1. BEST submitted that it had prayed for approval of the cancellation of current medium term competitive bidding process and re-tendering for procurement of 750 MW power for the following reasons:
  - a. The e-Reverse Auction (e-RA) was based on the Base Variable Charge rather than the total lumpsum Tariff.
  - b. The L1 price could not be matched by the Bidders as total lumpsum tariff of L1 bidder was not displayed.

- c. The bidders were not allowed to reduce the tariff in multiples of 1 paise by the DEEP online bidding platform.
  - d. The DEEP online bidding platform allowed quoting the Base Variable Charge upto 3 decimals, contrary to the provisions of the bidding documents.
  - e. The mock e-RA conducted by DEEP portal on 24<sup>th</sup> and 25<sup>th</sup> November, 2017 were different, which created confusion amongst the bidders.
  - f. Several bidders raised complaints on the e-RA process.
  - g. There was poor response to e-RA and L1 matching
    - i. In the bid for 300 MW RTC power, none of the bidders went below L1 even once in the e-RA and L1 matching did not happen.
    - ii. The e-RA for the Peak Slot I of 200 MW did not take place and L1 matching did not happen.
    - iii. For the Peak Slot II of 250 MW, only one bid was qualified and neither e-RA nor L1 matching could take place.
  - h. BEST could not monitor the e-RA process due to online system error on the DEEP portal.
  - i. The prices discovered in the bidding process are high and it would not be in the interest of BEST as its power procurement cost would increase.
2. BEST submitted that as against the proposed extension of existing PPA with TPC-G by 6 months, TPC-G has requested to extend current PPA by one year and TPC-G is considering bringing down its rates further.
  3. The Commission observed that it had only approved the procurement of 750 MW power by BEST under medium-term bidding process under three different tender having three different slots through DEEP portal. The Commission asked BEST to clarify under which provisions, the approval of the Commission is being sought for the cancellation of the current bidding process. In reply, BEST submitted that the competitive bidding undertaken by it did not yield the desired optimum results and hence, it felt essential to seek the Commission's approval for cancellation of the current bidding process and initiating the process afresh. Consequently, the Commission's approval is required for extension of the current PPA and the timelines for initiating the bidding process, afresh.
  4. The Commission asked BEST as to when the issues in the online bidding platform came to its notice. In reply, BEST submitted that during the e-RA process, the bidders experienced the issues in the online bidding platform and the same was brought to the notice of BEST and PFCCL and MSTC.

5. Based on the above submissions, the Commission stated as under:
- a. As regards the bidding for 300 MW RTC power, the Commission suggested to BEST to explore the possibility of running the e-RA process for all the qualified bidders, in consultation with PFCCL and/or MSTC and qualified bidders. If it is possible to run the e-RA process again, BEST should run the e-RA process again and submit the details to the Commission within the next 10-15 days.
  - b. As regards the bidding for Peak Slot I for 200 MW, BEST may take appropriate view in the matter.
  - c. As regards the bidding for Peak Slot II for 250 MW, TPC-G has filed the Petition in Case No.166 of 2017 and the Commission has issued certain directions to BEST in the Daily Order and will issue further suitable directions in its Order in Case No. 166 of 2017.
  - d. In the case of re-tendering for any of the tenders, BEST shall submit the proposed timeline and deviations, if any, to the Model Bidding Document(MBD) to the Commission for its prior approval.
  - e. Giving due consideration to the above, BEST should firm up its proposal for extension of the existing PPA with TPC-G on the quantum of power and term for such extension before approaching the Commission for approval of the extension of the PPA. Further, while approaching the Commission for approval of the extension of the PPA, BEST should also submit the concurrence from TPC-G in this regard.
6. TPC-G submitted that it would consult with BEST for firming up the extension of PPA. TPC-G also submitted that its offer for extension of PPA is currently only at discussion level and no firm offer has been made.

**Sd/-**  
**(Deepak Lad)**  
**Member**

**Sd/-**  
**(Anand B. Kulkarni)**  
**Chairperson**