

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Date: 21 January 2022

**CORAM: Sanjay Kumar, Chairperson
I. M. Bohari, Member
Mukesh Khullar, Member**

Case No. 10 of 2022

Petition for seeking approval for adoption of tariff for long term procurement of 500 MW power from grid connected solar power projects under Section 63 of the Electricity Act, 2003 for meeting the Solar Renewable Purchase Obligations.

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

1) M/s.ACME Solar Holdings Ltd (ASHL) }
2) M/s.Renew Solar Power Pvt. Ltd.(RSPPL) } : Respondents

Appearance:

For the Petitioner : Ms. Kavita Gharat, CE (RE)
For the Respondent : Mr. Shreshth Sharma
Mr. Gaurav Somani

Daily Order

1. Heard Representative of MSEDCL and Advocate / Representative of Respondents
2. Representative of MSEDCL narrated the sequence of events during the tendering process and stated that tariff rates of Rs. 2.42 P.U. and Rs.2.43 P.U for supply of 500 MW Solar Power had been discovered by MSEDCL. Such discovered tariffs are competitive and reasonable. It was urged to the Commission to adopt the same.
3. Representative appearing on behalf on Respondent No.1 (ASHL) submitted that they supported the petition but requested for recognition of their change in law claim when the tariff gets approved by the Commission. He pointed out that after last date of bid submission i.e., 21 June 2021, the Ministry of Finance (Department of Revenue) vide its Notification dated 30 September 2021 increased the applicable GST rate on the solar modules and solar cells as well as other solar power generator equipment, from 5% to 12%. Said notification has resulted in change in Project cost. It squarely qualifies as change in law event. He

highlighted that Article 9.2.2 of the Draft PPA itself allows ACME Solar to seek declaration of Change in Law events on account of change in rates and duties, at the time of adoption of tariff by the Commission. Based on this development, ASHL has given notice to MSEDCL for change in law and requested the Commission to declare such event as Change in Law.

4. Representative appearing on behalf on Respondent No.2 (RSPPL) submitted that it is also impacted due to change in GST rates. RSPPL has not given notice for change in law as it is awaiting completion of tariff adoption proceeding.
5. Considering the submission made, the Commission directs MSEDCL to file its submission on Change in Law claim of Respondent considering Article 9.2.2 of draft PPA within a week. Respondents may file their response, if any, within a week thereafter.
6. Further, the Commission notes that reverse bidding in the matter was concluded on 7 July 2021 and MSEDCL has filed present Petition for adoption of tariff on 20 December 2021 i.e. after delay of 5 months. Such delay in competitive bidding process is not desirable. Hence, MSEDCL is also directed to file the chronology of activities it undertook from 7th July 2021 till filing of tariff adoption Petition.

Subsequent to receipt of above submissions, Next date of hearing will be intimated by the Secretariat of the Commission.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I. M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson