

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005.
Tel. 022 22163964/65/69 Fax 22163976
Email: mercindia@merc.gov.in
Website: www.merc.gov.in

Date: - 6 May, 2022

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

Case No 87 of 2022

Case of Maharashtra State Electricity Distribution Company Ltd. for approval of short term power purchase arrangement with Coastal Gujarat Private Ltd for sourcing of power to cater the demand of the State

Maharashtra State Electricity Company Limited (MSEDCL): - Petitioner

Coastal Gujarat Private Ltd (CGPL):- Respondent

Appearance

For Petitioner: - Smt. Deepa Chavan (Sr.Adv.)
For Respondent: - Shri. Hemant Sahai (Adv.)

Daily Order

1. Heard the advocates of the Petitioner and Respondent.
2. Advocate of the MSEDCL stated that this Petition has been filed for short term power procurement on the background of increasing demand in the State and the deficit in the supply from tied up sources. Proposed short term PPA with CGPL is different from its long term PPA and is based on terms and the conditions of PPA to be executed between CGPL and Gujarat Urja Vikas Nigam Ltd (GUVNL) following the guidelines from Ministry of Power (MoP). MSEDCL is proposing the tariff of Rs 5.60 per unit, and payment 75% of the bill amount on ad-hoc payment and reconciliation of the same after execution of short term

PPA with CGPL. MSEDCL also highlighted that rate of such power procurement is Rs 4.11 per unit in month of April 2022.

3. Advocate of CGPL stated that MoP has come out with the latest notification dated 5 May, 2022 under Section 11 of the EA 2003 to revive the plants operating on imported coal and the benchmark rates for the plants are to be approved by the Committee constituted under the notification. Further he stated that CGPL is supplying power to Gujarat from September 2021 and the efforts are being taken for execution of Supplementary PPA in line with the recommendations from High Power Committee. He took objection on the methodology of ad-hoc payment proposed by MSEDCL and requested the Commission to give time for making submission on this point.
4. The Commission notes that power procurement under proposed short term PPA has already commenced which is helping in mitigating supply shortfall. However, commercial aspects of proposed short-term PPA are yet to be finalised between parties. Without such finalised terms and conditions of PPA it is difficult and premature to scrutinise commercial aspect of the contract. Advocate of both parties agreed to that. Advocate of CGPL has submitted that post issuance of direction under Section 11 by GoI, the Terms and Conditions of Short Term PPA will now be soon finalised. Commission also enquired about precedence of any regulatory approval in such circumstance and whether the lead procurer, GUVNL is procuring power from CGPL under any Regulatory approval. Considering that these important aspect are not covered in the Petition and also the fact that scheduling of power has already been started, the Commission has decided to give time to MSEDCL and CGPL to include the relevant aspects in the pleadings and to post this matter for hearing on next date.
5. Considering request of CGPL, the Commission allows one week time to CGPL for making their submission in the matter. The Commission also directs both parties to enquire and submit whether GUVNL's short term power procurement from CGPL has been approved by regulator. Further, in case terms of PPA are finalised, parties shall file copy of the same.

After receipt of the 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**