

BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY  
COMMISSION

CASE NO. OF 2019

*Filing No.:* \_\_\_\_\_

IN THE MATTER OF

PETITION FOR SEEKING APPROVAL FOR PROCUREMENT OF  
POWER FROM WIND PROJECTS WHOSE EPAS WITH MSEDCL ARE  
EXPIRED.

AND

IN THE MATTER OF

REGULATION 18 and 19 OF MERC (RPO, ITS COMPLIANCE AND  
IMPLEMENTATION OF REC FRAMEWORK) REGULATIONS, 2016.

AND

IN THE MATTER OF

SECTION 86 OF THE ELECTRICITY ACT 2003 DEALS WITH  
FUNCTION OF STATE COMMISSION.

AND

IN THE MATTER OF

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY  
LTD  
..... PETITIONER;



**AFFIDAVIT ON BEHALF OF PETITIONER (MSEDCL) VERIFYING THE PETITION**

I, Mrs. Kavita Gharat, aged 41 years, having my office at MSEDCL, Prakashgad, Bandra (E), Mumbai- 400 051, do hereby solemnly affirm and state as under;

1. I am Chief Engineer (Renewable Energy) of the Maharashtra State Electricity Distribution Co. Ltd, (herein after referred to as "MSEDCL" for the sake of brevity), in the above matter and am duly authorized to make this affidavit.
2. The statements made in paragraphs of the petition are true to my knowledge and belief and statements made in paragraphs one to Eighteen are based on information and I believe them to be true.
3. I say that there are no proceedings pending in any court of law/ tribunal or arbitrator or any other authority, wherein the Petitioner is a party and where issues arising and/or reliefs sought are identical or similar to the issues arising in the matter pending before the Commission.

Solemnly affirm at Mumbai on this 22 February, 2019 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Identified before me

Place: Mumbai

Date: 22.02.2019.



Deponent

*K. Gharat*

Chief Engineer (

Maharashtra State Electricity Distribution Co. Ltd.

Prakashgad, Plot No. G-9,

Bandra (East), Mumbai - 400 051.

**BEFORE ME**

*K. N. Solunke* 22/2/2019

**K. N. SOLUNKE**

B.A., BSL., LL.M., G.D.C. & A, M.B.A.  
Advocate & Notary Govt. of India  
AREA-MUMBAI & AURANGABAD  
Reg. No. 11288

SR. No. 1448 P. No. 88  
NOTARY Register. 06 Date. 22/2/2019



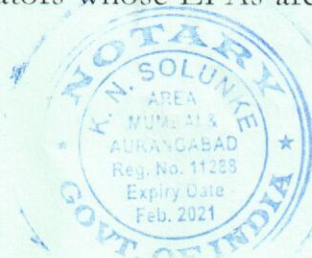
**MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY  
LTD. RESPECTFULLY SUBMITS:**

**Background**

1. Maharashtra State Electricity Distribution Co. Ltd. (*hereinafter to be referred to as "MSEDCL" or "the Petitioner"*) has been incorporated under Indian Companies Act, 1956 pursuant to decision of Government of Maharashtra to reorganize erstwhile Maharashtra State Electricity Board (*herein after referred to as "MSEB"*).
2. MSEDCL is a Company constituted under the provisions of Government of Maharashtra, General Resolution No. PLA-1003/C.R.8588/Energy-5 dated 25th January 2005 and is duly registered with the Registrar of Companies, Mumbai on 31st May 2005.
3. MSEDCL is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged, within the framework of the Electricity Act, 2003, in the business of Distribution of Electricity to its consumers situated over the entire State of Maharashtra, except some parts of city of Mumbai.
4. MSEDCL shall fulfil the targets set out by Hon'ble Commission under Regulation 7 of MERC (Renewable Purchase Obligations, Its Compliance and Implementation of REC Framework) Regulations, 2016.

**I. Hon'ble MERC's Order dated 12.07.2018 in Case No. 84 of 2015:**

1. MERC vide Order dated 12.07.2018 in Case No. 84 of 2015 in the matter of Petition filed by Jawahar Shetkari Sahakari Sakhar Karkhana Ltd, has ruled that extension of Wind EPA has to be based on a competitive bidding mechanism and MSEDCL will have to necessarily float tenders and interested projects will have to participate in the bid process for EPA extension.
2. The Commission in the same Order decided to set a ceiling tariff of Rs. 0.75 per unit for discovery of fixed cost of wind (Group III), whose initial EPA have expired or is due for expiry and for the bidding purpose, it has to be single part tariff bidding.
3. MSEDCL approached to Hon'ble Commission to review the Commission's Order dated 12.07.2018 in Case No. 84 of 2015 regarding the ceiling Tariff to procure the power from RE Generators whose EPAs are expired. (Case No. 264 of 2018).



4. In the review Petition, MSEDCL had requested to clarify the treatment to be given to the contracts entered by MSEDCL for the short term wind power procurement at Rs. 2.52 per unit rate (allowed by the Commission vide order 155 of 2017 dated 15.11.2017) whose PPA are already executed or LOI's are already issued.
5. It was also requested to clarify the treatment to be given for post expiry of EPA with Group-I, II & IV wind projects where commission has not determined any tariff.
6. MSEDCL was prayed to fix the ceiling tariff of Rs. 0.75 per unit for Wind Projects and allow first right of refusal to MSEDCL in case of post expiry of wind EPA or else allows MSEDCL to fix the ceiling rate for Competitive Bidding.

**II. Hon'ble MERC's review Order dated 02.11.2018 in Case No. 264 of 2018 against earlier Case No. 84 of 2015:**

7. In review Order, Hon'ble MERC ruled that MSEDCL shall continue to procure short term power (3 to 12 months) through a web based portal and purchase wind energy @ Rs. 2.25/- per unit for group I and @ Rs. 2.52/- per unit Group II, III and IV through MoU route on the above principle for RPO mitigation.
8. For Long term procurement, Hon'ble MERC directed MSEDCL to procure the power from group III wind projects whose EPA has expired by calling competitive bids (with e-reverse auction) with a ceiling tariff rate of Rs. 1.97 per unit.

**III. MSEDCL's Tenders for procurement of Wind power through competitive bidding process:**

9. As per Hon'ble Commission's directives, MSEDCL, on 21.10.2018 floated a tender on TCIL Web Portal for procurement of 500 MW Power through competitive bidding on long term basis from the Wind Generator whose EPA are due for expiry on or before 31.03.2019 in line with the previous similar Tender floated for procurement of 250 MW Wind power from the Wind Generators post expiry of existing EPAs.



10. MSEDCL prepared tender documents (RFS and PPA) as per MoP's competitive bidding guidelines dated 08.12.2017 (in line with the previous 250 MW Tender) along with the deviations as approved by the Hon'ble Commission in Order dated 11 April, 2018 in case No. 122 of 2018.

11. MSEDCL has submitted intimation for initiation of the bidding process to the MERC on 20.12.2018, as mandated by MoP's competitive bidding guideline dated 08.12.2017 for the tendering process for procurement of 500 MW Wind Power through competitive bidding.

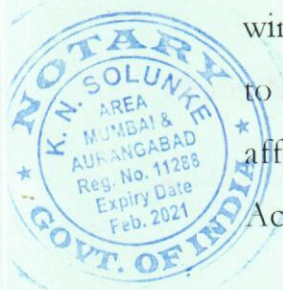
12. During the pre-bid meeting, entities who attended the pre-bid meeting requested to increase the ceiling Tariff, however, MSEDCL has not revised the ceiling rate of Rs. 1.97 per unit as it was considered as per Hon'ble MERC Order.

13. Even after the extension of last date of bid submission from 14.01.2019 to 21.01.2019, no bid was received and MSEDCL has cancelled the tender process.

**IV. MSEDCL's proposal for procurement of Wind power from the generators, post expiry of EPAs for remaining useful life of the project.**

14. The Commission vide Order dated 02.11.2018 in Case No. 264 of 2018, allowed MSEDCL to continue procurement of short term power (3 to 12 months) through a web based portal and purchase wind energy at the rate of Rs. 2.25/- per unit for group I and at the rate of Rs. 2.52/- per unit Group II, III and IV through MoU route on the above principle. Accordingly, MSEDCL has continued the procurement of Wind power on short term basis through Web-based portal and same was considered in the RPO of MSEDCL. Similarly, MSEDCL is also procuring Solar Power on short term basis at Rs. 2.50 per unit from solar projects.

15. MSEDCL is in shortfall of RPO targets and already purchasing non-Solar RECs to fulfill the shortfall. After expiry of the EPAs with Wind Generator, MSEDCL may further fall short to get the non-Solar Power and will results into requirement of procurement of more non-Solar RECs to fulfill the obligations. Also, these wind generators are trying to sell power under open access at higher rate directly to bulk consumers of MSEDCL/Mumbai utilities. Thus MSEDCL is getting affected by the both way i.e. Shortfall in RPO and the revenues loss due to Open Access.



16. It is respectfully submits to the Commission that MSEDCL is unable to purchase the Non-solar RECs from the exchanges due to high demand and the inflated rates of RECs. In this scenario and with increasing targets of RPOs on Year on Year basis, it is essential that MSEDCL should contract sufficient non-solar Power through the long term agreements.
17. Considering the above and the difficulties faced by MSEDCL for procurement of power from these wind generators with the ceiling tariff of Rs. 1.97 per unit on long term basis through competitive bidding, it is requested to Hon'ble Commission to allow MSEDCL to procure Power at the rate of Rs. 2.52/- per unit from Wind generators of Group II, III and IV for the period of available useful life whose EPAs are expired/going to be expired.

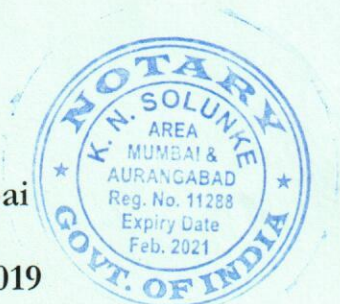
18. Prayers: -

In view of the above the Petitioner respectfully prays to the Hon'ble Commission:

- a. To admit the Petition as per the provisions of the MERC (RPO, Its Compliance and Implementation of REC Framework) Regulations, 2016.
- b. To allow MSEDCL to procure the Wind Power from the Wind generators of Group II, III and IV whose EPAs with MSEDCL are expired at the Tariff of Rs. 2.52/- per unit for balance useful life.
- c. To allow MSEDCL to claim such procurement for the fulfilment of RPO of MSEDCL
- d. To consider the submission made by the Petitioner and consider the same positively while deciding the Petition as well as for further actions;
- e. To pass any other order/relief as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;
- f. Condone any error/omission and to give opportunity to rectify the same;
- g. To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time.

Place: Mumbai

Date: 22.02.2019



*Sharat*  
Chief Engineer (Renewable Energy)