

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE No. 304 of 2018

Case of Maharashtra State Electricity Distribution Company Ltd Seeking Approval for Bidding Documents of Long Term Wind-Solar Hybrid Power Procurement for 25 Years for meeting the Renewable Purchase Obligations

Coram

Anand B. Kulkarni, Chairperson
I.M. Bohari, Member
Mukesh Khullar, Member

Maharashtra State Electricity Distribution Company Ltd.Petitioner

Appearance:

For the Petitioner : Mrs. Kavita Gharat
Shri. Harshal Patil

ORDER

Date: 18 December, 2018

1. Maharashtra State Electricity Distribution Co. Ltd (**MSEDCL**) Plot No G-9, 5th Floor, Prakashgad, Station Road, Bandra (East), Mumbai - 400 051, has filed a Petition on 23 October, 2018 seeking approval for Bidding Documents of Long Term Wind-Solar Hybrid Power Procurement for 25 Years through Competitive Bidding. The said power is proposed to be procured to meet the Renewable Purchase Obligations under Regulation 5 of MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2015 and Regulation 19 of MERC (RPO, its Compliance and

Implementation of REC Framework) Regulations, 2016 and Regulation 94 of MERC (Conduct of Business) Regulations, 2004.

2. MSEDCL's main prayers are as follows:

- a) *To accord approval for initiation of competitive bidding process for procurement of power from Wind-Solar Hybrid projects on long term basis to be established on the MEDA's land to be provided on lease basis to MSEDCL.*
- b) *To allow MSEDCL to conduct two stage tendering process*
- c) *To approve the Bidding Documents prepared for procurement of power from Wind-Solar Hybrid projects.*
- d) *To consider procurement of power from Wind-Solar Hybrid Power projects for meeting the respective solar and non-solar RPO requirement of MSEDCL.*

3. MSEDCL has stated as follows:

3.1 Background:

3.1.1 The National Tariff Policy (NTP) 2016, under clause 6.4 provides that

“States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources from projects above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government”.

3.1.2 Clause 5.12.2 of the National Electricity Policy (NEP), 2005 notified on 12 February, 2005, provides for Competitive Bidding in Renewable Energy

“...Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through Competitive Bidding process....”

3.1.3 Accordingly, the Ministry of Power (MoP), has issued Guidelines under Section 63 of the Electricity Act, 2003 (EA) for Tariff based Competitive Bidding for long-term procurement of 5 MW and above grid-connected Solar PV and Wind Power projects vide its Notification dated 3 August and 8 December, 2017 respectively.

3.1.4 Also, the Ministry of New and Renewable Energy, vide its Notification dated 14 May, 2018, has issued National Wind-Solar Hybrid policy.

3.1.5 Considering the above initiative specified in the NTP / NEP to promote Renewable Power and the guidelines / Policy issued by MoP to undertake the procurement of the renewable power under the competitive bidding route, it has proposed to procure the Biomass Power under Competitive bid route. The bidding documents so framed by MSEDCL are based on the above specified guidelines of Wind and Solar (since the guidelines for Hybrid Power are yet to be issued) and the National Wind-Solar Hybrid policy as issued by MNRE and requested the Commission to accord the approval of the bidding documents and allow MSEDCL to carry out the bid process.

3.2 RPO targets and fulfilments

3.2.1 The Commission has notified the Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its compliance and implementation of REC framework) Regulations, 2016 (hereinafter to be referred as RPO Regulations 2016) on 30 March, 2016 for the control period from FY 2016-17 to FY 2019-20.

3.2.2 As per Regulation 7.1 of the RPO Regulations 2016, the revised RPO targets have been set as provided in the table below:

Year	Quantum of purchase (in%) from RE sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
2016-17	1.00%	10.00%	11.00%
2017-18	2.00%	10.50%	12.50%
2018-19	2.75%	11.00%	13.75%
2019-20	3.50%	11.50%	15.00%

3.2.3 Accordingly, to comply with the said Regulations, MSEDCL's provisional Non-solar RPO is specified as below:

(Units in MU)	FY 2016-17 Non-Solar RPO		FY 2017-18 Non-Solar RPO	
	Target	11154	10%	12801
Achievement (Including REC Purchase)	11154	10%	12801	10.5%
Non-Solar REC Purchase within achievement	1822		2279	

3.2.4 The Compliance status of MSEDCL's existing Solar RPO is as under:

Period	Shortfall in MUs
FY 2010-11 to FY 2015-16	1360
FY 2016-17 (Provisional)	690
FY 2017-18 (Provisional)	1476
Total	3526

3.2.5 MSEDCL is fulfilling Non-Solar and Solar RPO target by way of purchase of Non-Solar and Solar RECs. However, considering the future RPO targets, MSEDCL needs to procure additional RE power for fulfillment of RPO targets so as to accommodate the actual power in the system rather than to rely on REC.

3.2.6 In order to fulfill the RPO targets & also to provide daytime Power supply to Agricultural Consumers, MSEDCL proposes to carry out the competitive bidding for selection of project developers for power procurement from Wind-Solar Hybrid projects on long term basis for 25 years on the MEDA's land provided on lease basis to MSEDCL. This may result in a Win-Win situation for MSEDCL and Agriculture consumers as well as will also result in compliance of RPO as specified in the relevant regulations.

3.2.7 The basic advantage of implementation of solar wind hybrid model is defined as follows:

- i. A combined wind and solar power system can achieve synergy if used together whereby the daily output will be more stable whereby solar is available during daytime and wind is prominently available in evening / night;
- ii. Seasonal variations are offset whereby in monsoon wind is available and in summer solar is available;
- iii. Grid stability can be achieved;
- iv. Point of Generation and consumption being close to each other hence saves on infrastructure costs especially for serving Agriculture Consumers as well as result in lower distribution / Transmission loss;
- v. Generally Hybrid solar-wind powered systems become a cost-competitive option in areas where wind and solar patterns supplement each other significantly.

3.3 Proposal for development of Wind-Solar Hybrid projects:

3.3.1 MEDA has proposed to MSEDCL to explore the possibility for development of Power projects on MEDA's following lands where wind mills are already existing:

S No.	Site Name	Total land in hector	Capacity of existing wind power project (MW)	Apprx. utilised Land in hector	Spare land available in hector
1	Motha, Tal. Chikhaldara Dist. Amaravati	51.93	2.00	13.00	38.93
2	Chalkewadi, Satara	79.40	6.00	40.00	39.40
3	Gudhepanchgani, Sangli	44.16	1.84	16.50	27.66
4	Vijaydurg, Sindhudurg	47.60	1.50	6.60	41.00
5	Sautada, Tal Patoda, Beed	54.23	Nil	Nil	54.23
	Total	277.32	11.34	76.10	201.22

3.3.2 Further, MSEDCL, vide letter dated 26th June, 2018 has requested MEDA to make these lands available for development of wind-solar hybrid project at the nominal lease rate of Re. 1 per year, for the period of 30 years, on the similar lines of the *Mukhyamantri Saur krishiVahini Yojana*.

3.3.3 MNRE's National Wind Solar Hybrid policy dated 14 May, 2018 allows hybridizing existing wind projects with the solar power by utilizing existing evacuation arrangement.

3.3.4 The details of the existing Wind projects on the land owned by MEDA are as below:

S. No.	Site Name	Capacity of existing wind power project (MW)	Date of Commissioning	Date of Expiry of EPA
1	Motha Tal. Chikhaldara Dist. Amaravati	2.00	09.06.2003 (Wind Group-II)	08.06.2016
2	Chalkewadi, Satara	2.25	24.05.1996 (Wind Group-I)	23.05.2016
		3.75	20.09.2004 (Wind Group-III)	19.09.2017
3	GudhePanchgani, Sangli	1.84	29.06.1999 (Wind Group-I)	28.06.2019

4	Vijaydurg, Sindhudurg	1.50	11.07.1995 (Wind Group-I)	10.07.2015
5	Sautada Tal Patoda, Beed	--	--	--
	Total	11.34 MW		

3.3.5 From the above said table, it is observed that there is no wind power project installed at Sautada, Beed Site, while the wind projects at Vijaydurg (1.50 MW) & Chalkewadi (2.25MW) sites have completed their useful life. For the remaining 2 sites of Motha (2.00 MW) & Chalkewadi (3.75 MW), the balance useful life is only 4-5 years whereas the useful life of GudhePanchgani is expiring next year. The Energy Purchase Agreements (EPA's) are already expired for all the above locations except GudhePanchgani, Sangli (which will be expiring in next year).

3.3.6 It is pertinent to note that the wind-turbines installed in these Wind projects are of capacity below 500kW and these sites are having high wind energy potential and can be utilized for optimum Wind Generation. Furthermore, due to technology enhancement in the Wind Turbines, maximum individual wind turbine capacity at these sites can reach upto 2.2 MW by undertaking re-powered wind turbine. Considering the opportunity for the capacity enhancement in the said area which provides higher CUF, these sites are more suitable for a new Wind Solar Hybrid projects after dismantling the existing low capacity, old wind turbine Generators. The land available, after dismantling of existing Wind Power projects and the already available spare land, may be utilized at its optimum level for hybridization of wind and Solar Power.

3.4 Features of the Bidding Process

3.4.1 It will be the option with developer to decide the composition of solar wind hybrid system percentage based on optimal utilization of land, which also will reduce the variability in renewable power generation and will help in achieving better grid stability. However, as per the National Wind Solar Hybrid Policy, to recognize a wind-solar plant as a hybrid plant, it will be mandatory for developer to maintain the rated power capacity of one resource of at least 25% of the rated power capacity of other resource.

3.4.2 Considering the above, MSEDCL will initiate the process for power procurement from Wind-Solar Hybrid projects on long term basis for 25 years on the above mentioned sites, through the competitive bidding process on TCIL Portal to fulfill the Renewable Purchase Obligation requirement as per MERC (Renewable Purchase Obligation, its Compliance and implementation of REC Framework) Regulations, 2016 after due approval from the Commission.

- 3.4.3 Since it's an innovative concept and one of its kind, at present, it is difficult to assess the optimum quantum that will be available in the bidding process and also the participation of the bidders. Therefore, for the test of the market, MSEDCL shall conduct two stage bidding process for power procurement from Wind-Solar Hybrid projects at maximum possible capacity. In the first stage, bidders shall bid for the maximum capacity that can be generated by utilizing all the above said available land as a single project with the proportion of wind and solar as per the provisions of the National Wind Solar Hybrid policy dated 14 May, 2018. The elimination of bidder will be done in first stage, who has quoted lowest capacity & will not be allowed to bid in second stage.
- 3.4.4 During second stage, bidders that participated in the first stage shall submit their financial bid quoting the Tariff (below the ceiling Tariff) for the maximum MW capacity arrived in the first stage, followed by e-reverse auction. In second stage, e-reverse auction will be carried out for final Tariff bidding with the ceiling rate for the maximum quantum arrived in the first stage. All the bidders who have quoted and qualified in the first stage shall be eligible for the second stage.
- 3.4.5 It is important to note that MSEDCL will make available the spare land mentioned above to the developer on lease basis upto PPA Period on as is where is basis, however the evacuation arrangements/Grid connectivity for these proposed Wind-Solar hybrid projects shall be the responsibility of the Developer. The said land will be takenover by MSEDCL post completion of the contract or in case of the termination of the Agreement. Accordingly, all approvals, permits and clearances required for setting up of the Project and those required from State Government and local bodies shall be in the scope of the successful bidder.

3.5 Approval of the Bidding Documents

- 3.5.1 As per the Clause 3.1.1 (b) of the Guidelines dated 03.08.2017 issued by Ministry of Power, for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects, and Clause 5.1 (b) of the Guidelines dated 08.12.2017 issued by Ministry of Power, for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects, the procurer shall inform the initiation of bidding process to the appropriate Commission.
- 3.5.2 Also, the Commission by its order dated 6 December, 2017 in Case No. 157 of 2017; in the matter of seeking approval of Long/Medium/Short term procurement of Renewable Energy through Competitive Bidding has ruled that MSEDCL shall come before the Commission through specific Petition prior to the bidding

process only if MSEDCL requires any deviation with respect to the bidding documents.

3.5.3 Accordingly, MSEDCL through this petition has approached the Commission for Procurement of Power through competitive bidding process followed by e-reverse e-auction for Grid connected Wind-Solar hybrid power projects at identified sites.

3.5.4 MNRE has not notified any specific guidelines for Wind-Solar Hybrid Projects till date. Therefore, MSEDCL while preparing Bidding Documents has considered the already issued guidelines for Solar Projects and Wind Projects along with the provisions of the Wind-Solar Hybrid Policy.

3.5.5 Accordingly, MSEDCL has prepared bidding documents, namely Draft Request for Selection (RfS) and Draft Power Purchase Agreement (PPA) in line with the MoP guidelines dated 3 August, 2017 for Solar Power projects, the MoP guidelines dated 8 December, 2017 for Wind Power projects and MNRE's Wind-Solar Hybrid Policy dated 14 May, 2018. MSEDCL most humbly requests the Commission to kindly approve the draft RfS and draft PPA. The documents are prepared with an objective to get a higher participation from the bidders considering the naive concept i.e. Wind and Solar Hybrid approach.

3.5.6 On completion of the bidding process followed by e-reverse auction, MSEDCL shall again approach to the Commission for adoption of Tariff discovered through the Competitive bidding process under Section 63 of the Electricity Act, 2003.

3.6 Regulatory Provisions

3.6.1 MSEDCL submits that the Commission has the powers to issue orders under following relevant Regulations.

a) Regulation 5 of RE Tariff Regulations 2015 provides for adoption of Tariff by the Commission if tariff is determined through competitive bidding.

“5. Competitive Bidding for procurement of power generated by grid-connected RE Projects

The Commission shall adopt the tariff for a RE Power Project where such tariff has been determined through a transparent process of competitive bidding in accordance with guidelines under Section 63 of the Act as and when issued by the Central Government.”

b) Regulation 19 of the RPO Regulations 2016 provides for Power to Remove Difficulties in implementation of the RPO Regulations 2016.

“19 Power to Remove Difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the State Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act as may appear to be necessary for removing the difficulty.”

- c) Regulation 94 of the Conduct of Business Regulations 2004 empowers the Commission to deal with the matters where no Regulations have been framed.

“94. Nothing in these Regulations shall bar the Commission to deal with any matter or exercise any power under the Act for which no regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.”

- 3.6.2 MSEDCL also submits that the Commission has sufficient powers to deal with the matter and issue orders on matter as deemed appropriate.

4. The proceedings of the hearing held on 26 November, 2018 are summarized as follows:

- 4.1 The representative of MSEDCL reiterated its submission as made in its Petition and subsequently filed additional submission.

- 4.2 MSEDCL through its letter dated 4 December, 2018 made the following submission:

- 4.2.1 MNRE vide letter to SECI dated 25 May 2018 conveyed the sanction of scheme for setting up 2500 MW ISTS connected Wind-Solar Hybrid Power Projects along with the guideline and the framework for implementation of this scheme. However, for the following reasons, the Project which MSEDCL is implementing is totally different from this project:

- a) MSEDCL’s procurement is location specific unlike SECI,
- b) MSEDCL is the sole procurer and not the implementing agency like SECI to sell the power to Discoms under Power Sale Agreement,
- c) MSEDCL’s scheme will be connected to InSTS and Not to ISTS,
- d) Technical criteria are different as the fixed location will be provided to the Developer for setting up the project as proposed in the present petition.
- e) Also, the timelines such as financial closure, CoD of the MNRE’s Guideline for Solar/Wind are more suitable considering the Hybrid Power procurement plan of MSEDCL.

- 4.2.2 For the aforesaid reasons, MSEDCL has framed bidding documents on the basis of readily available guidelines for procurement of Solar/Wind Power, and

MNRE's Wind Solar Hybrid Policy, as no specific guidelines for procurement of power from hybrid project are issued by MoP/MNRE.

4.2.3 Hence it is requested to consider the bidding documents prepared for procurement of Hybrid Power as submitted in the Petition.

5. Further, on the query raised regarding the Inter-connection point in the bidding document, MSEDCL has provided the following additional submission through email dated 10 December, 2018:

5.1 As per the MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2015, Interconnection point is defined as under:

"..(r) 'Inter-connection Point' means the interface point of a Renewable Energy generating facility with the transmission system or distribution system, as the case may be, and

1. in relation to Wind Energy and Solar Photo Voltaic Projects, the inter-connection point shall be the line isolator on the outgoing feeder on the HV side of the Pooling sub- Station;

Explanation.—A Pooling sub-Station is a sub-Station, consisting of a step-up transformer and associated switchgear, to the LV side of which multiple generating Units (Wind Turbine Generators or Solar PV modules /arrays/inverter units) are connected...

.....

3. Scope of Regulations and extent of application

3.1 These Regulations shall apply to those new RE Projects which are commissioned in the State of Maharashtra for the generation and sale of electricity to Distribution Licensees in the State, are Eligible Projects for the purposes of these Regulations, and whose tariff is to be determined by the Commission under the provisions of Section 62 read with Section 86 of the Act:

.....

5. Competitive Bidding for procurement of power generated by grid-connected RE Projects

The Commission shall adopt the tariff for a RE Power Project where such tariff has been determined through a transparent process of competitive bidding in accordance with guidelines under Section 63 of the Act as and when issued by the Central Government....."

- 5.2 According to Regulation 3 of MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2015, it has been mentioned that these Regulations are applicable to the RE projects in the state of Maharashtra, whose Tariff is determined by the Commission under Section 62 of the Electricity Act, 2003.
- 5.3 According to Regulation 5 of the said Regulations, for the project whose Tariff is discovered through Competitive bidding process, guidelines issued by Central Government under Section 63 of the Electricity Act, 2003 are applicable. Hence principally, these guidelines are more appropriately applicable for the procurement of power through Competitive bidding process.
- 5.4 Ministry of Power (MoP), vide its Notification dated 03.08.2017, has issued Guidelines under Section 63 of the Electricity Act (EA), 2003 for Tariff- based Competitive Bidding for long-term procurement of 5 MW and above from grid-connected Solar PV Power Projects and vide Notification dated 08.12.2017, has issued Guidelines under Section 63 of the Electricity Act (EA),2003 for long term procurement of power through Tariff- based Competitive Bidding from grid-connected Wind Power Projects.
- 5.5 On 14 May, 2018, the Ministry of New and Renewable Energy (MNRE) has issued National Wind Solar Hybrid policy. However, any specific guideline is yet to be issued by MoP/MNRE for Grid connected Hybrid Wind Solar power procurement. Considering the same, MSEDCL has framed the bidding documents based on the above specified guidelines of Wind and Solar.
- 5.6 While framing the Tender Document, MSEDCL has defined delivery Point as the 33 kV Bus of the substation of MSEDCL/MSETCL, which is technically at the same node. (Outgoing isolator connects to the incomer 33 kV bus of the MSEDCL/MSETCL Sub-Station). Technical Losses of the line from Developer/Generator sub-station to MSEDCL/MSETCL sub-station will be borne by the Developer, which will reduce the burden of the losses on the consumers.”
6. MEDA, through its email dated 10 December, 2018 made the following submission:
- “1. MEDA has no objection to MSEDCL initiating bidding process for procurement of power from Wind-Solar Hybrid Project on long term basis to be established on the land of MEDA.*
- 2. The power produced from the Wind-Solar Hybrid Project may be considered for meeting the respective solar and non-solar RPO requirement of MSEDCL.”*

Commission's Analysis and Ruling

7. MSEDCL is seeking approval for initiation of competitive bidding process on TCIL Portal for procurement of power from Wind-Solar Hybrid projects on long term basis (25 years) to be established on the MEDA's land to be provided on lease basis. MSEDCL has proposed a two stage tendering process. Further, it is seeking approval of Bidding Documents prepared for procurement of power from Wind-Solar Hybrid projects and the same to be made eligible for meeting the Solar and Non-solar RPO requirement of MSEDCL.
8. MEDA has clarified that it has no objection to MSEDCL initiating bidding process for procurement of power from Wind-Solar Hybrid projects established on its land.
9. MSEDCL has submitted that Guidelines for procurement of power from Projects are yet to be issued. MSEDCL has prepared the bidding documents i.e. RfS and PPA on the basis of MoP's Guidelines under Section 63 of (EA) for Tariff based Competitive Bidding for long-term procurement of grid-connected Solar PV and Wind Power Projects and has also considered the MNRE's National Wind-Solar Hybrid Policy dated 14 May, 2018.
10. MSEDCL in above para 5.2 and 5.3 has submitted that the MERC RE Tariff Regulations, 2015 are applicable to the RE projects in the state of Maharashtra and whose Tariff is determined by the Commission under Section 62 of the Electricity Act, 2003. For the project whose Tariff is discovered through Competitive bidding process, guidelines issued by Central Government under Section 63 of the Electricity Act, 2003 are applicable. The Commission makes a note of this and underscores that as on date no Standard Bidding Guidelines for Wind-Solar hybrid Projects are notified by the MoP. MSEDCL itself have submitted that it has prepared the bidding documents i.e. RfS and PPA on the basis of MoP's Guidelines under Section 63 of (EA) for Tariff based Competitive Bidding for long-term procurement of grid-connected Solar PV and Wind Power Projects and has also considered the MNRE's National Wind-Solar Hybrid Policy dated 14 May, 2018. Under such scenario, where there are no specific Standard Bidding Guidelines/Document from MoP, the regulations notified by this Commission shall prevail.
11. Further, MSEDCL has submitted that MNRE vide letter to SECI dated 25 May, 2018 conveyed the sanction of scheme for setting up 2500 MW ISTS connected Wind-Solar Hybrid Power Projects along with the guideline and the framework for implementation of the scheme. However, MSEDCL has not considered these Guidelines for deviation as the project which MSEDCL is planning to implement is different from SECI's scheme as highlighted in para 4.2.1 above.
12. The regulatory provisions require MSEDCL to approach the Commission for deviations if any from the Standard Bidding Document, SBD. The Commission notes that there is no

SBD for procurement of power from Wind-Solar Hybrid projects through competitive bidding and therefore, MSEDCL has referred to the SBDs of procurement through competitive bidding from solar and wind projects and has also referred the Wind-Solar Hybrid Policy issued by MNRE. Under these circumstances, such variations from the reference documents shall not be considered as deviation rather they are altogether a new set of documents which shall act as a reference for future procurement from similar technology. However, any variation from the existing Regulation/Order of the Commission shall be considered as Deviation.

13. Commission feels that specific approval for RfS and PPA is not mandated. Still, the preliminary analysis of these documents has been carried out by the Commission. Further, the Commission assumes that the RfS and PPA documents are prepared by MSEDCL in the best interest of the developer and the consumer after carrying out due diligence.
14. While analyzing the Bidding documents (RfS and PPA) which MSEDCL has prepared for procurement from Wind-Solar Hybrid power projects, the Commission observes that the documents deviated from the existing provisions in the Commission's Regulations/Orders. The same are summarized below:

S No.	Description	As per MSEDCL Draft RfS/PPA Document	As per Commission's Regulations/Orders	Relevant Regulation/Order
1	PPA Period	25 Years	13 Years (Individually for Wind & Solar PV Project)	RE Tariff Regulations, 2015
2	Project Tariff	INR 2.75/unit (Ceiling)	Project Specific Tariff	RE Tariff Regulations, 2015

15. The Commission observes that major deviations are on 2 parameters which are dealt as following:
 - 15.1. PPA Tenure:- MSEDCL, in the RfS and PPA document has proposed the Tariff Period for Wind-Solar Hybrid project as 25 Years. As per MERC RE Tariff Regulations, 2015 Hybrid RE projects based on RE technologies approved by MNRE have been categorized under 'project specific'. Individually, both wind and solar project have tariff period of 13 years and project life of 25 years. The Commission notes that by considering the PPA period of 25 years, affordable and assured power supply will be available from such projects to MSEDCL for much longer period. Further, apart from benefit to the end consumers, reasonable return to the prospective bidders for 25 years will be guaranteed. Hence the Commission accords its approval for proposed change of PPA tenure to 25 years i.e. for useful life of the project.

- 15.2. Ceiling Tariff of INR 2.75/unit:- As specified in above para 15.1, the Wind-Solar Hybrid Projects have been categorized as ‘project specific’ and no generic tariff has been notified. The Commission observes that in recently concluded SECI’s auction for 1200 MW of Wind-Solar Hybrid project, the ceiling tariff was INR 2.70/unit and the bid winner quoted tariff as INR 2.67/unit and INR 2.69/unit. The Commission notes that MSEDCL has taken SECI rates as a reference for arriving at the ceiling rate, the tender documents in both the cases are not the same. Keeping this in view and in absence of Generic tariff for Wind-Solar Hybrid projects, the Commission accords its approval for ceiling tariff of INR 2.75/unit as proposed by MSEDCL and presumes that it must have been arrived at after proper due diligence by MSEDCL.
16. The Commission observes that different fees/charges against RFS Document, Bidding Fees, Auction Fees, Earnest Money Deposit, Performance Based Guarantee, etc have been proposed by MSEDCL in the bidding document. The Commission assumes that all such charges proposed by MSEDCL are based on applicable fees/charges and are being proposed after proper due diligence.
17. The Commission notes that in the Bidding Documents, MSEDCL has provided provisions to comply with the MERC’s Forecasting & Scheduling Regulations. MSEDCL should ensure that these regulations are strictly followed by the successful bidder.

ORDER

- 1 The Commission accords approval for initiation of Competitive Bidding process for procurement of power from Wind-Solar Hybrid projects on long term basis to be established on the MEDA’s land to be provided on lease basis to MSEDCL.**
- 2 The Commission approves two stage tendering process.**
- 3 The Commission approves procurement of such power from Wind-Solar Hybrid projects for meeting the Non-solar and Solar RPO requirement of MSEDCL.**
- 4 The Commission has no objection to the RfS and PPA documents prepared by MSEDCL in absence of Standard bidding document. However the issues discussed in paras 15.1 and 15.2 are ruled accordingly in terms of deviations from existing regulations.**

5 The Commission directs MSEDCL to rectify all errors/repetitions, if any, in the Bidding document before finalizing the Bidding process.

**Sd/-
(Mukesh Khullar)
Member**

**Sd/-
(I. M. Bohari)
Member**

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

