



(A Govt. of Maharashtra Undertaking)
CIN: U40109MH2005SGC153645

Maharashtra State Electricity Distribution Co. Ltd.

Office of the Chief Engineer (Renewable Energy)
"Prakashgad", 5th Floor, Station Road, Bandra (E), Mumbai -400 051.
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CE/RE/solar/MSKVY/Open-Tender

Date : 21.09.2020

To,
The Secretary,
Maharashtra Electricity Regulatory Commission,
13th Floor, Center No-1, World Trade Center,
Cuffe Parade, Colaba, Mumbai-400005.

Sub: Filing of petition for seeking approval to allow MSEDCL to adopt the methodology of implementing Open tender policy under Mukhyamantri Saur Krishi Vahini Yojana for meeting the solar Renewable Purchase Obligations..

Respected Sir,

Please find enclosed herewith the petition for seeking approval to allow MSEDCL to adopt the methodology of implementing Open tender policy under Mukhyamantri Saur Krishi Vahini Yojana for meeting the solar Renewable Purchase Obligations.

The requisite fee amounting of Rs. 10,000/- is submitted through UTR No-MAHBH20248019651 on dated 04.09.2020.

Sd/-

Chief Engineer (Renewable Energy)

Copy S. w. rs. to:

The Director (Commercial), MSEDCL, Mumbai.

**BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION**

CASE NO. ___ OF 2020

Filing No.:_____

IN THE MATTER OF

**PETITION FOR SEEKING APPROVAL TO FLOAT OPEN TENDERS AND
TAKING LAND ON LEASE BY PAYING RENT UNDER MUKHYAMANTRI SAUR
KRISHI VAHINI YOJANA (MSKVY) SCHEME.**

IN THE MATTER OF

AND

REGULATION 85 OF MERC (CONDUCT OF BUSINESS) REGULATIONS, 2004.

**REGULATION 18 & 19 OF MERC (RPO, ITS COMPLIANCE AND
IMPLEMENTATION OF REC FRAMEWORK) REGULATIONS, 2009.**

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD

.....PETITIONER;

AFFIDAVIT ON BEHALF OF PETITIONER (MSEDCL) VERIFYING THE PETITION

I, Mrs. Kavita Gharat, aged 42 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 five 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 **21st September, 2020** 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.

Sd/-

Deponent

Identified before me

Mumbai

Date - 21.09.2020.

The Petitioner respectfully submits as under:

1. Background:

- 1.1 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”).
- 1.2 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 31stMay 2005.
- 1.3 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.
- 1.4 Hon’ble Maharashtra Electricity Regulatory Commission (Commission) has notified Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2019 that mandates Obligated Entities to comply with Renewable Purchase Obligation (RPO) targets.
- 1.5 Hon’ble Maharashtra Electricity Regulatory Commission (Commission) has notified Maharashtra Electricity Regulatory Commission (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2019 states that RE technology project entities can opt project-specific tariff in few cases.

2. MSEDCL Position in RPO Targets

- 2.1 Hon’ble Maharashtra Electricity Regulatory Commission (Commission) has set up Solar RPO Targets through MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2019, as below –

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
16.00%	6.00%	8.00%	10.50%	13.50%

2.2 In line with Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016, MSEDCL has achieved the Solar RPO target up to FY 2015-16. The status of the RE procurement shortfall (Solar) is as mentioned under -

Period	Solar (Mus)
FY 2016-17	671
FY 2017-18	1476
FY 2018-19 (Provisional)	1321
FY 2019-20 (Provisional)	853
Total	4321

2.3 Currently, MSEDCL has contracted 4057 MW Solar Capacity and 1133 MW solar Capacity is under signing process. Also, in view of the fulfilling enormous RPO targets in future years and already accumulated shortfalls, MSEDCL has to procure around 5000 MW Solar Power in next 2 years. Out of this 5000MW, 3000MW capacity is planned through this MSKVY.

2.4 Further, it is respectfully submitted to the Hon'ble Commission that MSEDCL had faced difficulties in purchasing RECs due to non-availability of sufficient quantities of RECs and increased rates of RECs in the market during FY 2019-20. Further, MSEDCL always intending for procurement of actual RE power instead of purchasing RECs.

2.5 To achieve the RPO targets set by the Hon'ble Commission, MSEDCL has been aggressively calling for tenders through transparent competitive bidding from December 2017, under Solar category (Inter/Intra State grid connected projects and de-centralized projects under MSKVY.

2.6 Considering the benefits associated with decentralized generation under MSKVY such as day time power supply to agriculture consumers, reduction of distribution losses and avoided cost of transmission infrastructure, etc, MSEDCL has floated aggressively tenders for procurement of solar power through competitive bidding under MSKVY as per MoP guidelines issued for tariff based competitive bidding process in last two years.

3. **Solar power Tenders under MSKVY**

3.1 The Government of Maharashtra (GoM) vide Government Resolution (G.R) dated 14 June, 2017 and its amendment dated 17.03.2018 has issued Policy under "Mukhyamantri Saur Krishi Vahini Yojana" to provide power to Agricultural (AG) Consumers during day time by installation of Solar Projects and appointed Maharashtra State Power Generation Company Limited (MSPGCL) and MSEDCL as implementation agency.

3.2 MSEDCL has executed PPA for 250MW capacity through tenders under this scheme and 283MW capacity is under PPA execution process. In addition to this under MSKVY,

MSEDCL executed PPA with M/S EESL for 500MW capacity to develop solar projects at spare lands of MSEDCL/MSETCL substation and Govt. land and executed PSA with MSPGCL for a capacity of 129MW. The commissioned capacity under MSKVY till date is around 223MW.

3.3 The details of tenders floated by MSEDCL under ‘Mukhyamantri Saur Krishi Vahini Yojana’ through competitive bidding is as shown below:

Sr. No.	Date of Tender	Capacity of Tender (MW)	Bids received (MW)	Tariff discovered (Rs/kWh)	PPAs signed (MW)
1	27.04.2018	1000	235	3.09 to 3.15	235
2	15.09.2018	1400	180	3.29 to 3.30	Nil
3	07.01.2019	1400	1170	3.16 to 3.30	10
4	20.09.2019	1350	5	3.14	5
5	31.12.2019	1350	283	3.28 to 3.30	Under Process
		6500	1873		250

3.4 The abstract shows the tenders floated under MSKVY are under subscription and has shown the same pattern for a period of almost two years. Out of total tendered capacity of 6500 MW under MSKVY, bids for only 1873 MW capacity received and Power Purchase Agreements for 250 MW Solar capacity were executed so far and 283 MW is under process.

3.5 From bidders participated in this scheme it is clear that these are small investors and for selection of successful bidder and completion of present tendering process, it has its own time line which require more time. Also so many times once the bidder misses time line, he has to wait till second bids starts and it restricts the bidder participation in process. In order to contract the decentralized solar generation capacity on fast track and to encourage higher/continuous participation of project developers, MSEDCL proposes to adopt open tender policy by publishing distribution sub-station wise solar evacuation capacity in Agriculture dominated districts.

4. **Proposed procedure for Open Tender.**

4.1 It is proposed to implement Open tender procedure with following methodology. MSEDCL shall utilise the tender documents prepared on the basis Ministry of New and Renewable Energy’s (MNRE) guidelines of decentralized solar plants issued on dated 13 December 2019 and subsequent amendments and the deviations approved by the Hon’ble commission in previous Orders related to MSKVY.

4.2 **Methodology for implementing Open tender under MSKVY:**

a) MSEDCL will publish an open tender with the distribution substations wise solar power evacuation capacity in Ag dominated area with ceiling tariff of Rs. 3.30 per

unit (discovered tariff in latest MSKVY tender Hon'ble Commission in recent Order dated 16.05.2020 in Case No. 80 of 2020 under MSKVY).

- b) On 5th (or next working day) of every month, MSEDCL will publish list of substations with available capacity for which developers can bid with terms and conditions as mention in RFS.
 - c) For any queries regarding tender bidders may send an email within 5 days from the date of tender publication. MSEDCL will upload the replies to queries within 10 days from the date of publication of tender. Last date of receipt of technical and financial bids will be 25th (or next working day) of every month.
 - d) Technical bids will be opened and evaluated on the same day of bid submission. The financial bids of technically qualified bidders will be opened on 28/29th day of every month.
 - e) E-reverse auction will be conducted for substation locations where the cumulative capacity of the bids received is more than the published available capacity.
 - f) Letter of Awards to the successful bidders will be issued after adoption of tariff by the Hon. Commission.
 - g) The remaining capacity of each substation shall be updated and the revised substation wise evacuation capacity is published for every month.
 - h) The process described above from b to g will be repeated till balance capacity at the published sub-station is exhausts or the proposed capacity of 3000 MW is fulfilled.
 - i) If there is no response from bidders at particular substations for more than three months, MSEDCL will explore the possibility of providing lands to solar developers by taking it on lease from private/Govt department on lease basis. with the lease rate of Rs. 30000 per acre per annum with escalation of 3% or at ready reckoner rate or through tendering process. The monthly tender will be floated with availability of land and in such cases the ceiling tariff for these tenders will be Rs 3.11 per unit (including Land development charges & Evacuation arrangement) with the provision of reverse auction.
5. To overcome the difficulties being faced by MSEDCL in existing tendering process, increase the participation of bidders and to expedite the contracting procedure for decentralized solar generation in Ag load dominated area for RPO fulfillment, MSEDCL through this Petition is requesting Hon'ble Commission to allow MSEDCL to implement this new type of tendering process and to consider the procurement of power through this process for fulfillment of RPO Targets.

6. **Prayers:**

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

- a) To admit the Petition as per the provisions under Regulation 85 of the MERC (Conduct of Business) Regulations, 2004.
- b) To allow MSEDCL to adopt this new methodology as stated in para 4 above for implementing Open tender policy under Mukhyamantri Saur Krishi Vahini Yojana with ceiling rate of Rs 3.30 per unit.
- c) To consider the procurement of power through this process for fulfillment of RPO Targets.
- 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) To 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.

Sd/-

Chief Engineer (Renewable Energy)

Place: Mumbai

Date: 21.09.2020