

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 182 of 2022

Petition seeking approval for adoption of tariff discovered for long term procurement of 132.75 MW solar power under ‘Pradhan Mantri Kisan Urja Suraksha Evem Uthhan Mahabhiyan’ (PM-KUSUM).

M/s Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) ...Petition

- 1 M/s. Anand Industries
- 2 Mr. Anand Kumbhar.
- 3 M/s. Ashish Industries.
- 4 Mr. Ashutosh Wankhade.
- 5 Mr. Ashwin Chaurasiya.
- 6 Mr. Balkant Vyavahare.
- 7 Ms. Chitra Dhunke.
- 8 M/s.D.K. Electricals Services.
- 9 Mr. Durgesh Jaiswal.
- 10 Ms. Meena Rajendra Kondhare.
- 11 Ms.Latabai Harode.
- 12 Mr. Krishna Kalantri.
- 13 Mr.Mahendra Milmile
- 14 M/s. NACOF
- 15 Mr.Nilesh Kale
- 16 Ms. Pallavi More
- 17 Mr. Rahul Bagde
- 18 Mr. Satish Kothale
- 19 Mr. Siddharth Jain
- 20 M/s. Sumangala Enterprises
- 21 Mr. Vijay Umathe.
- 22 Mr. Waman Kale

...Respondents

Coram

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

Appearance:

For the Petitioner : Smt. Kavita Gharat, CE (RE)
For the Respondent : Smt. Meena Rajendra Kondhare (Rep.)
Shri. Krishna Kalantri (Rep.)

ORDER

Date: 11 November 2022

1. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) has filed the present Petition on 29 August 2022 seeking approval for adoption of tariff for long term power procurement from 132.75 MW solar projects selected through competitive bidding process under Section 63 of the Electricity Act 2003 under component A of ‘Pradhan Mantri Kisan Urja Suraksha Evam Uthhan Mahabhiyan’ (PM-KUSUM) from 0.5 to 2 MW capacity projects connected to distribution network, for meeting the Solar Renewable Purchase Obligations.
2. **MSEDCL’s main prayers are as follows:**
“
 - a) *To admit the Petition as per the provisions under Section 63 of the Electricity Act (EA), 2003.*
 - b) *To accord approval for adoption of tariff as mentioned in table under para 3.4 and signing of PPA with successful bidder for 132.75 MW solar power as discovered through Competitive bidding conducted by MSEDCL.*
 - c) *To accord approval to make this power eligible for meeting the Solar RPO requirement of MSEDCL.*...”
3. **MSEDCL in its Case has stated as follows:**
 - 3.1 The Government of India on 08 February 2019 launched PM KUSUM Scheme and issued guidelines on 22 July 2019 for implementation of decentralized solar projects with capacity 0.5 to 2 MW under Component-A. Guidelines dated 22 July 2019 provide for standard PPA document.

3.2 MNRE on 13 January 2021 had sanctioned 500 MW capacity to MSEDCL under Component-A for FY 2020-21.

3.3 Details of the previous Tenders and responses under PM-KUSUM-A scheme are depicted in table below:

Sr No	Name of Scheme	Tender floated (MW)	Bid Capacity received (MW)	Capacity finalized (MW)	Remarks
1	PM KUSUM-A	500	12.5	12.5	Tariff adoption done in Case No 9 of 2022, Case No 23 of 2022, Case No 51 of 2022 & Case No. 114 of 2022 respectively
2		487	46.75	31.75	
3		444	13	10.5	
4		445	15	14	
			87.25	68.75	

3.4 Again, to complete remaining capacity, MSEDCL floated tender for cumulative balance capacity for long term procurement of 431 MW solar power with ceiling rate of Rs. 3.10 per unit through competitive bidding (E-reverse auction) under KUSUM-A Component through its web portal i.e. www.mahadiscom.in on 06 May 2022.

3.5 The pre-bid meeting was conducted on 13 May 2022. The last date of Bid submission was 13 June 2022.

3.6 27 bids were received with a total cumulative capacity of 139.25 MW. Technical bids were opened on 13 June 2022 and during technical scrutiny of bid documents following bidders are disqualified:

Sr. No.	Name of Bidder	Capacity per Location MW	Remarks
1	Mr. Pradeep Dhawale	1	Turnover not matched as per eligibility criteria
2	Mr. Rahul Deshmukh	0.5	BG towards EMD not submitted
3	Mr. Rajnesh Sunnap	0.5	Net worth is provided based on unaudited accounts
4	Mr. Sachin Sarode	2.0	
5	M/s.Windigo Techno Projects Pvt. Ltd.	2.0	Net worth is not as per eligibility criteria
	Total	6	

3.7 Financial bids for 22 qualified bidders (132.75MW) were opened on 29 July 2022. The details are as below:

Sr. No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1	T-01	M/s. Anand Industries	1	3.10
2		Mr. Anand Kumbhar	1	
3		M/s. Ashish Industries	1	
4		Mr. Ashutosh Wankhade	2	
5		Mr. Ashwin Chaurasiya	0.5	
6		Mr. Balkant Vyavahare	0.75	
7		Ms. Chitra Dhunke	1	
8		M/s. D.K. Electricals Services	2	
9		Mr. Durgesh Jaiswal	0.5	
10		Ms. Meena Rajendra Kondhare	2	
11		Mr. Krishna Kalantri	0.5	
12		Ms. Latabai Harode	1	
13		Mr. Mahendra Milmlile	2	
14		M/s. NACOF	106	
15		Mr. Nilesh Kale	2	
16		Ms. Pallavi More	1.5	
17		Mr. Rahul Bagde	1	
18		Mr. Satish Kothale	2	
19		Mr. Siddharth Jain	2	
20		M/s. Sumangala Enterprises	1	
21		Mr. Vijay Umathe	1	
22		Mr. Waman kale	1	
		Total	132.75	

3.8 MSEDCL submitted the present Petition for adoption of above-mentioned Tariff for 132.75MW solar power discovered through competitive bidding process under Section 63 of the Electricity Act, 2003.

4. At the e-hearing through video conferencing held on 4 November 2022, the Petitioner reiterated its submissions made in the Petition. None of the Respondent raised any objection to the Petition.

Commission's Analysis and Rulings

5. MSEDCL has filed this Petition for adoption of tariff discovered for 132.75 MW Solar project under PM-KUSUM Component-A scheme selected through competitive bidding

process under Section 63 of the Electricity Act, 2003.

6. The Commission notes that under component A of KUSUM-A, Solar PV project of 0.5 to 2 MW capacity is to be setup by farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations & Water User associations. Option of independent developer setting up such a project by taking land from the framers on lease agreement is also available under this scheme. MNRE has sanctioned 500 MW capacity under KUSUM-A scheme for MSEDCL. Under this scheme, MSEDCL is eligible for procurement-based incentive of Rs. 0.40 per unit or Rs. 6.6 lakh per MW of installed capacity, whichever is less, for a period of 5 years from CoD of the project.
7. Accordingly, MSEDCL floated a tender for procurement of 500 MW Solar power under PM-KUSUM Component-A wherein 0.5 to 2 MW of solar projects are to be setup and connected to 11 or 22 kV level in MSEDCL's substation. MSEDCL fixed ceiling rate of Rs. 3.10/kWh for this bidding process. Further, MSEDCL used model PPA provided by MNRE for bidding purpose without any deviation.
8. As MSEDCL has received less response against bid capacity, it re-floated the tender for remaining capacity. Details of Bids floated, discovered tariff and its adoption Order by the Commission till date are tabulated below:

Sr No.	Tender floated (MW)	Bid Capacity received	Capacity finalized (MW)	Tariff Discovered (Rs per	Tariff adoption Order
1	500	12.5	12.5	3.05-3.10	16 February 2022 in Case No. 9 of 2022
2	487	46.75	31.75	2.93-3.10	25 April 2022 in Case No. 23 of 2022
3	444	13	10.5	3.10	4 May 2022 in Case No. 51 of 2022
4	445	15	14	3.05-3.10	21 July 2022 in Case No. 114 of 2022
		87.25	68.75		

9. Subsequently, MSEDCL refloated the tender for further balance capacity of 431 MW out of 500 MW. Last date for bid submission was 13 June 2022. In response, MSEDCL received 27 bids with cumulative Capacity of 139.25 MW. However, 22 out of 27 bids were found technically qualified for cumulative capacity of 132.75 MW, whose financial bids were opened on 29 July 2022.

10. Accordingly, after competitive bidding process, MSEDCL has received following tariff:

Sr. No	Tender No.	Name of Bidder	Capacity per location (MW)	Quoted Tariff (Rs/unit)
1		M/s. Anand Industries	1	3.10
2		Mr. Anand Kumbhar	1	

3	T-01	M/s. Ashish Industries	1	
4		Mr. Ashutosh Wankhade	2	
5		Mr. Ashwin Chaurasiya	0.5	
6		Mr. Balkant Vyavahare	0.75	
7		Ms. Chitra Dhunke	1	
8		M/s. D.K. Electricals Services	2	
9		Mr. Durgesh Jaiswal	0.5	
10		Ms. Meena Rajendra Kondhare	2	
11		Mr. Krishna Kalantri	0.5	
12		Ms. Latabai Harode	1	
13		Mr. Mahendra Milmile	2	
14		M/s.NACOF	106*	
15		Mr. Nilesh Kale	2	
16		Ms. Pallavi More	1.5	
17		Mr. Rahul Bagde	1	
18		Mr. Satish Kothale	2	
19		Mr. Siddharth Jain	2	
20		M/s. Sumangala Enterprises	1	
21		Mr. Vijay Umathe	1	
22		Mr. Waman kale	1	
		Total	132.75	

**106 MW is cumulative capacity of projects located at 69 different locations.*

Above discovered rate is comparable to the recently adopted Tariff (as tabulated in para 8 above) for 0.5 to 2 MW projects under PM-KUSUM (Component A).

11. Under PM-KUSUM Component-A scheme, MSEDCL will get procurement-based incentive (Rs. 0.40 per unit or Rs. 6.6 lakh per MW of installed capacity, whichever is less) from MNRE for first 5 years from CoD of the project. Therefore, apart from the fact that the tariff discovered in present bidding process is reflective of current market trends, the procurement-based incentive will further help in reducing the power purchase cost to that extent.
12. Accordingly, in line with the mandate under Section 63 of the Electricity Act 2003, the Commission deems it fit to adopt and approve tariff as highlighted in above para 10 for 132.75 MW Cumulative Solar projects on long term basis (for the period of 25 years) under PM-KUSUM Component-A scheme.
13. Having ruled as above, the Commission notes that as against bid capacity of 431MW, only 132.75 MW bids have been received. Although this is highest response received for the bidding conducted so far by MSEDCL under PM-KUSUM, still more quantum is required not only for fulfilling target of 500 MW set by MNRE but also for reducing the power purchase cost. MSEDCL, needs to take extra efforts to give adequate publicity to

the scheme/bidding process so that more and more bids are received. MSEDCL should focus on area where barren/degenerated land is available coupled with good availability of solar radiation throughout the year. This will not only help MSEDCL to increase the availability of land for implementing such solar projects, but would also provide assured rental income to farmers.

14. Hence, the following Order.

ORDER

- 1. Case No. 182 of 2022 is allowed.**
- 2. The Commission accords its approval for procurement of 132.75 MW on long term basis from solar generator as stated in Para 10. Parties shall sign the PPA based on documents published during bidding process.**
- 3. The Solar Power procured from these projects shall be eligible towards fulfilment of Maharashtra State Electricity Distribution Co. Ltd.'s Solar RPO for the respective periods.**

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary


MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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