

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2533 of 2025.

In the Matter of:

Petition under Section 63 read with Section 86 of the Electricity Act, 2003 and under Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time to time, for seeking approval of deviations from the said Guidelines.

Petitioner : Torrent Power Limited

Represented by : Mr. Jignesh Langalia and Ms. Luna Pal

CORAM:

Mehul M. Gandhi, Member

S. R. Pandey, Member

Date: 29/08/2025.

DAILY ORDER

1. The above matter was heard on 29.08.2025.
2. Mr. Jignesh Langalia, appearing on behalf of the Petitioner Torrent Power Limited (TPL) submitted that the present Petition has been filed under Section 63 read with Section 86 of the Electricity Act, 2003 and Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time to time, for approval of deviations from the Guidelines issued by Central Government for procurement of power through Firm and Dispatchable Power from Grid connected

Renewable Energy Power Projects with Energy Storage Systems and for approval of bid documents for carrying out bidding process for procurement of power from such RE Power Projects having RE generation.

- 2.1. He submitted that the Commission has notified the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 on 17.04.2010 and thereafter, the Commission made subsequent amendments to the Principal Regulations, 2010 and notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022, wherein the Commission has prescribed the minimum percentage of procurement of power from renewable energy from FY 2017-18 to FY 2024-25. The Regulations provide that targets specified for Obligated Entities for FY 2024-25 shall be continued for FY 2025-26 and onwards unless specified by the Hon'ble Commission separately.
- 2.2. He submitted that the Ministry of Power (MOP), Government of India vide Order dated 22.07.2022 has notified RPO trajectory for the period FY 2023-24 to FY 2029-30 and stated that the State Commissions may consider notifying RPO trajectory over and above the trajectory notified. Recently, the Commission has issued GERC (Procurement of Energy from Renewable Sources) Regulations, 2025 wherein the RPO trajectory specified for FY 2024-25 to FY 2029-30. Therefore, the Petitioner needs to initiate the necessary action for tying up RE power considering necessary lead time of about 24 months upto commissioning of RE project through competitive bidding.
- 2.3. He submitted that at present the Petitioner has already tied up 402.10 MW Wind Power and 645.88 MW Solar Power on long term basis. In addition, the Petitioner has also tied up 450 MW Wind Solar Hybrid Power through Competitive Bidding Process. Additionally, the Solar

Rooftop Capacity has already reached ~695.33 MW in the Petitioner's license areas during FY 2024-25. Further, the Petitioner has also signed tripartite agreement to procure 15 MW power from MSW plant which has been commissioned in October, 2024. In turn, for FY 2024 - 25, the actual RE purchase is to the tune of about ~659.74 MUs from Solar, ~765.74 MUs from Wind and ~36.04 MUs from MSW. Considering commissioning of balance 150 MW solar and 450 MW Wind Solar Hybrid, during FY 2026-27 the additional RE tie up works out to ~2,260 MUs. Thus, total generation from already tied-up sources would be ~25.18% of the likely energy requirement of the Petitioner for FY 2027-28 (i.e. 24 months from signing of PPA) which would comply with the RPO target of 20.70% specified by the Commission in the existing RPO Regulations. However, RPO Trajectory specified by the Commission of ~38.81% for FY 2027-28, there will be significant shortfall. This shortfall primarily necessitates tie-ups from new RE Capacity, particularly Wind and Solar.

- 2.4. He submitted that in order to fulfil the above shortfall, the Petitioner is required to take action to tie up renewable power, particularly Wind and Solar. Since the generation benefit from any new RE project through Competitive Bidding shall be available only after 24-30 months and the Petitioner is required to fulfil the RPO which is in increasing trend and because the tariffs of RE power are fixed for the period of 25 years, the Petitioner proposes to initiate Competitive Bidding Process followed by e-reverse auction for procurement of 200 MW Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems and with Greenshoe Option up to 100 MW. To match with the Load Profile, the Petitioner has proposed to procure Firm and Dispatchable Renewable Energy with specified quantum and hours i.e. 200 MW for 4 hours during Peak Hours + 120

MW for 8 hours during Solar Hours + 50 MW for 12 hours during balance Hours with Demand Fulfilment Ratio (DFR) of 75% to optimize its power purchase cost. Thus, Bidders are required to supply RE Power in the range of 861 Mus to 646 Mus. Thus, it will help the Petitioner to fulfil the additional RPO of at least ~646 MUs.

- 2.5. He submitted that the Ministry of Power (MoP), Govt. of India vide its Resolution dated 09.06.2023 has issued the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems, which have been amended on 17.11. 2023, 02.02.2024 and 12.02.2025. He submitted that the Petitioner TPL is seeking the approval of the Commission with respect to the following deviations in the Tender documents as compared to the guidelines by way of the present Petition.
- 2.6. He submitted that the Petitioner proposes to seek four (4) deviations in the Guidelines out of which three (3) deviations are already approved in earlier tender of Wind-Solar Hybrid and considered by the Commission in its Order dated 02.09.2024 in Petition No. 2360 of 2024.
- 2.7. With respect to 'Maximum Capacity', he submitted that the Clause 6.3 of the MoP Guidelines provides that a maximum of 50 percent of bid capacity can be allocated to a single bidder in a tender. He further submitted that capping the maximum capacity allocation to single bidder at 50% would be relevant for larger size tenders e.g. 1000-1500 MW tenders invited by SECI/NTPC, etc. who are aggregators. The Petitioner proposes to issue tender for smaller capacity. The Petitioner's objective is to get the most competitive tariff even if it is offered by a single bidder. However, this mandate to restrict capacity

allocation to single bidder to 50% would result in the distribution licensee having to pay higher tariff which would ultimately burden the consumers. Hence, it is proposed to remove this requirement in the draft RFS/PPA.

2.8. With regard to 'Generation Compensation' is concerned, he submitted that the Clause 7.5.1 of the Guidelines provides for generation compensation in case of Grid unavailability beyond 175 hours in a year. Similarly, the Clause 7.5.2 of the Guidelines provides for generation compensation for reduced offtake beyond 175 hours in a year, in case plant is available to supply power but the offtake of power is not done by the Procurer, including non-dispatch of power due to non-compliance with LPS Rules considering must run status. He further submitted that both the instances as provided in the Guidelines i.e. grid unavailability and reduced off-take are not in the control of Generator. Further, the stipulation of 175 hours on annual basis translates to significant impact on annual generation. Under these circumstances, if stipulation of backing down for 175 Hours is considered without any compensation, the developer will factor the same in the tariff irrespective of the reliability of grid or in anticipation of reduced off-take, which will invariably result in generator quoting the higher bid rates resulting into higher power purchase cost for the procurer i.e. the Distribution licensee and in turn its end consumers. Therefore, he requested the Commission to delete the stipulation of 175 hours in Clause 7.5.1 and 7.5.2 and accordingly incorporate the revised provisions in RFS/PPA.

2.9. In so far as 'Delay in Commencement of Supply of Power' is concerned, he submitted that Clause 14.3 of the Guidelines provides for penalties on the Generator due to delay in commencement of supply of power. He

submitted that competitive bidding is a long drawn and time-consuming process. Having discovered the competitive rates for supply of RE power to meet renewable power obligation of the licensee, it would be counter-productive to terminate un-commissioned capacity in case same is due to genuine reasons as the Petitioner would have to once again repeat the entire process. Further, the revised draft targets for renewable power are very steep and in order to comply with the same, it is beneficial to continue with the capacity delayed if same is due to genuine reason and commercially prudent. Accordingly, in the interest of the licensee and its consumers, it would not be appropriate to terminate the balance capacity not commissioned by SCSD. In turn, option should be provided to the Petitioner to assess the ground reality and subject to mutual discussion, decide as to continue with the PPA or terminate the balance capacity subject to approval of the Commission. In view of the above, he requested the Commission to add following provision at the end of the Clause 14.3 and accordingly incorporate the same in RFS/PPA.

“14.3....

However, TPL-D may allow the further extension subject to mutual discussion & Successful Bidder(s) concurrence to comply with the appropriate commercial mechanism as may be required by the Power Procurer and subject to approval by the Appropriate Commission.”

- 2.10. Further, with regard to ‘Delay in Commissioning of power supply on Account of Delay in Transmission system’ is concerned, he submitted that as establishment of new transmission network is not under the direct control of generator/seller, there are chances that project is

ready for commissioning, but evacuation facility is not ready on account of CTU/ STU/ Other delays for which generator/seller is not directly responsible. He submitted that in order to provide ample clarity to the bidders, it is necessary to incorporate an additional point for “Delay in commissioning on account of delay in Transmission system” in the RFS/PPA and accordingly, requested the Commission to allow the Petitioner to incorporate the following provisions:

“.....

Delay in Commissioning of power supply on Account of Delay in Transmission system

The GNA is required to be obtained by TPL, subsequent to grant of connectivity, in case there is a delay in grant/operationalization of GNA by the CTU/STU and/or there is a delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the CTU/STU network until SCOD of the Project, and it is established that:

- a) The Power Producer has complied with the complete application formalities as per the Detailed Procedure as issued by the CTU/STU.*
- b) The Power Producer has adhered to the applicable regulations/procedures in this regard as notified by the CERC/CEA.*
- c) The delay in grant of GNA by the CTU/STU and/or delay in readiness of the ISTS/STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS/STU network, is a factor attributable to the CTU/transmission licensee and is beyond the control of the Power Producer.*

The above shall be treated as delays beyond the control of the Power Producer and SCOD for the Project shall be received as the date as on 60 days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or grant/operationalization of GNA. Decision on requisite extension of SCOD on account of the above factor shall be taken by TPL.

In case of delay in commencement of power supply from the Project due to reasons beyond the reasonable control of the Power Producer, TPL may extend the SCOD after examining the issue on the case-to-case basis. In case of change of Project location(s) by the Power Producer, extension request(s) under this clause shall be dealt by TPL on case-to-case basis.

Further, in case of delay in commencement of power supply on account of reasons solely attributable to the Power Producer, resulting in any Liquidated Damages/penalty levied on the TPL including transmission charges under the GNA regulations and/or applicable regulation as notified by CERC, such damages/penalty shall be passed on to the Power Producer.”

2.11. Mr. Chetan Bundela, appearing on behalf of the Petitioner, while referring the covering letter dated 07.08.2025 submitted that the RfS Bid submission deadline is 30.08.2025 and requested the Commission to permit the Petitioner to proceed with the bidding since after 30.08.2025, utilisation of domestic component will become mandatory. He submitted that such mandate for domestic component will in turn result in increase in cost and increase the tariff. He reiterated that the Commission has already considered and approved three (3) deviations out of the four (4) in past tenders and for the fourth deviation regarding termination, the Petitioner shall consider the same only subject to approval of the Commission. He requested the Hon’ble Commission to grant its approval for the proposed deviations.

2.12. Based on the above, he submitted that the Petitioner has filed present Petition for approval of deviations from the guidelines issued by Central Government for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems in accordance with the provisions of the respective guidelines and for approval of bidding documents. Moreover, the Petitioner has also prayed to allow issuance of fresh tender with the proposed

deviations as an interim measure during pendency of the Petition and said tender to be concluded & opened only after final decision by the Commission and in accordance with the directives therein of the Commission. Accordingly, he requested that the Commission may in the interim allow the Petitioner to issue tender so that consultative process, pre-bid conference etc. can be initiated and the Petitioner will open the tender after the Commission accords its approval to deviations and the Draft Bidding Documents in accordance to the deviations as may be approved.

3. We have considered the submissions made by the Petitioner. We note that the Petitioner is a distribution licensee and incorporated under the Companies Act, 1956 and is engaged in the business of generation and distribution of electricity and filing the present Petition in its capacity as distribution licensee of its license areas in Gujarat. The present Petition is filed under Section 63 read with Section 86 of the Electricity Act, 2003 and under Clause 17 read with Clause 3.1.1 of the Guidelines for Tariff based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems notified by Ministry of Power, Govt. of India on 09.06.2023 as amended from time to time, for seeking approval of deviations from the said Guidelines.

- 3.1. We note that as per Section 63 of the Electricity Act, 2003 the Commission is empowered to adopt the tariff discovered under Competitive Bidding Process in accordance with the provisions of this Act. Section 86 (1) (b) states that the State Commission shall regulate the power procurement of the Distribution Licensees, including (i) the procurement process, (ii) the price at which electricity shall be purchased and (iii) agreement for purchase of power and such power

supply to the distribution licensees of the State by the generating company or the licensees or other sources. Thus, it is apparent that the Commission has jurisdiction to decide the matter and accordingly, we decide to admit the Petition.

3.2. We note that the present Petition has been filed by the Petitioner seeking approval of deviations from the Guidelines issued by Central Government for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems and for approval of bid documents for carrying out bidding process for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems. Hence, we are of view that it is necessary for the Petitioner to issue public notice in two daily newspapers, one in English language and one in vernacular language i.e., Gujarati, inviting suggestions and objections on the present Petition from the stakeholders and thereafter, the Commission shall decide the matter after considering the suggestions/objections received from the public.

3.3. Accordingly, we hold that a public hearing shall be conducted to take into consideration the views/comments/suggestions/objections of the stakeholder before deciding the present matter. The Petitioner is, therefore, directed to issue a public notice in one daily Gujarati Newspaper and one English Newspaper having wide circulation in the State/National level stating that they have filed Petition No. 2533 of 2025 before the Commission for approval of deviations from the Guidelines issued by Central Government for Procurement of Firm and Dispatchable Power from Grid connected Renewable Energy Power Projects with Energy Storage Systems and for approval of bid documents for carrying out bidding process for procurement of power

from such projects. The Petitioner is also directed to upload the present Petition with all the documents on its website and invite comments and suggestions from the stakeholders on the Petition on affidavit on or before 10 days from the date of issuance of public notice. The Petitioner shall also state in the public notice that the stakeholders/objectors shall file their objections/suggestions in the Petition to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, 3 Zone 5, GIFT City, Gandhinagar - 382355 in five copies along with affidavit in support of their submissions with a copy to the Petitioner within 10 days from the date of issuance of public notice. Upon receipt of the comments/views/objections/suggestions from the stakeholders, the Petitioner is at liberty to file its reply, if any, to the Commission. The staff of the Commission is also directed to upload the Petition along with all relevant documents on the website of the Commission after compliance affidavit of issuing public notice and uploading of Petition is filed by the Petitioner along with copy of public notices issued by the Petitioner is provided to the Commission and invite comments/suggestions from the stakeholders.

- 3.4. We also direct the staff of the Commission to provide the copy of representation, if any, received in the present matter to the Petitioner to enable filing reply/response to the same and to inform/issue hearing notice for the present Petition to such stakeholders/objectors who file their submissions/objections/comments before the Commission in the matter.
- 3.5. We note that the Petitioner stated that in the present Petition, four deviations have been sought from the Standard Provisions in the bidding documents. Out of these four deviations, three deviations have already been approved by the Commission while adopting tariff in

GUVNL bidding process. Thus, there is only one deviation which is new need to be approved by the Commission.

3.6. We note that during the hearing, the representative for the Petitioner TPL submitted that Bid submission deadline of the RfS is 30.08.2025 and requested the Commission to permit the Petitioner to proceed with the bidding since after 30.08.2025, utilisation of domestic component will become mandatory. Accordingly, the Petitioner has requested that the Commission may grant the interim 'In-Principle' approval to the Petitioner TPL to proceed with the bidding process by issuing tender so that consultative process, pre-bid conference etc. can be initiated and the Petitioner will open the tender subject to the final approval of deviations by the Commission. Accordingly, we are of the view to accord the approval to deviations and the Draft Bidding Documents in accordance to the deviations as sought by the Petitioner in the present Petition as 'In-Principle' subject to final approval in the matter. Accordingly, we decide that as the time period is short, we grant 'In-Principle' approval for deviations sought by the Petitioner so that the Petitioner can issue tender and consultative process as well as other aspects can be undertaken. However, we make it clear that the same shall be subject to final decision of this Commission in the present matter.

4. Next date of hearing will be intimated separately.

5. Order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.

Date: 29/08/2025.