

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2098 of 2022.

In the Matter of:

Petition under Section 86 read with Section 63 of the Electricity Act, 2003 for approval of deviations from the Guidelines issued by Central Government for procurement of power through Tariff based Competitive Bidding Process from Grid connected Renewable Energy Sources i.e., Wind, Solar and Wind-Solar Hybrid Projects and for approval of bid documents for carrying out bidding process for procurement of power from Hybrid Power Projects having RE generation with co-located Energy Storage Systems.

Petitioner : Gujarat Urja Vikas Nigam Limited (GUVNL)

Represented By : Mr. K. P. Jangid and Mr. K. B. Mistry

CORAM:

**Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member**

Date: 09/06/2022.

DAILY ORDER

1. The present matter was heard on 07.06.2022.
2. Mr. K. P. Jangid, appearing on behalf of the Petitioner Gujarat Urja Vikas Nigam Limited (GUVNL) submitted that the present Petition has been filed under Section 86 read with Section 63 of the Electricity Act, 2003 for approval of deviations from the Guidelines issued by Central Government for procurement of power through Tariff based Competitive Bidding Process from Grid connected Renewable Energy Sources i.e., Wind, Solar and Wind-Solar Hybrid Projects with mandatory installation of 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 with co-located Energy Storage Systems.
 - 2.1. It is submitted that the Petitioner has also sought 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.

- 2.2. It is also submitted that the Commission has notified Guidelines for Procurement of Power by distribution licensees in 2013, wherein; it is also stated that approval of the Commission shall be sought in the event of any deviations sought from the bidding conditions contained in the MoP Guidelines.
- 2.3. It is submitted that the Petitioner on behalf of its four distribution companies has been entering into agreements for procurement of power from Wind and Solar energy projects through Competitive Bidding Process conducted from time to time. However, with increasing share of renewable energy in the overall capacity mix, issues of Grid management are eminent and likely to increase in near future. Moreover, requirement of power in order to cater morning & evening peak is higher compared to off-peak hours and problems of load management arise on account of there being considerable difference in demand during said periods. Therefore, in order to avoid the same there is a need for gradually & progressively promoting grid connected renewable energy storage systems for large scale integration of RE with stability of grid. With said objective, the Petitioner desires to float the tender for purchase of 500 MW power from RE sources with mandatory installation of Energy Storage Systems (ESS) for which draft bidding documents have been prepared by the Petitioner filed with the Petition.
- 2.4. It is also submitted that options are given to the developers under the tender would be for 500 MW RE Power with co-located energy storage systems wherein developers can install the projects with one of the three combinations, viz, (i) Wind Power Projects with Co-located Energy Storage Systems, (ii) Solar Power Projects with Co-located Energy Storage Systems, and (iii) Wind-Solar Hybrid Projects with Co-located Energy Storage Systems. Accordingly, the Petitioner is not specifying any particular type but the objective of the Petitioner is to procure power at least cost/tariff.
- 2.5. It is submitted that the time periods from 06-09 hours in the morning and 18-24 hours in the evening have been designated as peak hours. Out of these peak hours, 2 hours in morning and 4 hours in evening on each day would be selected in which the developer will be mandatorily required to supply 3 MWh energy during said

peak hours/periods for every 1 MW of contracted capacity for which the developer may install Battery Energy Storage Systems or Pump Storage Hydro Power Systems or any other Storage Systems along with RE project. Peak power will be purchased at tariff discovered through competitive bidding whereas Off Peak power will be purchased at fixed rate of Rs 2.29 / unit, which is the rate discovered previously in the reverse auction conducted on 16.03.2022 in GUVNL's Solar tender dated 03.01.2022. Although, presently, the bidding documents are prepared with aforesaid provisions but considering variations arising on seasonal basis or other changes, the Petitioner may modify the same.

2.6. It is further submitted that the Central Government has notified various guidelines under Section 63 of the Electricity Act, 2003 relating to procurement of power from Renewable Energy projects from time to time being (i) Dated 03.08.2017 & amendments thereto for Solar energy, (ii) Dated 08.12.2017 & amendments thereto for Wind energy and (iii) Dated 14.10.2020 & amendments thereto for Wind-Solar Hybrid energy. Accordingly, the tender documents have been prepared with a view to align the provisions of same with the Guidelines of tariff based competitive bidding process issued by the Government of India for purchase of power from respective RE sources i.e. Wind or Solar or Wind-Solar Hybrid Projects. Although, separate guidelines for storage are there but same are independent and not for renewable energy plus storage. Thus, there are no guidelines at present for procurement of power from Energy Storage Systems which are included as part of the RE project.

2.7. It is submitted that all other provisions of the bid documents are in accordance and in consonance with the aforesaid Guidelines issued by Central Government read with deviations approved by the Commission in case of Solar projects and Wind projects. However, the Petitioner is seeking deviations / modifications viz., (i) Payment Security Fund, (ii) Change in Law; (iii) Force Majeure and (iv) Delay in commissioning on account of delay in LTA operationalization from the respective guidelines applicable to each RE source.

2.8. It is further submitted that in the tendering process proposed by the Petitioner, the projects can be connected with STU sub-stations or CTU sub-stations. However, the delivery point is proposed at GETCO Periphery and all transmission charges &

losses upto delivery point are to be borne by the project developers. Further, the changes in transmission charges & losses are not covered under 'Change in Law' provisions and the bidders are required to take into consideration the transmission charges & losses upto delivery point while placing bids.

- 2.9. It is also submitted that as per the guidelines, there is provision of Payment Security Fund whereby the procurer has to deposit in said fund but in present case, the Petitioner being ultimate buyer makes payment to the generator directly. Also, track record of the Petitioner in payments being very good and in order to avoid blocking of funds & cost thereto, the Petitioner is seeking said deviation.
- 2.10. Moreover, the Commission has already approved certain deviations in 'Change in Law' provision and the Petitioner is seeking deviation proposed in this matter in order to provide clarity to the prospective bidders and avoid disputes in future. It is submitted that 'Change in Law' provision in the guidelines are wide and creates ambiguity and hence, the Petitioner has sought deviation so that certainty is provided to the bidders while quoting tariff and factoring any perceived risk.
- 2.11. It is further submitted that as per bidding documents, connectivity to project proponents is allowed with STU (GETCO) network or ISTS network. But in order to have parity in evaluation of bids on account of waiver of transmission charges on ISTS, deviation is sought. Also, in case of projects connected to STU grid, GETCO is required to publish a list of already commissioned sub-stations and sub-stations which are in advanced stages having spare capacity of RE integration and bidders may choose their sub-station from such list published by GETCO. Since, the connectivity is granted in existing sub-stations / sub-stations in advanced stages, the issues of delay & consequent extension do not arise in case of STU connectivity. However, in case of CTU connectivity, it is proposed in the tender that the bidders are required to choose their sub-station considering physical progress of sub-station to avoid the issues of delay & extension and the delay in commissioning of the sub-station will not be a ground for extension in the project timelines.
- 2.12. It is submitted that in order to avoid the delay in commissioning of projects which adversely affects all the stakeholders including project developer, procurer and consumers, the Petitioner has proposed to exempt from the Clause 17.4 of the Wind-Solar Hybrid Guidelines and seeking approval of the Commission for the

deviation from the Clause 17.4 of the guidelines issued by Central Government for procurement of power from Wind-Solar Hybrid projects and approve the clause proposed by Petitioner in the Petition.

- 2.13. It is submitted that the Petitioner has filed the present Petition for approval of deviations from the guidelines issued by Central Government for procurement of respective RE Source i.e. Wind along with co-located ESS, Solar along with co-located ESS and Wind-Solar Hybrid along with co-located ESS 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, 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.
- 2.14. In response to the time-lines provided in the bidding documents, it is submitted that for Hybrid time period of 24 months and for Solar / Wind time period of 18 months is mentioned and with regard to whether any similar Petition has been undertaken in other States by filing Petition before other States Commissions, it is submitted that there is no such Petition filed in other States regarding the deviations from the guidelines issued by Central Government for procurement of respective RE Source i.e. Wind along with co-located ESS, Solar along with co-located ESS and Wind-Solar Hybrid along with co-located ESS in accordance with the provisions of the respective guidelines and for approval of bidding documents.
3. We have considered the submissions made by the Petitioner. We note that the Petitioner is a licensee carrying out bulk purchase and bulk sale of electricity on behalf of the State-owned distribution licensees. The present Petition is filed under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003 for approval of deviations from the Guidelines issued by Central Government for procurement of power through Tariff based Competitive Bidding Process from Grid connected Renewable Energy Sources i.e., Wind, Solar and Wind-Solar Hybrid Projects and for approval of bid documents for carrying out bidding process for procurement of

power from Hybrid Power Projects having RE generation with co-located Energy Storage Systems.

- 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 power through Tariff based Competitive Bidding Process from Grid connected Renewable Energy Sources i.e., Wind, Solar and Wind-Solar Hybrid Projects and for approval of bid documents for carrying out bidding process for procurement of power from Hybrid Power Projects having RE generation with co-located 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. 2098 of 2022 before the Commission for approval of deviations from the Guidelines issued by Central Government for procurement of power through Tariff based Competitive Bidding Process from Grid connected Renewable Energy Sources i.e., Wind, Solar and Wind-Solar Hybrid Projects collocated 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 15 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 15 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. The next date of hearing will be intimated separately.
4. We order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.
Date: 09/06/2022.