



Chhattisgarh State Electricity Regulatory Commission
Irrigation Colony, Shanti Nagar, Raipur - 492 001 (C.G.)
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Petition No. 05 of 2018(M)

In the matter of:

Adoption of tariff for purchase of short term TOD power varying from quantum 200 MW to 300 MW during Jan' 18, Feb' 18 and March' 18 and 400 MW RTC power during March' 18 through competitive bidding process in accordance with guidelines issued by Govt. of India under section 63 of the Electricity Act 2003 and approval for purchase beyond ceiling rates prescribed by Commission for this purpose during 2017-18.

Present: Narayan Singh, Chairman

Arun Kumar Sharma, Member

Order

(Dated 22 January, 2018)

CSPDCL filed the petition for adoption of tariff for purchase of short term TOD power varying from quantum 200 MW to 300 MW during Jan' 18, Feb' 18 and March' 18 and 400 MW RTC power during March'18.

To meet out the gap in power supply the petitioner wants to purchase power through competitive bidding process in accordance with guidelines issued by Govt. of India under section 63 of the Electricity Act 2003 and approval for purchase beyond ceiling rates prescribed by Commission for this purpose during 2017-18

The proposal of CSPDCL is as under;

Purchase of additional quantum of TOD power ranging between 200 MW to 300 MW during various time blocks on month to month basis during January'18 to March'18:-

(i) January'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	300 MW	January'18	06.00 to 10.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.38
				Manikaran Power Ltd.	50 MW	4.38
				TATA Power Trading Co. Ltd.	50 MW	4.43
2.	200 MW	January'18	10.00 to 12.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.38
				Manikaran Power Ltd.	50 MW	4.38
				TATA Power Trading Co. Ltd.	50 MW	4.43
3.	250 MW	January'18	17.00 to 20.00	TATA Power Trading Co. Ltd.	50 MW	5.30

(ii) February'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	250 MW	February'18	05.00 to 11.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.40
				Manikaran Power Ltd.	50 MW	4.40
2.	250 MW	February'18	17.00 to 21.00 hrs	TATA Power Trading Co. Ltd.	150 MW	4.50

(iii) March'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1.	250 MW	March'18	18.00 to 24.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.37
				TATA Power Trading Co. Ltd.	150 MW	4.37

Purchase of additional quantum of 400 MW on RTC basis during March'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	400 MW	March'18	00.00 to 24.00 hrs	TATA Power Trading Co. Ltd.	57 MW	4.08
				TATA Power Trading Co. Ltd.	50 MW	4.08
				TATA Power Trading Co. Ltd.	100 MW	4.08
				TATA Power Trading Co. Ltd.	50 MW	4.08
				GMR Energy Trading Ltd.	100 MW	4.08
				NTPC Vidyut Vyapar Nigam Ltd.	200 MW	4.09

2. Para 11.4 of the guidelines No. 23/25/2011-R&R (Vol-III), dtd. 30th March 2016 issued by Government of India is reproduced below;

"11.4 If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission. In all other cases, the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff within 2 days from the date of signing of PPA, Appropriate Commission should communicate the decision within 7 days from the date of submission of petition."

Accordingly, petition no. 5 of 2018 was registered.

3. In support of the short term power requirement, CSPDCL submitted following facts;
- that petitioner is distribution licensee in the State of Chhattisgarh with universal obligation to supply electricity to all consumers. In discharge of this duty it has to purchase electricity through various sources which have been designated under Tariff order and other approvals notified by CSERC every year. Accordingly, the Commission has approved an anticipated requirement of 1000 MU under short-term power purchase to meet-out the consumer demand in the tariff order dated 31.03.2017.
 - that in order to exercise aforesaid duty a continuous process to forecast demand supply gap between availability of generation and consumer peak

demand is undertaken, wherein enhanced consumer demand due to seasonal changes along with Annual overhauling (AOH) of DSPM Korba unit No.1 of 250 MW during 03.01.2018 to 25.01.2018 which is likely to be extended, delay in commissioning of unit No.1 of NTPC LARA STPS leading to reduction in 400 MW availability from long term agreement are the prominent reasons resulting into an anticipated gap of 200 MW to 650 MW during various time blocks in January'18 to March'18. Due to this reason petitioner would require to purchase additional power on TOD (various time blocks in which demand exceeds the availability) basis during January'18, February'18 & March'18 and RTC power (all round the clock) specifically during March'2018.

- that it would be pertinent to mention that present market scenario prevailing in power sector in country where a day ahead transaction under Energy Exchange would certainly exceed during January'2018 to March'2018 because of anticipated seasonal changes countryside. Availability of power at affordable prices would be uncertain and indefinite and likely to be costlier during aforesaid period. Hence purchase of additional power at lowest rates discovered through DEEP portal during aforesaid period would commercially be beneficial and in the best interest of consumers of the State.
- that taking into the above important facts into consideration petitioner has decided to purchase short term TOD power varying from quantum 200 MW to 300 MW during Jan'18, Feb'18 & March'18 and 400 MW RTC power during March'18 through competitive bidding process in accordance with guidelines issued by Govt. of India under section 63 of Electricity Act 2003. The bidding process comprise of issuance of RfP, e-auction, Reverse auction, evaluation of bids and selection of lowest bidder.
- that petitioner has undergone need based short-term power purchase on month to month basis after obtaining approval of the Commission during 2017-18. The actual quantum, amount and rates towards short term power purchase till the filing of this petition (April'17 to November'17) is respectively 1161.72 MU's, 386.89Cr and Rs.3.33 per unit.
- that petitioner would place LOI to the eligible bidders towards TOD power during January'18 to March'18 subject to condition of its fair assessment by the petitioner about actual requirement of power on the basis of demand supply gap.

With facts as narrated above, CSPDCL has requested for approval of purchase of short term RTC & TOD power above benchmark rates and adoption of tariff for the period Jan'18 to March'18.

4. The petitioner also seeks interim relief on following grounds to enable the petitioner to purchase additional power of quantum as per requirement from the eligible bidders at discovered rates.
 - that under universal supply obligation, petitioner is bound to supply electricity to consumers at a tariff determined by the Commission; and
 - that expenditure of petitioner towards power purchase are subjected to regulatory approval; and
 - that guidelines notified by Govt. of India under section 63 stipulates approval of CSERC in case of quantum and rates exceeding the limits prescribed by Commission for that year; and
 - that rates of short-term power considered by the Commission as benchmark rates are based upon commercial and financial inputs of 2012-13; and
 - that Rs. 2.60 per unit rates prescribed for short-term purchase under Tariff Order dated 31.03.2017 did not foresee the present market crisis prevailing in the power sector; and
 - that the rates arrived under process of DEEP portal are to be adopted by CSERC by virtue of overriding effect of Section 63 of Electricity Act 2003.

Hence, it would be considerable to review the benchmark rates of Rs.3.10 per unit RTC and Rs.3.25 per unit (peak power) for short- term purchase of additional power during 2017-18

5. For disposal of the petition, a regulatory process (stakeholder consultation) was conducted. Comments and suggestions were invited from stakeholders vide public notice dated 09/01/2018 in local news papers "Haribhumi" and "Central Chronicle". A copy was also served to the State Energy Department and members of the State Advisory Committee. Hearing was held on 15.01.18 at 03:30 PM at the Commission's office. List of persons who attended public hearing is annexed with this order.

Commission's Analysis and Descision

6. Considering the demand of the State and tentative availability of power, it appears that there will be power requirement to meet the load. Taking into consideration all relevant aspect and to ensure proper power supply to consumers of the State, the Commission hereby makes the order to purchase short-term power as proposed by CSPDCL which is as under for the period of 23.01.2018 to 31.03.2018.

Purchase of TOD power from 23.01.2018 to 31.03.2018:-

(i) January'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	300 MW	January'18	06.00 to 10.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.38
				Manikaran Power Ltd.	50 MW	4.38
				TATA Power Trading Co. Ltd.	50 MW	4.43
2.	200 MW	January'18	10.00 to 12.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.38
				Manikaran Power Ltd.	50 MW	4.38
				TATA Power Trading Co. Ltd.	50 MW	4.43

(ii) February'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	250 MW	February'18	05.00 to 11.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.40
				Manikaran Power Ltd.	50 MW	4.40
2.	250 MW	February'18	17.00 to 21.00 hrs	TATA Power Trading Co. Ltd.	150 MW	4.50

(iii) March'18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	250 MW	March'18	18.00 to 24.00 hrs	NTPC Vidyut Vyapar Nigam Ltd.	100 MW	4.37
				TATA Power Trading Co. Ltd.	150 MW	4.37

Purchase of RTC power from 01.03.18 to 31.03.18:-

S.N.	Required Quantum	Month	Time Block	Name of bidder	Offered quantum	Rate (in Rs.)
1	400 MW	March'18	00.00 to 24.00 hrs	TATA Power Trading Co. Ltd.	57 MW	4.08
				TATA Power Trading Co. Ltd.	50 MW	4.08
				TATA Power Trading Co. Ltd.	100 MW	4.08
				TATA Power Trading Co. Ltd.	50 MW	4.08
				GMR Energy Trading Ltd.	100 MW	4.08
				NTPC Vidyut Vyapar Nigam Ltd.	200 MW	4.09

Sd/-
(Arun Kumar Sharma)
MEMBER

Sd/-
(Narayan Singh)
CHAIRMAN

List of persons attended hearing on 15.01.2018

Sl. No.	Name	Organisation/ Designation
1	Shri D.S. Bhagat	CE (RA & PM) CSPDCL
2	Shri V.P. Kaushal	EE (PM) CSPDCL
3	Shri V.A. Deshmukh	EE O/o CE (RA & PM) CSPDCL
4	Shri Kumar Saheb	SBPIL, Raipur