



Suo-Motu Petition No. 37 of 2017(M)

In the matter of:

Adoption of tariff determined through competitive bidding process in accordance with guidelines issued by Govt. of India under section 63 of the Electricity Act 2003

Present: Narayan Singh, Chairman

Arun Kumar Sharma, Member

Order

(Dated August 29, 2017)

CSPDCL vide Letter No. 02-02/ACE-I/1409 dtd: 05.08.17 submitted a proposal for adoption of tariff determined through competitive bidding process in accordance with guidelines issued by GoI under section 63 of the Act for short term procurement of power to meet its power requirement for period of 08.08.2017 to 31.10.2017. According to CSPDCL, the rates of short-term power have been discovered through DEEP e-bidding portal route. CSPDCL has requested for approval of purchase of TOD power as the rates discovered in bidding is above benchmark rates.

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, a suo-motu petition no 36 of 2017 was registered based on CSPDCL letter no. 1409 dtd 05.08.2017. For disposal of the petition,

a regulatory process (stakeholder consultation) was conducted. Comments and suggestions were invited and hearing was held on 14.08.2017. One of the participant Mr. Shyam Kabra objected the suo-motu proceedings by the Commission and submitted that CSPDCL should file petition with all the details of power availability so that the consumers can make proper suggestions/ objections/ comments.

Mr. Kabra also submitted that as per Guidelines dated 30.3.2016 provided by Government of India on above matter, it is clearly mentioned that the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff. He suggested that CSPDCL should be asked to file a review/ amendment petition on above subject matter with complete details, demand forecast, availability, shortage and financial impact of procurement, efforts to procure short-term power from alternative platform such as power exchanges, unrequisioned power of CGS, CGP/IPP of State, other sources.

The suggestions of Mr Kabra was agreed and CSPDCL was directed to file a petition with all the details by 16.08.2017.

3. CSPDCL submitted petition on 16.08.17 for adoption of tariff determined through competitive bidding process in accordance with guidelines issued by GoI under section 63 of the Act for short term procurement of power to meet its power requirement for period of 08.08.2017 to 31.10.2017. According to CSPDCL, the rates of short-term power have been discovered through DEEP e-bidding portal route and comprise of RfP, e-auction, reverse auction, evaluation of bids and selection of lowest bidder.

CSPDCL has desired approval of purchase of TOD power above benchmark rates and adoption of tariff as follows;

S.No.	Month	Time block	Quantum	Rate	Trader	Supplier
1	08.08.2017-31.08.2017	18:00 to 23:00	300 MW	3.74	PTC India Ltd./74475	JNSTPP(MP)
		23:00 to 24:00	300 MW	3.14	PTC India Ltd./74475	JNSTPP(MP)
2	01.09.2017-30.09.2017	18:00 to 23:00	200 MW	3.74	PTC India Ltd./74475	JNSTPP(MP)
		23:00 to	100 MW	3.54	PTC India	JNSTPP(MP)

S.No.	Month	Time block	Quantum	Rate	Trader	Supplier
		24:00			Ltd./74475	
3	01.10.2017-31.10.2017	18:00 to 23:00	300 MW	3.32	PTC India Ltd./74475	JNSTPP(MP)
		23:00 to 24:00	200 MW	3.33	PTC India Ltd./74475	JNSTPP(MP)

As per CSPDCL, LoI has been issued to those bidders who have quoted below the bench mark rates specified by the Commission. Same is tabulated as under;

S.No.	Month	Time block	Quantum	Rate	Trader	Supplier
1	08.08.2017-31.08.2017	00:00 to 05:00	150 MW	2.94	PTC India Ltd./74475	JNSTPP(MP)
			150 MW	2.95	PTC India Ltd./74488	Teesta Urja Ltd. TUL (Sikkim)
		05:00 to 10:00	200 MW	2.77	PTC India Ltd./74475	JNSTPP(MP)
		10:00 to 13:00	100 MW	2.82	PTC India Ltd./74475	JNSTPP(MP)
		13:00 to 18:00	100 MW	2.77	PTC India Ltd./74475	JNSTPP(MP)
2	01.10.2017-31.10.2017	00:00 to 05:00	200 MW	2.95	PTC India Ltd./74475	JNSTPP(MP)
		05:00 to 10:00	150 MW	2.89	PTC India Ltd./74475	JNSTPP(MP)

4. In support of the short term power requirement of 100 MW to 300 MW, CSPDCL submitted following facts;

- that as per Commission's Order dated 25.05.2017 in P No 21 of 2017, LOI has been issued to the approved agencies for RTC power from July 2017 onwards, however disallowance of TOD power and forced/planned outages of central and State generating stations resulted to gap of around 200 MW to 400 MW during various time of the day. It is submitted that it's difficult to fill this gap through power purchase from power exchanges and URS resulting in load shedding. CSPDCL has provided details of the anticipated power position for August to September 2017.

- Inadequate monsoon in central part of the State has led to increased uses of air-conditioners, agriculture pump sets resulting in demand of 4000 MW and more.
- Quantum of short term power procured in FY 2017-18 till July 2017 is approx 227 MU which is within the approved quantum as specified in Tariff Order for the year 2017-18.

With facts as narrated above, CSPDCL has requested for approval of purchase of TOD power above benchmark rates and adoption of tariff and also sought interim Order in this regard.

5. CSPDCL's petition has been registered as P No 37 of 2017 on 16.08.2017. Considering the facts and circumstances of increased power demand due to poor rain in the State, ongoing festival seasons (Janmastami Utsav, Ganesh Puja), less power availability from long-term sources, an interim order was issued exercising the powers conferred under section 86(1)(b), 94(2) of the Act and clause 14(2) of the guidelines dated March 22, 2006. This interim order was limited to purchase of short-term power for the period of 17.08.2017 to 31.08.2017 only.
6. For disposal of the petition, a regulatory process (stakeholder consultation) was conducted. Comments and suggestions were invited from public and members of the State advisory committee and hearing was held on 24.08.2017. List of persons attended hearing are enclosed herewith this order.
7. During the hearing dated 24.08.2017, Mr. Pramod Dubey, Mayor, Raipur and representative of State Govt. in Energy Dept Mr. M S Ratnam agreed to the CSPDCL proposal of short term power requirement in view of the prevailing circumstances. The representative of State government explained about power situation arising due to shortfall in rains and requested that in the interest of public the proposal of CSPDCL may be agreed.
8. Another participant Mr. Shyam Kabra submitted power shortage has arisen due to weather conditions. He suggested that power purchase on RTC and TOD basis must be planned very cautiously. There should also be contingency plan to deal with worse situations. Brief of the submission made by Mr. Kabra is as follows;

- As per direction of the Commission in Suo motu P No 21 of 2017, present petition lacks on information about sincere efforts made by CSPDCL to procure power from alternative platform such as power exchanges, unrequisioned/ unallocated power of CGS, CGP/IPP of State , other sources etc.
- Several CPPs situated within the State have surplus unutilized capacity and are willing to sell their power to CSPDCL at the prescribed Benchmark Rates, but no efforts have been made to garner such electricity. Hence, such CPPs should be given priority while purchasing Short Term Power (RTC/TOD). Moreover, several IPPs who have obligation to supply concessional power to CSPDCL are not supplying RTC power as per the terms of Agreement (Example-KSK Mahanadi-Arasmeta etc). If properly worked on this, CSPDCL may get desired power within the State at cheaper rates. In such a case, there shall be further saving in terms of transmission charges and losses.
- In present circumstances, strictly following such benchmark rates prescribed in P. No. 14/2015 (weighted average rate Rs. 3.10 per unit for off-peak and Rs. 3.25 per unit for peak hours) would not be justifiable as such benchmark rates had been decided 2 years back and no revision was made to it. Hence, such Benchmark Rates may require afresh revision and the Petitioner CSPDCL may be permitted accordingly.
- If CSPDCL procuring power always above the approved weighted average rate of Rs. 2.60, then it will be difficult for CSPDCL to maintain average rate of Rs. 2.60 and consumers of the State shall be burdened with additional cost. As the petitioner didn't ask for this revision, CSERC should neither consider any amendment in the above mentioned average rate of Rs. 2.60 per unit while discharging this petition nor at the time of doing True-up for the relevant period and the allowable cost and expenses must remain as per the Tarff Order FY 2017-18.
- Industrial concentration in various parts of the State may be divided into 7 zones namely – Rajnandgaon & Durg, Bhilai, Urla, Siltara, Rest of Raipur, Bilaspur, Raigarh, and scattered weekly off-day for the purpose of electrical maintenance and scheduled/unscheduled Load Shedding may be decided to regulate demand of electricity by industrial consumers. Same approach may be adopted with other consumer categories. This will lower the

Demand during off-peak and peak hours and smoothen the Load Curve, reducing the need to procure costly power on short-term basis.

Commission's Analysis and Decision

9. The Commission agrees that there should be a concrete plan to meet power demand of the State. The Commission again directs CSPDCL to consider all such situations like outages of State generating stations, Central generating stations, renewable generating stations, weather conditions and additional power requirement due to festival etc while planning for short term power requirement in future.
10. It is felt that questions on competence of CSPDCL on planning power purchase must not be raised. However, in the interest of the State all sincere efforts should be carried out within legal framework to procure power from alternative platform such as power exchanges, unrequisioned/ unallocated power of CGS and other sources.
11. If the CPPs/IPPs situated within the State have surplus unutilized capacity and are willing to sell their power to CSPDCL, they should have been encouraged to participate in the bidding portal of GoI. The CPPs/IPPs situated within the State have supplied their surplus power earlier also at reasonable rates and the power supplied by them was purposeful in meeting power requirement of the State. As regard IPPs who have obligation to supply concessional power to CSPDCL on RTC basis, CSPDCL is directed to submit a list of such plants, quantum as per MoU and actual power scheduled by them within two weeks of this order.
12. As regard suggestions regarding review of benchmark rates (maximum ceiling rates) as prescribed in P.No.14/2014, it is to mention that present petition is for adoption of tariff determined through competitive bidding under section 63 of the Act, for short-term power purchase as the rates discovered in competitive bidding is higher than maximum ceiling rate.
13. Regarding approved weighted average price of Rs 2.60 in tariff order it is clarified that this estimated rates are based on actual cost of short-term power purchase of previous year. As power purchase cost is uncontrollable item, there would be variation in this weighted average rate depending on number of factors such as market trends, availability,

power mix etc. Short term power purchase price and quantum may vary according to the time of the day and other uncontrollable factors as narrated above and any variation shall be pass through.

14. It is to State that for demand side management, separate Regulations namely Chhattisgarh State Electricity Regulatory Commission (Demand Side Management) Regulations, 2016 has been notified. CSPDCL should look into the aspects of staggering the electrical maintenance and scheduled/unscheduled load shedding under these Regulations. It is felt that this may result in substantial reduction in peak power demand.
15. Considering the facts and circumstances of increased power demand due to poor rains in the State, festival seasons (Ganesh Puja, Navratri, Diwali etc), interrupted operation of the some of the units of State generating stations and power availability from all sources, and powers conferred under section 86(1)(b) of the Act and clause 14(2) of the guidelines dated March22, 2006, the Commission hereby makes the order to purchase short-term power as proposed by CSPDCL which is as under for the period of 17.08.2017 to 31.10.2017 which includes peak time i.e. 18:00 hrs to 23:00 hrs and 23:00 hrs to 24:00 hrs.

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		23:00 to 24:00	200 MW	3.33	PTC India Ltd./74475	JNSTPP(MP)

Sd/-
(Arun Kumar Sharma)
MEMBER

Sd/-
(NARAYAN SINGH)
CHAIRMAN

List of persons attended hearing on 24.08.2017

Sl. No.	Name	Organisation/ Designation
1.	Shri Pramod Dubey	Mayor, Raipur
1.	Shri A.K. Pradhan	Sr. DEE, TRD, Raipur
2.	Md. Noorul Hoda	Sr. SE/TRD Raipur
3.	Shri G.C. Mukherjee	Director CSPDCL
4.	Shri M.S. Ratnam	Special Secretary, ED
5.	Shri D.S. Bhagat	CE (RA & PM) CSPDCL
6.	Shri M.H. Prasad	SE (RA & DM)
7.	Shri V.A. Deshmukh	EE RAC-CSPDCL
8.	Er. Mr. Shyam Kabra	Urla Industries Association
9.	Shri K.K. Shrivastava	AE (PM) CSPDCL