

**JOINT ELECTRICITY REGULATORY COMMISSION FOR  
THE STATE OF GOA AND UNION TERRITORIES  
GURGAON**

Coram  
Dr. V.K. Garg, Chairperson  
Shri S.K. Chaturvedi, Member  
**Petition No. 72/2012**

**In the matter of**

Petition under Sections 61,62 and 86(1) of the Electricity Act 2003 and Joint Electricity Regulatory Commission (Procurement of Renewable Energy) Regulations, 2010 for approval of Power Purchase Agreement (PPA) to be executed between Electricity Department of Daman & Diu and M/s Waaree Energies Pvt. Ltd. Mumbai (Selected Bidder).

**And in the matter of**

Electricity Department Daman & Diu

..... Petitioner

**And in the matter of**

M/s Waaree Energies Pvt. Ltd, Mumbai

..... Respondent

**Order**

**Dated 17.09.2012**

1. In exercise of the powers conferred by Section 83 of the Electricity Act, 2003 the Central Government constituted a two member (including Chairperson) Joint Electricity Regulatory Commission for all Union Territories except Delhi to be known as "Joint Electricity Regulatory Commission for Union Territories" with Headquarters at Delhi as notified vide notification no. 23/52/2003- R&R dated 2<sup>nd</sup> May, 2005. Later with the joining of the state of Goa, the Commission came to be known as "Joint Electricity Regulatory Commission for the State of Goa and Union Territories" as notified on 30<sup>th</sup> May, 2008. The Joint Electricity Regulatory Commission, (for the State of Goa and Union Territories) started functioning with effect from August 2008 temporarily in the district town of Gurgaon, Haryana.

2. Electricity Department of Daman & Diu filed the present petition Under Sections 61,62 & 86(1) of the Electricity Act 2003 and Joint Electricity Regulatory Commission (Procurement of Renewable Energy) Regulations, 2010 for approval of tariff and Power Purchase Agreement (PPA) to be executed between Electricity Department of Daman & Diu and M/s Waaree Energies Pvt. Ltd. Mumbai (hereinafter referred to as the selected bidder) for procurement of renewable energy.

3. The petitioner briefly submitted that the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (hereinafter referred to as the Commission) gave following Renewable Purchase Obligations (RPO) trajectory for the petitioner for FY 2012-13:-

Year	Minimum quantum of purchase (in %) from renewable energy sources (in kWh)		
	Total	Solar	Non- Solar
2012-13	3%	0.40%	2.60%

4. The petitioner in order to meet the RPO and to promote renewable energy invited bids (under e-tendering process) under competitive bidding process to select a project developer for procurement of 5MW of solar power.

5. The petitioner has prayed that the Power Purchase Agreement to be entered with the selected bidder for the solar power project may kindly be approved and if any other information required the petitioner may be provided opportunity to supply the same.

6. On receipt of the petition, the petition is taken on record as petition no. 72/2012 on 30.4.2012. The petition was admitted on 5.5.2012.

7. The Commission issued notice for public hearing as per schedule given below:

Date & Time of Hearing	Name of News papers	Date of Publication	Venue of Public Hearings
15 <sup>th</sup> May 2012, At 11:00 AM	1.Free Press Journal 2.Vartman Pravah	14.05.2012	Swami Vivekananda Hall, Nani, Daman
17 <sup>th</sup> May, 2012, At 10:00 AM	3.Savera India Times 4. Divya Bhaskar		Community Hall, Ashok Nagar Colony, Near Sidhi Temple, Ghoghla, Diu

8. The Commission held the public hearings on the scheduled time, date and place i.e. on 15.5.2012 and 17.5.2012 at Daman & Diu.

9. In the public hearings the public at large raised oral objections that the tariff at Rs. 14.39 per unit is very high but the selected bidder did not reply to the stakeholders despite presence of representative of the petitioner in the hearings.

10. On directions of the Commission the petitioner submitted additional information in the form of affidavit dated 23.08.2012 and in sub para (a) of para 3 of the affidavit submitted as under:

*“The Electricity department has issued the tender documents adopting the competitive bidding documents used by NTPC- NVVN for procurement of solar power. There are no separate guidelines as yet issued by the Central Government for procurement of electricity from solar generators or from other renewable sources under Section 63 of the Electricity Act, 2003. In the circumstances, the Electricity Department had adopted the guidelines used by NTPC-NVNVN. The tendering process was by way of e-tender. The tender notice was published in newspapers and also posted on the website of the Electricity Department. Pursuant to the tendering process, two technical bids were received and upon verification both were found eligible. The respondent, M/s Waaree Energies Pvt. Ltd. Mumbai was found the lowest bidder.”*

11. The petitioner has stated that he used NTPC and NVVN documents for procurement of solar power. But he has not provided a copy of the tender document, the technical evaluation procedure and financial price bid evaluation procedure. It is also not clarified that whether it was one stage bid or two stage bid process. The tender notice is said to have been published in the newspapers and posted on the website of the petitioner. The petitioner has not provided a copy of the clippings of the notice or print from their website to show how the bids were submitted and how evaluation was done.

12. The petitioner has also not clarified as to whether the two bids received were technically evaluated by a properly constituted technical bid evaluation Committee and financial bid evaluation Committee. The selected bidder was found to be the lowest bidder with a tariff of Rs. 14.39kwh does not convey any conclusive meaning.

13. The petitioner in the additional information submitted in the form of affidavit dated 23.08.2012 in para no. 5 of the affidavit submitted as under:-

*“That since a long time has elapsed since the bidding process, there has been a considerable reduction in the prevalent solar tariff experienced in the neighboring state of Gujarat, Maharashtra etc. for new projects being set up. The Hon’ble Commission has also, in the recent tariff order dated 31.07.2012 passed for the Union Territory of*

*Dadra and Nagar Haveli, observed that the tariff for solar power projects have reduced in the recent past. Hon'ble Commission has, inter-alia, stated as under:*

*The Generation Cost of Solar Power per unit has come down drastically in about past one year, even Hon'ble CERC has also revised Solar Power Generation tariff vide its order on Suo- Moto petition no 35/2012 dated 27.03.2012"*

**14.** This Commission also in the order dated 27.08.2012 observed as under :

*"Commission is of the opinion that the rate quoted by the respondent of solar power is not in line with the prevailing market price and is on higher side. The petitioner in para 5 of the additional information has rightly submitted as under:-*

*The Generation Cost of Solar Power per unit has come down drastically in about past one year. Even Hon'ble CERC has also revised Solar Power Generation tariff vide its order on Suo- Moto petition no 35/2012 dated 27.03.2012."*

**15.** The petitioner in the additional information furnished in the form of affidavit dated 23.08.2012 in para 6 of the affidavit submitted as under:

*"That the Power Purchase Cost being a pass through to the consumers and the retail supply tariff, a lower power purchase cost would be to the benefit of the consumers and conversely a higher power purchase cost would be a burden on the consumers in the Union Territory of Daman & Diu."*

**16.** The Commission sent notices to the parties for hearing to be held in the Commission's head quarter at Gurgaon on 31.7.2012 at 11:00 AM.

On 31.7.2012 no one was present on behalf of the petitioner. The selected bidder was represented by Sarv Shri Hitesh Doshi, Chairman and R.K. Upadhya, Advisor, M/s Waaree Energies Pvt. Ltd, Mumbai. They orally submitted salient features of the solar plant proposed to be installed in the state of Gujarat.

**17.** The petition was again heard on 27.08.2012. On request of counsel for the petitioner one week time was given to the petitioner to submit documents. But the petitioner did not submit any other document within a week. The petitioner on 15.09.2012 sent e-mail, downloaded in the Commission on 17.09.2012 (15.09.2012 & 16.09.2012 Holidays being Saturday and Sunday), with submission that second bidder in the competitive bidding process was M/s Surana Ventures Ltd. Secunderabad and they quoted tariff @ Rs. 15.39 per KWH without discount.

**18.** It is submitted by learned counsel for the petitioner that in the bidding process for procurement of solar power conducted in January 2012, the selected bidder was found lowest bidder with tariff of Rs. 14.39 per unit. Long time has elapsed since the

bidding process and there has been considerable reduction in the prevalent solar tariff in neighboring states of Gujarat and Maharashtra etc. for new projects being set up. This Commission has also, in recent tariff order of Electricity Department UT of Dadra Nagar Haveli, dated 31.7.2012 observed that tariff for solar power projects has reduced in recent past.

- 19.** He further submitted that Power Purchase Cost has to be passed to the consumers therefore a lower power purchase cost would be to the benefit of the consumers and high power purchase cost would be a burden on the consumers in the UT of Daman & Diu.
- 20.** The respondent failed to rebut pleadings and submissions as well as objections of the stakeholders raised in the public hearings.
- 21.** After having heard both the sides at length, going through the petition and accompanied documents carefully and thoroughly and giving thoughtful consideration to rival submissions made by both the sides the Commission is of the opinion that the rate quoted by the respondent of solar power is not in line with the prevailing market price and is on higher side. The Generation Cost of Solar Power per unit has come down drastically in about past one year. Even CERC has also revised Solar Power Generation tariff vide its order on Suo- Moto petition no 35/2012 dated 27.03.2012. Therefore, a high power purchase cost would be a burden on the consumers in the UT of Daman & Diu.
- 22.** The petitioner has filed the present petition for approval of tariff and Power Purchase Agreement (PPA) to be executed between Electricity Department of Daman & Diu and M/s Waaree Energies Pvt. Ltd. Mumbai. But the petition is also not accompanied with initialed draft PPA to be approved by the Commission.
- 23.** In the light of our above discussion and observations the tariff to be agreed between the parties and to be approved by the Commission is on higher side from the prevailing rate and the petition is also not accompanied with initialed draft PPA to be approved by the Commission. So the petition is hereby dismissed.

Sd/-  
(S.K.Chaturvedi)  
Member

Sd/-  
(Dr. V.K.Garg)  
Chairperson