

POWER SECTOR



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POWER PURCHASE



» PFC CONSULTING LIMITED (PFCCL) ISSUED TENDER FOR CERTAIN GROUP OF STATES FOR THE PROCUREMENT OF AGGREGATE POWER.

- » PFCCL has issued a tender for the procurement of aggregate power for a group of states on tariff based competitive bidding for medium term procurement of power.
- » Through public and private partnership, it has invited bids for procurement and supply of 4,500 MW of power on Finance, Own and Operate (FOO) basis for five years.
- » Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) has sought the highest quantum of power of 1,500 MW whereas Gujarat Urja Vikas Nigam Limited (GUVNL) and Maharashtra State Electricity Distribution Company Limited (MSEDCL) have sought 1,000 MW each. Madhya Pradesh Power Management Company Limited (MPPMCL), Haryana Power Purchase Committee (HPPC) and New Delhi Municipal Corporation (NDMC) has sought 660 MW, 500 MW and 250 MW respectively.
- » As per bidding document, the supply of power shall commence from 1st September, 2023.

POWER PURCHASE



- » PFC Consulting Limited (PFCCL) issued tender for certain group of States for the procurement of aggregate power.

RENEWABLES



- » Karnataka saw the major boost in RE evacuation as PFC floated transmission tender for solar power evacuation in the State.
- » Madhya Pradesh has invited bid for the 13.8 GW Pumped Hydro Projects in the State.

Policy and Regulatory



- » MERC accorded approval for 150 MW of Solar tariff at ₹3.30 per unit



RENEWABLES



» **KARNATAKA SAW THE MAJOR BOOST IN RE EVACUATION AS PFC FLOATED TRANSMISSION TENDER FOR SOLAR POWER EVACUATION IN THE STATE.**

- » The PFC (Consulting), the fully owned subsidiary of Power Finance Corporation (PFC), floated the tender for the development of the ISTS transmission network for the grid integration of the solar power plant in the zone (phase-II) in Koppa-II (Phase A&B) and Gadag-II (Phase A) in Karnataka.
- » This Project will be based on the build, own, operate and transfer basis. The late date for the bid window closure is 27 July, 2023. After receiving the LOA, the successful bidder will have to submit BG amounting to ₹1.26 billion (~\$ 15.25) to the Nodal Agency.
- » The objective of the bidding is to select the bidder who will hold 100% equity share of the Special Purpose Vehicle (SPV) along with all its related assets and liabilities as per the provision of the share purchase agreement.





RENEWABLES



- The successful bidder should have experience developing infrastructure projects in the last five years with an aggregate capital expenditure of not less than ₹25.2 billion (~\$305.07 million). But the capital expenditure each project should not be less than ₹5.04 billion (~\$61.07 million).
- Moreover, the bidders should have net worth reported of not less than ₹10.08 billion (~\$122.03 million) in any of the last three financial years with no negative net worth in any of those three financial years.
- The successful bidder should apply for the grant of the transmission licence within five days after getting the acquisition of the SPV. Later, the bidder need to apply for the transmission tariff to the Hon'ble Commission.
- The successful bidder will have to commission the project in 24 months of signing the Transmission Service Agreement (TSA).





RENEWABLES



» **MADHYA PRADESH HAS INVITED BID FOR THE 13.8 GW PUMPED HYDRO PROJECTS IN THE STATE.**



» Hence, to continue with the growth, Rewa Ultra Mega Solar(RUMSL), a joint venture of Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL) and Solar Power Corporation of India (SECI) has invited bids for the development of the 13.8 GW of Pumped Storage Hydro projects in different sites across the States.

» As per the bid document, the minimum net worth of the bidder must be ₹13 million (~\$157,016)/MW of the indicated capacity during the last three financial years. Also, the bidder should have an experience of executing or operating power generation projects of capacity equivalent to 25% of the total estimated potential of the site under the bid or 500MW whichever is lower, in the last 10 years.

» The Bidders are required to submit bids for Pumped Hydro Storage higher than ₹0.10 (~\$0.0012)/kWh. The last date for bid submission is 7th June, 2023.

» Madhya Pradesh has the potential of 11.2 GW for Pumped Storage Projects, which can be increased further by developing off-river closed loop pumped storage projects and retrofitting existing hydro projects.

» Also, earlier in this month, the State issued notification to promote the Pumped Storage Hydro projects. The Guidelines contains methods for the allotment of projects sites, tax waiver, and project completion timelines.



POLICY AND REGULATORY



» **MERC ACCORDED APPROVAL FOR 150 MW OF SOLAR TARIFF AT ₹3.30 PER UNIT**



- MSEDCL had sought an approval for the tariff of ₹3.30 per unit for 150 MW solar power projects on long term basis.
- The procurement of solar power is from 2 MW to 10 MW capacity connected to the MSEDCL distribution network.
- The earlier approved tariff for the same capacity was kept under ceiling rate of ₹3.30 (~\$0.040)/kWh for decentralised projects under MSKVY which was later revised to ₹3.10 (~\$ 0.038)/kWh.
- The revised tariff later received poor response from the bidders for which the tenders has been floated considering non- ceiling rates.
- MSEDCL hence received the bids at a rate higher than ceiling rate i.e. ₹4.00 (~\$ 0.048)/kWh to ₹4.10 (~\$ 0.05)/kWh promoting the Utility to float the tender with the ceiling rates.
- Under the new tender floated, MSEDCL could successfully receive one bid for 150 MW fulfilling all the technical criterion specified by MSEDCL. The successful bidder NACOF submitted the bid in consortium with Nitin Sai Construction and Unipaam Organics.
- The Hon'ble Commission acknowledge the MSEDCL's efforts to address the response by reintroducing the tender with ceiling rates.
- The Regulator issued notice to MSEDCL for the submission of the bidder's capability and later after verification approved the tariff of ₹3.30 (~\$ 0.040)/ kWh.