

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION LUCKNOW

Petition Nos. 619, 620, 621 & 622 of 2009

IN THE MATTER OF:

Request for approval of revised scheduled delivery dates for procurement of base load Power on long term basis under Case-1 tariff based competitive bidding procedure as per guidelines issued by Government of India, by U.P. Power Corporation Ltd., as an authorized representative for:

1. Madhyanchal Vidyut Vitran Nigam Ltd. (Pet. No. 619 of 2009) - 500 MW
2. Purvanchal Vidyut Vitran Nigam Ltd. (Pet. No. 620 of 2009) - 500 MW
3. Paschimanchal Vidyut Vitran Nigam Ltd. (Pet. No. 621 of 2009) - 500 MW
4. Dakshinanchal Vidyut Vitran Nigam Ltd. (Pet. No. 622 of 2009) - 500 MW

&

IN THE MATTER OF:

U.P. Power Corporation Ltd.,
3rd floor, Shakti Bhawan Extension,
14- Ashok Marg, Lucknow.

ORDER

U.P. Power Corporation Ltd. (UPPCL) had filed Petition nos. 619, 620, 621 & 622 of 2009 for procurement of base load power up to 500 MW each for Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL), Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL), Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL) and Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL) under Case-1 Competitive Bidding Guidelines (CBG) issued by Government of India.

The proposed delivery dates for PVVNL & DVVNL were not later than 01.04.2010 and for MVVNL & PuVVNL not later than 01.04.2011. Due to short period available for delivery, single stage bidding process for Request for Qualification (RFQ) and Request for Proposal (RFP) was requested. The Commission, vide orders dt. 30.7.09, had approved the above mentioned delivery dates. In case of PVVNL & DVVNL, deviations from the standard bidding guidelines in clause 2.8.2 of RFP, to reduce the time for completion of the bidding process from 120 days to 85 days, and in clause 3.1.1 of standard Power Purchase Agreement (PPA), to reduce the specified time from 10 months to 4 months, were also allowed. The Petitioner has informed that no bids were received by them till the scheduled date of submission.

An application dt. 12.11.09 for revision of scheduled delivery dates to 1.4.2014 was made by the Petitioner with the request that if the revised delivery dates were approved by the Commission, other deviations from the Standard Bidding Documents (SBD), approved by the Commission vide orders dt. 30.7.09 would not be required.

The Commission had enquired that whether there was no need to procure power for any of the Distribution Company under Case-1 in intermediate years to mitigate the gap in the supply and demand. The Commission also enquired that whether the Petitioner has a plan to meet the supply and demand forecasts. Vide order dt. 14th December, 2009, the Petitioner was directed to revise the schedule delivery dates in accordance with the supply and demand forecasts of power for 11th and 12th plan period based on 17th Electric Power Survey by Central Electricity Authority and Energy Policy, 2009 of Govt. of U.P. and to submit the same to the Commission.

Vide submission dt. 4.1.10, the Petitioner submitted the revised scheduled delivery dates alongwith the supply and demand forecasts of power. This however did not contain data on projected additional demand forecast for next three years. The Commission therefore could not assess the actual requirement for 11th and 12th plan period. Hence, the Petitioner was directed, vide letter dt. 20.1.10, to submit within 15 days yearwise supply and demand forecasts for 11th and 12th plan period based on GoUP Energy Policy, 2009.

The Petitioner has submitted the following yearwise supply and demand forecasts on dt. 5.2.10:

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Demand (MW)	12495	14369	17243	20692	25865	31038	37246
Capacity /Availability (MW)	10136	12796	13623	16174	20256	20256	20256
Additions Planned							
Case 1 : 2000 MW			2000	2000	2000	2000	2000
Case 1 : 3000 MW					3000	3000	3000
Case2: Jawaharpur (2 x 660 MW)						467	934
Case2: Dopaha (3 x 660 MW)						467	1401
Case2: Lalitpur (3 x 660 MW)						467	1401
Anpara-E (2 x 660 MW)						467	934
Enhanced Capacity/ Availability (MW)	10136	12796	15623	18174	25256	27124	29926
Gap (MW)	-2359	-1573	-1620	-2518	-609	-3914	-7320

The Petitioner has further submitted that the Govt. of U.P. has finalized Memorandum of Undertaking (MOU) with Bajaj Hindustan for 400 MW (U.P. Share 50%), additional 1x660MW unit at Anpara C with M/s Lanco Kondapalli (U.P. Share 50%) and 2x660MW project at Fatehpur with M/s Lanco Infratech (U.P. Share 50%). Besides the Case-1, Case-2 & State sector projects listed above, other projects under Case-2, MOU route & Joint Venture (JV) route are also under identification/implementation process at Farukabad, Bargarh, Dohrighat, Fatehpur, Sandila, Chola etc. to bridge the supply-demand gap for attaining the objectives of Energy Policy 2009 of GoUP of achieving per capita electricity consumption of 1000 units (demand of 37246 MW) by 2017.

The Petitioner has requested for permission to carry out the case-1 bid process with revised scheduled delivery date as 1.4.2012. It has been further requested that in case no bids are received then the revised scheduled delivery dates would be reallocated as 1.4.2013/1.4.2014 with intimation to Hon'ble Commission. Three weeks time has been sought for bid submission against reallocated scheduled delivery dates.

In view of above, the Commission opines that it would be apt to continue with the bidding process as per CBG but with necessary modifications in the documents, if required. Since the Petitioner has complied with the directions of the Commission, it does not require any further hearing in the matter. The bids may be offered for scheduled delivery dates not later than 1.4.2012. The time allowed for RFP submission, from the date of issue of RFP, shall be four weeks and other time lines shall be as earlier approved by the Commission vide order dt. 30.7.09.

In case there is no bidder till the last date of submission of bids then the revised scheduled delivery date shall be shifted to not later than 1.4.2013 with three weeks time for submission under intimation to the Commission. Even then if there are no bids received till the scheduled submission date, the revised scheduled delivery date would be considered not later than 1.4.2014 under intimation to the Commission with further three weeks time for submission. Other time lines shall remain as approved by the Commission under order dated 30.7.09.

The Petitioner is allowed to go ahead with the bidding process as above with the direction to approach the Commission if any deviation from CBG, other than allowed, is required. The Petitioner shall inform the Commission at each stage of bid process, as specified under clause 2.8.2 of RFP.

(Rajesh Awasthi)
Chairman

Lucknow; Dated: 25th February, 2010