

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

Petition No. 2453/2025

In the Matter of:

Petition for Seeking Approval of Long-Term Hybrid RE Power Purchase Arrangement for catering the demand requirements of GIFT City licensee area by executing a Power Purchase Agreement with Successful Bidder M/s Prozeal Green Energy Limited for supply of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit for a period of 25 years discovered through Competitive Bidding EOI Process based on the provisions of 'Guidelines for Procurement of Power by Distribution Licensees' issued by the Commission and read with Section 63 and Section 86 (1) (b) of the Electricity Act-2003.

Petitioner : GIFT Power Company Limited
Represented By : Mr. Arvind Rajput with Mr. Rakesh Inala

CORAM:

**Mehul M. Gandhi, Member
S. R. Pandey, Member**

Date: 20/06/2025

ORDER

1. The present Petition has been filed by the Petitioner seeking following reliefs:
 - a) To approve the tariff of Rs. 3.70 per unit discovered through competitive bidding EOI process for procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy for a period of 25 years.
 - b) To approve the terms and conditions of Power Purchase Agreement (PPA) alongwith deviation, if any and allow the Petitioner to execute PPA with M/s. Prozeal Green Energy Limited for a period of 25 years.

2. The facts mentioned in the Petition in brief are as under:

- 2.1. GIFT Power Company Limited (GIFT PCL) is a wholly owned subsidiary of Gujarat International Finance Tec-city Company Limited (GIFT CL) incorporated under the provisions of the Companies Act 1956. GIFT PCL is a distribution licensee for the supply of electricity in the GIFT City area. The Commission granted the license for distribution of electricity vide its Order dated 6th March-2013 as per License Application No 1/2012 to GIFT Power Company Limited for catering the power requirement of GIFT City which includes both Domestic Tariff Area (DTA) and Special Economic Zone (SEZ) areas.
- 2.2. The Petitioner had initiated Power Procurement through Open Access as a Distribution Licensee from 10th May-2019 onwards. As, the power procurement process was at nascent stage and demand was yet to be stabilized, Petitioner started procuring power by having a mix of Short/Medium Term Power Purchase Agreement and Power Exchange Transactions.
- 2.3. The Section 63 of the Electricity Act-2003 provides that the Appropriate Commission shall adopt the tariff, if such tariff has been determined through transparent process of bidding and is in accordance with the guidelines issued by the Central Government.
- 2.4. As per Section 86 (1) (b) of the Electricity Act-2003, the State Commission shall regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.
- 2.5. It is submitted that the Commission in exercise of the powers conferred under Section 86 (1) (b) of the Electricity Act 2003, have framed the 'Guidelines for Procurement of Power by Distribution Licensees' vide Notification No. 2 of 2013 and issued Power Procurement Guidelines in MYT Regulations-2024.
- 2.6. It is submitted that the Petitioner being a Distribution Licensee in the State of Gujarat, needs to adhere the procedures set-forth in the afore-mentioned Guidelines.
- 2.7. The Petitioner's licensee area is completely a greenfield area and is still in development stage. Accordingly, the demand is increasing in a phased manner and is about to increase

in substantial manner in forthcoming years.

2.8. The details of present power procurement arrangement are as follows:

- a) Petitioner had executed a Power Purchase Agreement with M/s PCBL for supply of 4.00 MW RTC power on Short Term basis for meeting the base demand requirement of the licensee area through MoU route after attaining approval from the Commission vide Judgement dated 23/09/2024 and Corrigendum Order dated 30/09/2024 for Petition No. 2387/2024.
- b) Petitioner has commissioned 2.50 MW Ground Mount Solar PV Plant (Phase-1) on 28th May-2024 and another 2.45 MW (Phase-2) is under commissioning stage as per the in-principle approval granted by the Commission vide Judgement dated 21/10/2022 for Petition No. 2142/2022. The electricity generated from this Solar Plant will be a part of Power Purchase Arrangement and the transfer price of the electricity shall be claimed in the Tariff Petition as per the directions of the Commission.
- c) Petitioner also procures power from DAM/G-DAM segments in Power Exchanges on day ahead basis for meeting the variable demand and in RTM Segment on as and when need basis for meeting the peak demand requirements of the licensee area.

2.9. It is submitted that the Petitioner's licensee area is completely a greenfield area and the development is fast paced. At present it has been observed that base demand is ~ 5 MW, average demand is ~ 7.50 MW and peak demand is ~ 12 MW during FY 2024-25. As per the power demand projections, it is envisaged that base demand will be ~ 10 MW, average demand will be ~ 15 MW and peak demand will be ~ 20 MW by FY 2027-28. As per the development plan, power demand projections of next 5 years are furnished below:

Sr. No.	Financial Year	Projected Demand (in MUs)	Projected Base Demand of GIFT City (in MW)	Projected Peak Demand of GIFT City (in MW)
1	FY 2025-26	75	6	15
2	FY 2026-27	97	8	18
3	FY 2027-28	126	10	20
4	FY 2028-29	158	15	30

Sr. No.	Financial Year	Projected Demand (in MUs)	Projected Base Demand of GIFT City (in MW)	Projected Peak Demand of GIFT City (in MW)
5	FY 2029-30	198	20	40

2.10. Based on the Power Demand Projections and to fulfil Universal Service Obligation, the Petitioner has worked out a Tentative Year-wise Power Procurement Plan considering the characteristics of licensee area and the same is furnished below:

Sr. No.	Power Sourcing Mode	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Solar Generation	~7.50 MU's (4.95 MW)	~7.40 MU's (4.95 MW)	~7.30 MU's (4.95 MW)	~7.20 MU's (4.95 MW)	~7.10 MU's (4.95 MW)
2	LTOA (Hybrid)	N.A	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)
3	LTOA (SECI)	N.A	N.A	~ 43 MU's (5 MW)	~ 87 MU's (10 MW)	~ 87 MU's (10 MW)
4	STOA (Bilateral)	~ 35 MU's (4 MW)	~ 17 MU's (2 MW)	~ 17 MU's (2 MW)	N.A	~ 35 MU's (4 MW)
5	STOA (Collective)	~ 32 MU's (2 to 6 MW)	~ 30 MU's (0 to 4 MW)	~ 16 MU's (0 to 2 MW)	~ 21 MU's (0 to 2 MW)	~ 26 MU's (1 to 4 MW)
6	Total Power Purchase	75 MU's	97 MU's	126 MU's	158 MU's	198 MU's

2.11. It is submitted that as the demand of licensee area is getting stabilized, it is imperative to make Long Term Power Purchase Arrangements for meeting the demand of licensee area in a cost-effective manner and to protect against the risk of volatile power market conditions. Accordingly, the following initiatives have been undertaken by the Petitioner:

- a) Approached M/s Solar Energy Corporation of India (SECI) for provisioning 10 MW RTC Renewable Energy under Firm and Despatchable Renewable Energy (FDRE) option.
- b) Released Expression of Interest for Procurement of 9 MW Hybrid Renewable Energy (Solar & Wind) from RE Power Developers/ Generators on Long-Term Basis.

2.12. In order to ensure long term reliability of power and to mitigate the risk of fluctuating

electricity prices, Petitioner has planned to procure 9 MW Hybrid (Solar & Wind) Renewable Energy from RE Developers/Generators by executing Power Purchase Agreement (PPA) for 25 years.

2.13. The Petitioner had released the Expression of Interest (EOI) for Procurement of 9 MW Hybrid Renewable Energy (Solar & Wind) from RE Power Developers/Generators/Traders on 5th August-2024. The EOI No.: GIFTPL/Hybrid/2024-25/01 was published on GIFT's Website and Open National Competitive Bidding process was carried out by GIFT Power Company Limited where in the Bidders had to submit Sealed Bids as per Terms and Conditions specified in the EOI.

2.14. It is submitted that the Public Notice for EOI No.: GIFTPL/Hybrid/2024-25/01 was issued by Petitioner in Three leading Newspapers namely 'The Times of India', 'Business Standard' and 'The Economic Times' in all their respective National Editions on 7th August-2024.

2.15. The RE Developer/Generator shall supply power generated from Solar-Wind Hybrid Power Project under the released EOI as per the following:

- a) Quantum shall be 9 MW Hybrid Capacity (Solar & Wind) injecting in a Single Substation.
- b) Contract Period may be decided by the Participant.
- c) Delivery Point shall be STU Interconnection Point or CTU Interconnection Point.
- d) Expected CUF shall be in between 50% to 60% on Annual basis.
- e) Billing shall be on Monthly basis.
- f) Payment Security Mechanism for up to 45 days of Average Billing.

2.16. The Petitioner had received queries from total 8 Nos. of RE Developers/Generators and the same are namely Adani Group, AMPIN Energy, SunSure Energy, Fourth Partner Energy, Tata Power Renewable Energy, KP Group, Serentica Renewables and Powerica Limited.

2.17. Based on the queries received, it has been identified that few clauses need to be amended in the EOI. Therefore, Petitioner has released the Addendum for EOI with detailed revised clauses for Selection of Successful Bidder and also issued Clarifications for the Queries received. The Addendum No. 1 for EOI No.: GIFTPL/Hybrid/2024-25/01 and

Reply of Queries was released/ issued on 26th September-2024.

2.18. As per the queries received, the following were amended:

- a) Bidders shall quote Quantum up to 9.90 MW Hybrid Capacity and Power Injection has been allowed in different Sub-Stations also.
- b) Contract Period has been Fixed for 25 years.
- c) The Expected CUF has been revised in the range of 50% to 55%.
- d) Payment Security Mechanism for up to 120 days of Average Billing.
- e) Additional Clause for Performance Bank Guarantee (PBG).
- f) Additional Clause regarding Penalty for not achieving Certified CUF.
- g) Expected COD of Hybrid Project should be before 31st March-2026.
- h) Selection Criteria of Bidders have been defined by various stages.
- i) The Selection Successful Bidder will be based on the L1 Landed Cost of Electricity derived at GIFT PCL Periphery.

2.19. The Petitioner has allowed Bidders to quote Quantum up to 9.90 MW Hybrid Capacity because, few participants have submitted that their Wind Turbine Generator (WTG) size is 3.30 MW and would like to allocate entire Wind Turbine for GIFT PCL. Accordingly, if 3 Nos. of Wind Turbines are allocated then the capacity of Wind Power Plant would be 9.90 MW.

2.20. The Petitioner has amended the range of Expected CUF from 50% to 60% mentioned in EOI to 50% to 55% in EOI Addendum because, few participants have submitted that it's difficult to achieve CUF beyond 55% for Hybrid Power Plant Capacity of 9.90 MW during entire term of PPA.

2.21. The Petitioner has also incorporated the following additional clauses:

- j) Penalty Clause for not achieving certified CUF: The Successful Bidder shall be liable to pay penalty equal to 50% of the PPA Tariff for the shortfall in energy terms.
- k) Performance Bank Guarantee (PBG): The Successful Bidder shall provide PBG for a value of Rs. 6 Lakhs per MW at the time of Signing of PPA.

2.22. The Petitioner has also defined the Stage-Wise Selection Criteria of Bidders and mentioned that the Fixed Tariff Quoted by the Participant shall be evaluated based on

the Landed Cost of Electricity at GIFT PCL Periphery. The Landed Cost Calculation was tabulated separately for Intra-State Projects and for Inter-State Projects separately such that if power supply begins before 30th June-2025 then the CTU Transmission Charges are waived off as per Ministry of Power and if power supply begins after 30th June-2025 then CTU Transmission Charges shall be applicable.

2.23. The Last Date for Submission of Bids along with requisite documents in Sealed Envelopes was 18th October-2024.

2.24. Thereafter, the Petitioner had received total 4 Nos. of Bids in sealed cover from various RE Power Developers/Generators for the Expression of Interest (EOI) within the stipulated timeline of 18th October-2024 and are as follows:

- a) Clean Max Enviro Energy Solutions Private Limited
- b) SunSure Energy Private Limited
- c) AMPIN Energy Markets India Private Limited
- d) Prozeal Green Energy Limited

2.25. The Submitted Bids were opened by the Members of the Bid Opening Committee on 22nd October-2024.

2.26. The Evaluation of Pre-Conditions was carried out on 15th November-2024 as per EOI, Addendum No. 1 and Clarifications Sought. The Overall Qualification Remarks is furnished as under:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Sun Sure Energy Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Pre-Conditions Qualification Remarks	Qualified	Dis-Qualified	Qualified	Qualified

2.27. As per Clause 1.3.3 of Annexure-1 in EOI Addendum, the Expected COD of Hybrid Projects should be before 31st March-2026. However, M/s SunSure Energy has mentioned COD will be 27 Months from the Date of LOI Issuance. If LOI by GIFT PCL is issued in December-2024, the SunSure will start supply of power from March-2027. As there is a clear Bid Deviation from M/s SunSure Energy, the Participant has been Dis-Qualified while evaluating the Pre-Conditions as per clauses mentioned in EOI and

accordingly the Technical and Financial Eligibility Criteria of the Participant has not been evaluated.

2.28. The Evaluation of Technical Eligibility Criteria was carried out on 21st November-2024 as per EOI, Addendum No. 1 and Clarifications Sought. The detailed Evaluation Sheet of Technical Eligibility Criteria as per EOI and the Summary is furnished below:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Technical Eligibility Qualification Remarks	Qualified	Qualified	Qualified

2.29. The Evaluation of Financial Eligibility Criteria was carried out on 21st November-2024 as per EOI, Addendum No. 1 and Clarifications Sought. The detailed Evaluation Sheet of Financial Eligibility Criteria as per EOI is attached as **Annexure-5** and the Summary is furnished below:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Financial Eligibility Qualification Remarks	Qualified	Qualified	Qualified

2.30. The Petitioner had specified that the Fixed Tariff Quoted by the Participants shall be evaluated based on the Landed Cost of Electricity at GIFT PCL periphery. Accordingly, a Landed Cost Calculation Table was also furnished in EOI Addendum. The detailed Landed Cost Calculation Sheet as per EOI is furnished below:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Fixed Tariff Quoted for the entire term of PPA (in Rs/Unit)	3.80	3.85	3.70
Landed Cost of Hybrid RE at GIFT PCL Periphery (in Rs/Unit)	4.40	5.05	4.30
Remarks	L2	L3	L1

2.31. The Petitioner has evaluated Techno-Commercial Offer Submitted by the respective

Bidders on 27th November-2024. The Summary of the same is furnished below:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Total Capacity of the Hybrid Project	50.00 MW	50.00 MW	30.00 MW
Capacity Offered to GIFT PCL	9.90 MW	9.00 MW	9.90 MW
Source-Wise Capacity Offered	Solar : 9.90 MW Wind : 9.90 MW	Solar : 9.00 MW Wind : 6.90 MW	Solar : 9.90 MW Wind : 9.90 MW
Expected COD	Before March-2026	15 Months from receipt of LOI	February-2026
Delivery Point	Gujarat STU	CTU Periphery	Gujarat STU
Certified CUF	51%	51.88%	52%
Landed Cost of Electricity at GIFT	Rs. 4.40/Unit	Rs. 5.05/Unit	Rs. 4.30/Unit
Remarks	L2	L3	L1

2.32. The Petitioner had constituted Bid Evaluation Committee for Evaluation of Bids received in EOI No.: GIFT PCL/Hybrid/2024-25/01. The Meeting was held on 4th December-2024 and the following were recommended:

- to seek Administrative Approval of the Managing Director, for issuing Letter of Intent (LOI) to M/s Prozeal Green Energy Limited for Procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit for a period of 25 years.
- to file a Power Purchase Approval Petition before the Commission as per the Sections mentioned in Electricity Act-2003 for Adoption of Tariff Discovered and for executing Long-Term Power Purchase Agreement (PPA) with M/s Prozeal Green Energy Limited for a period of 25 years.

2.33. The Bid Evaluation Committee Certificate is also enclosed in the Petition.

2.34. Based on the recommendation of Bid Evaluation Committee, the Administrative Approval of Managing Director was taken for issuing LOI to M/s Prozeal Green Energy Limited for Procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit for a period of 25 years.

2.35. The LOI was issued to M/s Prozeal Green Energy on 13th December-2024 regarding

Selection of RE Developer under Expression of Interest (EOI) for Procurement 9.90 MW of Hybrid Renewable Energy (Solar & Wind) for 25 years.

2.36. The Petitioner is in an opinion that, the Tariff of Rs. 3.70/Unit for Procurement of 9.90 MW Hybrid Power is competitive on following aspects:

- ✓ CTU Transmission Charges and Losses are not applicable as the plant is connected to the Intra-State Transmission System (Gujarat-STU).
- ✓ CUF of 50% to 55% will be reliable and help to meet the RPO Targets.

2.37. Petitioner being a Distribution Licensee, it is a Universal Obligation to provide uninterrupted power to the consumers, which also makes it quite imperative for executing a Long-Term Open Access (LTOA) Power Purchase Agreement to cater the demand of licensee area. As a prudent practice, executing Long-Term Power Purchase Agreement is the most viable and cost-effective solution for any distribution licensee.

2.38. The Petitioner submitted that the electricity prices discovered on the Power Exchange platform are significantly high and are extremely volatile these days. Also, sometimes the market prices being discovered at ceiling limits which further results into a limited clearance of power in power exchange resulting into lower clearing ratio.

2.39. The Long-Term Power Purchase Arrangement will safeguard the Petitioner from continuous price fluctuations in Short Term Power Market (Power Exchanges) and will provide a cushion from the volatile power market conditions, which in forward will help the Petitioner in reducing the Overall Power Purchase Cost.

2.40. The Proposal for executing Long Term Power Purchase Agreement of 25 years with M/s Prozeal Green Energy Limited for Procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit was placed as an Agenda in 74th Meeting of the Board of Directors of GIFT Power Company Limited (GIFT PCL) held on 10th January-2025 and the Board has unanimously passed the resolution subject to the approval of tariff and execution of Long-Term Power Purchase Agreement (PPA) by the Commission (GERC).

2.41. After exercising commercial prudence and considering the power market volatility, the Petitioner is in a view of executing a Long-Term Power Purchase Agreement of 9.90 MW Hybrid (Solar & Wind) RE with M/s Prozeal Green Energy Limited for a period of 25

years from the Scheduled Commercial Operation Date at a Fixed Tariff of Rs. 3.70/Unit under Long Term Transmission Corridor Booking basis.

2.42. The Salient Features of Draft PPA are furnished below:

- a) The Quantum of Hybrid Power Procurement shall be 9.90 MW under Long-Term Open Access Arrangement for a period of 25 years from the Scheduled Commercial Operation Date.
- b) The Delivery Point of Hybrid Power Quantum shall be at Gujarat-STU Periphery.
- c) The CUF shall be in the range of 50% to 55% during the entire term of Power Purchase Agreement except during Force Majeure and Planned Maintenance Shutdown.
- d) The Fixed Tariff at Delivery Point shall be Rs. 3.70/Unit.
- e) Penalty to the tune of 50% of the prevailing PPA Tariff shall be applicable for shortfall in minimum generation corresponding to minimum annual CUF of 50%.
- f) The HPG shall allocate 9.90 MW of Hybrid Power Plant dedicatedly to GIFT PCL by name plating the details and shall install the RTU's at each Wind Turbine and Solar Plant dedicated to GIFT PCL.
- g) Monthly Energy Bill will be raised based on the daily schedules indicated in Gujarat SLDC portal and State Energy Account Report issued by Gujarat SLDC.
- h) The Due Date shall be 10 days from the date of receipt of Billing Invoice.
- i) Payment Security Mechanism with a value estimated up to 120 days of average billing shall be provided by GIFT PCL.

2.43. The Hybrid Project Bid Capacity for the Petitioner was 9.90 MW and it does not fall under Clause No. 3 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Project's dated 21st August-2023 issued by the Ministry of Power, Government of India for Long Term Power Procurement of Electricity from Grid connected Wind-Solar Hybrid Project. These Guidelines are applicable for Bid Capacity of 10 MW and above for the Projects connected to an Intra-State Transmission System.

2.44. Accordingly, the Petitioner requested to the Commission to Approve the Long-Term

Power Purchase Arrangement for Purchase of 9.90 MW Hybrid Renewable Energy by executing a Power Purchase Agreement with M/s Prozeal Green Energy Limited for a period of 25 years starting from the Scheduled Commercial Operation Date (SCOD) at a Fixed Tariff of Rs. 3.70/Unit. This request is being prayed in accordance with the Section 63 and Section 86 (1) (b) of the Electricity Act-2003.

2.45. Based on the facts and circumstances mentioned in this Petition, the Petitioner prayed that the Commission to consider the matter of great significance and for timely grant of Long-Term Open Access by STU.

3. The matter was heard on 17.04.2025.

4. Mr. Arvind Rajput on behalf of the Petitioner reiterated the facts as mentioned in para 2 above.

5. Heard the parties. The Petitioner has filed the present Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003. The Petitioner has sought the approval of the Commission for approval of Long-Term Hybrid RE Power Purchase Arrangement for catering the demand requirements of GIFT City licensee area by executing a Power Purchase Agreement (PPA) with successful bidders M/s. Prozeal Green Energy Ltd. for supply of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a fixed tariff of Rs. 3.70 per unit for a period of 25 years discovered through competitive bidding process.

5.1. We note that the Petitioner, being a distribution licensee, has the Universal Service Obligation to ensure uninterrupted electricity supply to the consumers within the licensee area as provided under Section 43 of the Electricity Act, 2003.

5.2. Clauses 6 and 17 of the 'Guidelines for Power Procurement by the Distribution Licensee' dated 14.08.2013 issued by the Commission are reproduced below:

“

6. The Distribution Licensee shall normally endeavor to procure power through competitive bidding. In case of any proposal for procurement of power through MoU route, the Distribution Licensee shall obtain prior approval of the GERC.

.....

17. The GERC may permit any Distribution Licensee to make purchase of power without requiring that such purchase be subject to Competitive/Open Process in the event of an unforeseen and an exceptional situation. However, the Distribution Licensee shall not, thereby, be exempted from demonstrating the need and the reason for departure from a competitive process together with the economic justification for the purchase, the means, whereby, in the absence of competition, the Distribution Licensee proposes to secure the best possible terms and such other information as the GERC may require.

.....”

- 5.3. As per aforesaid Clause 6 of the guidelines, in case, if the distribution licensee desires to procure the power through MoU route other than competitive bidding, then the Distribution Licensee needs to obtain prior approval of the Commission for such power procurement.
- 5.4. Clause 17 of the aforesaid Guidelines provides that the Commission may grant permission to the Distribution Licensee to procure power without following Competitive/Open Process in the event of an unforeseen and in an exceptional situation, subject to the Distribution Licensee demonstrating the need and reason for such departure from the competitive process together with the economic justification for the purchase. It also states that in the absence of competition, the Distribution Licensee proposes to secure the best possible terms and such other information as the Commission may require.
- 5.5. We note that the Petitioner GIFT Power Company Limited (GIFT PCL) is a wholly owned subsidiary of Gujarat International Finance Tec-city Company Limited (GIFT CL) incorporated under the provisions of the Companies Act 1956. GIFT PCL is a distribution licensee for the supply of electricity in the GIFT City area. The Gujarat Electricity Regulatory Commission granted the license for distribution of electricity vide its Order dated 6th March-2013 as per License Application No 1/2012 to GIFT Power Company Limited for catering the power requirement of GIFT City which includes both Domestic Tariff Area (DTA) and Special Economic Zone (SEZ) areas.

- 5.6. We also note that the Petitioner had initiated Power Procurement through Open Access as a Distribution Licensee from 10th May-2019 onwards. As, the power procurement process was at nascent stage and demand was yet to be stabilized, Petitioner started procuring power by having a mix of Short/Medium Term Power Purchase Agreement and Power Exchange Transactions.
- 5.7. According to the submissions of the Petitioner, as the power costs play a significant role in attracting new investment in the area and also to provide competitiveness to the existing consumers in the Global Market, the Petitioner being a distribution licensee is to source power directly from other distribution companies, generating sources, power exchanges & other power market players and get the benefit of competitive power market pricing, under various time horizons as per load requirements. The Petitioner being a Distribution licensee, is also required to comply the statutory requirements and also following the GERC Rules and Regulations to procure power under long term/ medium term/ short term arrangements under the provisions of Section 63 of the Electricity Act, 2003 and Ministry of Power (MoP) Guidelines.
- 5.8. We note that the Petitioner operates in a fully greenfield area where development is progressing rapidly. Currently, for the financial year 2024-25, the electricity demand in the area is characterized by a base demand of approximately 5 MW, an average demand of around 7.50 MW, and a peak demand reaching up to 12 MW. Looking ahead, projections indicate a significant increase in power requirements. By FY 2027-28, the base demand is expected to rise to about 10 MW, with the average and peak demands reaching 15 MW and 20 MW, respectively. This trend reflects the accelerating pace of urban and infrastructural development within the Petitioner's license area.
- 5.9. A five-year demand forecast has been prepared as per the development plan. It shows that in FY 2025-26, the projected energy consumption will be 75 MUs with base and peak demands of 6 MW and 15 MW, respectively. By FY 2026-27, demand is estimated at 97 MUs, with base and peak demands increasing to 8 MW and 18 MW. In FY 2027-28, energy demand will rise to 126 MUs, with 10 MW base and 20 MW peak demand. This upward trend continues into FY 2028-29 and FY 2029-30, where energy consumption is projected to reach 158 MUs and 198 MUs respectively, and base and peak demands are expected to climb to 15 MW and 30 MW in FY 2028-29, and 20 MW and 40 MW in FY 2029-30.

5.10. Based on the Power Demand Projections and to fulfil Universal Service Obligation, the Petitioner has worked out a Tentative Year-wise Power Procurement Plan considering the characteristics of licensee area and the same is furnished below:

Sr. No.	Power Sourcing Mode	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Solar Generation	~7.50 MU's (4.95 MW)	~7.40 MU's (4.95 MW)	~7.30 MU's (4.95 MW)	~7.20 MU's (4.95 MW)	~7.10 MU's (4.95 MW)
2	LTOA (Hybrid)	N.A	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)	~ 43 MU's (9.90 MW)
3	LTOA (SECI)	N.A	N.A	~ 43 MU's (5 MW)	~ 87 MU's (10 MW)	~ 87 MU's (10 MW)
4	STOA (Bilateral)	~ 35 MU's (4 MW)	~ 17 MU's (2 MW)	~ 17 MU's (2 MW)	N.A	~ 35 MU's (4 MW)
5	STOA (Collective)	~ 32 MU's (2 to 6 MW)	~ 30 MU's (0 to 4 MW)	~ 16 MU's (0 to 2 MW)	~ 21 MU's (0 to 2 MW)	~ 26 MU's (1 to 4 MW)
6	Total Power Purchase	75 MU's	97 MU's	126 MU's	158 MU's	198 MU's

5.11. We also note that as the electricity demand in the licensee area is becoming more stable, it has become essential to establish long-term power purchase arrangements. These measures aim to ensure reliable and cost-effective power supply while safeguarding against fluctuations in the power market. In response, the Petitioner has taken proactive steps, including approaching the Solar Energy Corporation of India (SECI) to procure 10 MW of Round-the-Clock (RTC) renewable energy under the Firm and Dispatchable Renewable Energy (FDRE) model. Additionally, an Expression of Interest (EOI) has been issued to procure 9 MW of Hybrid Renewable energy (Solar and Wind) from renewable energy developers or generators on a long-term basis.

5.12. To ensure long-term power reliability and minimize exposure to fluctuating electricity prices, the Petitioner has planned to procure 9 MW of Hybrid Renewable Energy (Solar & Wind) from Renewable Energy (RE) Developers or Generators by entering into a 25-year Power Purchase Agreement (PPA).

5.13. We note that on 5th August 2024, the Petitioner issued an Expression of Interest (EOI) No.: GFTPCL/Hybrid/2024-25/01 for the procurement of this 9 MW hybrid energy. The EOI was published on the GIFT website, and the procurement process was conducted through Open National Competitive Bidding by GIFT Power Company Limited, requiring

bidders to submit sealed bids in line with the specified terms and conditions.

5.14. To ensure wide visibility, a public notice regarding the EOI was published on 7th August 2024 in three leading national newspapers: The Times of India, Business Standard, and The Economic Times, across all their national editions. As per the EOI, the RE Developer/Generator shall supply power from the Solar-Wind Hybrid Power Project under the following terms:

- a) The capacity to be supplied shall be 9 MW Hybrid (Solar & Wind), injected at a single substation.
- b) The contract period may be decided by the participating bidder.
- c) The delivery point shall be either the STU Interconnection Point or CTU Interconnection Point.
- d) The expected Capacity Utilization Factor (CUF) shall be in range between 50% to 60% annually.
- e) Billing will occur on a monthly basis.
- f) A payment security mechanism shall be in place for up to 45 days of average billing.

5.15. We note that the petitioner has received queries from 8 Nos. of renewable energy developers, including Adani Group, AMPIN Energy, SunSure Energy, Fourth Partner Energy, Tata Power Renewable Energy, KP Group, Serentica Renewables, and Powerica Limited. In response, the petitioner identified the need to amend certain clauses in the EOI and subsequently issued an Addendum and clarifications on 26th September 2024. The key amendments include:

- a) Bidders shall quote Quantum up to 9.90 MW Hybrid Capacity and Power Injection has been allowed in different Sub-Stations also.
- b) Contract Period has been Fixed for 25 years.
- c) The Expected CUF has been revised in the range of 50% to 55%.
- d) Payment Security Mechanism for up to 120 days of Average Billing.
- e) Additional Clause for Performance Bank Guarantee (PBG).
- f) Additional Clause regarding Penalty for not achieving Certified CUF.
- g) Expected COD of Hybrid Project should be before 31st March-2026.
- h) Selection Criteria of Bidders have been defined by various stages.

- i) The Selection Successful Bidder will be based on the L1 Landed Cost of Electricity derived at GIFT PCL Periphery.

5.16. The Petitioner has set 9.90 MW hybrid capacity limit because some participants wanted to allocate entire wind turbines, each of 3.30 MW, to GIFT PCL, resulting in a total capacity of 9.90 MW with three turbines.

5.17. Thereafter, the Petitioner has amended the range of Expected CUF from 50% to 60% mentioned in EOI to 50% to 55% in EOI Addendum because, few participants have submitted that it's difficult to achieve CUF beyond 55% for Hybrid Power Plant Capacity of 9.90 MW during entire term of PPA.

5.18. The Petitioner has also incorporated the following additional clauses:

- a) Penalty Clause for not achieving certified CUF:

The Successful Bidder shall be liable to pay penalty equal to 50% of the PPA Tariff for the shortfall in energy terms.

- b) Performance Bank Guarantee (PBG):

The Successful Bidder shall provide PBG for a value of Rs. 6 Lakhs per MW at the time of Signing of PPA.

5.19. The Petitioner has also defined the Stage-Wise Selection Criteria of Bidders and mentioned that the Fixed Tariff Quoted by the Participant shall be evaluated based on the Landed Cost of Electricity at GIFT PCL Periphery. The Landed Cost Calculation was tabulated separately for Intra-State Projects and for Inter-State Projects separately such that if power supply begins before 30th June-2025 then the CTU Transmission Charges are waived off as per Ministry of Power and if power supply begins after 30th June-2025 then CTU Transmission Charges shall be applicable. The Last Date for Submission of Bids along with requisite documents in Sealed Envelopes was 18th October-2024.

5.20. We note that the Petitioner had received total 4 Nos. of Bids in sealed cover from various RE Power Developers/Generators for the Expression of Interest (EOI) within the stipulated timeline of 18th October-2024 and are as follows:

- a) Clean Max Enviro Energy Solutions Private Limited
- b) SunSure Energy Private Limited
- c) AMPIN Energy Markets India Private Limited

d) Prozeal Green Energy Limited

5.21. The Petitioner has submitted that the bids for procurement of 9 MW Hybrid Renewable Energy (Solar & Wind) were officially opened on 22nd October 2024 by the appointed Bid Opening Committee.

5.22. The Petitioner has submitted that the evaluation of pre-conditions took place on 15th November 2024, following the guidelines of the EOI, Addendum No. 1, and additional clarifications sought during the process. Four bidders were evaluated:

- a) M/s CleanMax Enviro Energy Solutions Pvt. Ltd. – *Qualified*
- b) M/s Sun Sure Energy Pvt. Ltd. – *Disqualified*
- c) M/s Ampin Energy Markets India Pvt. Ltd. – *Qualified*
- d) M/s Prozeal Green Energy Ltd. – *Qualified*

5.23. We note that based on the above, M/s Sun Sure Energy Pvt. Ltd. was disqualified due to a clear deviation from Clause 1.3.3 of Annexure-1 in the EOI Addendum. This clause mandates that the expected Commercial Operation Date (COD) must be before 31st March 2026. However, Sun Sure indicated that COD would be 27 months from the issuance of the Letter of Intent (LOI), which, assuming issuance in December 2024, results in a COD around March 2027.

5.24. Consequently, M/s Sun Sure's bid was disqualified at the pre-condition stage, and their technical and financial eligibility was not further evaluated. The Petitioner has submitted that the evaluation of the technical eligibility criteria was conducted on 21st November 2024. The assessment was made in accordance with the EOI, Addendum No. 1. The outcome of the evaluation confirmed that all three remaining bidders— M/s CleanMax, M/s Ampin, and M/s Prozeal—Qualified under the technical eligibility requirements.

5.25. We note that the financial eligibility criteria were also evaluated on 21st November 2024 for the same three qualified bidders. As per the criteria specified in the EOI and subsequent addendum, all three bidders— M/s CleanMax Enviro Energy Solutions Pvt. Ltd., M/s Ampin Energy Markets India Pvt. Ltd., and M/s Prozeal Green Energy Ltd.—Qualified under the financial eligibility requirement.

5.26. We note that the Petitioner had specified the Fixed Tariff Quoted by the Participants

shall be evaluated based on the Landed Cost of Electricity at GIFT PCL periphery. Accordingly, a Landed Cost Calculation Table was also furnished in EOI Addendum. The detailed Landed Cost Calculation Sheet as per EOI is furnished below:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Fixed Tariff Quoted for the entire term of PPA (in Rs/Unit)	3.80	3.85	3.70
Landed Cost of Hybrid RE at GIFT PCL Periphery (in Rs/Unit)	4.40	5.05	4.30
Remarks	L2	L3	L1

5.27. The Petitioner has also evaluated Techno-Commercial Offer Submitted by the respective Bidders on 27th November-2024. The Summary of the same is furnished as under:

Particulars	M/s CleanMax Enviro Energy Solutions Pvt. Ltd.	M/s Ampin Energy Markets India Pvt. Ltd.	M/s Prozeal Green Energy Ltd.
Total Capacity of the Hybrid Project	50.00 MW	50.00 MW	30.00 MW
Capacity Offered to GIFT PCL	9.90 MW	9.00 MW	9.90 MW
Source-Wise Capacity Offered	Solar : 9.90 MW Wind : 9.90 MW	Solar : 9.00 MW Wind : 6.90 MW	Solar : 9.90 MW Wind : 9.90 MW
Expected COD	Before March-2026	15 Months from receipt of LOI	February-2026
Delivery Point	Gujarat STU	CTU Periphery	Gujarat STU
Certified CUF	51%	51.88%	52%
Landed Cost of Electricity at GIFT	Rs. 4.40/Unit	Rs. 5.05/Unit	Rs. 4.30/Unit
Remarks	L2	L3	L1

5.28. We also note that the Bid Evaluation Committee was duly constituted for the purpose of evaluating the bids received under Expression of Interest (EOI) No.: GIFT PCL/Hybrid/2024-25/01. The committee convened its meeting on 4th December 2024 to deliberate on the evaluation results and to recommend the next course of action based on the outcomes of the technical and financial assessments.

5.29. We note that the technical bid was evaluated by the Technical Committee constituted by the Petitioner on 04.12.2024. The Bid Evaluation Committee constituted by the Petitioner consists of the following officials:

Sr. No.	Name	Designation
1	Shri Arvind Rajput,	Chief Operating Officer
2	Shri Avichal Khera	Chief Financial Officer (GIFT PCL)
3	Shri Ketan Pancholi	Chief Financial Officer (GIFT PCL)

5.30. As per technical evaluation report of the said Committee, it is observed that bid received was technically qualified and technical evaluation report signed by the Members of the Bid Evaluation Committee is filed by the Petitioner, which is reproduced below:

"Minutes of the Bid Evaluation Committee Meeting for Expression of Interest

(EOI) released for Procurement of 9 MW Hybrid Renewable Energy (Solar & Wind) on Long-Term basis from RE Developers/ Generators/ Traders

Held on 4th December-2024 in GIET House Conference Room

Bid Evaluation Committee:

- 1. Shri Arvind Kumar Rajput, Chief Operating Officer,*
- 2. Shri Avichal Khera, Chief Financial Officer (GIFT CL),*
- 3. Shri Ketan Pancholi Chief Financial Officer (GIFT PCL),*

Background:

In view of the growing demand in GIFT city and fulfilment of RPO, GIFT PCL has released Expression of Interest (EOI) for Procurement of 9 MW Hybrid (Solar & Wind) Renewable Energy for meeting the increased demand of licensee area.

The EOI was released on 5th August-2024 in GIFT's Website and Open National Competitive Bidding process was carried out by GIFT Power Company Limited where in the Bidders have to submit Sealed Bids as per Terms and Conditions specified in the EOI.

Invitation for Submission of Bids:

The Notice Inviting EOI for GIFT PCL/Hybrid/2024-25/01 was issued by GIFT PCL in Three leading National Newspapers in all their respective Editions on 7th August-2024 and are as follows:

- The Economic Times (All Editions): Ahmedabad, Mumbai, New Delhi, Pune, Chennai, Bangalore, Jaipur, Lucknow, Chandigarh, Hyderabad, Bhopal, Kolkata.*
- Business Standard (All Editions): Ahmedabad, Mumbai, Kolkata, Chennai, Bangalore, New Delhi, Pune, Jaipur, Lucknow, Chandigarh, Hyderabad, Bhopal, Kochi, Bhubaneswar.*

(iii) *Times of India (All Editions): Ahmedabad, Mumbai, Kolkata, Chennai, Bangalore, Mangalore, Mysore, Nagpur, Bhubaneswar, Coimbatore, Delhi, Goa, Hyderabad, Jaipur, Kanpur, Kerala, Lucknow, MP, Patna, Vijayawada, Madurai/ Trichy, Visakhapatnam.*

Reply of Queries / Addendum Issued:

GIFT PCL have received queries from total 8 nos, of RE Developers/ Generators and the same were namely Adani Group, AMPIN Energy, SunSure Energy, Fourth Partner Energy, Tata Power Renewable Energy, KP Group, Serentica Renewables and Powerica Limited.

Based on the queries received, it has been identified that few clauses need to be amended in the EOI. Therefore, GIFT PCL has released the Addendum No. 1 for EOI on 26th September-2024 with detailed revised clauses for Selection of Successful Bidder and also, have issued Clarifications for the Queries received. The Last Date for Submission of Sealed Bids was 18th October-2024.

Opening of Bids / Bids Evaluation:

GIFT PCL had received total 4 Nos. of Sealed Bids from various RE Power Developers/Generators for the Expression of Interest (EOI) within the stipulated timeline of 18th October-2024 and are as follows:

- 1. Clean Max Enviro Energy Solutions Private Limited*
- 2. SunSure Energy Private Limited*
- 3. AMPIN Energy Markets India Private Limited*
- 4. Prozeal Green Energy Limited.*

The Submitted Bids were opened in the presence of Members of the Bid Opening Committee on 22nd October-2024.

The Evaluation of Pre-Conditions as per EOL, Addendum No. 1 and Clarifications Sought was carried out on 15th November-2024.

The Evaluation of Technical and Financial Eligibility Criteria was carried out on 21st November-2024.

The Evaluation of Techno-Commercial Offer Submitted by Bidders was carried out on 27th November-2024.

Recommendation by the Bid Evaluation Committee:

The Committee hereby certifies that the bid process evaluation is done in transparent manner and as per the Terms and Conditions specified in EOI Documents. During Evaluation, it has been noted that M/s Prozeal Green Energy Limited emerged as a Successful Bidder for supplying 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit for a period of 25 years.

It is recommended to seek Administrative Approval of the Managing Director, for issuing Letter of Intent (LOI) to M/s Prozeal Green Energy Limited for Procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit for a period of 25 years.

Also, it is recommended to file a Power Purchase Approval Petition before Hon'ble GERC as per the Sections mentioned in Electricity Act-2003 for Adoption of Tariff Discovered and for executing Long-Term Power Purchase Agreement (PPA) with M/s Prozeal Green Energy Limited for a period of 25 years.

Conformity by the Bid Evaluation Committee:

The Bid Process followed by GIFT PCL is in accordance with 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects' dated 21st August-2023 issued by the Ministry of Power, Government of India for Long Term Power Procurement of Electricity from Grid connected Wind-Solar Hybrid Project.

The Hybrid Project Bid Capacity for GIFT PCL was 9.90 MW, which does not fall under Clause No. 3 of the above-mentioned Guidelines. The above-mentioned Guidelines are applicable for Bid Capacity of 10 MW and above for the Projects connected to an Intra-State Transmission System.

Sd/-	Sd/-	Sd/-
Shri Arvind Kumar Rajput	Shri Avichal Khera	Shri Ketan Pancholi
Chief Operating Officer	Chief Financial Officer	Chief Financial Officer
	(GIFT PCL)	(GIFT PCL)

.....”

- 5.31. The Petitioner has submitted that during the said meeting, the Bid Evaluation Committee carefully reviewed all relevant documentation, including qualification results, bid submissions, and proposed tariffs. After detailed discussions, the committee recommended the issuance of a Letter of Intent (LOI) to M/s Prozeal Green Energy Limited for the procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a fixed tariff of Rs. 3.70 per unit, for a duration of 25 years.
- 5.32. Moreover, the Bid Evaluation Committee also recommended seeking Administrative Approval from the Managing Director for proceeding with the issuance of the LOI to M/s Prozeal Green Energy Limited.
- 5.33. In line with the recommendations of the Committee, and in compliance with the provisions of the Electricity Act, 2003, it intends to file an appropriate Power Purchase Approval Petition before the Gujarat Electricity Regulatory Commission. The purpose of the petition is to seek regulatory approval for the adoption of the discovered tariff and for obtaining permission to execute a Long-Term Power Purchase Agreement (PPA) with M/s Prozeal Green Energy Limited for a 25-year period.

5.34. We also note that the Proposal for executing Long Term Power Purchase Agreement of 25 years with M/s Prozeal Green Energy Limited for Procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy at a Fixed Tariff of Rs. 3.70/Unit was placed as an Agenda in 74th Meeting of the Board of Directors of GIFT Power Company Limited (GIFT PCL) held on 10th January-2025, and the Board has unanimously passed the resolution subject to the approval of tariff and execution of Long-Term Power Purchase Agreement (PPA) by the Commission, which reads as under:

“

CERTIFIED COPY RESOLUTION PASSED IN THE 74th MEETING OF THE BOARD OF DIRECTORS OF GIFT POWER COMPANY LIMITED HELD ON FRIDAY, 10th JANUARY, 2025, AT 1200 HOURS AT THE GIFT HOUSE, GIFT CITY, GANDHINAGAR-382355.

APPROVAL FOR EXECUTING LONG TERM POWER PURCHASE AGREEMENT OF 25 YEARS WITH M/S PROZEAL GREEN ENERGY LIMITED FOR PROCUREMENT OF 9.90 MW HYBRID (SOLAR & WIND) RENEWABLE ENERGY

"RESOLVED THAT the Board do hereby approves procurement of 9.90 MW Hybrid (Solar & Wind) Renewable Energy from M/s Prozeal Green Energy Limited for a period of 25 years at a fixed tariff of Rs. 3.70/Unit subject to the approval of tariff and execution of Long-Term Power Purchase Agreement (PPA) by Hon'ble Gujarat Electricity Regulatory Commission (GERC)."

"RESOLVED FURTHER THAT Mr. Arvind Kumar Rajput Authorized Signatory of the Company be and is hereby authorized to sign the Power Purchase Agreement with M/s Prozeal Green Energy Limited and to file the petition before Hon'ble GERC and sign all applications, affidavits, petitions, agreements and to do all necessary acts, deeds and things as may be required for obtaining the Long Term Open Access approval from Gujarat Energy Transmission Corporation (GETCO) for wheeling of 9.90 MW Hybrid (Solar & Wind) Renewable Energy from Hybrid Power Plant of M/s Prozeal Green Energy Limited as approved by Hon'ble GERC."

For GIFT Power Company Limited

Sd/-

Company Secretary

Ramya Pandya

Membership No: A28491....."

5.35. The salient features of the Draft Power Purchase Agreement (PPA) for the procurement of 9.90 MW Hybrid Renewable Energy are outlined below, which have been carefully designed to ensure both operational efficiency and financial viability for all stakeholders:

- a) The quantum of Hybrid Power procurement under the agreement shall be 9.90 MW. This procurement will be arranged under a Long-Term Open Access (LTOA) arrangement for a period of 25 years, starting from the Scheduled Commercial Operation Date (SCOD).
- b) The delivery point for the Hybrid Power quantum will be located at the Gujarat-STU Periphery, ensuring proper integration into the state transmission system.
- c) The Capacity Utilization Factor (CUF) for the hybrid power supply will range from 50% to 55% during the entire term of the PPA, except in cases of Force Majeure or Planned Maintenance Shutdown, ensuring a reliable and predictable energy output.
- d) The fixed tariff for the hybrid power procurement at the delivery point shall be Rs. 3.70 per unit, which has been mutually agreed upon by the parties.
- e) In case of a shortfall in minimum generation, where the minimum annual CUF of 50% is not achieved, a penalty of 50% of the prevailing PPA tariff shall be applied. This measure ensures that the power generation is consistent and meets the expected energy supply levels.
- f) The Hybrid Power Generator (HPG) shall allocate 9.90 MW of the Hybrid Power Plant dedicated exclusively to GIFT Power Company Limited (GIFT PCL). The details of this allocation will be clearly mentioned in the PPA. Additionally, the HPG will install Remote Terminal Units (RTUs) at each Wind Turbine and Solar Plant dedicated to GIFT PCL to ensure real-time monitoring and control of the power generation.
- g) The monthly energy bills will be raised based on the daily schedules indicated on the Gujarat State Load Despatch Centre (SLDC) portal and the State Energy Account Report issued by Gujarat SLDC, ensuring transparency and accuracy in billing.
- h) The due date for the payment of the energy bills will be 10 days from the date of receipt of the billing invoice, ensuring timely settlement of payments.
- i) A payment security mechanism will be implemented by GIFT PCL, with a value estimated up to 120 days of average billing, providing a financial safeguard for both parties.

5.36. We also note that the Petitioner has after exercising commercial prudence and considering the power market volatility, the Petitioner is in a view of executing a Long-Term Power Purchase Agreement of 9.90 MW Hybrid (Solar & Wind) RE with M/s Prozeal Green Energy Limited for a period of 25 years from the Scheduled Commercial Operation Date at a Fixed Tariff of Rs. 3.70/Unit under Long Term Transmission

Corridor Booking basis.

5.37. The Hybrid Project Bid Capacity for the Petitioner was 9.90 MW and it does not fall under Clause No. 3 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Project's dated 21st August-2023 issued by the Ministry of Power, Government of India for Long Term Power Procurement of Electricity from Grid connected Wind-Solar Hybrid Project. These Guidelines are applicable for Bid Capacity of 10 MW and above for the Projects connected to an Intra-State Transmission System. Accordingly, the Petitioner requested to the Commission to Approve the Long-Term Power Purchase Arrangement as detailed hereinabove for Purchase of 9.90 MW Hybrid Renewable Energy by executing a Power Purchase Agreement with M/s Prozeal Green Energy Limited for a period of 25 years starting from the Scheduled Commercial Operation Date (SCOD) at a Fixed Tariff of Rs. 3.70/Unit in accordance with the Section 63 and Section 86 (1) (b) of the Electricity Act-2003.

5.38. The present petition has been filed seeking approval of the Power Purchase Agreement (PPA) between the Petitioner and M/s Prozeal Green Energy Limited for procurement of 9.90 MW of hybrid renewable energy (wind-solar) for a period of 25 years at a fixed tariff of Rs. 3.70/unit, in accordance with Clause No. 3 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind-Solar Hybrid Projects dated 21st August 2023 issued by the Ministry of Power, Government of India, and under Section 63 and Section 86(1)(b) of the Electricity Act, 2003.

5.39. We also note that as a Distribution Licensee, it has a universal obligation to ensure uninterrupted power supply to consumers, making the execution of a Long-Term Open Access (LTOA) Power Purchase Agreement essential to meet the growing demand in its licensee area. It has further stated that electricity prices on the Power Exchange are currently highly volatile and often reach ceiling limits, resulting in reduced power clearance and increased uncertainty. Therefore, entering into a Long-Term Power Purchase Arrangement is a prudent and cost-effective strategy to protect against market volatility and stabilize power procurement costs in the long run.

5.40. We have noted the submissions of the Petitioner, the provisions of the Guidelines, and

the relevant sections of the Electricity Act, 2003. The approved tariff is reasonable and in public interest, and the project will contribute to the state's renewable energy targets and energy security. The approval is also in line with similar orders issued by other State Commissions, where the focus has been on promoting renewable energy procurement through transparent and competitive processes, even in cases where there were minor deviations from standard thresholds.

5.41. We note that rationality of tariff discovery is generally analyzed on the basis of prevailing market prices. Hence, as analyses hereinabove the discovered tariff of Rs 3.70 per kWh under the present tender is within the prevailing market range and the same is also approved by the Petitioner's Bid Evaluation Committee.

5.42. We note that in the National targets for RE that the Government of India has commitment in revised Nationally Determined Contribution (NDC) at global level, 50% of total electrical installed capacity of the Country is to be tied up from non- fossil fuel-based energy sources by 2030. Moreover, RPO targets are notified from time to time. DISCOMs are mandated to fulfil the same and non-compliance of the same would result into penalties in accordance with the Regulations/Guidelines. Thus, substantial RE capacity addition would be required in future years in order to comply with the RPO targets specified by the Commission from time to time.

5.43. We note that as per Clause 10.2 of the 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects' dated 28.07.2023 issued by the Ministry of Power, Government of India, after the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids has to certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS. As already noted above, the Petitioner in compliance to aforesaid clause has certifying that the Committee has critically evaluated the bids and that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS.

5.44. We also note that the Ministry of Power, Government of India had notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 on 22.02.2021. The said Rules are superseded by the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 on 03.06.2022. The aforesaid Rules, 2022 provides that this Rules are in

supersession of earlier notified Electricity (Late Payment Surcharge and Related Matters) Rules, 2021 except as respects things done or omitted to be done before such supersession. The said Rules would apply for the outstanding dues of generating companies, Inter-State transmission licensees and electricity trading licensees after the notification of the Rules on 03.06.2022 and accordingly, applicable in the present matter. We note that the Petitioner has issued EoI No. GIFT PCL/Hybrid/2024-25/01 dated 05.08.2024 for procurement of 9MW Hybrid Renewable Energy (Solar & Wind) from RE power developers.

5.45. It is stated in the said Rules, 2022 that the Central Government in exercise of powers conferred by Section 176 (1) of the Electricity Act, 2003 and in supersession of the Electricity (Late Payment Surcharge) Rules, 2021 except as respects things done or omitted to be done before the supersession has notified Electricity (Late Payment Surcharge) Rules, 2022 which has to come in force on the date of its publication in the Official Gazette. i.e., from 03.06.2022 onwards. In this regard, we are of view that as per provisions of bidding guidelines, the distribution licensee or intermediary procurer has to approach the Commission for adoption of tariff discovered under Competitive Bidding Process in terms of Section 63 of Electricity Act, 2003 and the Commission has to decide and adopt the discovered tariff within 60 days from such submissions by the distribution licensee or intermediary procurer. In the present case, the Petitioner has approached the Commission for approval of long-term hybrid RE power purchase arrangement. We also note that Petitioner has issued LoA and Draft PPA with the Petition to be executed with the successful bidders. Further, we are of view that the aforesaid Rules are notified under the Electricity Act, 2003 and therefore, it needs to be given effect, if any, in the power procurement by the distribution licensee. Hence, we direct the Petitioner GIFT PCL to incorporate and align the Clauses of the Electricity (Late Payment Surcharge) Rules appropriately in the PPAs to be signed with the successful bidders, if already not incorporated.

5.46. In view of the foregoing, the Commission is satisfied with the entire tendering process including the e-reverse bidding conducted by the Petitioner in a transparent manner and discovered tariff of successful bidder(s) with quoted capacity and allocated capacity to them as stated above.

5.47. The Commission, therefore, decides to adopt the above discovered tariff as mentioned above to GIFT PCL for allocated capacity at corresponding tariff as prayed by the Petitioner GIFT PCL.

5.48. Accordingly, the Petitioner is directed to execute the PPAs with the successful bidders as per decision in this Order. We note that the Petitioner is also required to submit the copy of the signed PPAs and therefore, the Petitioner is directed to submit copies of duly executed PPAs to the Commission along with an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations if any, approved by EPD, Government of Gujarat and that there are no other deviations taken by the Petitioner in the bidding documents other than those earlier approved. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, to publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component, for 30 days on its website in terms of Clause 10.3 of the bidding guidelines as amended for knowledge and information of the stakeholders.

SUMMARY OF DECISIONS:

5.49. Considering the recommendation of Bid Evaluation Committee Report and above analysis, we decide to adopt the tariff discovered through EOI No. GFTPCL/Hybrid/2024-25/01 published on GIFT's website and open national competitive bidding process for Procurement of 9.9 MW power from RE Hybrid Projects as under:

Sr. No.	Successful Bidder	Quantum (MW)	Tariff (Rs. /unit)
1	M/s. Prozeal Green Energy Limited	9.9 MW	3.70

5.50. Based on the above, the Petitioner is directed to sign the Power Purchase Agreement(s) with the successful bidder with allocated capacity and tariff as per above table.

- 5.51. We direct the Petitioner to submit copies of duly executed PPA to the Commission along with an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Government from time to time and that there are no other deviations taken by the Petitioner in the bidding documents other than those approved.
- 5.52. The Commission further observed that the fixed tariff of Rs. 3.70/unit was discovered through a transparent competitive bidding process, and the PPA contains standard provisions, including those relating to change in law, financial closure, and other commercial and technical matters, as per the standard documentation followed in such procurements. The Commission is satisfied that the tariff is in line with prevailing market rates for similar hybrid renewable energy projects and is likely to benefit consumers by providing long-term price certainty and supporting the state's renewable purchase obligations.
- 5.53. The approval of this PPA is also consistent with the policy objectives of promoting renewable energy, enhancing energy security, and meeting the State's and Nation's environmental commitments. The long-term nature of the PPA will provide stability to both the procurer and the developer, facilitating timely financial closure and project commissioning, thereby contributing to the growth of the renewable energy sector.
- 5.54. In view of the foregoing, the Commission is satisfied with the entire tendering process conducted by the Petitioner in a transparent manner and discovered tariff of successful bidders with quoted capacity and allocated capacity to them as stated above. The Commission, therefore, finds merit in the Petitioner's request and, in exercise of its powers under Section 63 and Section 86(1)(b) of the Electricity Act, 2003, hereby approved the execution of the Power Purchase Agreement between the Petitioner and M/s Prozeal Green Energy Limited for procurement of 9.90 MW of hybrid renewable energy at a fixed tariff of Rs. 3.70/unit for a period of 25 years from the Scheduled Commercial Operation Date (SCOD), subject to the following conditions:
- a) The Petitioner shall ensure strict compliance with all technical, commercial, and statutory requirements as per the PPA and applicable regulations.
 - b) Any future claims regarding change in law or force majeure shall be dealt with strictly in accordance with the provisions of the approved PPA and relevant regulatory framework.

- c) The Petitioner shall submit periodic reports to the Commission regarding the progress of the project, financial closure, and commissioning status of the project.

5.55. We direct the Petitioner to submit copies of duly executed PPAs to the Commission along with an affidavit stating that the Articles/provisions of the PPAs executed are as per the directions as stated above, provisions of Act, Rules, bidding guidelines and deviations approved by the Commission from time to time. We also direct the Petitioner that for the purpose of transparency, after execution of the PPAs, to publicly disclose the name (s) of the successful bidder(s) and the tariff quoted by them together with the breakup with the component on its website.

6. Considering the above, the present Petition is disposed of.

7. We order accordingly.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Place: Gandhinagar.
Date: 20/06/2025.

