

# MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION BHOPAL

**Subject: Petition under Section 86(1)(b) of the Electricity Act, 2003 for seeking approval for procurement of 4100 MW of power from mix of existing thermal plants situated within the State and new-build thermal plants located within Madhya Pradesh by inviting bids under the Design, Build, Finance, Own and Operate (DBFOO) Model.**

Petition No. 17 of 2025

## ORDER

(Date of Order: 18<sup>th</sup> June, 2025)

**M.P. Power Management Company Ltd**

Block no. 11, Shakti Bhawan, Rampur  
Jabalpur- 482008, (Madhya Pradesh)

- **Petitioner**

**Versus**

1. **M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd.**  
Shakti Bhawan, Rampur, Jabalpur - 482003 (MP)
2. **M.P. Pashchim Kshetra Vidyut Vitaran Co. Ltd.**  
GPH Compound, Polo Ground Indore – 452003 (MP)
3. **M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd.**  
Nishtha Parisar, Govindpura, Bhopal – 462023 (MP)
4. **M.P. Power Generating Co. Ltd.**  
Shakti Bhawan, Rampur, Jabalpur – 482003 (MP)
5. **M.P. Power Transmission Co. Ltd.**  
Shakti Bhawan, Rampur, Jabalpur – 482003 (MP)

- **Respondents**

Shri Aashish Anand Bernard, Advocate and Shri Manoj Padram appeared on behalf of Petitioner (MPPMCL).

Shri P.K. Agrawal appeared on behalf of Respondent No. 1 (MPPKVVCL).

Shri D.P. Ahirwar appeared on behalf of Respondent No. 3 (MPMKVVCL).

Shri Sanjeev Arora and Shri Salil Chaudhary appeared on behalf of Respondent No. 4 (MPPGCL).

Shri Abhinav Anand appeared on behalf of Respondent No. 5 (MPPTCL).

M.P. Power Management Company Limited has filed the subject petition seeking approval for long term procurement of 4100 MW power out of which, 900 MW from existing thermal plants situated within the Madhya Pradesh and 3200 MW from new-

build thermal plants located within Madhya Pradesh, by inviting bids under the Design, Build, Finance, Own and Operate (DBFOO) Model. Subsequently, the petitioner has also filed an Interlocutory Application (IA) seeking deviations to the Model Bidding Documents for procurement of 900 MW power from existing thermal power stations and 3200 MW power from new build thermal power stations.

2. Subject petition has been filed under Section 86(1) (b) of the Electricity Act, 2003 which provides the functions of the State Electricity Regulatory Commission as follows:

*“(b) 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 sources through agreements for purchase of power for distribution and supply within the State.”*

3. The petitioner M.P. Power Management Company Limited (MPPMCL) is a wholly owned Government Company and is the holding company for all the three Discoms of Madhya Pradesh (Respondent No. 1 to 3). MPPMCL is authorized for bulk power purchase from generating companies / traders, and supply electricity in bulk to the Distribution Companies for supply to the consumers in MP.
4. Three Distribution Companies (Respondent No. 1, 2 and 3) are wholly owned companies of Govt. of Madhya Pradesh, involved in the distribution of electricity in their respective regions within the State of Madhya Pradesh.
5. M.P. Power Generating Company Limited (Respondent No. 4 or MPPGCL) is a wholly owned company of Government of Madhya Pradesh engaged in generation of electricity in the State.
6. M.P. Power Transmission Company Ltd. (Respondent No. 5 or MPPTCL) is a wholly owned company of Government of Madhya Pradesh engaged in bulk power transmission at extra high voltage within the State.
7. Petitioner has broadly submitted the following in the subject petition:
- (i) The Ministry of Power (MoP), Government of India, has notified the Electricity (Amendment) Rules, 2022 wherein under Rule 16, the Resource Adequacy Guidelines have been notified. As per the aforesaid guidelines, the Central Electricity Authority (CEA) has been entrusted to prepare the long-term National Resource Adequacy Plan to meet the utility peak and energy requirement reliability of the States and Nation.

- (ii) The CEA has prepared the final report on Resource Adequacy Plan for the State of Madhya Pradesh for FY 2024-25 to FY 2034-35 which has examined the existing capacity, planned capacity and capacity required to fulfil the Renewable Purchase Obligations. As per the said report, the contracted capacity for Madhya Pradesh in August 2024 was 22840 MW and the projected capacity for the year 2034-35 will be 82180 MW consisting of 22016 MW from coal and balance from other sources.
- (iii) The aforesaid CEA report states that Madhya Pradesh is likely to witness energy deficit due to rising demands in the Industrial and Non-Industrial sectors and therefore, hence, it has been recommended that 5900 MW of additional thermal power be procured by year FY 2034-35 with 3300 MW in 2028-29 and 800 MW in 2031-32. Remaining capacity addition is envisaged in subsequent years (800 MW in FY 2032-33, 700 MW in FY 2033-34 and 300 MW in FY 2034-35).
- (iv) The report on Resource Adequacy Plan (2024-25 to 2034-35) for Madhya Pradesh provided by the CEA was presented and deliberated in the 114<sup>th</sup> Board meeting dated 27.09.2024 and Board has accorded approval to LT-DRAP for submission before MPERC. Board has resolved that MPPMCL should initiate actions to implement the recommendations contained in LT-DRAP by developing the processes of procurement of power in a phased manner
- (v) In the meeting of Standing Linkage Committee (Long-Term) for Power Sector (SLC/LT No 7/2024) held on 27.11.2024, SLC (LT) has recommended for earmarking of coal linkage from Coal India Limited for a capacity of 4100 MW under Para B (iv) of SHAKTI Policy to Madhya Pradesh.
- (vi) Ministry of Power vide resolution dated 6<sup>th</sup> March 2019, has issued Guidelines and Model Bidding Documents for Long Term Procurement of power from Thermal Power Station to be set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under Model Bidding Documents including allocation of coal under B (I), B (III) and B(IV) of SHAKTI Policy.
- (vii) The Petitioner submitted that it has obtained a report on long term power procurement from M/s PriceWaterhouse Coopers (PwC) with recommendations to meet the immediate requirement of thermal power from FY 2028-29 onwards. Earlier, the Petitioner has consented to procure allocated power from the NTPC's 2 X 800 MW Gadawara Stage-II Project.
- (viii) Further the Petitioner has also obtained a revised report on long term power procurement by M/s PriceWaterhouse Coopers (PwC) which also included NTPC's plan to commission 2 X 800 MW Gadawara Stage-II by FY 2030-31. It

has recommended that in order to meet the requirement of power of 5900 MW, 800 MW can be met by NTPC's Gadarwara Stage-II and Competitive Bidding process on DBFOO basis should be carried out for procurement of 4100 MW power on the basis of allocated coal linkage from Coal India Limited for a capacity of 4100 MW under Para B (iv) of SHAKTI Policy. Further, it is recommended that a two-pronged approach inviting bids to procure 900 MW of power from existing thermal plants situated within the State and 3200 MW power from new-build thermal plants located within Madhya Pradesh under the Design, Build, Finance, Own, and Operate (DBFOO) model can address both immediate power requirement and ensure project development in the State.

- (ix) While recommending procurement of power from within the State of Madhya Pradesh, the report by PwC also estimated that development of 4100 MW of Thermal Power Capacity in MP may yield Cess and GST revenue of approx. Rs. 13,800 Crore for the State over the construction and operational phase of the projects. This may also generate employment for over 1300 persons during the construction phase and over 1700 persons during the operation phase. This capacity being set up in State and connected to Intra-State Transmission Network may lead to saving of Inter-State Transmission Charges of approx. Rs. 35,000 Crores over the period of 25 years.
- (x) The Government of MP vide its order dated 31.1.2025 has approved the procurement of 4100 MW power through competitive bidding process and has directed the Petitioner to obtain necessary approvals from this Commission including any deviations in the Model Bidding Documents.

- 8. With the above submission, the Petitioner in the subject petition prayed the following:
  - A. *Grant in-principle approval/ permission under Section 86(1)(b) of the Electricity Act, 2003 for long term procurement of 4100 MW of power by inviting bids to procure 900 MW of power from existing thermal plants situated within the State and 3200 MW power from new-build thermal plants located within Madhya Pradesh, under the Design, Build, Finance, Own, and Operate (DBFOO) model;*
  - B. *Be pleased to grant leave to present deviations to the Model Bidding Documents for procurement of 900 MW of power from existing thermal plants situated within the State and 3200 MW from New-build thermal plants located within Madhya Pradesh under the Design, Build, Finance, Own, and Operate (DBFOO) model.*
- 9. In support of all aforesaid submissions, the petitioner has filed the following documents with the subject petition and subsequent IAs:

- i. MoP guidelines for long term power procurement from thermal power stations on DBFOO basis.
- ii. A copy of the Electricity Rules, 2022 notified by the Ministry of Power on 29.12.2022;
- iii. Central Electricity Authority report on Resource Adequacy Plan for the state of Madhya Pradesh (FY 2024-25 to FY 2034-35);
- iv. Petitioner's Board resolution dated 14.10.2024 for approval of CEA report on Resource Adequacy Plan for Madhya Pradesh;
- v. A copy of minutes of meeting of Standing Linkage Committee held on 27.11.2024 for earmarking of coal linkage from CIL coal mines:
- vi. A copy of the report on long term power procurement prepared by M/s PwC
- vii. GoMP, Energy Department letter dated 31.1.2025 regarding approval of the procurement of 4100 MW power through competitive bidding process.

**Proceeding before the Commission:**

10. Subject petition was admitted in motion hearing held on 5<sup>th</sup> March, 2025. The petitioner was directed to make M.P. Power Transmission Company Limited (MPPTCL) as Respondent No. 5 in this matter. The petitioner was also directed to serve copy of petition to respondents and the respondents were directed to file their responses to the petition within a week thereafter. The petitioner was asked to file rejoinder within a week, thereafter.
11. Vide letter dated 5<sup>th</sup> March' 2025, requirement of additional information and details/ documents were conveyed to the Petitioner with directives to file response within a week. Vide letter dated 7<sup>th</sup> March, 2025, the petitioner filed its response to the issues raised by the Commission.
12. Subject petition was listed for hearing on 11.03.2025, wherein representative of Respondent no.5, (M.P. Power Transmission Company Limited) submitted that it has no Comment/ Objection in the Subject matter. Respondent No. 4, MP Power Generating Company Limited (MPPGCL) vide letter dated 11.03.2025 also submitted that it has no Comments/Observations in the Subject matter.
13. By affidavit dated 11<sup>th</sup> March, 2025, the petitioner filed Interlocutory Application (IA No. 4 of 2025) in the subject petition seeking permission to initiate the bid process and to float the RFQ and RFP for long term procurement of 4100 MW power by inviting bids

to procure 900 MW power from existing thermal power plants and 3200 MW from new thermal power plants located in Madhya Pradesh. The petitioner through aforesaid application also filed RFQ and RFP documents along with details of proposed deviations, with respect to Model Bidding Documents issued by MoP for approval of the Commission. However, PSAs document were not furnished by the petitioner.

14. Matter was listed for further hearing on 12.03.2025 along with IA No. 04 of 2025, wherein, all the representatives appeared on behalf of Respondents made no objections on IA no. 4 of 2025. Vide order dated 13.03.2025, the Commission allowed first prayer of the main petition and granted in principle approval for capacity addition of 4100 MW, out of which 900 MW thermal power is proposed to be added from existing Thermal Power Stations and 3200 MW from new Thermal Power Stations under DBFOO scheme with certain directives for disposal of surplus power. This approval was basically for capacity addition of 4100 MW, which may obviously be added in different ways such as sourcing power from existing power plants and/ or by way of new capacity addition.
15. The Commission at the time of passing Order dated 13<sup>th</sup> March 2025 observed that the RFQ and RFP documents were submitted on the 11<sup>th</sup> March, 2025 by the Petitioner along with proposed deviations, which would be scrutinized in due course of time. Since the Petitioner pressed its prayer to initiate bid process even before scrutiny of documents by the Commission. Looking to the preparations made with regard to bidding by the Petitioner and also considering that the first phase of power requirement would begin in FY 2028-29, the Commission vide aforesaid Order permitted the Petitioner to proceed with initiation of bid process subject to certain conditions. These conditions clearly included that in case of modification/ rejection of proposed deviations, the Petitioner shall be liable and responsible to take all appropriate consequential actions, which may even include issue of corrigendum or scrapping of the bid, if and when necessary.
16. By affidavit dated 25<sup>th</sup> March, 2025, the petitioner filed another Interlocutory Application (IA No. 6 of 2025) in the subject petition seeking permission to attach the PSAs with proposed deviations, as submitted to this Commission, with respective bids in the bid issued on 25.03.2025. In the aforesaid IA, the petitioner also enclosed draft PSA along with list of proposed deviations and prayed the Commission to approve the proposed deviations in the Power Supply Agreements (PSA) for Long-Term Power Procurement of 3200 MW and 900 MW tenders, with further deviations as may be required based on the bidder's responses during the pre-bid conference or otherwise, if any.

17. Looking to the urgency of the matter and also considering that as per the CEA report, the first phase of power requirement would begin in FY 2028-29, vide order dated 11<sup>th</sup> April, 2025, the Commission allowed that the Petitioner may attach PSAs along with proposed deviations with respective bids, subject to certain conditions, which included that in case of modification/ rejection of proposed deviations, the Petitioner shall be liable and responsible to take all appropriate consequential actions, which may even include issue of corrigendum or scrapping of the bid, if and when necessary.
18. Vide letter dated 07.05.2025, observations of the Commission on proposed deviations from Modal Bidding Documents were sent to the petitioner and was directed to file response at the earliest but not later than 14.05.2025. Subsequently, vide letter dated 14.05.2025, some more observations of the Commission were sent to the petitioner and was directed to file response by 23.05.2025.
19. It was noted by the Commission that the petitioner had not filed response of Commission's letter dated 07.05.2025, timely, therefore, vide letter dated 21.05.2025, a reminder was sent to the petitioner for filing its response latest by 23.05.2025.
20. After a delay of 12 days, vide two separate letters dated 05.06.2025, the petitioner filed its response to the queries raised by the Commission vide aforesaid letters dated 07.05.2025 and 14.05.2025, respectively.
21. By affidavit dated 30.05.2025, the petitioner through another Interlocutory Application (IA No. 17 of 2025) proposed some more deviations in MBD emerged out after pre-bid conference held on 24.04.2025 with the prospective applicants and based on the requests received from them. Simultaneously, corrigendum with regard to aforesaid additional deviations were uploaded on the portal on same day i.e. 30.05.2025 by the petitioner.
22. Vide affidavit dated 10.06.2025, the petitioner submitted another IA (IA No. 18 of 2025) for some more deviations stating that after uploading the corrigendum on portal on 30.05.2025, prospective applicants further raised certain queries and based on it, approval on some more deviations in 3200 MW bid documents is required.
23. On scrutiny of the aforesaid additional deviations, vide two separate letters date 10.06.2025, observations of the Commission were conveyed to the petitioner for 3200 MW bid and 900 MW bid, respectively.
24. Vide letter dated 11.06.2025, the petitioner filed response to the issues raised in 3200 MW bid. Further, vide letter dated 12.06.2025, the petitioner also filed response on issues raised by the Commission in 900 MW bid.
25. Subject Petition along with connected IA No. 17&18 of 2025 had been listed for hearing

on 13.06.2025. The Ld. Counsel for the Petitioner explained the modality of Greenshoe option proposed in both the bids. He submitted that the Petitioner has applied to Government of India for additional coal allocation. In case the coal is allocated, initiating and completing the bidding process again would take long time. In such case Petitioner proposes to offer L1 bidder first to supply at L1 rates and then to bidders quoting L2, L3 and so on rates. Ongoing through the details submitted by the petitioner, it is observed that there are several issues related to improper interlinking and inconsistency amongst the clauses of the respective PSAs, which require appropriate rectification. Vide daily order dated 13.06.2025, the petitioner was directed to rectify such issues and approach the commission again through appropriate application.

26. Meanwhile, by affidavit dated 13.06.2025, the petitioner filed an Interlocutory Application (IA No. 19 of 2025) seeking approval of some more deviations in 900 MW bid, based on the prospective bidder's feedbacks.
27. In accordance with the directives given in daily order dated 13.06.2025, by affidavit 17.06.2025, the petitioner filed another IA No. 20 of 2025 seeking approval for relevant changes in the Bidding Documents.

**Commission's Observations:**

28. The petitioner M.P. Power Management Company Limited (MPPMCL) has filed subject petition seeking in-principle approval for procurement of 4100 MW power from the existing thermal power plants and new-build thermal power plants located in Madhya Pradesh, through inviting bids under the Design, Build, Finance, Own and Operate Model. The petitioner also filed approval of bid documents (RFQ, RFP and PSA) including deviations and modifications from Model Bidding Documents through different Interlocutory Applications (IAs) at different dates.
29. Subject petition has been filed under Section 86(1)(b) of the Electricity Act, 2003 which states that the State Commission has power to regulate the electricity purchase and procurement process of distribution licensees. Section 86(1) (b) of the Electricity Act, 2003 provides as under: -  

*“(b) 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 sources through agreements for purchase of power for distribution and supply within the State.”*
30. The Commission notes that the approval of the Board of MPPMCL with regard to capacity additions is broadly in line with the CEA Resource Adequacy Report. It is further notes that the Board of the petitioner's company in its meeting held on 17.01.2025 has

been resolved that the process for procuring 4100 MW of power be initiated. The State Cabinet has also granted approval for procurement of such power on 31.01.2025. The Energy Department, Government of MP vide its order dated 31.01.2025 has conveyed the approval for procurement of 4100 MW power through competitive bidding process and has directed the Petitioner to obtain necessary approvals from this Commission including deviations in the Model Bidding Documents.

31. The Commission notes that in the meeting of Standing Linkage Committee (Long-Term) for Power Sector held on 27.11.2024, the Committee has recommended for earmarking of coal linkage from Coal India Limited for a capacity of 4100 MW under Para B (iv) of SHAKTI Policy to Madhya Pradesh. It is further notes that such power from thermal power stations shall be procured through competitive bidding.
32. In order to ensure availability of power from Sept., 2028, the petitioner has proposed two approaches inviting bids to procure 900 MW of power from existing thermal plants situated within the State and 3200 MW power from new-build thermal plants located within Madhya Pradesh under the Design, Build, Finance, Own, and Operate which can address both immediate power requirement and ensure project development in the State. Petitioner has stated that more than 900 MW of untied capacity is available within the State of MP, and to mitigate the risk of existing capacity remaining untied despite being offered at favourable tariff. Moreover, the petitioner has also requested to allow to include additional 800 MW power under Greenshoe option in each bidding process.

### **Relevant Statutory and Legal provisions**

33. Let us see the relevant statutory and legal provisions in the subject matter as follows:
  - i. In exercise of the powers conferred under Section 63 of the Electricity Act, 2003, the Ministry of Power had issued Model Bidding documents vide letter dated 05.03.2019 and vide resolution dated 06.03.2019 has issued Guidelines for long term Procurement of Electricity from Thermal Power Stations set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under Model Bidding Documents including allocation of coal under B (I), B(III) and B(IV) of SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy.
  - ii. Para 3 of the aforesaid guidelines states that the tariff determined through the bidding process based on these Guidelines comprising the Model Bidding Documents, shall be adopted by the Appropriate Commission in pursuance of the provisions of Section 63 of the Act. Regarding the deviations from the Model Bidding Documents, Para 4 of the Guidelines further provides as follows:

*“any deviation from the Model Bidding Documents shall be made only with the prior approval of the Appropriate Commission. Provided, however, that any project specific modifications expressly permitted in the Model Bidding Documents shall not be construed as deviations from the Model Bidding Documents.”*

- iii. In order to allocate the available coal to thermal power plants, a policy guideline was introduced by Ministry of Coal on 22<sup>nd</sup> May, 2017 namely ‘Scheme for Harnessing and Allocating Koyala Transparently in India’ (“SHAKTI Policy”) with the objective of linking coal based on transparent manner and for the optimal utilization of the natural resources. In the subject matter, the competitive bidding process shall be carried out for procurement of power on the basis of allocated coal linkage from Coal India Limited under Para B(iv) of the SHAKTI Policy which provides as under:

*“Coal linkages may also be earmarked for fresh PPAs, by pre-declaring the availability of coal linkage with description, to the States. States may indicate these linkages to Discoms/SDAs.”*

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34. The aforesaid provisions state that the Ministry of Power issued Model Bidding Documents. It also state that whenever there is any deviation in the Bid documents by the distribution licensee or any project specific modification from the Model Bidding Documents is desired to be incorporated, in that case the same shall be subject to prior approval of the Appropriate Commission. In the present case, the Appropriate Commission is this Commission.
35. On perusal of the subject petition and subsequent IAs filed by the petitioner, following two main issues emerged for consideration of the Commission:
- i. **In-principle Approval under Section 86(1)(b) of the Electricity Act, 2003 for procurement of 4100 MW of power through competitive bidding by inviting bids under DBFOO model;**
  - ii. **Approval of proposed deviations in Model Bidding Documents (RFQ, RFP & PSA) issued by Ministry of Power, under para 4 of the guidelines dated 06.03.2019.**
36. With regard to first issue regarding in-principle approval for procurement of 4100 MW of power (approval for capacity addition) based on the CEA report on Resource Adequacy, it is patient to mention that vide Order dated 13<sup>th</sup> March, 2025, the

Commission has already accorded in-principle approval for capacity addition of 4100 MW from existing and new build thermal power stations under DBFOO Scheme as already mentioned in paragraph 38 of this Order.

37. With regard to second issue i.e. approval of proposed deviations in Model Bidding Documents (RFQ, RFP & PSA) issued by Ministry of Power, under the guidelines dated 06.03.2019, the Commission noted that two separate bidding processes have been commenced by the petitioner. First bidding process for procurement of 3200 MW power from new build thermal power stations in Madhya Pradesh and second bidding process for procurement of 900 MW power from existing thermal power stations in Madhya Pradesh. In this Order, the Commission dealt deviations in MBD, separately for both the bidding process (3200 MW and 900 MW).

**Deviations in 3200 MW bid:**

38. Regarding the 3200 MW bid, vide order dated 11.04.2025, the Commission gave permission to the Petitioner to initiate bidding process subject to the following conditions:
- a. The bidding process shall be subject to outcome of this Petition and in any case the Petitioner shall obtain necessary prior approval before closing / completion of the bids.
  - b. The Petitioner shall provide all necessary and additional details, as and when required by the Commission while scrutinizing the deviations.
  - c. Further, the petitioner is directed to submit PSA document along with details of deviations therein, at the earliest.
  - d. The deviations should follow of Section 63 of the Electricity Act, 2003 in letter and spirit and generally promote competition in a way that lowest prices can be discovered.
  - e. This permission shall not be construed as approval to any or all the deviations proposed by the Petitioner and upon modification/ rejection of proposed deviations, the Petitioner shall be liable and responsible to take all appropriate consequential actions, which may even include issue of corrigendum or scrapping of the bid, if and when necessary.
39. Vide letters dated 7/5/2025 and 14/5/2025, the Commission directed the Petitioner to file reply on certain issues related to deviations in MBD. The Petitioner was expected to respond to the queries of the Commission at the earliest, so as to enable Commission to process approval on deviations after due consideration. The reply from the Petitioner

was received on 05.06.2025, whereas the Petitioner uploaded corrigendum on bidding portal on 30.05.2025. The Commission expresses displeasure on such disregard shown towards regulatory process by the Petitioner and directs it to be careful in future in processing all matters of approval to deviations in MBD.

40. It was noted by the Commission that although the Power procurement is proposed from the new power plants to be installed in Madhya Pradesh, the bid is open to bidders even in case they are not operating in the State currently, subject to fulfilling qualification criteria. Since the issue of new capacities is involved, any bidder fulfilling qualification criteria can participate in the bid. As such the scope of bids can be considered competitive in nature.
41. Let us now examine the proposed deviations in draft RFQ, RFP and PSA documents in respective bids from Model Bidding Documents, separately. The Commission is empowered to allow deviations proposed in RFQ, RFP and PSA from provisions of MBD. The MBD were issued on 6<sup>th</sup> March, 2019 and some changes have taken place thereafter in prevailing Rules and Regulations and Late payment surcharge Rules have come into force. Deviations proposed by the Petitioner involve language/ text changes, alignment with prevailing Rules/ Regulations on one hand and de-risking measures on the other hand, which may provide comfort to bidders and thereby increase participation and reduce loading of risks on prices, which are going to be discovered. The Commission also observes that a similar bid was issued in 2019 and was dealt by the Commission in Petition No. 36/2019. Many a deviations proposed in the present bid are same or almost in line with the deviations proposed in Petition No.36/2019. All the deviations proposed have been analysed by the Commission. The Commission appreciates the experience and expertise of the procurer MPPMCL in dealing with such matters. At the same time, Commission has applied prudence checks and recorded rationale behind consideration of each deviation in RFQ, RFP and PSA

**Deviations in RFQ for 3200 MW Bid:**

42. As proposed by the petitioner, the bid can be offered in multiples of 800 MW only and maximum capacity a single bidder can offer shall be 2400 MW. In this bid, the flexibility provided to the bidder for installing project irrespective of the capacity of individual unit.
43. By affidavit dated 11.03.2025, the petitioner through Interlocutory Application (IA No. 4 of 2025) filed clause-wise changes/deviations proposed in RFQ document vis-a-vis the respective clause in RFQ Model Bidding Document issued by Ministry of Power along with the reasons/rationale for such changes/deviations in tabular form. The petitioner has also filed its RFQ document incorporating all such changes / deviations proposed by it. Subsequently, by affidavits dated 30.05.2025 and 10.06.2025, the petitioner filed

two IAs (IA No. 17 of 2025 & IA No. 18 of 2025) proposing some more deviations in model bidding documents (including RFQ) based on the pre-bid conference and feedback from the prospective bidders.

44. On perusal of deviations in RFQ document for which the approval is being sought by the petitioner, the Commission has observed that the deviations / changes in RFQ from Model Bidding Document issued by the Ministry of Power are broadly on the following counts:
- (i) Extension of timeline for commencement of supply.
  - (ii) Some relevant changes/deviations requiring the bidders to develop a new project in the State.
  - (iii) Coal under SHAKTI scheme para B(iv) would be made available to the State from FY 2029-30 hence, appropriate changes are proposed in relevant clause of RFQ.
  - (iv) Actual amount to be paid by the applicant / bidder corresponding to the capacity required is mentioned in RFQ at relevant clauses.
  - (v) For selection of Bidders, e-Reverse Auction with bucket filling option has been proposed.
  - (vi) As the bidding will be conducted on Bharat Electronic Tender portal in place of DEEP portal, because DEEP Portal does not have the functionality of e-Reverse Auction. Appropriate changes are proposed in this regard in respective clauses.
  - (vii) Restricting number of members in consortium and to ensure that in case of any change in Consortium of members, the remaining members meet the eligibility criteria.
  - (viii) To match the time period in some clauses with the time schedule specified in RFQ document.
  - (ix) Greenshoe Option for additional capacity of 800 MW.
  - (x) Increase in the percentage limit of base fixed charges.
  - (xi) Relaxation in eligibility condition, regarding possession of 50% land at the time of bidding.
45. The Commission has noted that the petitioner has also filed few changes in RFQ document which do not fall under the category of Deviation in terms of Model Bidding Documents itself.
46. On detailed scrutiny of the proposed deviations in RFQ filed by the petitioner, the Commission had identified several issues/ queries, which were conveyed to the

petitioner. The petitioner filed its response on such issues on each bid through separate letters. On perusal of the aforesaid responses filed by the petitioner and also the additional deviations filed on 30.05.2025 through IA No. 17 of 2025, some more queries on 3200 MW bid were sent to the petitioner. By letter dated 10.06.2025, the petitioner filed response to all such queries, which have been taken into consideration by the Commission.

47. During the hearing, it was specifically asked by the Commission that when the Green shoe option has not so far been tried by any procurer throughout the Country for thermal power procurement, why Petitioner is insisting on procurement of 800 MW through Greenshoe option, over and above 3200 MW power? The Learned Counsel for the Petitioner explained that Petitioner has applied to Government of India for additional coal allocation. In case such additional quantity of coal is allocated, initiating and completing the bidding process again would take long time. In such case Petitioner proposes to offer L1 bidder first to supply at L1 rates and then to bidders quoting L2, L3 rates and so on. As such, the Petitioner assured that the Greenshoe option shall be exercised, subject to additional coal allocation and reasonability of rates. After considering the written and oral submission made by the Petitioner, the Commission approves deviations in MBD incorporating Greenshoe option subject to submission of certificate at the time of exercising Greenshoe option, which should be duly signed by the Managing Director of the Company. This certificate must clearly state that:

- i. The option is being exercised after allocation of additional coal of -----MT (To be mentioned as per Gol order) from mines as per annexure (Gol Order to be annexed) ;
- ii. Additional power considered is well within the LT-DRAP proposed by CEA and only to the extent of additional coal allocation;
- iii. The Capacity addition plan for such power quantity is approved by the Commission vide *Order dated \_\_\_\_\_ in Petition No. \_\_\_\_*;
- iv. Reasonability of price is evaluated by the Committee and the certificate of the Committee in this regard is enclosed.

(As this option is being exercised in the country for the first time at the insistence of the Petitioner, in order to assess the impact of such measure, the Petitioner in addition to above certificate shall provide to the Commission in April each year, compilation of the rates discovered through competitive bids in the country for previous financial year for the units of same capacity from the date of exercise of the option till commissioning of the power plant.)

48. In terms of the subject bid, development of evacuation facilities is utility's responsibility and delay in completion of evacuation system resulted payment of demurrage/penalty. Therefore, the petitioner is directed that while executing Transmission Supply Agreement (TSA) for development of such power evacuation system, appropriate provisions be incorporated for aforesaid payment of damage/ penalty towards delay in commissioning of transmission system to be borne by the transmission services provider and not be passed through in any manner.
49. In view of all aforesaid and considering the reasons explained by the petitioner during various proceedings and subsequent submissions in this matter and also based on the rationale submitted by the petitioner for each deviation, the Commission hereby accords approval, in terms of clause 4 under terms and conditions of the Guidelines issued by the Government of India, Ministry of Power vide resolution dated 6<sup>th</sup> March, 2019, to the deviations in RFQ from the Model Bidding Documents as filed by the petitioner. The details of deviations/changes in RFQ document approved by the Commission is enclosed as **Annexure I** as part of this Order.

**Deviations in RFP for 3200 MW Bid:**

50. By affidavit dated 11.03.2025, the petitioner through Interlocutory Application (IA No. 4 of 2025) filed clause-wise changes/deviations proposed in RFP document vis-a-vis the respective clause in RFP of Model Bidding Document issued by Ministry of Power along with the reasons / rationale for such changes / deviations in tabular form. The petitioner has also filed RFP document incorporating all such changes / deviations proposed by it. Subsequently, the petitioner filed four IAs (IA No. 17 IA No. 18, IA No. 19 and & IA No. 20 of 2025) proposed some more deviations in model bidding documents (including RFP) based on the pre-bid conference and feedback received from the prospective bidders.
51. On perusal of the deviations in RFP documents for which the approval is sought by the petitioner, the Commission has observed that the deviations/changes in RFP from Model Bidding Document issued by Ministry of Power are broadly on the following reasons;
- (i) Being state-specific Bid, the Bidders are required to develop a new project in the State of MP.
  - (ii) The minimum requirement specified is for "Super Critical Technology" or "Ultra Super Critical technology" to encourage efficient technology. Accordingly, changes/deviations are made at all relevant places in documents.

- (iii) Coal shall be procured under SHAKTI Policy, hence, relevant changes/deviations are made at all relevant places in documents.
- (iv) As the bidding will be conducted on Bharat Electronic Tender portal in place of DEEP portal. Appropriate changes are proposed in this regard in respective clauses.
- (v) The Model RFP specifies Bid Security amount to be not less than Rs. 3 Lakh /MW and not exceeding Rs. 7.5 Lakh/MW. As High Bid Security amount will add to the expense and may impact the quoted tariff, Utility has made appropriate changes.
- (vi) Validity of the Bid Security to be made in line with the Bid Validity.
- (vii) For selection of Bidders, e-Reverse Auction with bucket filling approach has been proposed, and its modality has been defined.
- (viii) Methodology for allotment of additional capacity of 800 MW under proposed “Greenshoe Option” has been incorporated.
- (ix) After the issuance of LOA, Utility shall not consider the next eligible Bidder, as the Bid process shall end. Hence modifications been made in the documents
- (x) Lodging of FIR and Investigation should not form basis for disqualification, until & unless, convicted by Court of Law. Hence Charge sheet has been removed as a basis for disqualification .
- (xi) No SPV is being incorporated by the Utility. Hence, word SPV has been deleted have (Appendix I-18)
- (xii) Table for fuel charge computation parameters has been added in Appendix I.
- (xiii) Synchronization and commercial operation of generating units will be done separately for each Unit. Therefore, separate COD schedule has been prescribed.
- (xiv) To capture the different transportation cost, different prices and grades of fuel, the concept of weighted average has been prescribed for the purpose of Bidding in the RFP as well as for the purpose of Payment in the PSA. The figures of weighted average price, weighted average freight, weighted average GCV, weighted average distance and weighted average price of washing, which has been considered by the Bidder for the purpose of calculation of fuel charge, have been incorporated in the Bid. These details are required for the purpose of payment of fuel charge during the course of implementation of the PSA
- (xv) Clarity to the Bidder is to be provided about the cost components of the Coal and transportation which should be included or excluded for the purpose of calculation of Fuel Charge.

52. The Commission also noted that the petitioner has filed a few changes in RFP document which do not fall under the category of Deviation in terms of Model Bidding Documents itself.
53. On detailed scrutiny of the proposed deviations in RFP filed by the petitioner, the Commission conveyed several observations to the petitioner and the petitioner filed its response on such observations, which have been considered by the Commission.
54. In view of all aforesaid and considering the reasons explained by the petitioner during various proceedings in this matter based on the rationale submitted by the petitioner for each deviation, the Commission hereby accords approval, in terms of clause 4 under terms and conditions of the Guidelines issued by the Government of India, Ministry of Power vide resolution dated 6<sup>th</sup> March, 2019, to the deviations in draft RFP from the Model Bidding Documents as filed by the petitioner. The details of deviations/changes in RFP document approved by the Commission along with rationale behind consideration of deviations is enclosed as **Annexure II** as part of this Order.

**Deviations in PSA for 3200 MW Bid:**

55. By affidavit dated 25<sup>th</sup> March, 2025, the petitioner through another Interlocutory Application (IA No. 6 of 2025) filed proposed changes/deviations in PSA document vis-a-vis the respective clause in PSA Model Bidding Document issued by Ministry of Power along with the reasons/rationale for such changes/deviations. The petitioner has also filed draft PSA document incorporating all such changes / deviations proposed by it. Subsequently, by affidavits dated 30.05.2025, 10.06.2025, 13.06.2025 and 17.06.2025, the petitioner filed four IAs (IA No. 17, 18, 19 and 20 of 2025) proposed some more deviations in model bidding documents (including PSA) based on the pre-bid conference and feedback received from the prospective bidders.
56. On perusal of deviations in PSA document for which the approval is being sought by the petitioner, the Commission has observed that the deviations / changes in PSA from Model Bidding Document issued by the Ministry of Power are broadly on the following counts:
- (i) The Power Station may consist of more than one Unit. Therefore, unit wise COD schedule has been prescribed.
  - (ii) Considering the time required for Financial Closure & Land acquisition, Conditions Precedent (CP) timeline of 24 months has been provided on request of Bidders. Time period for Financial Close has been made at par with other CPs. The effect of

increasing the period for satisfying the Condition Precedents from 18 to 24 months has been taken into account.

- (iii) As there has been reduction in the value of bid security, the capping of the damages, for delay in satisfying Conditions Precedent, has been set to Performance Security in place of Bid Security.
- (iv) Period of Performance Security is changed to cover the period for satisfying the Condition Precedents, construction period and 3 months beyond COD.
- (v) Considering the present scenario in the power sector, the Bidders have requested for reduction in the Performance Security amount.
- (vi) Signing of the tripartite Fuel Supply Agreement will be after satisfying Condition Precedents. Prior to that, only Letter of Assurance from Coal Supplier will be available.
- (vii) Originally, MBD provided for recovery of 50% of Fixed Charge on the Utility for not fulfilling the obligation of making the Transmission System available before COD and also penalty (15% of Fixed Charge) for any other default by Utility. The petitioner does not foresee any other default other than making the Transmission System available. Hence, the recovery of 100% of Fixed Charge has been provided in the place of above two scenarios.
- (viii) Clauses have been modified/added to incorporate latest relevant Regulations.
- (ix) The method for payment for the Fixed Charge adopted by the Utilities, in general, is based on Cumulative Availability up to each month.
- (x) Late Payment Surcharge has been prescribed to match with LPS Rules.
- (xi) The MBD does not envisage allocation of Coal from multiple mines. The allocation of Coal to the Government of M.P. by CIL for this power procurement has been given from more than one mines located at different places and having different grades of coal. Therefore, to capture the different transportation cost, different prices and grades of fuel, the concept of weighted average has been prescribed for the purpose of Bidding in the RFP as well as for the purpose of Payment in the PSA. The figures of weighted average price, weighted average freight, weighted average GCV, weighted average distance and weighted average price of washing, which has been considered by the Bidder for the purpose of calculation of fuel charge, have been incorporated in the Bid. These details are required for the purpose of payment of fuel charge during the course of implementation of the PSA. Relevance of RFP is only up to the conclusion of Bid Process. Therefore, the prices quoted by the Successful Bidder and the parameters used by such Bidder has been specified in the PSA.

- (xii) GCV for computing Fuel Charge for the purpose of payment is to be considered based on 'As Received Basis' in line of MPERC Tariff Regulations.
- (xiii) To avoid disputes between Supplier and Utility, with regard to determination of GCV, the responsibility of sampling and testing of Coal has been entrusted to an independent agency.
- (xiv) 'UI Regulations' is replaced with prevailing 'DSM Regulations'.
- (xv) Bidders have requested that project funding gets affected due to lower amount prescribed for Termination Payment. Therefore, Termination Payment is increased to bring parity for both cases – due to Supplier or Utility Default.
- (xvi) The term 'Carrying Cost' is not defined, thus modified to refer to the relevant Clause.
- (xvii) Schedule regarding the Allocated Coal Linkage forming part of the RFP has been made part of the PSA, which is to be used during the course of implementation of PSA.
- (xviii) Appropriate changes have been made at all relevant places including Recitals of PSA being state-specific Bid to develop a New capacity in MP using coal linkage allocated under SHAKTI Policy and supply of entire power to the MP State.
- (xix) Period of 54 months is provided for achieving CoD of first Unit. Being a supply contract and the ownership and responsibility of O&M lies with the Supplier, the role of Utility's Engineer has been kept only till CoD of Power Station only.
- (xx) The MBD does not provide as to when the Agreement would be effective. Hence for clarity and with a view of avoid dispute and ambiguities, the same has been expressly mentioned in the document.
- (xxi) As period of Supply Contract is exclusive of construction period, the period has been kept as 25 Years from Scheduled Completion Date or COD, whichever is later.
- (xxii) Since the Bidder is required to set up a new power station in the state, the selected bidder shall have to acquire land in the state which would require significant time to complete the process. Hence, extended period for Conditions Precedent for Supplier is proposed, during which it would be required to, inter alia, acquire land in MP and shall achieve Financial Closure for the Project.
- (xxiii) The proposed plant would be set up in the State of MP and power evacuation arrangement shall be the responsibility of the Utility. Hence, Supplier is not required to obtain Line ROW. Thus, the provisions related to dedicated transmission system are also deleted.

- (xxiv) While the Utility is responsible for obtaining consent of Coal India Limited for execution of FSA under SHAKTI Policy, it will be the obligation of Supplier to execute FSA. Hence the same has been added as Supplier's obligation.
- (xxv) There is no provision in the Model Bidding Document for Start-up power hence, the same has been added and linked to the Tariff rates as approved by the Commission.
- (xxvi) Under the DBFOO model, the ownership of the plant is that of the Supplier, which is required to commission the same by the required Completion Date. In case of non-achievement of SCOD, the provisions for penalty to be imposed on the supplier for per day delay are there. Hence, the provisions for imposing penalties linked to interim project milestones are not required.
- (xxvii) There is no provision in the Model Bidding Document with respect to Infirm Power. For clarification and with a view to avoid future disputes / litigations, the same has been added in line with MPERC (Terms and Conditions for determination of Generation Tariff) Regulations, 2024 (RG-26(V) of 2024).
- (xxviii) Normative PLF as per MPERC Regulations is 85%. Further, for the purpose of Coal Linkage, the Normative PLF has been made to 85%.
- (xxix) New Clause added for Supplementary Invoice, so that any billing on account of Change in Law or Adjustment is billed separately than the Monthly Invoice.
- (xxx) The Change in Law provisions have been replaced with the provisions of the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021.
57. The Commission has noted that the petitioner has also filed a few changes in PSA document which do not fall under the category of Deviation in terms of Model Bidding Documents itself.
58. On detailed scrutiny of the proposed deviations in PSA filed by the petitioner, the Commission conveyed its observations to the petitioner and the petitioner filed its responses on such observations, which have been considered by the Commission.
59. In view of all aforesaid and considering the reasons explained by the petitioner during various proceedings in this matter and subsequent submissions and also based on the rationale submitted by the petitioner for each deviation, the Commission hereby accords approval, in terms of clause 4 under terms and conditions of the Guidelines issued by the Government of India, Ministry of Power vide resolution dated 6<sup>th</sup> March, 2019, to the deviations in draft PSA from the Model Bidding Documents as filed by the petitioner. The details of deviations/changes in PSA document approved by the Commission is enclosed as **Annexure III** as part of this Order.

**Deviations in 900 MW bid:**

**Commission's Observations:**

60. In the subject petition, the petitioner also requested for approval of proposed deviations from MBD in 900 MW draft Bidding documents for procurement of power from existing thermal power plants situated within the State, under DBFOO model. In this regard, the petitioner submitted that more than 900 MW of un-tied/balance capacity is available within the State of MP with various Independent Power Producers (IPPs) and to mitigate the risk of existing capacity, this un-tied up power can be procured, looking to future requirement of the state.
61. While seeking approval of proposed deviations from MBD for 900 MW bid, the petitioner has also opted for procurement of additional power to the extent 800 MW from existing thermal power stations in MP under "Greenshoe option", over and above bid quantity of 900 MW. The petitioner stated that the procurement of power from existing thermal power stations within the State through the Intra-State Transmission Network, save Inter-State Transmission Charges and losses over the contract period of 25 years.
62. The Commission notes that the Board of the petitioner's company in its meeting held on 17.01.2025 accorded approval for procurement of 4100 MW of power with a combination of existing thermal projects and newly-build thermal projects to be developed within the state under the Design, Build, Finance, Own, and Operate model (DBFOO model), based on the report of CEA for energy requirements for next ten years. The Board has also resolved to approach before this Commission for obtaining permission for power procurement and approval of proposed deviations from Model Bidding Documents (MBD). Subsequently, the Government of MP vide its order dated 31.01.2025 has approved the procurement of 4100 MW power from existing as well as newly build thermal power stations through competitive bidding process and has directed the petitioner to obtain necessary approvals from this Commission including deviations in the MBD.
63. The Commission notes that for procurement of 900 MW power, bids have been invited from the thermal power generating stations situated within Madhya Pradesh. As per the conditions laid down in RFQ of the bidding documents, thermal power generators located anywhere else are not eligible for bidding under this tendering process. Vide Commission's letter dated 07.05.2025, MPPMCL was asked to explain such restriction in view of the spirit of competitive bidding. MPPMCL was also asked to explain how fair competition and lowest prices would be possible in case, if selection is made only from generators situated in MP. In such case, all existing outside generators would be excluded, whose tariff bid might be discovered lower, even after considering inter-state

transmission charges (CTU charges) and losses.

64. In response to above, vide letter dated 05.06.2025, the petitioner has submitted the following:

*“Primary reason behind procuring power from power stations located within the state is to ensure lower tariffs through avoidance of CTU Charges and losses while also ensuring energy security. Having a thermal power plant within the state and connected to the State Grid provides critical protection against potential restrictions or regulatory changes that other states may impose in the future. By generating power locally, the state significantly reduces its reliance on electricity imports from neighboring states, which can be subject to various limitations or tariffs that may arise due to inter-state policy shifts, political dynamics, or resource constraints. With respect to the likelihood of discovery of better tariff, it may be noted that MPPMCL will evaluate the reasonability of tariffs discovered in the Bid before issuing the Letter of Award to successful bidders.”*

65. With regard to available un-tied / balance capacity, the petitioner in Annexure P-5 of the subject petition submitted on affidavit indicated such tentative spare capacity of thermal power plants located in Madhya Pradesh as given below:

<b>Plant Name</b>	<b>Installed Capacity</b>	<b>Connectivity</b>	<b>Balance Life in years</b>	<b>Tied up Cap. with MPPMCL</b>	<b>Spare Cap. in MW</b>
BLA Power	2x45 MW	STU	18	32 MW	59 MW
Jaypee Bina	2x250 MW	STU/CTU	14	350 MW	150 MW
Mahan Singraurali	2x600 MW	CTU	19	60 MW	400 MW
Jaypee Nigrie	2x660 MW	CTU	16	495 MW	500 MW
MB Power	2x600 MW	CTU	17	420 MW	400 MW
<b>Total</b>					<b>1509 MW</b>

66. Vide Commission’s letter dated 10.06.2025, the petitioner was asked to explain how fair competition and lowest prices would be possible in case selection is made only from thermal power generators situated within MP. The petitioner was also asked to submit the following details:

- i. A study incorporating the details of available un-tied existing thermal power capacity in other states Pan India and the transmission network involved in

procurement power from such plants situated outside M.P.

- ii. The indicative prices /rates of electricity from such power plants based on current tied up power therefrom and the CTU/ other transmission charges.
- iii. Sufficiency of power evacuation network from such thermal power stations for power transmission to M.P.

67. In response, vide letter dated 12.06.2025 (not on affidavit), the petitioner has broadly submitted the following:

- i. *The petitioner has now revised the available cumulative spare thermal generation capacity of plants located within Madhya Pradesh 2,500 MW, as given below:*

<b>S. No.</b>	<b>Generating Companies in MP</b>	<b>Installed Capacity (MW)</b>	<b>Gross spare Capacity (MW)</b>
1	MB Power	1250	305
2	Jaypee Nigri	1320	825
3	Jaypee Bina	500	150
4	Adani- Mahan	1200	810
5	Jhabua	600	390
6	BLA Power	90	59
<b>Total</b>		<b>4,960</b>	<b>2,539</b>

- ii. *With regard to details of un-tied capacity across generating stations in other states and tariffs for tied-up capacity, it is submitted that these details are not readily available in public domain. Moreover, the dynamic nature of the power market, including short-term and medium-term bilateral transactions, makes it challenging to compile a reliable and up-to-date inventory of un-tied capacity without direct engagement with each generator. Such an exercise would require a formal market survey or expression of interest process, which may not yield definitive or actionable data within the timelines of the current tendering process.*
- iii. *As per available information in the public domain, ~6000 MW of untied existing thermal generation capacity is currently available across various power plants located in other States outside Madhya Pradesh.*
- iv. *Further, power procured from plants located outside Madhya Pradesh and connected to the Central Transmission Utility (CTU) network would attract additional transmission charges and losses as compared to those plants located within Madhya Pradesh.*

- v. *Many of these generating stations outside MP are located at substantial distances from the coal belts, leading to higher landed cost of fuel, which may render such capacities less competitive when compared to plants situated within Madhya Pradesh, especially those having logistical advantages in terms of proximity to coal sources and reduced transmission losses. Therefore, the existence of such capacity, although notable in magnitude, may not necessarily align with the principles of cost-effectiveness or immediacy of availability, which are crucial for ensuring tariff efficiency and operational feasibility*

68. On perusal of the aforesaid response, the Commission observes that the petitioner has not addressed all the issues raised by the Commission and submitted generalized response. With regard to status of available un-tied existing capacity in Pan India, the petitioner has not provided state-wise and power station-wise details and simply mentioned that approximately 6000 MW un-tied up thermal capacity is currently available. Regarding indicative prices/rates of electricity from such power plants, the petitioner has not filed comprehensive details to the Commission, which were sought from the petitioner.
69. During the hearings held on 13.06.2025 and 18.06.2025, Learned Counsel submitted that surplus Power available within State of Madhya Pradesh is sufficient to get competitive bids of 900 MW (plus 800 MW under green shoe option). He also submitted that 7400 MW bids are currently under process across India for thermal power procurement and around 6000 MW power is available outside MP and around 2500 MW within MP. He further argued that there would be savings in terms of CTU charges and losses. The annual financial burden of CTU charges and losses is worked out as Rs. 378 Crore by the petitioner. However, on being asked about the connectivity of existing thermal power plants in MP, it was informed that other than 2 Power plants, all power plants having spare capacity are connected to CTU and not STU. The Commission observes that there are still following gaps in terms of providing information to the Commission in the matter of power procurement of 900 MW from power plants located in Madhya Pradesh:
- i. As of now, considering 25 years of normal service life of a thermal power generating station, the balance life of the aforementioned existing thermal power stations within the MP are now in the range of 12 to 19 years, whereas requirement of power from these power station shall commence from September, 2028. At that time the remaining life of these power stations shall come down in the range of 11-14 years only. Hence, proposal of having 25 years PSA needs to be analysed thoroughly.
  - ii. As informed by the Petitioner during hearing held on 18<sup>th</sup> June 2025, all power plants other than BLA, Gadarwara and JP Bina are connected to the Central Transmission Utility (CTU) network, and claim of saving on inter-state transmission charges and

losses needs to be revisited. In case petitioner develops separate evacuation system/ facility for power to be procured under this tender, the costs of such evacuation system needs to be analysed. The issue of continuance of power from proposed power plants beyond 25 years for extended period of 9-14 years may need Statutory approvals, which may also be analysed.

- iii. The same petitioner had filed another petition No. 41 of 2025 before the Commission for “procurement of power from wind power projects”, in which prices will be compared on landed cost basis. Petitioner has thus adopted 2 different approaches in 2 separate petitions. The Petitioner may consider converging of its approach.
- iv. The petitioner was given approval for capacity addition of 4100 MW thermal power by the Commission in this Petition. Out of this, it has already got approval for bidding 4000 MW (3200 MW + 800 MW) in the instant petition. Upto 2034-35, MPPMCL can go upto 5900 MW as per LT-DRAP prepared by CEA. Petitioner has already informed that it will procure 800 MW from NTPC Gadawara plant. This leaves it with 1100 MW capacity addition only. As prior approval of capacity addition is required from the Commission, Petitioner also needs to review status of existing approval for 4100 MW. Against this 4100 MW, they are already going ahead with 4000 MW (3200 MW plus Greenshoe option).

70. In view of the above, the Commission is not inclined to approve the deviations proposed by the petitioner from MBD for 900 MW bid at this stage. Petitioner needs to look at scheme of things in totality. Petitioner needs to analyse all relevant issues in details. Petitioner is at liberty to approach the Commission after thorough analysis on all the issues as observed by the Commission.

**Summary of Finding:**

- I. Considering the reasons explained by the petitioner, the Commission hereby accords approval to the deviations in MBD for procurement of 3200 MW power from newly build thermal power stations in Madhya Pradesh, in terms of clause 4 under terms and conditions of the Guidelines issued by the Government of India, Ministry of Power vide resolution dated 6<sup>th</sup> March, 2019, as given below:
  - a. The Deviations in RFQ of Model Bidding Documents, for procurement of 3200 MW power, enclosed as Annexure I;
  - b. The Deviations in RFP of Model Bidding Documents, for procurement of 3200 MW power, enclosed as Annexure II;
  - c. The Deviations in PSA of Model Bidding Documents, for procurement of 3200 MW power, enclosed as Annexure III;

- ii. With regard to 900 MW bid, the petitioner is required to analyze all the issues raised by the Commission in aforesaid para 69 of this order. The petitioner is at liberty to approach the Commission in due course of time .

Ordered accordingly.

**(Prashant Chaturvedi)**  
Member

**(Gopal Srivastava)**  
Acting Chairman

Certified to be True Copy  
  
Secretary  
Madhya Pradesh Electricity Regulatory  
Commission, Bhopal