

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 02/MP/2013

Coram:

**Dr. Pramod Deo, Chairperson
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

DATE OF HEARING: 26.3.2013

DATE OF ORDER: 10.4.2013

In the matter of

Application under para 5.16 of the "Guidelines for determination of tariff by bidding process for procurement of power by Distribution Licensees" issued by Ministry of Power, Government of India under Section 63 of the Electricity Act, 2003 for extension of bid processing period in respect of Chhattisgarh Surguja Power Limited.

**And
In the matter of**

Chhattisgarh Surguja Power Limited, New Delhi ...**Petitioner**

Following were present:

Shri Yogesh Juneja, CSPL
Shri D.N.Balasure, CSPL

ORDER

The petitioner, Chhattisgarh Surguja Power Limited (CSPL) has filed this petition seeking approval of the Commission for further extension of time (for a period of 730 days i.e upto 13.3.2014) to complete the bid process of the project to select a successful bidder.



2. The petitioner has submitted that CSPL was incorporated as Special Purpose Vehicle (SPV) for establishment of a coal based thermal pithead power plant of a gross capacity of 4000 MW to be set up at villages Salka/Khamaria in Tehsil Udaipur of District Surguja in the State of Chhattisgarh on build, own and operate basis. The petitioner is a wholly owned subsidiary of the Power Finance Corporation Limited and is acting as the authorized representative of the procurers of electricity from the project, namely, Chhattisgarh, Maharashtra, Madhya Pradesh, Gujarat, Goa, Daman & Diu, and Dadra & Nagar Haveli

3. The petitioner has submitted that as per the guidelines notified by the Ministry of Power, Government of India for procurement of power by the distribution licensees through competitive bidding, the Request for Qualification (RfQ) for the project was issued on 15.3.2010 after completion of the activities required under the guidelines. The last date of submission of RfQ was extended thirteen times on each occasion by two to three months on the advice of Ministry of Power, Government of India due to forest related issues concerning the coal blocks allocated to the project.

4. The petitioner has submitted that the time limit provided in the guidelines had expired on 14.3.2012. Based on its request, the Commission vide its order dated 26.3.2012 in Petition No. 39/MP/2012 had allowed time till 30.3.2013 to complete the process of selection of the bidder.

5. Since the bidding process has not progressed beyond the RfQ stage, the petitioner has submitted that the Board of CFSL in its meeting held on 1.1.2013 has approved a proposal for extension of bid process time line for further 730 days

from 31.3.2013 to 31.3.2015. Accordingly, the petitioner has prayed for the approval of the extension of time for completion of the bid process by a further period of 730 days from 31.3.2013 i.e. till 31.3.2013.

6. During the hearing on 7.2.2013, the Commission desired to know whether it would be appropriate to cancel the process of competitive bidding and start it afresh after resolution of the forest related issues as it might provide a change to more bidders to participate. In response, the representative of the petitioner sought leave of the Commission to take instructions of the Central Government in this regard. Accordingly, the petitioner was directed to take instructions from the Central Government in this regard.

7. The petitioner vide its affidavit date 20.3.2013 has submitted that in response to its letter dated 19.2.2013, Ministry of Power, Government of India, vide its letter dated 18.3.2013 has informed that the last date for submission of RfQ bids may be extended by six months in view of the forest related issues concerning coal blocks allocated to Chhattisgarh, UMPP. Accordingly, the petitioner has proposed to extend the last date for submission of RfQ bids till 30.10.2013.

8. We have considered the submission of the petitioner. The guidelines issued by the Ministry of Power, Government of India provides the following time bound for the Stage 2 bidding process:

S. No.	Event	Elapsed time from zero date
1.	Publication of Request for Qualification (RfQ)	Zero date

2.	Submission of (RfQ)	45 days
3.	Issue of Request for proposal (RfP)	75 days
4.	RfP bid submission	225 days
5.	Evaluation of bids and issue	240 days
6.	Signing of Agreements	270 days

9. It is noted that the bidding process has to be completed within a period of 270 days. It is however, seen that on account of forest related issues, the petitioner has not been able to proceed beyond the stage of submission of RfQ. The petitioner has now fixed the last date for submission of RfQ as 30.10.2013 after seeking instruction from Ministry of Power. As per the guidelines the process of submission of RfQ has to be completed within 45 days. Thereafter the process will take another 225 days for completion. In this case, the petitioner has prayed for 730 days time from 31.3.2013 to 31.3.2015. However, we are not inclined to grant time for 730 days as prayed for by the petitioner. Considering the prescribed time line of 225 days from the last date of submission of RfQ, we extend the time for completion of RfQ till 30.10.2013 and allow time till 30.9.2014 for completion of the bidding process in exercise of our power under Clause 5.18 of the Guidelines.

10. The petition No. 2/MP/2013 is disposed of in terms of the above.

Sd/-

(M.DEENA DAYALAN)
MEMBER

sd/-

(V.S.VERMA)
MEMBER

sd/-

(Dr. PRAMOD DEO)
CHAIRPERSON