

Ref: RA/II/002/17-18/1681

December 21, 2017

To,
The Secretary,
West Bengal Electricity Regulatory Commission,
FD-415A, Poura Bhawan , 3rd Floor,
Sector III, Bidhannagar,
Kolkata – 700106

Sub: Medium Term Power Purchase initiative of IPCL through DEEP portal
Ref: IPCL Tender no. IPCL/Medium/Lumpsum Tariff/17-18/75 dated 09.10.2017

Respected Sir,

India Power Corporation Limited (IPCL) had recently undertaken a competitive bidding initiative through DEEP Portal for procurement of 60 MW power on medium term basis for 5 years. The Tender document bearing reference no. IPCL/Medium/Lumpsum Tariff/17-18/75 is placed before the Hon'ble Commission as **Annexure-1**. The e-Reverse Auction(e-RA) in respect of the aforesaid tender was conducted on 30.11.2017.

We take this opportunity to inform the Hon'ble Commission that during the Reverse Auction held on 30.11.2017, the online process of e-Reverse Auction encountered the following issues:

- a. The e-Reverse Auction on DEEP portal was based on the Base Variable Charge (generation cost + transmission charge including transmission losses) rather than the total lumpsum tariff contrary to MOP guideline.
- b. The L1 price could not be matched by the Bidders as total lumpsum tariff of L1 bidder was not displayed on the portal.
- c. The bidders were not allowed to reduce the tariff in multiples of 1 paise by the DEEP online bidding platform.
- d. The DEEP online bidding platform allowed quoting the Base Variable Charge upto 3 decimals, contrary to the provisions of the bidding documents.
- e. IPCL could not monitor the e-RA process due to online system error on the DEEP portal.
- f. Several bidders also raised complaints on the e-RA process as there was deviation between the mock e-RA conducted by DEEP portal on 24.11.2017/25.11.2017 and the actual e-RA conducted on 30.11.2017. The same has also been brought to the notice of IPCL ,PFCCCL and MSTC by the bidders. Copy of communication between Tata Power Trading Company Limited (a bidder), IPCL (procurer) and PFCCCL & MSTC (Auction platform) is placed before the Hon'ble Commission as **Annexure-2**.

India Power Corporation Limited

CIN – L40105WB1919PLC003263

Registered Office : Plot No. X1 - 2 & 3, Block - EP, Sector - v, Salt Lake City, Kolkata - 700091
Ph : +91 33 6609 4300 / 08 / 09 / 10 , Fax : +91 33 2357 2452

Central Office : Sanctoria, P.O. - Dishergarh, District - Burdwan, Pin - 713333 (W.B.)
Ph : (0341) 6600452 / 454 / 455 / 456 / 457

We further submit that the prices discovered in the bidding process are high as compared to the existing Average Power Purchase Cost (APPC) of IPCL and it would not be in the consumers' interest of IPCL as its power procurement would increase significantly.


In view of the above, we humbly pray before the Hon'ble Commission to consider the aforesaid e-RA as cancelled. We would inform the Hon'ble Commission as and when we undertake the re-tendering process for Medium Term Power Purchase under competitive bidding guidelines through DEEP portal.

This is for the kind information of the Hon'ble Commission.

Thanking You.

Yours Sincerely

For India Power Corporation Limited


Debasish Das
Vice President (Regulatory Affairs)

Encl.: As above