



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695
004

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ABSTRACT

Management of power deficit during April & May 2024 - Short term tender invited through DEEP portal as per MoP guidelines - Sanctioned - Orders issued.

Corporate Office (Commercial & Tariff)

B.O. (FTD) No. 109/2024 (CE(C&T)/CML/EE-2/Short term tender-4 /2023-24) Thiruvananthapuram. Dated:#ApprovedDate#

- Read :
1. Minutes of Core Committee meeting held on 21.12.2023.
 2. Letter No.CESO/EEMO/AEEMO/NVVN/2023-24/1829 dated 08.12.2023 addressed to the Director (T&SO).
 3. Short term tender floated on DEEP portal e-tender No. KSEBL/Short/23-24/ET/194 & e-Reverse auction No. KSEBL/Short/23-24/RA/186 on 05.01.2024.
 - 4.Note No.CE(C&T)/CML/EE2/Short term tender 04/2023-24 dated 17.02.2024 of the Chief Engineer (Commercial & Tariff) to the Full Time Directors (Agenda No.21-03/2024).

ORDER

To manage the summer power deficit and in view of forthcoming parliamentary election, short term tender read as 3rd above was floated on DEEP portal for procuring 400MW RTC Power and 200MW power for 14.00Hrs to 24.00Hrs during April & May 2024 based on the core committee recommendation as per minutes read as 1st above. The tender was floated on 05.01.2024 with last date of the submission of the technical bid on 16.01.2024, 03.00pm and Initial price offer (IPO) on 20.01.2024, 11:00pm respectively.

Two bidders M/s Jindal Power Limited & M/s Adani Enterprises Limited have submitted their bids in line with Rfp terms & conditions and therefore qualified for the IPO which was opened on 20.01.2024. e-Reverse Auction started at 13 hrs and concluded at 15 hrs on the same day. On completion of the bid process the following rates were discovered through bucket filling in DEEP portal:

Period	Required Quantity (MW)	Duration	Min bid quantity (MW)	Bidder	Generator/Trader	Quantity(MW)	Rate (Rs/kWh)
01.04.2024 to 30.04.2024	400	RTC	25	L1	JINDAL POWER LIMITED	100	9.59
				L2	Adani Enterprises Ltd	50	10.25
01.04.2024 to 30.04.2024	200	14:00 to 24:00 Hrs	25	L1	Adani Enterprises Ltd	50	14.3
01.05.2024 to 31.05.2024	400	RTC	25	L1	JINDAL POWER LIMITED	100	9.59
				L2	Adani Enterprises Ltd	50	10.25
01.05.2024 to 31.05.2024	200	14:00 to 24:00 Hrs	25	L1	Adani Enterprises Ltd	50	14.3

Generator/Traders have not made any variation in the quoted price during e-Reverse auction. The validity of the offer was 30 days from the date of IPO i.e up to 18.02.2024

The Standing Committee for short term power procurement on 31.01.2024 made the following observations:

1. The quoted price is very high compared to the rates at which KSEBL has ever placed LoA for the same period during this year as well as previous years.
2. The above rates are at the CTU interconnection of the generators and this will increase by nearly 70 paise in the per unit rate at Kerala periphery on accounting the transmission charges & losses.
3. Since the storage levels of reservoirs & inflow are not favorable to meet the power during the summer season, there is huge gap between the forecasted demand and availability. Therefore firm power need to be arranged at the earliest to meet the deficit.

As the rate discovered through short term tender is on higher side, Chief Engineer (Commercial & Tariff) sought to discover rate through Long Duration Contracts (LDC) from SLDC and decided that, a decision regarding the subject matter may taken after discovery of price through LDC.

Therefore, on discovery of rate by SLDC, standing committee was again convened on 05.02.2024. However, considering the huge financial outflow on account of the rates discovered through LDC, larger power deficit, low availability of power in market and forth coming election, it was decided to place the matter before Core committee for a decision in the short term tender floated on 05.01.2024.

Core Committee meeting held on 09.02.2024 decided to go for monthly /LDC contracts as a last attempt to get lower rate, as the rate obtained through the same were less compared to discovered rate through short term tender. Thus in the core committee meeting it was decided that the short term tender may be finalized subject to the outcome of LDC/monthly contracts.

Meanwhile, Chief Engineer (TSO) vide letter dated 13.02.2024 had informed that monthly contracts tied up through power exchange comes to the tune of 300MW, 130MW and 436 MW for March, April & May 2024 respectively. In view of large deficit in the projected demand for the month of April 2024, Director (T&SO) convened a meeting on 13.02.2024 to discuss the steps to be taken to meet the deficit during April & May 2024 due to the summer crunch and parliamentary election. The LGB after incorporating all the tied up contracts still showed a deficit of 328 MW through out April 2024. However, a new PPA being concluded with M/s Jindal Power Limited @Rs 9.59/unit, who is one of the DBFOO generators, can invite unwarranted publicity & litigations even though power is scheduled from different units of generator.

In the mean time bidders were requested to extend there offer validity up to the EMD validity period as the same is only up to 18.02.2024 for which no extension has been given by the bidders.

In view of huge deficit and the recommendation of Director (T&SO), the following matters were placed before Full Time Directors as per note read as 4th above requesting decision for the following.

- The action of Chief Engineer (Commercial & Tariff) in floating the Short term power purchase tender through DEEP Portal on 05.01.2024 for procuring 400MW RTC power & 200 MW for the period 14.00Hrs to 24.00Hrs to manage the power deficit during April 2024 & May 2024 may be ratified.
- Provisional Letter of Award may be placed with M/s Jindal Power Limited for 100 MW RTC power quoted by them at the rate of Rs 9.59/unit for April 2024 subject to Kerala State Electricity Regulatory Commission (KSERC) approval.
- On approval of Hon'ble KSERC, whether Chief Engineer (Commercial & Tariff) may be authorized to execute PPA for the same.

Having considered the matters in detail, the Full Time Directors

Resolved to ratify the action of the Chief Engineer (Commercial and Tariff) in floating Short term power purchase tender through DEEP Portal on 05.01.2024 for procuring 400MW RTC power & 200 MW for the period 14.00Hrs to 24.00Hrs to manage the power deficit during April 2024 & May 2024.

Further resolved to annul the short term tender floated on 05.01.2024 since the market rates discovered by SLDC was low and procuring power at high rate from M/s Jindal Power Limited who was not supplying power under DBFOO contracts shall lead to unwarranted litigations and criticism.

Orders are issued accordingly.

By Order of the Full Time Directors

Signed by

Lekha G

LEKHA G

Date: 11-05-2024 17:13:41

COMPANY SECRETARY

To: The Chief Engineer (Commercial & Tariff)

Copy to:

The Company Secretary/ Chief Engineer (IT,CR&CAPS)/ Financial Advisor/
LA&DEO/ Chief Internal Auditor

The TA to the Chairman & Managing Director / Director (Generation-Civil) / Director
(Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning)/ Director
(Generation - Electrical, REES, SOURA, Sports & Welfare)

The PA to the Director (Finance & HRM)

The Sr.CA to the Secretary (Administration)

The RCAO/ RAO Stock File.

Forwarded / By Order



Assistant Executive Engineer