



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

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

CIN: U40100KL2011SGC027424 Web: www.kseb.in

Phone : 04712514336

Email : cerees@kseb.in

ABSTRACT

BESS implementation in KSEBL - Sanctioned - Orders issued.

Corporate Office (Projects)

B.O.(FTD) No.374/2024 (CE

Dated:24-08-2024

(Projects)/AEII/BESSNEW/2024) Thiruvananthapuram.

- Read :
1. MoP Order No.F.No.42-26/1/2022-RCM-Part (1) dated 15.03.2024-Operational Guidelines for Scheme for VGF for development of BESS.
 2. Letter from SECI/EM/2024-25/64230 dated 15.05.2024.
 3. Letter No.I/26390/2024/421 dated 04.03.2024 of the Executive Engineer, PSE.
 4. Instruction from Chairman & Managing Director regarding BESS on note No. CE (REES)/Innov/AE2/BESS/2024/I/51491/2024 dated 23.06.2024.
 5. Note No.CE(REES)/AEII/BESS/2024/ I/54356/2024 dated 02.07.2024 of the Chief Engineer (REES & SOURA) to the Full Time Directors (Agenda Item No.03/07/24).
 6. Minutes of the meeting of the Full Time Directors held on 03.07.2024 vide Resolution No.FTD/1/2024/3.

ORDER

KSEBL had floated tender during 2022 for setting up of Battery Energy Storage System and the storage cost discovered was Rs.11.20 Lakh/ MW/ Month, which translates to Rs.12.83/kWh for storage alone. The rate is significantly higher than the current market rates. Due to non-sanctioning of CFA/ VGF, the aforementioned KSEBL tender for BESS was closed without proceeding further.

As reliance on RE increases, the grid experiences stress during evening and morning peaks when sufficient RE is not available, necessitating additional power dispatch. BESS plays a vital role in successfully integrating RE into the grid and assisting grid operators in managing these fluctuations in demand and supply. It also plays a vital role in transmission de-congestion and augmentation deferral.

As per MoP Order read as 1st above, VGF upto 40% is available for BESS if the project is approved before 31.03.2026. SECI had offered to set up BESS at a trading margin of 0.5% of the monthly capacity charges at locations selected by KSEBL, as per letter read as 2nd above. The trading margin at present market rate comes to ~ Rs.2000/ MW / Month.

KSEBL is forced to purchase power from IEX and other sources to meet the contingency power demands. Financial viability of establishing BESS in comparison to these power purchases also need to be evaluated.

As per the letter read as 3rd above, it was informed that BESS of 60 MW is feasible at Mylatti, 50 MW at BDPP substation and 25 MW at Anagmaly substation. Further feasibility for BESS of 10 MW was informed at KDPP, Areacode and Pothencode SS, thus totaling to 165MW.

The Chairman & Managing Director, had issued instructions as per note read as 4th above, to proceed with 100MW BESS at Mylatti and furnish the same to Full Time Directors. The matter was placed before the Full Time Directors as per note read as 5th above.

The Full time Directors in its meeting held on 03.07.2024 discussed the matter in details and observed the following:

For implementation of BESS, storage cost will be reduced if 40% VGF is availed. The options are:-

- a. Invest as CAPEX model
- b. Deferred annuity
- c. Tariff based bidding
- d. Availing on rent as per the proposal of SECI

The following projects which are to be implemented were discussed.

- a. 75 MW power generation at RPCKL
- b. The 95 acres in BDPP area can be utilized for about 200MW power generation
- c. 50MW power generation at Mylatti
- d. 100MW power generation at Kannur Airport

Having considered the matter in detail, the Full Time Directors resolved to proceed with implementation of BESS at Mylatti, BDPP, RPCKL, Kannur Airport, Angamaly Substation, KDPP, Areacode and Pothencode Substations totaling to 205MW of power

generation.

Further resolved to proceed with BESS, with SECI as the intermediary, with a trading margin of 0.5% of the Monthly Capacity Charges payable to SECI.

Orders are issued accordingly.

By Order of the Full Time Directors

Signed by

Lekha Geetha

Date: 24-08-2024 16:59:29

COMPANY SECRETARY

To:

The Chief Engineer (Projects)

Copy to:

The Company Secretary / Chief Engineer (IT,CR&CAPS) for publishing in the website /
Financial Advisor / Chief Engineer (Commercial & Tariff) / LA&DEO /

Chief Internal Auditor / Chief Vigilance Officer

The Chief Personnel Officer / Public Relations Officer

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 Engineer