

**KERALA STATE ELECTRICITY BOARD LIMITED**

(Incorporated under the Companies Act, 1956)

CIN :U40100KL2011SGC027424

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ABSTRACT

MoP scheme for pooled tariff of stations whose PPAs have expired -Sanctioned- Orders issued
Corporate Office (Commercial & Tariff)

BO.(FTD) No.388/2023(CE(C&T)/CML-EEI-AEEVI/RSTPS I&II-PPA / 2023-24) dated TVPM, 08.08.2023

- Read :-
- 1.Letter No.01/CD/SWS-1 dated 25.05.2023 of NTPC
 - 2.F.No.23/23/2020-R&R/RCM dated 20.04.2023 of MoP (RCM Division)
 - 3.Letter No.COM-AEE6/2023/63/500 dated 17.03.2023 of the Chief Engineer (Commercial & Tariff) to NTPC
 4. Note No.COM-AEE6/2023/103 dated 05.07.2023 of the Director (Finance)
 5. Note No.CE(C&T)/CML-EEI-AEEVI/ RSTPS I&II-PPA/2023-24 dated 01.07.2023 of the Chief Engineer (Commercial & Tariff) submitted to the Full time Directors (Agenda Item No.06/07/23)

ORDER

NTPC, as per letter read as 1st, has requested to give willingness to NTPC SWS (Single Window clearing System) for allocation of quantum of power, including period of requisition, within 15 days from the date of the letter for allocation of power from common pool by MoP, signing of PPA and other tasks required for operationalising the scheme from 1st July 2023.

NTPC has also forwarded a letter from MOP dated 20.4.2023, explaining about the scheme for pooling of tariff of those plants whose PPAs has expired. As per MOP scheme, single window system shall be created through which the desiring States/Discoms including the existing beneficiaries shall submit their willingness for power allocation (quantum and period) within 15 days from the formation of the pool. The minimum period of requirement shall be 5 years. The allocation will be done by MoP based on the requisition received from States/Discoms through SWS. MOP aims at utilising the plants which have completed 25 years of operation by pooling the fixed cost and energy cost thereby utilising the underutilised plants due to high cost of energy.

The common pool will be GENCO wise. Accordingly, the proposal forwarded by NTPC is for NTPC stations completed 25 years of service. The pooling will be done for coal and gas based stations which have completed 25 years of operation. The tariff from the pool will be uniform.

It is stated that the schedule will be station wise and billing of beneficiaries shall be based on the aggregation of station wise schedule provided by the beneficiary to each station at uniform weighted average pooled energy charge and fixed charge determined as per entitlement. It is also pointed out the merit order dispatch shall be followed.

NTPC is planning to include 10Nos.coal based stations and 5Nos.gas based stations under common pool. The energy charge for 2022-23 for gas based stations in the pool is Rs.13.48/unit and energy charge for coal stations in the pool for the same period is Rs.2.54/unit. The weighted average energy charge indicated is Rs.2.59 /unit for 2022-23.

At present, KSEBL is availing power from NTPC's Ramagundam I&II stations which have completed 25 year of operation. The energy charge rate for Ramagundam 2022-23 is indicated as Rs.4.02/unit and if it was pooled with other stations it would be Rs.2.59/ unit based on fuel price of that period. Among the stations for considering the pool, Ramagundam rate is higher compared to other coal based stations.

It is learnt that TANGEDCO has addressed NTPC and MOP the condition in the scheme that generating company shall inform the existing beneficiaries one year in advance, the date from which the power shall get reallocated from generating stations and get added to common pool.

The Chief Engineer (Commercial & Tariff), as per the Note read as 5th above, has put up the issues of pooling stations which have completed 25 years, which was forwarded by NTPC. Further it is mentioned that the clarifications sought from NTPC is not received. KSEB Ltd has already intimated NTPC to renew the PPA. The Chief Engineer (Transmission System Operation) opined that the allocation from Ramagundam I&II is essential and the matter need to be addressed to the State Regulator for arriving at a consensus for availing present allocation from Ramagundam I&II from common pool.

Hence, the Chief Engineer (Commercial & Tariff), as per the Note read as 5th above, has suggested to intimate NTPC that KSEBL wish to continue the present allocation from Ramagundam I&II. Further, NTPC has not satisfied the condition to inform the beneficiaries one year prior to pooling. The new scheme of pooling can be confirmed only with the State Regulator's approval. The pooling of power may be deferred till the amendment of Regulation 17 of Tariff Regulation, 2019. Meanwhile, we may take up the scheme of pooling with KSERC to issue consent.

The Director(Finance) has also put up remarks as per Note read as 4th above.

The matter was placed before the Full Time Directors as per note read as 5th above.

Having considered the matter in detail, the Full Time Directors in its meeting held on 26.07.2023, resolved to accord sanction to the following:

1. Intimate NTPC that KSEBL wish to continue the present PPA/ allocation from Ramagundam I&II.
2. Inform NTPC that KSEBL will continue the PPA.
3. In future also, if any PPA is going beyond 25 years, it shall be studied and appropriate decision shall be taken at least 6 months in advance before completion of 25 years.
4. Inform MoP with rationale that KSEBL is not agreeing to pooling.

Order is issued accordingly.

By order of the Full Time Directors,

Sd/-

Lekha G
Company Secretary

To

The Chief Engineer (Commercial & Tariff)

Copy to:-

The Financial Advisor/ The Chief Internal Auditor

The Chief Engineer (IT)

The TA to (Chairman & Managing Director) /

Director (Distribution, IT, SCM & Safety) /

Director (Transmission, System Operation & Planning) /

Director (Generation-Electrical, REES, Soura, Nilaavu, Sports & Welfare) /

Director (Generation-Civil) / ()

The PA to Director (Finance & HRM) / The Company Secretary /

The Sr CA to Chief Vigilance Officer

Library/Stock file

Forwarded by order,



Assistant Executive Engineer