



KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Companies Act, 1956)

CIN :U40100KL2011SGC027424

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ABSTRACT

RGCCPP, Kayamkulam -Extension of Scheduled Commissioning Date & Supplementary Agreement of 92MW floating solar power project - Sanctioned - Orders issued

Corporate Office (Commercial & Tariff)

BO.(FTD) No.746/2022(CE(C&T)/CML-EEI-AEEVI/NTPC-Kayamkulam/2022-23) dated TVPM, 01.09.2022

- Read:-
1. PPA dated 28.08.2019 & Supplementary PPA dated 18.02.2021 executed between KSEBL & NTPC.
 2. NTPC Letter No.CC:CD:Solar:KSEBL/92MW: Extension-5 dated 11.11.2021 for time extension.
 3. Letter No.CML-EEI-AEE VI/NTPC-Kayamkulam/2021-22/430 dated 30.03.2022 of the Chief Engineer(Commercial & Tariff) to NTPC.
 4. B.O.(FTD)No.289/2022(CE(C&T)/CML-EEI-AEEVI/NTPC-Kayamkulam/2021-22) dated 06.04.2022.
 5. CERC Order dated 09.05.2022 on Petition No.341/GT/2019
 6. MNRE letter dated 17.04.2020
 7. Note No.CML-EEI-AEEVI/NTPC-Kayamkulam/2022-23/575 dated 10.08.2021 of the Chief Engineer (Commercial & Tariff) submitted to the Full Time Directors (Agenda 59/8/22)

ORDER

KSEBL had executed Power Purchase Agreement and supplementary PPA, read as 1st above, with NTPC on 28.08.2019 and 18.02.2021 respectively, for procuring solar power from the 92MW floating solar project at the existing premises of RGCCPP, Kayamkulam power station.

M/s.NTPC, on 11.11.2021 intimated that 5MW capacity of the project is ready for part commissioning. But, it was noticed that the signed PPA contains certain Clauses, which are inconsistent with the '*Guidelines for Tariff based competitive bidding process for procurement of power from Grid Connected Solar PV power projects*' published by Ministry of Power on 03.08.2017.

The Clauses which are inconsistent with the guidelines are:

- i. Clause 5 - Part commissioning charges and capacity.
- ii. Clause 1.2(11) - The Operating range of the Solar Plant.
- iii. Clause 3.2 - Accounting of transmission charges and losses.

Moreover, the metering scheme of the project was not in line with the Regulation and hence needed modification. The Chairman & Managing Director, KSEBL, had convened a meeting on 09.03.2022 to discuss the issues existing with the project. The decision taken in the meetings are briefed below:

- a. The operating range of Capacity Utilization Factor of the plant is agreed to be refixed at 16 to 26 % against 16 to 28% range stipulated in the PPA.
- b. The payment for the Part commission, till the declaration of the COD of the plant is 75 % of the PPA rate as per the Bidding guidelines.
- c. To accept the modified metering scheme.

KSEBL accorded sanction as per B.O. read as 4th above, to inject power from the floating solar plant at Kayamkulam and extend the PPA subjected to the following conditions :-

- a. Payment during the period of Part commission till the COD of the plant as 75% of the PPA rate.
- b. The operating range of the floating solar Plant is 16- 26 % CUF.
- c. The waiver of transmission charges has to be taken up jointly by KSEBL and NTPC with PGCIL.
- d. The transmission losses as per Regional Transmission Account (RTA) shall be deducted from the power purchase bill.
- e. The accuracy of the metering scheme shall be ensured by NTPC as per metering Regulation 2006, within Six month from the date of issuance of approval of the metering.

KSEBL approved the revised metering scheme, read as 3rd above, for 92MW floating solar PV project submitted by NTPC subject to the condition that NTPC shall ensure 0.25 Class metering accuracy within 6 months from the date of the letter. Subsequently, the solar PV plant achieved commercial operation on the following dates:

- 22 MW - w.e.f 13:00 Hrs of 31.03.2022
- 35 MW - w.e.f 06:00 Hrs of 19.05.2022.
- 35 W - w.e.f 00:00 Hrs. of 24.06.2022.

As per the supplementary PPA, the Scheduled Commissioning date of the project is 15 months from 28.08.2019 for 22 MW capacity and 21 Months from 28.08.2019 for the remaining 70 MW capacity, ie, the project to be completed on 27.05.2021.

M/s.NTPC, as per letter read as 2nd above, intimated that the project completion date exceeded the agreed time period due to (1) the restrictions in the 2nd wave of Covid-19 pandemic in Kerala, which seriously hampered the supply chain of main equipment for the project (2) the Government of China curbed the power supply to the manufacturing industries, which in turn affected the schedule of manufacturing the module. Hence, M/s.NTPC requested to extend the Scheduled Commissioning Date of 92MW floating solar PV project to 31.07.2022.

M/s.NTPC forwarded Supplementary PPA revising the Clauses on Auxiliary Consumption, part commissioning, scheduled commissioning date for review and consent for signing by KSEBL. The remarks of Legal Advisor & Disciplinary Enquiry Officer, Chief Internal Auditor and Executive Engineer (TRAC) were obtained on the Supplementary PPA.

CERC issued interim Tariff Order, read as 5th above, in the petition filed by NTPC. In this, CERC considered minimum Capacity Utilization Factor (CUF) as 19% and maximum CUF as 27.24%. The interim Tariff determined by CERC is Rs.2.94/kWh.

Regarding the Scheduled Commissioning Date, MNRE as per its O.M.No.283/18/2020-GRID SOLAR dated 20.03.2020, had inter-alia, issued directions to treat delay on account of disruption of the supply chains due to the spread of corona virus in China or any other country, as Force Majeure and that they may grant suitable extension of time for the projects, on account of corona virus, based on evidences/ documents produced by developers in support of their respective claims of such disruption of the supply chains due to the spread of corona virus in China or any other country. MNRE, as per letter dated 17.04.2020 also ordered that the State Renewable Energy Departments (including agencies under Power/Energy Departments of States, but dealing in renewable energy) may also treat lockdown due to COVID-19, as Force Majeure and may consider granting appropriate time extension on account of such lockdown. The extension on account of disruption in supply of RE equipment prior to lockdown shall be dealt separately for additional extension of times as per MNRE Order dated 20.03.2020. The original PPA has no provision for penalty for delay in Scheduled Commissioning Date (SCD).

The matter was placed before the Full Time Directors as per Note read as per 7th above.

Having considered the matter in detail, the Full Time Directors in its meeting held on 16.08.2022, resolved to accord sanction to approve the supplementary PPA. Further resolved to accord sanction to forward the amended Supplementary PPA to NTPC for their concurrence. Further resolved to accord sanction to extend the Scheduled Commissioning Date (SCD) of 92MW floating solar PV project to 30.06.2022.

Further resolved that the CUF verification frame work shall be intimated to M/s.NTPC and get it done in 2 weeks.

Orders are 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) /

Director (Transmission & System Operation, Planning & Safety) /

Director (Generation-Electrical) /

Director (Generation-Civil) /

Director (REES including Soura, Nilaavu projects, Sports & Welfare)

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