



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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### Abstract

ANERT – 2 MW Solar plant at Kuzhalmannam – Disallowance of amount by KSERC - Sanctioned - Orders issued.

### CORPORATE OFFICE (Commercial and Tariff)

B.O. (FTD) No. 742/2022 (CE (C&P)/Kuzhalmannam-Solar/2021-22) dated Tvp, 01.09.2022.

Read: 1. B.O. (FTD) No.740/2020(CE(C&P)/Kuzhalmannam-Solar/2020-21) dated 16.12.2020.

2. PPA initialled with ANERT on 04.12.2020.

3. KSERC Daily Order dated 28.08.2021 in OP No.24/2021.

4. KSERC Daily Order dated 08.10.2021 in OP No.24/2021.

5. B.O. (FTD) No.930/2021 (CE(C&P)/Kuzhalmannam-Solar/2021-22) dated 16.12.2021.

6. PPA initialled with ANERT on 30.11.2021.

7. KSERC Daily Order dated 09.02.2022 in OP No.24/2021.

8. KSERC order dated 25.03.2022 in OP No.24/2021.

9. KSERC Truing up order dated 24.06.2022 for the period 2020-21 in OP No.23/2022.

10. Note No. CE (C&P)/Anert-Kuzhalmannam-Solar/2022-23/526 dated 01.08.2022 of the Chief Engineer (Commercial and Tariff). (Agenda No.29/8/22)

### ORDER

The Power Purchase Agreement (PPA) read as 2<sup>nd</sup> above was initialled with M/s ANERT for the procurement of Solar power from 2 MW Solar Power Project at Kuzhalmannam. The Commercial Operation Date (CoD) of the project is 19.12.2016. M/s ANERT is supplying power to KSEBL from the CoD of the project. As per the direction in the meeting conducted by the Secretary, Power Department with ANERT and KSEBL officials, KSEBL is releasing interim payment to M/s ANERT at the Average Pooled Purchase Cost (APPC) for the FY 2016-17 i.e. @ Rs 2.69 per unit subject to the approval of KSERC.

A Petition was filed before the KSERC by ANERT on 23.03.2021 for approval of the initialled PPA and the Hon'ble KSERC as per daily orders read as 3<sup>rd</sup> and 4<sup>th</sup> above directed to modify the initialled PPA duly considering the observations of KSERC and incorporating the various provisions in the competitive bidding guidelines and its amendments notified by the Central Government. As per the direction of KSERC, revised PPA read as 6<sup>th</sup> above was initialled with ANERT and submitted before the Hon'ble KSERC for approval.

In the daily order read as 7<sup>th</sup> above, KSERC ordered that in order to determine the project specific tariff, M/s ANERT shall submit all the relevant details within 45 days from the date of the

order. Subsequently, the Commission as per order read as 8<sup>th</sup> above, disposed the original petition stating that 'M/s ANERT shall file a fresh petition with complete expenditure details and vouchers/receipts for the determination of the project specific tariff of the electricity generated from the 2MW Solar Plant at Kuzhalmannam as per the provisions of the KSERC (Conduct of Business) Regulations 2003 and its amendments.

Also, the State Commission as per true up order read as 9<sup>th</sup> above, has not approved the power purchase cost of Rs 3.11 Crores for the period 2020-21 pertaining to M/s ANERT, Kuzhalmannam with the following observation:

*As per Section 86(1)(b) of the EA-2003, all the power purchases including the tariff has to be determined by the appropriate Commission. However, M/s ANERT has not so far made available the details sought by the Commission. In view of this situation, the Commission is constrained to not to approve the payment of Rs 3.11 crore made by KSEB Ltd. Hence, this amount is disallowed at present. The Commission also ordered that KSEB Ltd shall direct M/s ANERT to file the petition for tariff determination under Section 62 of the EA-2003 before the Commission. Till such time no payment shall be released by KSEB Ltd for any injection of energy by M/s ANERT into the KSEB grid.*

Also, the Commission has not approved power purchase from M/s ANERT for the next control period 2022-27, vide MYT order dated 25.06.2022.

Considering the orders of KSERC, the Chief Engineer (Commercial and Tariff) as per note read as 10<sup>th</sup> above suggested that KSEBL may intimate M/s ANERT to file the petition for tariff determination under Section 62 of the EA-2003 before the Commission and also to intimate M/s ANERT that till such time/orders received from KSERC, no payment will be released by KSEBL for any injection of energy into the KSEBL grid. It is also proposed that KSEBL may file review petition before the Hon'ble KSERC to approve the power purchase cost of Rs 3.11 Crores pertaining to the FY 2020-21, as the Commission had issued orders only on 25.03.2022 disposing the original petition (OP No 24/2021) filed by ANERT on 23.03.2021 for determining the tariff.

Having considered the matter in detail, the Full Time Directors in its meeting held on 06.08.2022, Resolved to accord sanction for the following:-

1. To intimate M/s ANERT to file the petition for tariff determination under Section 62 of the EA-2003 before the Commission as the original petition was disposed by KSERC vide order dated 25.03.2022.

2. To intimate M/s ANERT that till further orders received from KSERC, payment will not be released hereafter for injection of energy into the KSEBL grid from the 2 MW Project at Kuzhalmannam and initiate freeze and block of the payments of Energy charges.
3. To file review petition before the Hon'ble KSERC to approve the power purchase cost of Rs 3.11 Crores pertaining to the FY 2020-21, as the Commission had issued orders only on 25.03.2022 disposing the original petition (OP No 24/2021) filed by ANERT on 23.03.2021 for determining the tariff.

Orders are issued accordingly

By Order of the Full Time Directors,  
Sd/-  
LEKHA.G  
Company Secretary in-charge

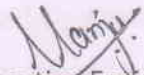
To

1. The Chief Engineer (Commercial & Tariff).
2. The Deputy Chief Engineer (TRAC).

Copy to:

1. The Financial Advisor/Chief Internal Auditor/LA & DEO
2. TA to CMD/ Director (T, SO, Plg & S)/ (Gen-E)/ (D, IT & SCM)/ Gen (Civil)/ (REES, Soura, Nilaavu, Sports & Welfare)
3. PA to Director (F and HRM)
4. Senior CA to Secretary/Company Secretary i/c/The Fair Copy Superintendent
5. Library / Stock File.

Forwarded by order

  
Assistant Executive Engineer