



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956) CIN:U40100KL2011SGC027424
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12/8/2021

Abstract

Pilot Scheme II - Procurement of aggregated power of 2500MW for 3 years (under Medium Term)- Tariff based competitive bidding conducted by the Nodal Agency PFC Consultancy Limited (PFCL) for supply to DISCOMs -proposal from PTC – procurement of 270MW power-approval of draft supplementary agreement and filing of original petition at Hon'ble KSERC - Orders issued-

Corporate Office (Planning)

BO(FTD) No. 602/2021 (No: CE(C&T)/Pilot Scheme II -PTC/2020-21 Dtd 12-08-2021

- Ref: 1. BO(FTD) No. 202/2021 (No: CE(C&T)/Pilot Scheme II -PTC/2020-21 Dtd 16-03-2021
2. Notice No .FNo FU-8/2015/IPC(Vol VIII) dated 01-04-2021 of Ministry of Power, Government of India
3. Note No. CE(C&T)/Pilot Scheme II -PTC/2020-21/60/17-04-2021 of Deputy Chief Engineer(Commercial & Planning) (Agenda 46/4/21)
4. Letter No: CE(C&T)/Pilot Scheme II -PTC/2020-21/25/26-04-2021
5. Letter No.C/PTC/M& TFG/Pilot Scheme-II/KSEB/06-05-2021 of Executive Director, Marketing PTC.
6 Letter No. LA&DEO/R/57/2021,29 dated 14-07-2021 of the Legal Advisor & Disciplinary Enquiry Officer
7. Note No. CE(C&T)/Pilot Scheme II -PTC/2020-21/388 dated 15-07-2021 of the Chief Engineer (Commercial & Tariff) submitted to the Full Time Directors (Agenda No.20/8/21)

ORDER

KSEBL as per Order read as 1st above has resolved to inform PTC the in-principle acceptance for procuring power for a period of six months i.e. from January to June in a year for three years under Pilot Scheme II, by scheduling power on short term basis, at the discovered tariff of Rs.3.26/kwh and at a trading margin of Rs 0.0173/kwh, as per the terms and conditions of draft PSA between Aggregator and Utility issued under Pilot Scheme II.

Subsequently as per decision of the Full Time Directors in its meeting held on 23-04-2021 decided to proceed with procuring 270MW RTC power offered by PTC under Pilot Scheme II for the period from Jan to June with the date of commencement of supply from 01-01-2022 onwards. As per the PSA, the contract period will start only from Appointed date onwards i.e. date on which all the conditions precedents are waived or satisfied, prior to which approval from Hon'ble KSERC has to be obtained for the payment of the tariff discovered.

For proceeding further in this regard, PTC forwarded the draft PSA and draft undertaking proposed to be executed between KSEB Ltd and PTC (Aggregator). The draft PSA i.e. agreement between Utility & Aggregator & APPP i.e. Agreement for procurement of power on Pilot Scheme between Aggregator and Supplier and the undertaking from PTC were given to legal, finance, internal audit wing, regulatory wing and system operations wing for vetting. The remarks suggesting modifications of certain clauses in the draft PSA was taken up with

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Full Time Directors whereas PTC has submitted the draft PSA without taking any deviations from the standard bidding documents issued by MoP. Modifying PSA can be construed as taking deviation from MoP guidelines for Pilot Scheme II, based on which price(tariff) has been discovered in the DEEP portal. In the MoP guidelines dated 17-01-2017 for the procurement of power for medium term on Finance Own Operate (FOO) basis it is mentioned that any deviation from Model bidding Documents shall be made only with the prior Approval of the Commission. Further it is observed that PFCCL has conducted the bidding procedure without taking any deviations from the SBDs. No specific instructions are observed in the draft PSA under Pilot Scheme II in respect of taking any deviation other than the customization of the document. Hence as per note read as 3rd above, it was suggested that instead of modifying the terms and conditions of the draft PSA a supplementary agreement may be executed between KSEBL and PTC (the Aggregator) incorporating all the relevant issues pointed out by various wings of KSEBL. Based on the approval of Full Time Directors on the note read as 3rd above, prior to preparing the supplementary agreement all the relevant issues were tabulated and brought to the notice of PTC so that a supplementary agreement on mutually agreed basis can be prepared since the draft PSA and supplementary agreement, after arriving consensus among parties has to be filed before KSERC for approval.

As per the direction of Full Time Directors, PTC was informed as per letter read as 4th above that KSEBL is willing to purchase 270MW RTC power offered by PTC under Pilot Scheme II for the period from January to June in a year for three years with the date of commencement of supply from 01-01-2022 onwards and that instead of an undertaking, KSEBL proposes to sign a supplementary agreement along with the PSA issued as per the MoP guidelines. The modifications suggested by KSEBL was also tabulated and forwarded to PTC.

PTC as per the letter read as 5th above furnished their remarks on the modifications pointed out by KSEBL. Based on the remarks obtained from PTC a draft supplementary agreement was prepared and was again circulated among the legal, finance, internal audit wing, regulatory wing and system operations wing. The draft supplementary agreement was further modified based on the inputs given from them.

In the above scenario, based on the opinions obtained, the Chief Engineer (Commercial & Tariff) as per the note read as 7th above suggested that the draft Supplementary Agreement to be executed between KSEBL and PTC, concurred by PTC, attached as Annexure may be approved and that he may be authorized to file a petition before Hon'ble KSERC for procuring 270MW RTC power on medium term basis, through PTC, the Aggregator appointed by MoP under Pilot Scheme II, for the period from January to June in a year for three years with the date of commencement of supply from 01-01-2022 onwards by signing a supplementary agreement along with the PSA issued as per the MoP guidelines that, at the earliest.

Having examined the matter in detail, the Full Time Directors in its meeting held on 04-08-2021 resolved to authorize the Chief Engineer (Commercial and Tariff) to file a petition at Hon'ble KSERC for procuring 270MW RTC power on medium term basis, through PTC, the Aggregator appointed by MoP under Pilot Scheme II, for the period from January to June in a year for three years with the date of commencement of supply from 01-01-2022 onwards by signing a supplementary agreement along with the PSA issued as per the MoP guidelines, at the earliest.

Further resolved to approve the draft supplementary agreement to be executed between KSEBL and PTC, and concurred by PTC, for submission at Hon'ble KSERC along with the Original petition.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-
LEKHA G.
Company Secretary in Charge

To

The Chief Engineer (Commercial & Tariff),
The Chief Engineer (Trans & SCI)
The Deputy Chief Engineer(TRAC)

Copy to:

TA to the Chairman and Managing Director/PA to the Director (Finance)/TA to the Director (T-SO)/ TA to the Director (Dist, IT& HRM)/ TA to the Director (G-E & SCM)/ TA to the Director (G-C)/TA to Director (Planning & Safety, REES & Soura) /Company Secretary/Secretary (Administration)/ The Legal Advisor & Disciplinary Enquiry Officer/The Financial Adviser/The Chief Internal Auditor/The Fair Copy Superintendent, Office of the Secretary (Administration)/Library/Stock file/General Stock file.

Forwarded / By Order


Assistant Executive Engineer