



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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Abstract

22
8/4/2021
Procurement of Solar Power under ISTS connected Solar tender (Tranche IX) of SECI - ratification orders issued.

CORPORATE OFFICE (Planning)

B.O. (FTD) No. 243/2021 (CE(C&P)/Solar-SECI/2020-21) dated Tvp, 05.04.2021

Read: 1. Lr No. SECI/PT/Manufacturing/Solar/2020/38304 dated 07.08.2020.

2. KSERC interim order dated 18.12.2020 in OP No. 31/2020.

3. Lr No. SECI/PT/Manufacturing/Solar/2021/41374 dated 10.02.2021 of M/s SECI.

4. Note No. CE (C&P)/Solar-SECI/2020-21/1099 dated 26.02.2021 of the Deputy Chief Engineer (C&P) with full powers of Chief Engineer.

5. Note No. CE (C&P)/Solar-SECI/2020-21/1192 dated 19.03.2021 of the Deputy Chief Engineer (C&P) with full powers of Chief Engineer. (Agenda No. 61/3/21).

ORDER

The Deputy Chief Engineer with full powers of Chief Engineer in the notes read above has reported that SECI has given as per letter read 1st above an offer of ISTS grid connected Solar power at a pooled tariff of Rs 2.66 per unit (excluding TM 7 ps per unit) from Tranche-I, VIII and IX. The quantity of power considered for pooling is 6200 MW and hence the tariff offered @ Rs 2.66 per unit is in terms of MW capacity (6200 MW) of all the Solar projects considered for pooling with tariff in the range of Rs 2.36 – Rs 2.92 per unit) with scheduled Commercial Operation date in 2022. SECI has intimated that the final tariff depends on the tariff of projects which finally fructify and the maximum ceiling tariff will be Rs 2.92 per unit plus trading margin. The petition has been filed before KSERC seeking interim approval for procurement of 200 MW solar power from SECI @ pooled tariff of Rs 2.66 per unit plus trading margin and hearing is in progress.

As per the interim order of KSERC, KSEBL has requested SECI to intimate the acceptance of the maximum pooled tariff of Rs 2.66 per unit plus trading margin for 200 MW as ordered by KSERC. Also, KSEBL has intimated the modifications/suggestions on the draft PSA and PPA including the direction of KSERC and requested SECI to proceed with initialling of PSA after incorporation of the above modifications/suggestions. SECI is yet to respond to this modifications/suggestions.

Meanwhile an offer was received from M/s NTPC on 10.12.2020 offering 300 MW Solar power @ Rs 2.51/ kWh inclusive of the trading margin of 7 paise/kWh from ISTS Grid Connected

Solar Photo Voltaic Projects. Considering the competitive tariff offered by NTPC i.e. Rs 2.51 per unit (inclusive of the trading margin of 7 paise/kWh) and the uncertainty in materialisation of 200 MW Solar power from SECI @ Rs 2.73 / kWh (inclusive of trading margin of 7 paise/kWh), the Full Time Directors in its meeting held on 28.01.2021, resolved to accord sanction to intimate M/s NTPC Ltd, that KSEBL is interested in procuring the offered power upto 300 MW from ISTS grid connected Solar PV Power projects @ Rs 2.51 per unit (inclusive of the trading margin of 7 paise/kWh) subject to KSERC approval and finalising the terms and conditions of PSA and accordingly M/s NTPC has been intimated the same. NTPC vide letter dated 24.02.2021 has intimated that they are not agreeable to any major changes in the provisions of the PSA and PPA based on the remarks of KSEBL on the draft PSA and PPA.

SECI has submitted a revised offer read 3rd above on 10.02.2021 for 500 MW ISTS connected Solar power under Tranche IX at a weighted average tariff of Rs 2.44 / kWh (including TM 7 Ps per unit). The range of tariff discovered through competitive bidding for 2000 MW of Tranche IX is Rs 2.36 to 2.38 per kWh and the capacity offered is scheduled to be commissioned by December 2022. The power being offered under this scheme will continue to be eligible for ISTS charges and losses waiver for a period of 25 years from the date of commissioning of the project, as per the notifications of MoP dated 5th August 2020 and 15th Jan 2021 and is the tariff based on the latest bid for ISTS connected competitive bids invited for solar power by SECI.

The renewable purchase obligation (RPO) of KSEBL for Solar power consumption in the year 2021-22 is 10.5% (1899 MU) as per MoP direction. KSEBL is short of around 300 MW Solar RPO as stipulated by MoP from the year 2022-23 onwards. Also apprehensions are there in materialisation of planned floating Solar PV projects for meeting the RPO obligation due to difficulty in obtaining NOC for forest clearance. Hence considering the present offers available / tied up by KSEBL, tariff of Rs 2.44 per unit offered by SECI (inclusive of the trading margin of 7 paise/kWh) is competitive, and hence the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has suggested in the note read as 4th above, that KSEBL may express interest in procuring upto 300 MW of Solar power through SECI from Tranche IX @Rs 2.44 per unit instead of the already pursued offer of SECI @ Rs 2.73 per unit and offer of M/s NTPC @ Rs 2.51 per unit, subject to KSERC approval and finalising the terms and conditions of PSA after incorporation of the modifications/suggestions proposed by KSEBL and direction of KSERC. It was also suggested that KSEBL may convey before KSERC during the next hearing on the petition filed on offer of SECI @ Rs 2.73 per unit, that KSEBL is interested in pursuing the new offer of SECI from the Tranche IX @Rs 2.44 per unit.

The Chairman and Managing Director, KSEBL has approved the same on 08.03.2021 and directed to put up a note for ratification by the Full Time Directors. Accordingly M/s SECI has been intimated the same on 15.03.2021. The matter was placed before the Full Time Directors for ratification as per note read as 5th above.

Having considered the matter in detail, the Full Time Directors in its meeting held on 23.03.2021, resolved to ratify the following actions

1. intimating M/s SECI that KSEBL is interested in procuring upto 300 MW power from ISTS grid connected Solar PV Power projects of SECI from Tranche IX @ Rs 2.44 per unit (inclusive of the trading margin of 7 paise/kWh) instead of the offer of SECI @ pooled tariff of Rs 2.73 per unit (inclusive of the trading margin of 7 paise/kWh) subject to KSERC approval and finalising the terms and conditions of PSA.
2. requesting M/s SECI to furnish their agreement on the modifications suggested by KSEBL in the PSA already forwarded by SECI in respect of the earlier offer, for adopting the modified PSA for the new offer.
3. requesting M/s NTPC to review their comments offered on the PSA in respect of the offered 300 MW from ISTS Grid Connected Solar Photo Voltaic Projects, as commensurate responsibility as a trading licensee is expected from them in the contract.
4. conveying during the next hearing before KSERC, that KSEBL is processing the PSA based on the new offer of SECI from Tranche IX @Rs 2.44 per unit (inclusive of the trading margin of 7 paise/kWh) instead of the offer from SECI @pooled tariff of Rs 2.73 per unit (inclusive of the trading margin of 7 paise/kWh).

Orders are issued accordingly

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

To
The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer.
The Deputy Chief Engineer (TRAC)

Copy to:

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

Forwarded by order

Assistant Executive Engineer