



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956) CIN:U40100KL2011SGC027424
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Abstract

Summer 2021- Managing power deficit during April 2021 and May 2021 -recommendations of Chief Engineer (Trans- SO) -Participation in banking tender floated by MPPMCL - Orders issued-

Corporate Office (Planning)

BO(FTD) No.195/2021 (No.CE(C&T)/CML/EE-2/banking tender -3/20-21Dtd 26-02-2021

- Ref:
1. Banking tender floated by MPPMCL on 30-01-2021 (Tender specification No.CGM/PM/20-21/TE(B)-02/27 dated 30-01-2021)
 2. Letter.No. CESO/LD1/AEELD1-LGB/2020-21/2401/dtd 07-01-2021 of the Chief Engineer (Trans- SO)
 3. Note No.CE(C&T)/CML/EE-2/banking tender -2/20-21/1060/15-02-2021
 4. Power Position meeting held on 06-02-2021
 5. Note No.CE(C&T)/CML/EE-2/STP/e-tender 7/2020-21/975/25-01-2021
 6. Note No.CE(C&T)/CML/EE-2/banking tender -3/20-21/1033/08-02-2021 of the Dy.Chief Engineer (Comm & Plg) with full powers of Chief Engineer submitted to the Full Time Directors (Agenda No.36/02/21)
 7. Letter No.CESO/LD1/swap/2020-21/2824/16-02-2021
 8. Note No. CE(C&T)/CML/EE-2/banking tender -3/20-21/1067/15-02-2021 of the Dy.Chief Engineer (Comm & Plg) with full powers of Chief Engineer submitted to the Full Time Directors (Agenda No.66/02/21)

ORDER

In view of the upcoming summer 2021 and the expected assembly elections during April-May 2021, the Load-Generation-Balance (LGB) for summer and monsoon 2021 was reviewed by KSEBL and necessary decisions were taken to invite banking tender from Utilities and traders and to procure power on short term basis through DEEP portal. Accordingly offers for banking of power during the period from 01-03-2021 to 30-09-2021 were opened on 04-01-2021 and as per the decision taken on the note read as 3rd above, LoA was issued to PTC India Ltd, the successful bidder of the banking tender. Similarly as per the decision taken on the note read as 5th above, short term tender for procuring 100MW RTC power and 100 MW during 14-24 hrs for the month of April and May 2021 was also floated on 28-01-2021.

Meantime it was noticed that MPPCL, a holding company of (Madhya Pradesh) MP Discoms, has invited banking proposals as per the tender read as 1st above for banking of power for the period from 1st March 2021 to 28th February 2022 on firm/Day ahead basis from eligible licensed Traders and Distribution Licensees as follows:

Period	Duration in Hrs.	Quantum in MW	Delivery Point
March 2021 to May 2021	00:00-24:00	up-to 500	Regional Periphery of the Exporting Licensee/ Trader
16 th June 21 to 30 th Sept 21		up-to 500	

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0/3/2021

The return duration and the preferred month wise energy return distribution as detailed below:-

Return Duration	Month	Nov-2021	Dec-2021	Jan-2022	Feb-2022
6-19 hrs	Return Energy %	20	30	30	20

Based on the above tender, the Chief Engineer (Trans- System Operation) as per letter read as 2nd above pointed out that the requirement of power during summer 2021 is critical and hence an additional requirement of 100MW RTC power during April and May 2021 can be considered from MP Discoms, by participating in MPPMCL tender. It was also pointed out that in case KSEBL becomes successful in this tender, the banked power to be returned would be to the tune of 93 MW (considering 100% return percentage) from Nov-2021 to Feb -2022 from 06-19 hrs, which can be accommodated considering the anticipated solar capacity additions by November 2021. It was also pointed out that in the event of monsoon failure in 2021, the expected reduction in hydro will have to be compensated by arranging firm purchase. Under the above circumstances, matter of participation in this tender was discussed in the power position meeting held on 6-02-2021.

In the power position meeting, the forced outage of Unit 3 & 4 at Idukki Hydel Station i.e. 2x130 MW due to flash in common auxiliary system, on 05-02-2021, was also examined. It was informed in the PSP meeting that Unit 3 is expected to come back into service on 06-02-2021 and the return of Unit 4 into service is uncertain. This uncertainty has brought an additional gap of 130MW in the power deficit projection. This deficit was managed by procuring power through market and by load restrictions. The rate of power in market was also increasing slowly. It was pointed out that this contingency management cannot be done during the peak months of summer when the rates are expected to very high and at the time of State Assembly Elections when load restrictions cannot be imposed. Hence after detailed deliberations it was decided that participating in MPPMCL banking tender for the supply of 100MW RTC power during April & May 2021 would be a prudent decision to overcome the prevailing uncertainty.

The MPPMCL tender was invited on an e- portal named as "www.bharat-electronictender.com". It was observed that a Distribution Licensee can participate directly in the tender and avoid paying trading margin to the traders by registering directly in this portal. For availing this option, KSEBL has to be registered in the portal by submitting the required information and remitting the registration fee of Rs.7000 plus GST (18%) plus banking transaction charges amounting to a total of Rs. 8272/-.The prospective bidder shall also deposit Earnest Money of Rs.30,000 per MW per month on pro-rata basis, in the form of Bank Guarantee or crossed Demand Draft. The EMD of the successful bidders shall be returned after submission of contract performance guarantee (CPG) amounting to Rs. 2 lakhs per MW per month on pro-rata basis, in the form of Bank Guarantee or crossed Demand Draft of any Nationalized Bank. In case successful bidder fails to provide CPG, EMD shall be forfeited. The EMD of unsuccessful bidders shall be returned after 15 days from the date of opening of the tender enquiry or finalization of tender enquiry and completion of formalities by the successful bidders, whichever is earlier. Online Bidding Fee/ Tender Processing Fee of Rs.5000/- (excluding GST) was also applicable for the instant tender.

All offers shall remain valid for a period of 30 days from the date of opening of the bid and the bidders shall have no right to withdraw the offer or change/ amend or revise any terms thereof during the said period of validity. As per MPPMCL tender technical bid opening was on 15-02-2021 and financial bid opening was on 16-02-2021. Hence considering the urgency, the Finance Advisor KSEBL was instructed to prepare BG amounting to Rs.61 lakhs with validity upto a period of 30 days from the date of bid opening. Also registration of KSEBL in www.bharatelectronicstender.com portal has been arranged by incurring Rs. 8272/- and the non refundable tender processing fee of Rs. 5000 plus GST was also paid in portal platform while uploading the Bid. Further to the above, as decided in the PSP meeting held on 06-02-2021, the System Operation wing after analyzing the market rates recommended that KSEBL may participate in the Bid by offering a return percentage of 104 %.

Under above circumstances, the Deputy Chief Engineer (Commercial and Planning) with full powers of Chief Engineer as per note read as 6th above suggested to authorize him to participate in the MPPMCL tender for the supply of 100MW RTC power from MP Discoms for the month of April 2021 and May 2021 by accepting the terms and conditions of the MPPMCL tender without any deviation and completing the required formalities. It was also requested to ratify the action of having arranged the EMD of Rs. 61 lakhs and having registered KSEBL in www.bharatelectronicstender.com portal considering the time constraint and to direct the Deputy Secretary (Administration) to reimburse the Registration fee of Rs 7000/- and tender processing fee of Rs. 5000/- along with the 18% GST and bank charges incurred through the portal www.bharatelectronicstender.com. It was also suggested that the financial bid may be uploaded as recommended by the System operation wing and may be reviewed any time before the bid submission due date i.e. 15-02-2021 upto 11.30 hrs, if required.

Having considered this recommendation, the Full Time Directors in its meeting held on 08-02-2021 resolved to authorize the Deputy Chief Engineer (Commercial and Planning) with full powers of Chief Engineer, to participate in the MPPMCL tender for the supply of 100MW RTC power for the month of April 2021 and May 2021, by accepting the terms and conditions of the MPPMCL tender without any deviation and completing the required formalities. Further resolved to ratify the action taken by the Deputy Chief Engineer (Commercial and Planning) with full powers of Chief Engineer in having arranged the EMD of Rs.61 lakhs and having registered KSEBL in www.bharatelectronicstender.com portal, considering the time constraint. The Deputy Secretary (Administration) was also directed to reimburse the Registration fee of Rs 7000/- and tender processing fee of Rs. 5000/- along with the 18% GST and bank charges incurred through the portal www.bharatelectronicstender.com. It was also resolved to submit the financial bid for return of the banked power from 06-19 hrs from Nov 21 to Feb 22 as per the same energy return % as preferred in MPPMCL tender i.e. Nov -21 & Feb 22 - 20% and Dec 2021 & Jan-22 -30% at a return percentage of 104 % of the banked power and to review anytime before the bid submission due date i.e. 15-02-2021 upto 11.30 hrs, if required. Accordingly, bid was submitted on 12-02-2021. However the bid submission date was extended upto 22-02-2021 by MPPMCL.

Subsequently, the Chief Engineer (Trans-SO) as per letter read as 7th above, informed that the return percentage of energy for the SWAP proposal from M/s MPPMCL has to be reviewed after factoring the price discovered in the DEEP portal for the tender floated by KSEBL ranging from Rs. 3.04/unit for RTC power to Rs.3.48/unit for the period from 14-24 hrs for April & May

which can be taken as an indication of the market trend for Summer 2021. Further revival of Idukki#4 was expected in a week, after isolating defective auxiliary isolator. Also the Assembly election to the State is expected to be held in the first half of April and hence the demand is likely to be stabilize from the second half of April. Hence it was recommended that the return energy percentage for the SWAP proposal from M/s MPPMCL can be considered as 100% or less.

Under the above circumstances since the deadline for bid submission had been extended and the availability of power for April & May 2021 had improved, the Deputy Chief Engineer (Commercial and Planning) with full powers of Chief Engineer as per note read as 8th above recommended to revise the return energy percentage for the SWAP proposal from M/s MPPMCL as 100% or less.

Having considered the matter in detail, the Full Time Directors in its meeting held on 15-02-2021 resolved to accord sanction to revise the financial bid for the power banked on RTC basis during April & May 2021 and to be returned during 06-19 hrs from Nov 21 to Feb 22 (Nov -21 & Feb 22 - 20% and Dec 2021 & Jan-22 -30%), at a return percentage of 100% of the power banked for April 2021 and 98% of the power banked for May 2021, before the bid submission due date i.e. 22-02-2021.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-
LEKHA G.

Company Secretary in Charge

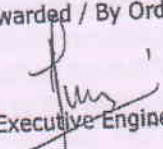
To

The Chief Engineer (Commercial & Planning),
The Chief Engineer (Trans & SO)
The Financial Advisor
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