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24/2/2021



KERALA STATE ELECTRICITY BOARD LIMITED

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

Karikkayam Hydro Electric Project 15 MW SHEP by M/s Ayyappa Hydro Power Ltd - execution of Supplementary PPA- Sanctioned - Orders issued

Corporate Office (Commercial & Planning)

BO (FTD)No.158 /2021/CML-EE2-AEE-2/Karikkayam-Supply Agtt/2020-21/CE(C&T)/TVM dated 20.02.2021

- Read:-
1. PPA executed between M/s AHPL and KSEBL on 14.07.2014.
 2. KSERC Common order dated 01-11-2014 in OP 27/2013 & OP No.24/2012 in determination of project specific tariff for Karikkayam SHEP developed by M/s AHPL.
 3. KSERC order dated 13.03.2020 in OP 07/20 filed by M/s AHPL.
 4. Letter No. LA& DEO/R/09/2021 dated 05.02.2021 of LA&DEO.
 5. Note No.CML-EE2-AEE-2/Karikkayam-Supply Agtt/2020-21/CE(C&T)1048 dated 10.02.2021 of Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer. (Agenda 48/2/21)

ORDER

The Karikkayam Small Hydro Electric Project in Pathanamthitta District with a total capacity of 15MW is owned and operated by M/s Ayyappa Hydro Power Ltd (AHPL). M/s AHPL had entered into a PPA with KSEBL read as 1st above for supplying power from the Project for the entire BOOT period of 30 years under the Implementation Agreement at the tariff determined by the Hon'ble Commission. The part capacity of the plant, 10.5 MW out of 15MW was commissioned in July 2014 and full capacity of 15 MW was commissioned in May 2017.

The Hon'ble Commission in the order read as 2nd above had directed the following in the determination of project specific tariff for Karikkayam SHEP.

- (1) KSEB Ltd shall enter into PPA for a period of four years with M/s Ayyappa Hydro Power Ltd for purchase of power at the provisional rate of Rs 4.16/Unit.
- (2) If after completion of four years, if KSEB Ltd or M/s Ayyappa Hydro Power Ltd applies for a project specific tariff to be determined, such tariff shall be determined by the Commission based on the average CUF for the period of four years of actual operation of the project and the actual project cost as approved by the Commission.
- (3) If project specific tariff is determined after a period of four years from the date of CoD on petition from KSEB Ltd or M/s Ayyappa Hydro Power Ltd, the same shall be made applicable with retrospective effect from the date of CoD and adjustment of any excess/deficit payments shall be allowed in the subsequent bills of M/s Ayyappa Hydro Power Ltd.

(4) For the remaining nine years, the tariff applicable shall be the generic tariff of Rs 4.16/Unit or the project specific tariff as decided by the commission and PPA shall be executed accordingly."

Further in compliance with the order dated 01-11-2014 of KSERC and after completion of four years, M/s AHPL had filed petition before the Hon'ble KSERC for approval of continuation of the provisional generic tariff determined by the Commission as per 2nd order read above. Subsequently the Hon'ble Commission as per order read as 3rd above had ordered.

"(1) The levelised tariff for the electricity generated from the Karikkayam SHP of the petitioner M/s AHPL shall be at Rs. 4.16/unit, the levelised generic tariff as per the KSERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulation, 2013.

(2) In partial modification to the Commission's order dated 01.11.2014 in OP No. 27/2013 and OP No. 24/2012 and the PPA executed into between the petitioner and KSEB Ltd, the validity of the PPA is extended for the complete period of supply of 30 years w.e.f 14.07.2014.

(3) The Petitioner M/s AHPL and the respondent KSEBL shall modify the existing Power Purchase Agreement as above and the petitioner shall submit a copy of the modified PPA to the Commission for information and record."

The corresponding clauses of existing PPA are as stated below

Article 2(TERM of AGREEMENT AND CONDITION PRECEDENT)

First para of Clause 2.1 Term of Agreement: this Agreement shall be valid for the entire BOOT period under the Implementation Agreement. The BOOT period as per the Implementation Agreement is valid upto a period of 30 years from the date of Commissioning of the Project during which period the Company is authorised to implement the project and to operate and maintain Project facilities in accordance with the provisions thereof.

and the Article 8 (TARIFF) is

Clause 8.2 Single part tariff: The tariff shall be decided by KSERC and as mentioned in Schedule 9 AND vide BO (FTD) No. 1764/2014(KSEB/TRAC/KSERC/Karikkayam/2014-15) dated 26.6.2014, KSEBL had accorded sanction to make provisional payment at the generic tariff of Rs. 4.16/unit as approved by KSERC for small hydro projects above 5 MW, for the energy supplied from Karikkayam SHP to KSEBL, till a final decision on OP 27/2013 filed by KSEBL before KSERC is ordered, subject to the provision of an Undertaking by AHPL, and as the Company has given an Undertaking to the effect that it has full understanding that the provisional payments at the tariff of Rs.4.16/unit are only interim arrangements between M/s AHPL and KSEBL till final decision of KSERC in OP 27/2013 filed by KSEBL before KSERC. Further that excess/short payments made if any as per the final decision shall be adjusted in the future monthly bills of M/s AHPL taking into consideration the final tariff determined by the Commission.

Accordingly based on the petition filed by M/s AHPL, the Hon'ble KSERC as per order read as 3rd above has ordered that the first para of Clause 2.1 & 8.2 of the PPA be modified by executing a Supplementary Agreement between M/s AHPL and KSEBL which are to be modified as

2.1 *the validity of the PPA is extended for the complete period of supply of 30 years with effect from 14.07.2014.*

8.2 *The levelised tariff for the electricity generated from the Karikkayam SHP of M/s AHPL shall be at Rs. 4.16/unit, the levelised generic tariff as per the KSERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulation, 2013.*

Hence the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has as per the note read (5) above recommended to execute the Supplementary Agreement with M/s AHPL as vetted by LA&DEO as per note read 4 above to modify the clauses 2.1 and 8.2 in the PPA dated 14.07.2014, in compliance with the order of KSERC.

Having considered the matter in detail, the FTD in its meeting held on 15/02/2021 resolved to
I. execute a Supplementary Agreement between KSEBL and M/s AHPL, as vetted by LA& DEO, to the PPA dated 14.07.2014 executed between KSEBL & AHPL for Karikkayam SHEP based on KSERC order dated 13.03.2020 in OP 07/20 with modification in first para of Clause 2.1 and clause 8.2 of existing PPA as below

a) First para of Clause 2.1 be amended as '*The Agreement shall be valid for the complete period of supply of 30 years with effect from 14.07.2014*'.

b) Clause 8.2 be amended as '*the levelised tariff for the electricity generated from the Karikkayam Small Hydro Project of M/s Ayyappa Hydro Power Limited shall be at Rs.4.16/unit, the levelised generic tariff as per the KSERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulation, 2013.*'

II. Further resolved to authorise the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer to execute the Supplementary Agreement on behalf of KSEBL.

Orders are issued accordingly

By Order of the Full Time Directors

sd/
LEKHA . G
COMPANY SECRETARY

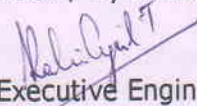
To

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

Copy to:

The Chief Engineer (Renewable Energy & Energy Savings)
The Chief Engineer (Transmission & System Operation)
The Financial Adviser /The Chief Internal Auditor.
The Chief Engineer (IT).
The TA to The Chairman and Managing Director / Director (Distn., IT & HRM)/
Director (Trans. & System Operation)/Director (Generation-Civil)/
Director (Planning & Safety)/ Director(Generation (Ele) & SCM,)
The PA to Director (Finance)/ The Senior CA to Chief Vigilance Officer/
Secretary (Administration)/The Company Secretary
The Fair Copy Superintendent, Office of the Secretary (Administration).
Library/Stock file/General Stock file.

Forwarded / By Order


Assistant Executive Engineer