



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956)

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Abstract

Wind energy generator established by M/s. Kosamattom Finance Ltd - Power Purchase Agreement between KSEBL and M/s. Kosamattom Finance Ltd - Execution of PPA - Sanctioned - Orders issued.

CORPORATE OFFICE (Planning)

BO(FTD)No.781/2020(CML-EE1-AEE1/Wind-Kosamattom/2018-19/Tvpm dtd 24.12.2020

Read: 1. KSERC order dated 04.12.2019 in petition No.OA 11/18

2. Initialed PPA between KSEBL and M/s. Kosamattom Finance Ltd on 21.05.2020

3. Daily order dated 29.06.2020 of Hon'ble KSERC in petition No.OP 17/2020

4. Note No.CML-EE1-AEE1/Wind-Kosamattom/2018-19/375 dated 22.07.2020 submitted to Full Time Directors (Agenda 55/7/20)

5. Daily order dated 23.09.2020 of Hon'ble KSERC in petition No. OP 17/2020

6. Letter dated 30.09.2020 of M/s. Kosamattom Finance Ltd submitted to KSEBL

7. Letter No.CE(C&P)/CML-EE1-AEE1/Wind-Kosamattom/2020-21/87 dated 08.10.2020 to M/s. Kosamattom Finance Ltd

8. Letter dated 09.10.2020 of M/s. Kosamattom Finance Ltd submitted to KSEBL

9. KSERC order dated 27.10.2020 in petition No. OP 17/2020

10. Note No.CML-EE1-AEE1/Wind-Kosamattom/2018-19/809 of Deputy Chief Engineer (Commercial & Planning) with full power of Chief Engineer submitted to Full Time Directors dated 07.12.2020 (Agenda - 37/12/2020)

ORDER

M/s. Kosamattom Finance Ltd filed petition No.OP 17/2020 on 02.06.2020 before Hon'ble KSERC for approval of the power purchase agreement initialed with KSEBL for the sale of electricity generated from 1 MW Wind Energy Unit established at Ramakkalmedu at Rs.3.93/unit availing the benefit of accelerated depreciation as approved by KSERC as per order read as 1st above.

Hon'ble KSERC as per the daily order read as 3rd paper above, directed to amend clauses 1.0, 2.0, 5.0, 6.8, 6.11, 6.13, 6.14, 8.4, 9.0, 10.0 and 11.0 of the initialed PPA and to submit a revised initialed PPA for approval.

Considering the opinion of KSEBL submitted before the Hon'ble Commission, vide letter dated 05.08.2020, the Commission vide daily order dated 23.09.2020

a) Agreed to the amendment proposed by KSEBL in clause 5.0, which is
"All charges incurred in respect of the evacuation of power from the generating unit upto STU's substation shall be borne by the Developer. The STU shall provide transmission/ wheeling facilities for evacuation of power from the nearest STU substation".

b) Directed to amend clause 6.8 as stated below:

"KSEB Ltd shall absorb the entire quantum of power generated from the project of the Developer as per the terms and conditions of this PPA. However, if KSEB Ltd is not in a position to absorb the entire quantum of power generated from the project of the Developer due to reasons beyond their control viz., force majeure events under Article-9 or instructions of State Load Despatch Centre, KSEB Ltd shall inform the same to the Developer in writing and during such time KSEB Ltd shall provide open access facility to the Developer to transmit the power through its network, subject to the Regulations issued by KSERC / CERC in the case of out of State Sale as the case may be, as amended from time to time".

c) Agreed to retain the clause 6.14 of the draft PPA as suggested by KSEBL.

d) Directed to modify clause 10.0 as below:

"All differences or disputes between the parties arising out of or in connection with this agreement shall be mutually discussed and amicably resolved within 90 days. In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this agreement as stated above, the same shall be dealt by the KSERC in accordance with Section 86 (1) (f) of the Electricity Act, 2003".

In the mean time, M/s.Kosamattom Finance Ltd filed a submission before the Hon'ble Commission and KSEBL on 17.08.2020 and 30.09.2020 respectively, stating that they require 200 KW power from the said power plant for their Office at Kottayam. Hence the firm requested to include provision for the above in the PPA to be submitted before the Hon'ble Commission for approval.

KSEBL intimated M/s.Kosamattom Finance Ltd as per letter read as 7th paper above that as per the prevailing framework of PPAs regulated by KSERC, same generator cannot be considered as IPP and CPP at the same instant. Also fresh approvals have to be obtained from ANERT and other agencies for operating the plant as CPP.

In reply, M/s.Kosamattom Finance Ltd as per letter read as 8th paper above intimated that they are withdrawing their application submitted as per letter read 6th above and requested to provide the final PPA for 1MW in the IPP mode. The same was intimated by M/s.Kosamattom Finance Ltd before the Hon'ble KSERC also.

Subsequently, KSERC vide order dated 27.10.2020 has given direction that KSEB Ltd shall modify the power purchase agreement incorporating all the suggestions and modifications approved by the Commission and submit a copy of the modified PPA signed by the KSEB Ltd and M/s Kosamattom Finance Ltd before the Commission.

In compliance to the order of the Commission dated 27.10.2020 the initialed PPA was amended incorporating the direction of the Commission.

The modified PPA was vetted from the office of the Deputy Chief Engineer (TRAC).

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer, as per note read as 10th paper above, has placed the matter before the Full Time Directors.

Having considered the matter in detail, the Full Time Directors in its meeting held on 16.12.2020 resolved to accord sanction to approve the modified PPA based on the order of Hon'ble Commission dated 27.10.2020. Resolved further to execute the modified PPA with M/s.Kosamattom Finance Ltd for purchasing power from the 1 MW Wind Mill at Ramakkalmedu at a tariff of Rs.3.93/unit, availing the benefit of accelerated depreciation, as approved by KSERC. It was further resolved to authorize the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer to execute the modified PPA with M/s.Kosamattom Finance Ltd on behalf of KSEBL.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

LEKHA G.

Company Secretary in charge

Copy to:

The Financial Adviser/The Chief Internal Auditor.

The Chief Engineer (IT).

The TA to Chairman and Managing Director/Director (Distn., IT & HRM)/
Director (P, Safety & Soura)/Director (G-C)/ Director (T & SO and REES)/
Director (Generation (Ele) & SCM).

The PA to Director (Finance)/The Senior CA to Chief Vigilance Officer/
Secretary (Administration)/Company Secretary.

The Fair Copy Superintendent, Office of the Secretary (Administration).
Library/Stock file/General Stock file.

Forwarded / By Order

Vijayalekshmi V
Assistant Executive Engineer