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27/11/2020

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## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956) CIN: U40100KL20115GC027424  
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### Abstract

Pathamkayam 8 MW SHEP by M/s MINAR Renewable Energy Projects Ltd. - execution of PPA- Modifications suggested by M/s Minar in draft PPA- Sanctioned - Orders issued

### **Corporate Office (Commercial & Planning)**

BO (FTD)No.693/2020/CML-EE2-AEE-2/PKM SHEP/2020-21/CE(C&T)/TVM dated 11.11.2020

- Read:-
1. G.O(Ms). No.17/2017/PD dated 1/8/2017.
  2. B.O(FTD) No. 2508/2017/REES/SHEP-Pathamkayam/2017-18/Tvpm dtd 9.10.2017.
  3. KSERC order dated 06.09.2019 (corrigendum dated 14.11.2019).
  4. Minutes dated 21.08.2020 convened by Chairman, KSEBL with M/s Minar Renewables Energy Projects Ltd.
  5. Letter no. MREPL/2020/09/KSEB/02 dated 18/09/2020 of M/s MREPL.
  6. Note No.CML-EE2-AEE-2/PKM SHEP/2020-21/CE( C&T)/641 dated 19.10.2020 of Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer. (Agenda 11/11/2020)

### **ORDER**

The Government of Kerala (GoK) had allotted 25 projects to private developers through a competitive bidding process on a BOOT basis for a period of 30 years in line with Kerala SHEP Policy 2012. Pathamkayam SHEP (4 MW) was allotted to M/s. MINAR Renewable Energy Projects Pvt. Ltd under CPP mode under the above competitive bidding process. Later M/s. MINAR has enhanced the project capacity to 8MW based on the approval of Techno Economic Feasibility Report (TEFR) by GoK. Further, category of Pathamkayam project has been changed from CPP to IPP as per order of GoK read as 1<sup>st</sup> paper above. The CoD of the project was declared on 14/8/2017. Consequently an interim tariff @Rs3.49/unit was approved by KSEBL on 08.01.2018 from CoD until KSERC approves the tariff and PPA of the project.

The draft PPA approved as per BO read as 2<sup>nd</sup> above was forwarded to the generator on 22/01/2018 for initialing and submitting before KSERC for approval. Petition OP 8/2018 was submitted by the developer on May 2018 before the Hon'ble Commission for the determination of generic tariff for SHEP above 5MW for the year 2016-17 and subsequent years and to allow such tariff for the petitioners project with disagreement on tariff clause 5.4

of the approved PPA as "The tariff of power generated from the the project shall be project specific tariff as determined by the Commission or generic tariff notified by the Commission, whichever is lower."

KSERC Order read as 3<sup>rd</sup> above approved a project specific tariff of Rs.3.94/unit with benefit of accelerated depreciation, against which M/s Minar has filed petition before the Hon'ble Appellate Tribunal seeking determination of generic tariff for SHEP above 5MW for the year 2016-17 and 2017-18. Meanwhile vide letter dated 18.03.2020 the developer had requested KSEBL for the execution of PPA, pending disposal of appeal before the Appellate Tribunal on a mutual understanding that final verdict in the matter will be binding on both the parties to the PPA. Accordingly a meeting was convened by Chairman & Managing Director, KSEBL on 21.08.2020 in which M/s Minar detailed the apprehensions raised by IREDA, their project financing agency on the draft PPA forwarded by KSEBL. Subsequently as per the minutes of the meeting read as 4<sup>th</sup> above the modifications required in PPA clauses raised by IREDA were forwarded by the developer read as per letter 5<sup>th</sup> above.

On detailed examination of the relevant G.Os and as per the PPAs executed with SHEPs and other renewable projects, the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has recommended as per note read as 6<sup>th</sup> paper above that no changes are to be incorporated kurianjosephsam@gmail.com in clauses 3.1, 6.4 and 6.5 as suggested by the developer. It is also recommended that the following modifications on draft PPA as requested by the developer can be agreed to:

- (i). **Definition (I)** "Due date of payment modified as - means the 10<sup>th</sup> day after billing date excluding the billing date. If such day is not a Business day the due date will be the next Business day".
- (ii). **Clause 5.3** modified as "From and after CoD of the project / generating unit, the Developer agrees to sell the entire energy made available by the company to KSEB Ltd. and KSEB Ltd agrees to purchase entire energy made available by the company from the developer at the interconnection point, subject to the terms and condition of this Agreement, during the term of this Agreement or till the termination date in the event of Termination".
- (iii). **Clause 6.1** modified as "Billing date is the 5<sup>th</sup> business day after the metering date. Due date of payment is the 10<sup>th</sup> day from the date of receipt of bill. Business day means a day other than Sunday or a statutory holiday on which banks remain open for business in the State of Kerala. The developer shall furnish a bill to KSEB Ltd on the billing date in such a form as may be mutually agreed by KSEB Ltd and the Developer for the billing month. Each bill for a billing month shall be payable by KSEB Ltd on or before the due date of payment, in Indian Rupees by transferring credit/ cheque to the account of Developer with State Bank of India at ..... If the due date is not a business day, the next business

day both for the Bank and KSEB Ltd shall be Due date. The developer shall provide proper receipt to KSEB Ltd for the amount credited to their account within 5 days of credit"

(iv). **Clause 7.0** modified as "Neither party shall be liable for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lock out, forces of nature, accident, act of God, emergency shutdown of the line for immediate maintenance or repairs, due to force majeure or any other such reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation / drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist."

Having considered the matter in detail, the FTD in its meeting held on 04/11/2020 resolved to approve the modifications in the draft PPA as detailed above. It was further resolved to accord sanction for the following

I. To initial the PPA as modified and give to M/s Minar Renewable Energy Projects Pvt. Ltd for initialing at their end for submission to KSERC for approval.

II. To authorise the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer to initial the modified PPA as above.

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*

Copy to:

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

Forwarded / By Order

  
Assistant Executive Engineer