



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram-695004, Kerala, India.

CIN:U40100KL2011SGC027424

Phone: +91 471 2514366. E-mail: dce.cp@kseb.in website:www.kseb.in

591  
7/10/2020

## Abstract

Procurement of 200 MW Solar Power from ISTS Grid connected Solar Photo Voltaic Projects through NHPC Limited (Intermediary procurer) under Tariff based competitive bidding – Sanctioned - Orders issued.

## **CORPORATE OFFICE (Planning)**

B.O. (FTD) No. 609/2020 (CE (C&P)/Solar-NHPC/2020-21) dated Tvpm, 01.10.2020

Read: 1. B.O. (FTD) No. 579/2020 (CE(C&P)/Solar-NHPC/2020-21 dated 15.09.2020.

2. Note No. CE (C&P)/ Solar-NHPC/2020-21/560 dated 22.09.2020 of the Deputy Chief Engineer (C&P) with full powers of Chief Engineer submitted to the Full Time Directors. (Agenda No.42/9/20).

## ORDER

M/s NHPC as intermediary Procurer has invited bids as per the guidelines of MNRE for 2000 MW power from Solar Power Developers (SPDs) through Tariff Based Competitive Bidding Process where L1 rate of Rs 2.55 kWh (excluding TM of 7.0 ps/kWh) upto 1680 MW and L2 of Rs 2.56 kWh (excluding TM of 7.0 ps/kWh) for 320 MW was discovered through e-reverse auction on 16.04.2020.

As per Board order read as 1<sup>st</sup> above, the Full Time Directors in its meeting held on 26.08.2020 had, resolved to ratify the action of the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer in having intimated M/s NHPC that KSEBL is interested in procuring 200 MW Solar Power from ISTS Grid Connected Solar Photo Voltaic Projects against their offer dated 18.04.2020 subject to regulatory approvals.

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer in the note read as 2<sup>nd</sup> above has reported that NHPC had already finalised 1700 MW power and for the balance 300 MW power at tariff of Rs 2.56/kWh, discussion with Discoms are in progress. NHPC desires to execute PSA with Discom which finalises first for the balance 300 MW power available as they had to file petition before CERC at the earliest for adoption of tariff. The PSA and PPA given by NHPC have been forwarded to LA&DEO/Financial Adviser/Chief Internal Auditor/TRAC/Chief Engineer (T-SO) and based on their remarks, an on line meeting has been conducted with NHPC officials to discuss the modification suggested by KSEBL in the PSA forwarded by NHPC.

For the suggested modification proposed by KSEBL in the PSA forwarded by NHPC, except for some minor suggestions NHPC has intimated that PSA and PPA were part of tender document and solar power Developers (SPDs) have submitted their bids based on provisions in these Model Agreements. The same PPA/PSA has already been signed by NHPC for 1300 MW. Hence in order to maintain uniformity, it would not be possible to change the provisions of PSA at this stage.

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has proposed that one more negotiation can be made with NHPC seeking changes based on major modifications suggested by KSEBL. It is also reported that the suggestions proposed by KSEBL may not be of serious concern in normal scenario since KSEBL is a prompt payer of monthly bills of power purchase. Only in cases of payment default, the stringent conditions become applicable. As the offered rate is cheap compared to similar offers from intermediaries and several utilities have shown interest for purchase of balance 300 MW power, NHPC desires to execute PSA with Discom which finalises first and in this regard the time required to complete the regulatory requirements prior to executing the PSA is a major constraint.

As per regulation 76, of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 dated 05.10.2018, every agreement for procurement of power by the distribution business/licensee from the generating business/company or licensee or from other sources of supply entered into after the date of commencement of the Regulations shall come into effect only with the approval of the Commission. Hence considering the time constraint, the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has proposed to seek in-principle approval from KSERC to proceed with the proposal and to seek the help of Government of Kerala for expediting regulatory approval. While approaching KSERC, KSEBL may undertake that a specific Clause will be incorporated in the PPA specifying that the agreement will become binding on the parties only after KSERC approves the same.

Having considered the matter in detail, the Full Time Directors in its meeting held on 25.09.2020, resolved to accord sanction to seek in-principle approval from KSERC for proceeding with the procurement of 200 MW Solar Power from ISTS Grid connected Solar Photo Voltaic Projects through M/s NHPC Ltd. Also resolved to request the Government of Kerala to intervene in expediting KSERC approval.

Orders are issued accordingly

By Order of the Full Time Directors,

Sd/-

LEKHA.G

Company Secretary in-charge

To

1. The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer.
2. 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