



KERALA STATE ELECTRICITY BOARD LIMITED

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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-Approval of tariff and signing of PPA -Orders issued.

CORPORATE OFFICE (Planning)

B.O (FTD) No.332/2020(CML-EE1-AEE1/Wind-Kosamattom/2018-19) dtd 18.05.2020

- Read: 1. Initialed PPA between KSEBL and M/s.Kosamattom Finance Ltd on 27.10.2018
2. BO (FTD)No.314/2019(CML-EE1-AEE1/Wind-Kosamattom/2018-19/Tvpm dtd 08.04.2019
 3. Minutes of the meeting held on 06.06.2019 in the chamber of the Deputy Chief Engineer (Commercial & Planning) with full power of Chief Engineer
 4. KSERC order dated 04.12.2019 in petition No.OA 11/18
 5. Note No.KSEB/TRAC/CG/KSERC/Kosamattom/2019-20 of the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer dated 3.2.2020 submitted to the Full Time Directors (Agenda 7/2/20)
 6. Letter No.CE(C&P)/CML-EE1-AEE1/Wind-Kosamattom/2019-20/359 dated 13.02.2020 to M/s.Kosamattom Finance Ltd
 7. Note No.CML-EE1-AEE1/Wind-Kosamattom/2018-19/102 dated 30.04.2020
 8. Note No.CML-EE1-AEE1/Wind-Kosamattom/2018-19/133 dtd 06.05.2020 of the Deputy Chief Engineer (Commercial & Planning)with full powers of Chief Engineer (Agenda 21/5/20)

ORDER

M/s.Kosamattom Finance Ltd has established 1 MW wind energy generator at Ramakkalmedu after executing connectivity agreement with KSEBL on 26.12.2017. KSEBL has allowed connectivity to the grid on 13.03.2018 for testing purpose.

The draft PPA between KSEBL and M/s.Kosamattom Finance Ltd was initialed on 27.10.2018. M/s.Kosamattom Finance Ltd has filed the initialed draft PPA before KSERC for approval. They have filed project specific tariff petition with KSERC on 22.05.2018.

Based on the request of M/s.Kosamattom Finance Ltd dated 21.03.2019, KSEBL as per B O read as (2) above has accorded sanction to allow the provisional payment at an interim tariff of Rs.3.07/unit to M/s.Kosamattom Finance Ltd for the generation from 1 MW wind plant at Ramakkalmedu from

22.12.2018 onwards. M/s.Kosamattom Finance Ltd is raising invoices for the energy injected into the KSEBL grid since 22.12.2018 and the payments are effected till February 2020.

KSERC as per order as 4th above in petition No.OA.11/2018 has approved a levelized tariff for the electricity generated from 1 MW wind energy generator installed by M/s.Kosamattom Finance Ltd at the rate of Rs.4.23 per unit without the benefit of accelerated depreciation and tariff of Rs.3.93/unit if the benefit of accelerated depreciation is availed by the petitioner.

Based on the decision of Full Time Directors dated 05.02.2020, M/s.Kosamattom Finance Ltd was intimated as per letter read as (6) above that the rate of Rs.4.23/unit is not at all competitive in respect of an infirm source of power like wind, especially in the backdrop of prevailing market conditions. Therefore, KSEBL is interested in procuring power from the 1MW wind project only if the tariff of Rs.3.93/unit is offered by them, in view of the available fiscal incentives.

M/s.Kosamattom Finance Ltd vide letter dated 20.04.2020 intimated that they are ready to sell power generated from 1 MW wind project at Ramakkalmedu at Rs.3.93/unit and ready to execute the PPA with KSEBL.

The clause 6.9 of the initialed PPA provides for project specific tariff or generic tariff, whichever is lower. KSERC (Renewable Energy and Net Metering) Regulation 2020 as per notification dated 07.02.2020 determined generic tariff for wind projects with capacity \leq 25 MW at a location for the financial year 2019-20 as Rs.4.10/unit without the benefit of accelerated depreciation and Rs.3.75/unit with the benefit of accelerated depreciation, for 25 years. As the 1 MW wind energy project established by M/s. Kosamattom Finance Ltd was commissioned in the financial year 2018-19, this tariff cannot be applied. KSERC has not specified generic tariff for the Financial Year 2018-19. Hence the levelised project specific tariff of Rs.3.93/unit as per the KSERC order dated 04.12.2019 can only be applied.

Earlier KSEBL and M/s. Kosamattam Finance Ltd had agreed for the CoD of the project as 22.12.2018 and the tariff period for signing the PPA as 13 years. Also both the parties agreed to adopt the effective date of the PPA as 27.10.2018. The same has been recorded in the order of KSERC.

Based on the above, certain modifications are needed in the clauses of the draft initialed PPA.

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer, as per note read as 7th paper above, had sought approval of Full Time Directors to execute the modified PPA with M/s.Kosamattam Finance Ltd for procuring power from 1 MW wind mill at Ramakkalmedu at a tariff of Rs.3.93/unit as approval. The Chairman and Managing Director vide decision dated 04.05.2020 has accorded sanction and also directed to place the matter for ratification. The matter is placed before the Full Time Directors vide paper read as 8th above for ratification.

Considering the above, the Full Time Directors in its meeting held on 15.05.2020 has resolved to ratify the decision of Chairman and

Managing Director to execute the modified PPA with M/s.Kosamattom Finance Ltd for procuring power from the 1 MW wind mill at Ramakkalmedu at a tariff of Rs.3.93/unit as approved by KSERC.

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

To

The Deputy Chief Engineer (Commercial & Planning)
with full power of Chief Engineer

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 (Trans. & System Operation, CP, Safety & REES)/Director (G-C)/

Director (Corporate Planning, SCM, Generation (Ele) & Safety).

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