

KSEB
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ABSTRACT

Appointment of EPC contractor for design as per site conditions, erection, testing & commissioning of Grid Tied Ground Mounted Solar PV Power plants at Brahmapuram, Kanjikkode and Agali owned by KSEBL with total installed capacity of 8 MWp (4MWp-Brahmapuram, 3MWp-Kanjikkode and 1MWp-Agali) including Operation & Maintenance of the plants for the first 5 years from the date of handing over-Price Escalation due to PV Module Price hike, Power Evacuation due to change in voltage level from 11kV to 22kV and Transportation of Module Mounting Structure from Brahmapuram to Kanjikkode. sanctioned- Orders issued.

Corporate Office (Renewable Energy & Energy Savings)

No.BO(FTD)No.262 /2023 (CE (REES) / 1.25MWp Kanjikkode/2023-24 TVPM

Dated 19.05.2023

Read: 1.Agreement No.14/19-20 dated 20.01.2020.

2.BO(FTD)No.790/2022(CE(REES)CP/BAK/4MW/2022-23 tvpm dated 26.09.2022.

3. Letter No.INKEL/RED/KSEB-8MW/22-23/228 dated 24.11.2022 of the General Manager, Renewable Energy Division, INKEL.

4. Note No. CE(REES)/CP/BAK/2020-21 /1635 dated 16.12.2022 of the Chief Engineer (REES).

5. Note No. FA/Tender-1/104/2022 dated 05.01.2023 of the Financial Advisor.

6. Note No.CE/REES/8MWp CP/1.25 MW Kanjikkode/2022-23/1781
dated 13.01.2023.

7. Letter No.DB.168/BDPP/23-24/123 dated 25.04.2023 of the Executive Engineer, Transmission Division ,Brahmapuram.

8. Note No.CE(REES)/8MWp CP/1.25MWp Kanjikkode/2023-24/177 dated 06.05.2023 of the Chief Engineer(REES) to the Full Time Directors (Agenda 42/05/23).

ORDER

KSEBL has accorded sanction for 4MWp at Brahmapuram Project for a total estimate cost of Rs. 22.8Crores vide BO (FTD)No.2049/2018/KSEBL/ (CE(REES)/Clubbed Projects Agali, Kanjikkode, Brahmapuram/2018-19/ Thiruvananthapuram dated 29.12.2018. The Tender was invited for appointment of EPC contractor for design, erection, testing & commissioning of Grid Tied Ground Mounted Solar PV Power plants at Brahmapuram, Kanjikkode and Agali sites clubbed together with a total installed capacity of 8

MWp (4MWp-Brahmapuram, 3MWp-Kanjikode and 1MWp-Agali). The Agreement read as 1st above was executed with M/s INKEL Limited on 20-01-2020.

Present Status of works at each location

(i) Agali 1MWp

The project was completed and commissioned on 22.01.2022.

(ii) Kanjikode 3 MWp

The project was completed and commissioned on 19.02.2022.

(iii) Brahmapuram 4MWp

The total land available is 23 acres in the existing BDPP site. The project was proposed to be executed at 3 parts of this area, (500 kWp at Part-B, 2500 kWp at Part-E and 1000 kWp at Part- C & D). The Part-B (500kWp) was completed and commissioned on 04.11.2022. The available land could accommodate only 2250kWp instead of 2500kWp. The Part-E (2250kWp) was completed on 06.02.2023 and commissioned on 13.02.2023.

For Part-C&D (1000kWp) the land is not feasible for the installation and as per B.O read as 2nd above, the land owned by KSEBL near the existing wind turbine at Kanjikkode found, is suitable for installation of balance 1.25 MWp, which is the balance of the capacity that was originally planned in Part-E & Part-C&D at Brahmapuram.

Subsequently M/s INKEL Ltd. as per letter read as 3rd requested for price escalation.

1. The power evacuation in Kanjikkode is to be done at 22 kV level in contradiction to the proposed 11 kV at Brahmapuram which leads to increase in cost of transformer, HT switchgear and associated equipment.

2. The price of modules has increased by more than 50% in the last 2 years. The price at which modules were procured for 1MWp Agali and 3MWp Kanjikkode was Rs.19.00 per Watt + GST. The price was at Rs.24 per Watt +GST when the same were procured for 3MWp Brahmapuram. Currently the price offered by PV module manufacturers stand at Rs.29 per Watt+GST.

3. Module mounting structure for entire 4 MWp was delivered to Brahmapuram site. Now MMS for 1.25MWp has to be transported from Brahmapuram to Kanjikkode.

Accordingly remarks were requested as per note read as 4th from the Financial Advisor . It was remarked as per note read as 5th above that as per Clause 4.1 of the tender conditions the bidder shall quote the total amount for the EPC contract of the entire project including cost for operation and the maintenance of the individual SPVs for five years after successful commissioning. The amount quoted by the bidders shall be firm during the period of contract and shall not be varied or adjusted on whatsoever reason on any account. There will be no further negotiation of price after bid opening and price shall be firm. Letter of Award issued to the contractor also does not contain any clause for claiming any price escalation . Hence the request of the contractor for price escalation for PV Modules cannot be considered as per the agreement conditions.

Even though the agreement conditions is silent on the price escalation, it seems that the claim of the contractor regarding the changes in power excavation methods and additional transportation are genuine if the reported facts are right. What will the additional cost in this regard may be assessed based on the quoted rates of the contract and other technical aspects and the contractor is genuinely eligible for such additional cost incurred by them. As per clause 7 of LOA , the contractor shall not claim any price escalation in case the completion period is extended due to any reason including litigation or Force Majeure conditions. Hence the claim of price hike of modules by the contractor need not be admitted as per conditions of above said clause as per note read as 5th above.

Subsequently the Executive Engineer, Transmission Division Brahmapuram as per letter read as 7th above submitted the total tonnage of MMS to be transported as 47,730.9 Kg and the corresponding cost for transportation is found to be Rs.90,100/- (Say Rupees Ninety Thousand and One Hundred only) . M/s Inkel submitted the cost comparison sheet and supporting documents for Rs.35,86,940/- being additional cost that may occur to the contractor due to change in voltage level for power evacuation from 11kV to 22 kV . The supporting documents of M/s Inkel were verified with SCM rates and found to be reasonable.

The matter was placed before the Full Time Directors as per note read as 8th above. Having considered the matter in detail , the Full Time Directors in the meeting held on 11.05.2023.

1.Resolved to accord sanction for additional cost towards transporting MMS from Brahmapuram site to the proposed Kanjikkode site for Rs. 90,100/- (Rupees Ninety Thousand and One Hundred Only).

2. Further resolved to accord sanction for the additional cost for power evacuation for changing the voltage level from 11kV at Brahmapuram to 22k at Kanjikkode of Rs. 35,86,940/- (Rupees Thirty Five Lakhs Eighty Six Thousand Nine Hundred and Forty Only).

3. Further resolved to give revised administrative sanction to the 4 MWp Brahmapuram Project for an amount of Rs. 23,16,77,100/- (Rupees Twenty Three Crores Sixteen Lakhs Seventy Seven Thousand and One Hundred Only).

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-

LEKHA .G
Company Secretary

To

The Chief Engineer (Renewable Energy & Energy Savings)

The CE (Generation & PED)

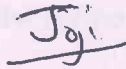
The CE (Transmission - South)

The Deputy CE (Generation Circle Thrissur)

The Deputy CE (Transmission Circle Kalamassery)

Copy to: TA to Chairman & Managing Director / TA to Director (T, SO, Planning, Safety & Generation (E) / TA to Director (Distribution, IT, SCM, REES, Soura, Nilaavu, Sports & Welfare) / TA to Director (Generation Electrical & HRM) / TA to Director (Generation - Civil) / TA to Director (REES, Soura, Nilaavu, Sports & Welfare) / PA to Director (Finance & HRM) / Sr. CA to Secretary (Administration) / The CA to CVO (Vigilance & Security), KSEBL / Company Secretary / Fair copy section / Library.

Forwarded by order



Assistant Executive Engineer