



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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website : [www.ksebl.in](http://www.ksebl.in). CIN :U40100KL2011SGC027424

## ABSTRACT

Implementation of 50 MW Floating Solar Project at West Kallada under Ultra Mega Renewable Energy Power Park (UMREPP) by NHPC- cancellation of lease deed - sanction accorded - Orders issued.

### **Corporate Office (Renewable Energy & Energy Savings)**

B.O.(FTD)No.402/2023/CE(REES) AEE8/West Kallada/2023-24 dated, Tvm. 19.08.2023

- Read: 1. B.O (FTD)No. 33/2022/CE(REES)/AEE 8/West Kallada FS/2020-21 dated 12.01.2022.  
2. Note No. CE(C&T)/Solar/ Floating NHPC/2022-23/1079 dated 07.12.2022 of the Chief Engineer( Commercial & Tariff) addressed to the Chief Engineer(REES).  
3. Note No. CE(REES)/AEE8/West Kallada FS/23-24/222 dated 16.05.2023 addressed to the LA & DEO, KSEBL  
4. B.O (FTD)No. 225/2023/CE(REES)/AEE 8/West Kallada FS/22-23 dated 04.05.2023.  
5. Note No. LA&DEO/R/73/2023 dated 03.06.2023 of the LA & DEO  
6. Note No. CE (REES)/AEE8/West Kallada/2023-24/385 dated: 16.06.2023 of the Chief Engineer(REES), Soura & Chief Safety Commissioner submitted to the Full Time Directors (Agenda-01/08/23).

### **ORDER**

Sanction was accorded as per B.O read as 1<sup>st</sup> above for cancellation of lease deed executed between KSEBL and M/s WKNCEPPL (West Kallada Non-conventional Energy promoters Pvt Ltd) on 24.08.2019 and to terminate the MoU signed on 31.08.2019 between KSEBL and M/s NHPC. Later as per B.O read as 4<sup>th</sup> above it was decided for the cancellation of the deed, only after examining the issue whether it will bind KSEBL for power purchase irrespective of cost and also after a financial analysis of the total project. The Chief Engineer Commercial and Tariff as per note read as 2<sup>nd</sup> had intimated the ceiling tariff considering the input parameters submitted by NHPC and is mentioned below.

Considering MAT (Minimum Alternate Tax)& Corporate tax(RoE (Return on Equity) @12%)

1. Levellised tariff for 25 years (without benefit of accelerated depreciation) is Rs. 3.03/kWh.
2. Levellised tariff for 25 years (with benefit of accelerated depreciation) is Rs.2.78/kWh.

With regard to cancellation of deed, remarks were obtained from the LA&DEO as per note read as 5<sup>th</sup> above. It was recommended that the lease agreement



can be cancelled and the MoU (Memorandum of Undertaking) can be terminated as decided by the Board. The terms of MoU executed between KSEBL & NHPC on 31.08.2019 and the said PPA (Power Purchase Agreement) appear to be detrimental and accordingly cast an obligation on KSEBL to purchase the power from the proposed plant once it becomes operational.

In this backdrop, it is seen that the MoU is executed for the purpose of "Development of 50MW Floating Solar Project in West Kallada Grama Panchayath in Kollam District of Kerala with 10MW in the first phase". However, subsequently, M/s NHPC has received in principle approval from MNRE for developing solar park under mode 8 of UMREPP (Ultra Mega Renewable Energy Power Park). Therefore, NHPC decided to undertake 50MWp instead of 10MWp to avail the benefits of solar park under UMREPP. As per the guidelines of UMREPP, it is solar park developer's responsibility to acquire whole land for the project. Further, as per MoU :

(i) Clause II : Joint Responsibilities and Obligations (a) "Partie agrees that the long term PPA for 25 years from the date of commencement of commercial operation of the plant as a whole shall be signed with the approval of Kerala State Electricity Regulatory Commission (KSERC) with upper ceiling of Rs. 3.75per unit for the project".

(ii) Clause III : Rights and Responsibilities of KSEBL (a) " KSEBL shall purchase the energy made available by NHPC at the interconnection point subject to the terms and condition in the PPA to be entered with NHPC"

(iii) Clause IX: Termination and Validity(b) "This MoU shall stand terminated if the parties hereto by mutual consent agree that project cannot be proceeded for any reason whatsoever prior to the event of signing of PPA". It may be noted that the 10MW first phase is no longer being pursued, instead 50MW under UMREPP is underway.

In view of the above, the Chief Engineer (REES, Soura & Chief Safety Commissioner) has requested permission to cancel the lease deed and MoU as already ordered as per BO read as 4<sup>th</sup> above.

The matter was placed before the Full Time Directors as per note read as 6<sup>th</sup> above. Having considered the matter in detail, the Full Time Directors in its meeting held on 11.08.2023, resolved to accord sanction to cancel the lease deed and MoU as ordered in B.O (FTD)No. 255/2023/CE(REES)/AEE 8/West Kallada FS/22-23 dated 04.05.2023.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

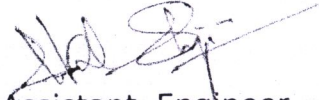
**Lekha G.**  
**Company Secretary**

To : 1. The Chief Engineer, REES, Soura & Chief Safety Commissioner.  
2. The Secretary (Administration), KSEBL  
3. The Executive Engineer, Transmission Division, Kundara

Copy to:

The Financial Adviser/ Chief Internal Auditor.  
The Dy. Chief Engineer (IT)/ RCAO/ RAO.  
The TA to Chairman & MD/D(T,SO,P&S)/D(D,IT &SCM)/  
D(G-E,REES,S,S&W)/D(G-C)  
The PA to Director (Finance)/Company Secretary, The Legal Liaison  
Officer, Kochi.  
Stock file

Forwarded / By Order

  
Assistant Engineer