

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. Preman Dinaraj, Chairman
Adv. A.J Wilson, Member (Law)

OP No 31/2020

First Hearing on : 18.11.2020
Second hearing on : 11.12.2020
Third hearing on : 19.03.2021

In the matter of : Petition seeking interim Order for approval for procurement of 200 MW Solar Power from Inter State Transmission System Grid Connected Solar Photo Voltaic projects through Solar Energy Corporation Limited (SECI) on long term basis to meet the RPO of KSEB Ltd as specified in KSERC (Renewable Energy & Net Metering) Regulations, 2020

Petitioner : Kerala State Electricity Board Ltd (KSEB Ltd)

KSEB Ltd represented by : Smt. Latha S.V, AEE

Respondent : Solar Energy Corporation of India Ltd (SECI)

Respondent represented by: Mr. M G Ramachandran, Sr. Advocate
Smt. Tanya Sareen, Advocate
Mr. Mudit Jain, Sr. Engineer, SECI
Sri. Ravi Nair, Advocate
Smt. Neha Singh, Manager- Legal, SECI

Daily Order dated 23.03.2021

1. Kerala State Electricity Board Ltd (hereinafter referred as KSEB Ltd, or the Petitioner) on 27.10.2020 filed a petition before the Commission with the following prayers:

“to grant an interim Order approving the procurement of 200MW solar power from ISTS grid connected solar photo voltaic projects selected by SECI as per their offer letter dated 7-8-2020”.

2. M/s Solar Energy Corporation of India (SECI) offered 200 MW from 1st Tranche of 6000 MW ISTS connected Solar PV projects linked with Manufacturing plant in India on ‘Build Own Operate’ Basis to KSEBL. M/s SECI, during the

deliberations of the subject petition clarified that, out of the 6200MW in 1st Tranche, 3000 MW is from Solar Manufacturing Plants (Solar plants installed by Solar Cell Manufactures for sale) and 3200MW from other ISTS connected Solar Plants. The tariff quoted in the 1st Tranche ranges from Rs 2.36/unit to Rs 2.92/unit. Rs 2.66 per unit is the weighted average rate of the quoted tariff of all bidders in Tranche-I on capacity basis. SECI further submitted that, this rate may vary if all the capacity out of the 6200MW in the 1st Tranche is not materialised. However, the final rate will be in between Rs 2.36 per unit to Rs 2.92/unit, and in any case, it will not exceed Rs 2.92/unit.

3. Based on the deliberations, the Commission issued an interim order on 18.12.2020, with the following directions to the petitioner KSEB Ltd and the respondent SECI for immediate compliance.

- (1) KSEBL may submit the comments on the affidavit dated 04.12.2020 filed by the respondent SECI, on or before 05.01.2021, with a copy to the respondent.
- (2) KSEBL and SECI, may proceed with the procurement of 200 MW Solar power from the SECI's manufacturing linked tender, subject to the following;
 - (i) The maximum pooled tariff of the 200 MW solar power supplied to KSEB Ltd shall not exceed Rs 2.66/unit plus trading margin.
 - (ii) The Power Sale Agreement to be signed between the petitioner KSEB Ltd. and the respondent SECI shall be jointly initial and submitted to the Commission for its formal approval. The Power Sale Agreement shall be effective only after its formal approval by this Commission.

4. The third hearing on the petition was conducted through video conference on 19.03.2021. Smt. Latha S.V appeared for the hearing on behalf of KSEBL and Smt. Tanya Sareen, Advocate, appeared on behalf of the respondent SECI. Summary of the deliberations during the hearing is given below.

- (1) SECI submitted that, they, vide the revised offer dated 10th February 2021, offered 500MW ISTS connected Solar Power under Tranche-IX at tariff of Rs 2.44/kWh (including SECI's trading margin @Rs 0.07/unit) to make it competitive. The capacity offered is scheduled to be commissioned by December 2022. The power offered under the scheme is eligible for waiver of ISTS transmission charges and losses for 25 years from the date of commissioning of the project, as per the notifications of MoP dated 5th August 2020 and 15th January 2021.

SECI further submitted that, KSEBL vide the latter dated 15.03.2021 intimated that they are interested in procuring upto 300MW power from ISTS grid connected Solar PV Power Projects, Tranche IX of SECI @ Rs 2.44/unit (inclusive of trading margin of 7 paise/kWh) instead of 200 MW Solar power earlier offered from manufacturing linked 1st Tranche @Rs 2.66/unit plus trading margin @7 paise/kWh)

- (2) KSEB Ltd submitted that, they received the revised offer from SECI. KSEB Ltd further submitted that, once KSEB receives the modified PSA from SECI incorporating the modifications suggested based on the Order of the Commission in the earlier offer, for adopting the PSA in the revised offer, KSEB Ltd shall submit the revised petition for the approval of the Hon'ble Commission.
5. Based on the deliberations during the hearing, the Commission hereby orders the following.
- (1) KSEB Ltd shall, file an amendment to the original petition, for procuring 300MW ISTS grid connected Solar PV Power Projects, from Tranche IX of SECI @ Rs 2.44/unit (inclusive of trading margin of 7 paise/kWh) instead of 200 MW Solar power earlier offered from manufacturing linked 1st Tranche @Rs 2.66/unit plus trading margin @7 paise/kWh).
- (2) KSEB Ltd shall also submit draft initialled PSA jointly by KSEBL and SECI, incorporating the suggestions ordered by the Commission earlier.

Next hearing on the petition is scheduled on 15.04.2021.

Sd/-
Adv. A J Wilson
Member (Law)

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary