

BEFORE THE HON'BLE KERALA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of: Petition under Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021 seeking approval for entering into an agreement for banking of power with the traders M/s.Arunachal Pradesh Power Corporation Pvt Ltd and M/s. Kreate Energy (I) Pvt Ltd for banking of power during the period from 01.02.2023 to 30.09.2023 for managing the power deficit during Summer 2023.

KSEBL MOST HUMBLY STATES THAT:

1. Kerala State Electricity Board Limited files the instant petition seeking approval for entering into an agreement for banking of power with the traders M/s.Arunachal Pradesh Power Corporation Pvt Ltd and M/s. Kreate Energy (I) Pvt Ltd for banking of power during the period from 01.02.2023 to 30.09.2023 for managing the power deficit during Summer 2023.
2. In view of the upcoming summer 2023, the Load-Generation-Balance (LGB) for summer and monsoon 2023 was reviewed by KSEBL to ascertain the probable deficit /surplus assessment, so that early action to meet the expected power deficit during summer 2023(February 2023 to May 2023) and to manage the expected energy surplus during Monsoon 2023(Mid June 2023 to Sep-2023), can be initiated.
3. On analysis of the peak and energy availability in the State in the coming months, it was observed that considerable shortage upto around 500MW during various parts of a day is anticipated during the summer months.
4. The proposal to meet a portion of the above shortage through DEEP short term purchase is approved by Hon'ble Commission (Order dated 23.09.2022 in OP 46/2022). KSEBL decided to meet the balance requirement through banking transactions.
5. Accordingly, tender has been invited for banking of power from Traders/Utilities with KSEB Ltd during the period from 01-02-2023 to 30-09-2023 as per table A and as per the timelines below:

Table-A

Supply period				Return period				
Month	Duration/MW			Month	Duration/ Max MW return possible against each slot			
	RTC	14:00 to 22:00	14:00 to 23:00		00:00 to 06:00	06:00 to 18:00	18:00 to 22:00	22:00 to 24:00

Feb-2023		100		16-06-2023 to 30-06-2023	100	100	50	100
Mar-2023	200		100	Jul-2023	250	250	50	250
Apr-2023	200		100	Aug-2023	250	250	50	250
May-2023	200		100	Sep-2023	250	250	50	250

b) Timelines of bid process:

Sl. No.	Event	Date
1.	Publication of tender	17.08.2022
2.	Receipt of Clarification on queries	20.08.2022 (3 pm)
3.	Publishing of Response to queries	23.08.2022
4.	Last date of Submission of Bid	26.08.2022 (2 pm)
5.	Opening of technical bid followed by opening of financial bid	26.08.2022 (3 pm)
6.	Clarification, if any, sought from Applicants	27.08.2022
7.	Issuing of LoA to the successful bidder(s)	After getting approval from KSERC

6. Wide publicity of inviting banking tender was given through 2 National Dailies and through the official web site of KSEBL. The Utilities and traders were also intimated directly through their email-ids. As per the timelines indicated above, the last date of the submission of the bid was 26.08.2022, 02:00pm. Based on the request of the traders for extending the last date of submission of bid, the last date for submission of bids was extended up to 05.09.2022.
7. The bids were opened on 05.09.2022, 03:00pm. Two traders namely Arunachal Pradesh Power Corporation Pvt. Ltd (APPCPL) and Kreate Energy (I) Pvt Ltd has participated in the banking tender and the offers received are tabulated below:

Utilities/ Traders	Supply			Return			Trading Margin (paise/ kWh)
	Supply period	Dura tion (Hrs)	Quantum (MW)	Return period	Duration (Hrs)	Return %	

Arunachal Pradesh Power Corporation Pvt Ltd from M/s. PSPCL	March 2023	RTC	200 (From M/s PSPCL)	16.06.2023 to 30.06.2023	As per the tender	108.41	3.00
	April 2023	RTC	200 (From M/s PSPCL)	July 2023	As per the tender		
	01.05.2023 to 20.05.2023	RTC	200 (From M/s PSPCL)	August 2023	As per the tender		
				September 2023	As per the tender		

b. Arrangement -I of Kreate Energy (From M/s BRPL)

Utilities/ Traders	Supply			Return			Trading Margin (paise/kWh)
	Supply period	Duration (Hrs)	Quantum (MW)	Return period	Duration (Hrs)	Return %	
Kreate Energy (I) Pvt Ltd- Arrangement I	Feb 2023	14-22	50 (From M/s BRPL)	16.06.2023 to 15.07.2023	RTC	105% of the RTC power banked to KSEBL during March 2023	3.00
	March 2023	RTC	50 (From M/s BRPL)		00:00 to 06:00 & 22:00 to 24:00	105% of the power banked to KSEBL during 14 to 22 and 14 to 23 in February 2023 & March 2023	
		14 to 23	50 (From M/s BRPL)				

c. Arrangement -II of Kreate Energy (From M/s BYPL)

Utilities/ Traders	Supply			Return			Trading Margin (paise/kWh)
	Supply period	Duration (Hrs)	Quantum (MW)	Return period	Duration (Hrs)	Return %	
	Feb 2023 (On firm basis)	00:00 to 06:00	100 (From M/s.BYPL)				

Kreate Energy (I) Pvt Ltd- Arrangement II		14:00 to 24:00	75 (From M/s.BYPL)	16.06.2023 to 30.09.2023	RTC	105	3.00
	March 2023 (On Day Ahead Basis)	00:00 to 06:00	100 (From M/s BYPL)				
		14:00 to 24:00	50 (From M/s BYPL)				
	April 2023 (On Day Ahead Basis/As and when available/Required basis)	Any timeslot between 00:00 to 24:00	Up to 50 (From M/s BYPL)				

8. The bids were evaluated and it was decided to have negotiations with the traders for reducing the return percentage to a workable rate. Accordingly, on 06.09.2022, it was negotiated with the traders for reducing their quoted return percentage.
9. On 12.09.2022, Arunachal Pradesh Power Corporation Pvt. Ltd (APPCPL) has intimated the consent of the Generator, Punjab State Power Corporation Ltd(PSPCL) to reduce the return percentage to 107.91% from 108.41% and reducing the trading margin to 2.90 paise/kWh.
10. On 13.09.2022, Kreate Energy (I) Pvt Ltd (KEIPL) has intimated that BSES Rajadhani Power Ltd (BRPL) was not willing to reduce the return percentage from 105%. In the case of BSES Yamuna Power Ltd(BYPL), the Generator has intimated the consent to reduce the return percentage to 103% subject to import of full firm quantum from 00 to 06 hrs & 14 to 24 hrs during the month of February 2023,as mentioned in the arrangement-2 of the bid offer. But as only 50MW from 14 to 24 hrs during February 2023 from BYPL is required. Therefore as the condition mentioned in the negotiation is not met, the return percentage of the KEIPL is 105% and the trading margin is also mentioned as 3.00 paise/kWh.
11. Considering the anticipated deficit in the coming summer and the uncertainty regarding the availability of power in the market and the high market rates in summer2023, this SWAP proposal is required. Also with the present storage position of the reservoirs of the major hydel stations and anticipating normal inflow during 2023 monsoon a swap return is inevitable in managing the monsoon 2023.
12. The SWAP return schedule forwarded from the System Operation wing is as follows.

SWAP Return scheduled in the case of M/s PSPCL through M/s APPCPL

Hours	3	3	12	4	2	TOTAL MU
Duration	0-3	3-6	6-18	18-22	22-24	MU
16/6/23 to 30/6/23	100	100.13	100	50	100	33.00585
1/7/23 to 15/7/23	100	150.13	250	50	150	63.75585
16/7/23 to 31/07/23	100	150.13	250	50	150	68.00624
1/8/23 to 31/8/23	100	150.13	246	50	150	130.2741
01/9/23 to 30/09/23-	100	150.13	250	50	100	124.5117
Total MU to be returned to PSPCL through APPCPL						419.5537

SWAP return scheduled in the case of M/s BRPL and BYPL through M/sKEIPL

Hours	3	3	12	4	2	TOTAL MU
Duration	0-3	3-6	6-18	18-22	22-24	MU
16/6/23 to 30/6/23- BRPL	16.33	16.33	16.33	16.33	16.33	5.8788
1/7/23 to 15/7/23- BRPL	16.33	16.33	16.33	16.33	16.33	5.8788
16/6/23 to 30/6/23- BRPL	223.78	223.78			223.78	26.8536
1/7/23 to 15/7/23- BRPL	223.78	223.78			223.78	26.8536
16/6/23 to 30/9/23- BYPL	8.58	8.58	8.58	8.58	8.58	22.03344
Total MU to be returned by KSEBL						87.498

Total SWAP return scheduled to both M/s. PSPCL & M/s. (BRPL & BRYL) during the period 16/6/23 to 30/9/23 is as submitted below.

Hrs	3	3	12	4	2	
Days	0-3	3-6	6-18	18-22	22-24	Total MU
16/6/23 to 30/6/23	348.69	348.82	124.91	74.91	348.69	68.82705
1/7/23 to 15/7/23-	348.69	398.82	274.91	74.91	398.69	99.57705
16/7/23 to 31/7/23	108.58	158.71	258.58	58.58	158.58	71.30096
1/8/23 to 31/8/23	108.58	158.71	254.58	58.58	158.58	136.6576
1/9/23 to 30/9/23	108.58	158.71	258.58	58.58	108.58	130.6893
Total SWAP return scheduled to both M/s. PSPCL & M/s. (BRPL & BRYL)						507.052

13. Financial implication:

A trading margin of Rs 0.0290/kWh to M/s. Arunachal Pradesh Power Corporation Pvt Ltd and Rs.0.0300/kWh to Kreate Energy (I) Pvt Ltd, shall be payable by KSEBL to the traders at the time of importing of power during the supply period of the banking arrangement in addition to the Open access charges.

14. After evaluating the offers of the banking tender, KSEBL decide to bank power from the two traders as follows:

Trader	February 2023		March 2023		April 2023	May 2023
	14:00 to 22:00	14:00 to 24:00	14:00 to 23:00	RTC	RTC	RTC
APPCPL				200 MW	200 MW	200 MW
KEIPL	50 MW	75 MW	50 MW	50 MW		

15. It is submitted that as per clause 7 of the tender document, the offers submitted by the bidder is valid for 45 days from the date of opening of the bid. Accordingly the offer submitted by M/s.Arunachal Pradesh Power Corporation Pvt Ltd (APPCPL) and M/s. Kreate Energy (I) Pvt Ltd is valid for 45 days from the date of opening of tender ie; up to 20.10.2022.
16. Based on the above, it is requested that approval may kindly be granted for issuing Letter of Award to M/s.Arunachal Pradesh Power Corporation Pvt Ltd and M/s. Kreate Energy (I) Pvt Ltd as per the table E& F respectively, shown below for managing the power deficit during Summer-2023 and the expected surplus during the Monsoon of 2023.

TABLE E

Utilities / Traders	Supply to KSEBL			Return from KSEBL						Trading Margin (paise/kWh)	
	Supply period	Duration (Hrs)	Quantity (MW)	Return period	Duration (Hrs)						Return %
					0-3	3-6	6 - 18	18 -22	22 -24		
PSPC/ Arunachal Pradesh Power Corporation Pvt Ltd	March 2023	RTC	200	16.06.2023 to 30.06.2023	100	100.13	100	50	100	107.91	2.90
	April 2023	RTC	200	01.07.2023 to 15.07.2023	100	150.13	250	50	150		
				16.07.2023 to 31.07.2023	100	150.13	250	50	150		
	01.05.23 to 20.05.23	RTC	200	Aug 2023	100	150.13	246	50	150		
				Sep 2023	100	150.13	250	50	100		

TABLE F

Utilities / Traders	Supply to KSEBL			Return from KSEBL						Trading Margin (paise/kWh)	
	Supply period	Duration (Hrs)	Quantum (MW)	Return period	Duration (Hrs)						Return %
					0-3	3-6	6 - 18	18 - 22	22 -24		
Kreate Energy (I)Pvt Ltd-BRPL	Feb 2023	14-22	50	16.06.2023 to 30.06.2023	240.11	240.11	16.33	16.33	240.11	105	3.00
	March 2023	RTC	50	01.07.2023 to 15.07.2023	240.11	240.11	16.33	16.33	240.11		
		14 to 23	50								
Kreate Energy (I)Pvt Ltd-BYPL	Feb 2023	14-24	75	16.06.2023 to 30.09.2023	8.58	8.58	8.58	8.58	8.58		

17. As per Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021, approval of Hon'ble Commission is required for short-term power procurement agreement or arrangement by way of exchange of energy under banking transactions, Therefore, the instant petition is filed seeking approval of Hon'ble Commission for issuing LoA to M/s.Arunachal Pradesh Power Corporation Pvt Ltd and M/s. Kreate Energy (I) Pvt Ltd for banking of power during the period from 01.02.2023 to 30.09.2023 for managing the power deficit during Summer 2023.

18. It is humbly submitted that the offers submitted by the bidder is valid for 45 days from the date of opening of the bid. Accordingly the offer submitted by M/s.Arunachal Pradesh Power Corporation Pvt Ltd (APPCPL) and M/s. Kreate Energy (I) Pvt Ltd is valid only for 45 days from the date of opening of tender ie; up to 20.10.2022. Therefore, it is humbly requested that an early hearing of the matter and orders may kindly be issued.

Prayer

KSEBL humbly request Hon'ble Commission to grant approval for entering into banking transactions as submitted in the instant petition with M/s.Arunachal Pradesh Power Corporation Pvt Ltd and M/s. Kreate Energy (I) Pvt Ltd for banking of power during the period from 01.02.2023 to 30.09.2023 for managing the power deficit during Summer 2023.

**Deputy Chief Engineer (Commercial & TRAC)
in charge of Chief Engineer(Commercial & Tariff)**

Acc: 1.Copy of Tender document.