



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-695004, Kerala, India.

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Abstract

Procurement of Solar power through NTPC Limited – Sanctioned - Orders issued.

CORPORATE OFFICE (Planning)

B.O. (FTD) No.103/2021 (No. CE (C&P)/Solar-NTPC-300 MW/2020-21) dated Tvp, 06.02.2021

Read: Note No. CE(C&P)/Solar-NTPC-300 MW/2020-21/970 dated 23.01.2021 of the Deputy Chief Engineer (C&P) with full powers of Chief Engineer submitted to the Full Time Directors. (Agenda No. 74/01/21).

ORDER

M/s NTPC intimated their willingness to offer around 300 MW Solar power to Kerala at very competitive tariff rate, discovered through competitive bidding and also intimated that being ISTS connected, the power is eligible for waiver of ISTS Transmission charges and losses for a period of 25 years from CoD as per MoP order dated 5th Aug 2020. The power will be supplied by NTPC under developer mode, wherein NTPC is an intermediary trader.

At present KSEBL is pursuing the offer of SECI for procurement of 200 MW Solar power at a pooled tariff of Rs 2.66 per unit (excluding TM 7 ps per unit). KSERC in its interim order dated 18.12.2020 ordered that the maximum pooled tariff of the 200 MW Solar power supplied to KSEBL Ltd shall not exceed Rs 2.66/unit plus trading margin. Also the Power Sale Agreement is to be signed between KSEBL and SECI and submit to the Commission for its formal approval. The Power Sale Agreement shall be effective only after its formal approval by the Commission.

Accordingly, KSEBL has requested SECI to intimate the acceptance of the maximum pooled tariff of Rs 2.66 / unit plus trading margin as ordered by KSERC and the modifications in the terms of draft PSA including the remarks furnished by KSEBL / direction of KSERC to proceed with initialling of PSA. SECI has not yet responded to this request. Therefore the materialization of the offer of SECI is uncertain now. Also apprehensions are there in materialization of planned floating Solar PV projects for meeting the RPO obligation due to difficulty in obtaining NOC for forest clearance.

Subsequently, NTPC intimated a tariff of Rs 2.51/ kWh inclusive of the trading margin of 7 paise/kWh for the 300 MW Solar power. It is also intimated that after signing of PSA, NTPC shall approach the Hon'ble CERC for adoption of tariff and KSEBL shall approach KSERC for approval of Power Procurement as per the provisions of Electricity Act 2003.

The tariff offered by NTPC i.e. Rs 2.51 per unit is competitive compared to the offer of SECI pooled tariff rate of Rs 2.73 per unit (inclusive of TM @ 7 Ps per unit). The renewable purchase

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6/2/2021

obligation (RPO) of KSEBL for Solar power consumption in the year 2021-22 is 6.75% (1220 MU) as per KSERC MYT order. KSEBL is short of Solar RPO as stipulated by KSERC.

Considering the competitive tariff offered by NTPC i.e. Rs 2.51 per unit (inclusive of the trading margin of 7 paise/kWh) and the uncertainty in materialisation of 200 MW solar power from SECI @ Rs 2.73 / kWh (including trading margin of 7 paise/kWh), the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer has suggested in the note read above that KSEBL may express interest in procuring upto 300 MW of Solar power through NTPC, subject to KSERC approval and finalising the terms and conditions of PSA. Also it was suggested that in the next hearing on SECI proposal by KSERC, KSEBL may convey that SECI is not responding to the conditions specified in the order of KSERC and meanwhile more competitive offers are received by KSEBL.

Having considered the matter in detail, the Full Time Directors in its meeting held on 28.01.2021, resolved to accord sanction for the following

1. To intimate M/s NTPC Ltd that KSEBL is interested in procuring the offered power upto 300 MW power from ISTS grid connected Solar PV Power projects @ Rs 2.51 per unit (inclusive of the trading margin of 7 paise/kWh) subject to KSERC approval and finalising the terms and conditions of PSA.
2. To inform KSERC during the next hearing that SECI is not responding to the conditions specified in the order of KSERC and meanwhile more competitive offers are received by KSEBL.

Orders are issued accordingly

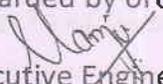
By Order of the Full Time Directors,
Sd/-
LEKHA.G
Company Secretary in-charge

To

1. The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer.
2. The Deputy Chief Engineer (TRAC)

Copy to:

1. The Chief Engineer (T-SO), Kalamassery.
2. The Financial Advisor/Chief Internal Auditor/LA & DEO
3. TA to CMD/ Director (T& SO)/ (SCM &Gen-E)/ (D, IT& HRM)/ Gen (Civil) /(Plg&Safety)
4. PA to Director (Finance)
5. Senior CA to Secretary/Company Secretary i/c/The Fair Copy Superintendent
6. Library / Stock File.

Forwarded by order

Assistant Executive Engineer