

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. S. Venugopal, Member
Shri. K.Vikraman Nair, Member

186/DD(T)/Corridor/ 2017/KSERC

In the matter of : Request for approval for incurring additional cost for the transmission corridor allocated on e-bid basis for drawing the power contracted under short-term basis.

Applicant : Kerala State Electricity Board Limited
Vydhyuthi Bhavanam, Pattom,
Thiruvananthapuram-695 004

Order dated 30.06.2017

1. KSEB Ltd, vide letter No KSEB/TRAC/Short-term PP/2016-17/3622 dated 30.1.2017, requested for approval for the action taken by KSEB Ltd in participating in the e-bid for allocation of transmission corridor and approve the additional rate of Rs.1.25/unit, over and above the rates approved by the Commission vide the order dated 19-12-2016, for the 85 MW of power at Kerala periphery from Jindal India Thermal Power Ltd for 0-6 hrs and 18-24 hrs during the month of March 2017. The summary of the submission of KSEB Ltd is given below.
 - (1) The Commission had granted approval for the following power purchases for the summer months from Mach-2017 to May/June 2017.
 - (i) Approval granted vide the order dated 01-06-2016, for procuring 200MW RTC power from M/s PTC Ltd for the period from 01-03-2017 to 30-06-2017 @Rs 3.406/unit at Kerala periphery.
 - (ii) Approval granted vide the order dated 19.12.2016, for procuring 100 MW RTC power @ 3.25 at Kerala periphery and 100 MW peak power (from 18:00 hrs to 24:00 hrs) @ 3.65 at Kerala periphery through the trader M/s Tata Power Trading Company Ltd from M/s Jindal India Thermal Power Ltd in ER, for the period from 01.03.2017 to 31.05.2017
 - (2) KSEB Ltd had applied for the Medium Terms Open Access (MTOA) for the 200 MW power contracted through M/s PTC Ltd. PGCIL granted

conditional MTOA, subject to the commissioning of the following transmission lines.

“ a) Commissioning of 765 kV Angul - SrikakulamVemagiri(PG) D/C line + LILO of 400kV GazuwakaNunna(Vijayawada(PG)) S/c at Vemagiri(PG) + Opening of Nunna (Vijayawada(PG))-Vemagiri(PG); b) 765 kV Wardha-Nizamabad D/C line along with Nizamabad – Dichipaly 400 kV D/C Line; (ii) Commissioning of 400 kV Tumkur (Vasanthanarasapur) – Bidadi D/C, Kudgi (Narendra –New)– Tumkur (Vasanthanarasapur) D/C, Dharmapuri – Tumkur (Vasanthanarasapur) D/C transmission lines.”

However, the PGCIL vide the letter dated 26-12-2016, intimated KSEB Ltd that, the start date of the MTOA for 200MW could not be specified due to the non commissioning of above transmission lines.

- (3) KSEB Ltd decided to avail short-term open access (STOA) for drawing the 100MW RTC and 100 MW peak power contracted through the trader M/s Tata Power Trading Company Ltd (TPTCL), from M/s Jindal India Thermal Power Ltd, for the period from 01-03-2017 to 31-05-2017. M/s TPTCL applied STOA for the contracted power on behalf of KSEB Ltd. However, the SRLDC vide the communication dated 2nd January 2017 intimated that, there is congestion in ER-SR path for the month of March-2017 and the net margin available is only 85 MW, for the duration from 0:00 hrs to 6:00 hrs and 18:00hrs to 24:00 hrs. It is further reported that, for the month of March-2017, total STOA application was for 692.89MW for time block of 0:00 hrs to 6:00 hrs and 794.98MW for the time block of 18:00hrs to 24:00 hrs, as against the corridor availability of 85 MW from 0:00 hrs to 6:00 hrs and 18:00hrs to 24:00 hrs. Hence SRLDC intimated that, the available corridor will be allocated through e-bid as per the Regulation-10 of the CERC (Open Access in Inter State Transmission) Regulation,2008.
- (4) KSEB Ltd has also submitted that, considering the limited corridor availability, it has decided to participate in the e-bid for the 100 MW RTC power contracted through the trader M/s Tata Power Trading Company Limited for the period from 01-03-2016 @ Rs 3.25/unit Kerala periphery. The source of power was from M/s Jindal India Thermal Power Ltd in Eastern Region.
- (5) M/s Jindal India Thermal Power Ltd, the generator, who supply the 100MW through the trader M/s Tata Power Trading Company Limited, agreed to bear a transmission charges up to Rs 0.20/unit. In order to get the limited corridor available and KSEB Ltd authorized the trader M/s Tata Power Trading Company Limited, to quote a maximum rate upto Rs 1.45/unit, out of which Rs 0.20/unit shall be born by the generator M/s Jindal India Thermal Power Ltd, and Rs 1.25/unit to be borne by KSEB Ltd.

- (6) Subsequent to the bid process, KSEB Ltd obtained the 85 MW corridor available for the month of March-2017 for the duration of 0:00 hrs and 18:00hrs to 24:00 hrs at the bid rate of Rs. 1.45/unit for the transmission corridor.
- (7) Thus the effective rate for the 85 MW power at Kerala periphery is Rs 4.50/unit (Rs 3.25 unit quoted at KSEB periphery by the trader for 100 MW RTC power which was already approved by the Commission vide the order dated 19-12-2016 +Rs 1.25/unit borne by KSEB Ltd for getting the corridor through e-bid process).
- (8) KSEB Ltd further submitted that, it had participated in the e-bid for availing the corridor, duly considering the emerging power demand for the month of March-2017. The State Government and KSEB Ltd did not intend to implement load shedding and load restriction during the month of March-2017 due to the public examinations etc. KSEB Ltd also wanted to avoid/ limit the dependence on the liquid fuel stations BDPP, KDPP and RGCCPP, since the average cost of generation from these stations is more than Rs 6.56/unit.
- (9) KSEB Ltd requested before the Commission to approve the action taken by KSEBL for participating in the e-bid for allocation of transmission corridor and approve the additional rate of Rs.1.25/unit, over and above the rates approved vide the order dated 19-12-2016, for the 85MW of power at Kerala periphery from Jindal India Thermal Power Ltd for 0-6 hrs and 18-24 hrs during the month of March 2017.

Analysis and Decision

2. The Commission examined the submission of KSEB Ltd, and the electricity demand and supply position in the month of March-2017.
3. With the approval of the Commission, KSEB Ltd had contracted about 397 MW (297 MW through the trader NVVN from the source CSPDCL and 100 MW through the trader PTC from BALCO) through case-1 bid route for the period from March-2014 to February 2017. The average rate of this contracted power for the month of February 2017 at the periphery of KSEB Ltd, including transmission charges was about Rs 4.56/unit.
4. In order to meet the short fall in power availability during the summer months from March-2017 to May-2017, due to the expiry of contract of the 397 MW power contracted through MTOA, the Commission had granted approval for the following power purchases from March-2017 onwards.
 - (i) Procurement of 200MW RTC power from M/s PTC Ltd for the period from 01-03-2017 to 30-06-2017 @ Rs 3.406/unit at Kerala periphery. Approval granted vide the order dated 01-06-2016.

- (ii) Procurement of 100 MW RTC power @ 3.25 at Kerala periphery and 100 MW peak power (from 18:00 hrs to 24:00 hrs) @ 3.65 at Kerala periphery through the trader M/s Tata Power Trading Company Ltd from M/s Jindal India Thermal Power Ltd in ER, for the period from 01.03.2017 to 31.05.2017. Approval granted vide the order dated 19.12.2016.
5. As per the details submitted before the Commission, there was uncertainty in getting the MTOA for the 200 MW RTC power contracted from M/s PTC from March 2017. Further, as per the communication of the SRLDC dated 2nd January 2017, there was transmission congestion in the ER-SR path for the month of March-2017. The net transmission capacity available in the ER-SR path was only 85 MW, for the duration from 0:00 hrs to 6:00 hrs and 18:00hrs to 24:00 hrs, as against the short term open access applications of 692.89MW from 0-18 hrs and 794.98MW from 18-24 hrs during the month of March 2017. SRLDC hence decided to allocate the available corridor through e-bid, as per the provision in the CERC (Open Access in Inter-State Transmission) Regulations, 2008.
6. The Commission also notes that, the year 2016-17 was one of the worst monsoon year in the recent history of the State of Kerala. The actual hydel generation during the summer months of the year 2017 was, less than 50% of the expected hydel generation in normal monsoon months. Further, the electricity demand in the State during the month of March-2017 was also higher. K S E B Ltd. submitted that, the State Government also wanted to avoid load shedding and power restrictions during the month of March-2017, due to the public examinations scheduled in March-2017. Therefore, in order to meet the gap between the demand and supply, KSEB Ltd had to depend on the liquid fuel stations in the State. The cost of generation from the liquid fuel stations in the State, including the RGCCPP- kayamkulam, BDPP and KDPP are about Rs 6.56. The Commission has given instruction to the KSEB Ltd to avoid scheduling power from RGCCPP-Kayamkulam and also to restrict the schedule from BDPP and KDPP to the possible extent.
7. Considering the above back ground, the Commission has examined the action of the KSEB Ltd to avail the available corridor of 85 MW through e-bid by quoting the rate of Rs 1.45/unit, out of it, the liability of KSEB Ltd is Rs 1.25 unit and balance Rs 0.20/unit borne by the generator M/s Jindal India Thermal Power Ltd. The actual energy schedule from the 85MW by availing transmission corridor through e-bid was 28.4 MU and the additional cost incurred by KSEB Ltd on this account is about Rs 3.55 crore during the month of March-2017. However, the overall rate of the 85 MW power including the cost incurred for e-bid for getting transmission corridor is about Rs 4.50 per unit. Considering the facts and circumstance of the matter, the Commission ratifies the action of the KSEB Ltd in participating in the e-bid for allocation of transmission corridor and approves the additional rate of Rs.1.25/unit, over and above the rates approved by the Commission vide the order dated 19-12-2016, for the 85 MW of power at

Kerala periphery from Jindal India Thermal Power Ltd for 0-6 hrs and 18-24 hrs during the month of March 2017.

8. The Commission also takes note of the fact that, KSEB Ltd has not taken prior approval of the Commission while going for e - bidding for transmission corridor for availing short term open access. The cost for availing corridor through e-bid have an impact on the cost of power purchase, which in turn will reflect in tariff. Hence it is directed that, in future, KSEB Ltd shall avail prior approval from the Commission for participating in the e-bid for transmission corridor for availing short term open access.

Order of the Commission

9. Considering the facts and circumstance of the matter as detailed above, the Commission hereby orders that,
- (1) The action of the KSEB Ltd in participating in the e-bid for allocation of transmission corridor for availing short term open access and the additional rate of Rs.1.25/unit incurred over and above the rates approved by the Commission vide the order dated 19-12-2016 for the purchase of 85 MW of power from Jindal India Thermal Power Ltd through TATA power trading company ltd, for 0-6 hrs and 18-24 hrs during the month of March 2017 is approved.
 - (2) KSEB Ltd shall, in future, get prior approval from the Commission for availing transmission corridor on short term open access through e-bid.

Sd/-
K.Vikraman Nair

Member

Sd/-
S.Venugopal

Member

Approved for Issue

Sd/-
Santhosh Kumar. K.B
Secretary