

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
Fourth hearing on : 15.04.2021
Fifth Hearing on : 25.05.2021
Sixth hearing on : 14.07.2021

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 : Sri K G P Nampoothiri, EE

Respondent : Solar Energy Corporation of India Ltd (SECI)

Respondent represented by : Mr. M G Ramachandran, Sr. Advocate
Smt. Tanya Sareen, Advocate
Smt. Neha Singh, SECI

Daily Order dated 14.07.2021

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. The petition was filed based on the offer of M/s Solar Energy Corporation of India (SECI) for 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 KSEB Ltd at a weighted average tariff of Rs 2.66 per unit plus trading margin @Rs 0.07/unit. Subsequently SECI, 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 and KSEB Ltd vide letter dated 15.03.2021 intimated that they are interested in procuring upto 300MW . KSEB Ltd during the deliberations of the subject petition intimated that, once KSEB Ltd receives the modified PSA from SECI incorporating the modifications suggested based on the earlier orders of the Commission, KSEB Ltd shall submit the revised petition for the approval of the Hon'ble Commission.

3. The fourth hearing on the petition was conducted on 15.04.2021 through video conference. The representative of the SECI submitted that, they require another three weeks to finalize the draft PSA incorporating the suggestions made by KSEB Ltd. KSEB Ltd, assured that they shall file the amendment to the original petition, within 10 days from the date of receiving the draft initialled PSA from SECI. Based on the deliberations during the hearing, the Commission issued the following directions to KSEB Ltd and SECI for immediate compliance.
 - (i) *SECI shall finalise the draft PSA incorporating the comments of KSEB Ltd and forward it to KSEB Ltd, latest by 4th May 2021.*
 - (ii) *KSEB Ltd shall file the amendment to the original petition and also the draft initialled PSA for approval as per the Order of the Commission dated 23.03.2021.*
4. The fifth hearing on the petition was conducted on 25.05.2021 through video conference. Sri. K.G.P Nampoothiri appeared on behalf of KSEB Ltd and Adv Tanya Sareen on behalf of SECI, based on the deliberations during the hearing, the Commission directed the petitioner and respondent the following.
 - (i) SECI shall finalise the draft PSA incorporating the comments of KSEB Ltd and forward to KSEB Ltd latest by 22nd June 2021, with copy to the Commission.
 - (ii) KSEB Ltd shall file the amendment to the original petition with draft initialled PSA by SECI and KSEB Ltd, for its approval as per its Order dated 23.03.2021, on or before 10th of July 2021.
5. In compliance of the direction of the Commission, SECI vide letter dated 22-06-2021, forwarded the modified draft PSA along with their comments to KSEB Ltd with a copy to the Commission. However KSEB Ltd yet to submit the amendment to the original petition for the approval of the PSA.
6. The sixth hearing on the petition was conducted on 14.07.2021 through video conference. Sri K G P Nampoothiri, Executive Engineer presented the matter on behalf of the petitioner KSEB Ltd and Sri. M G Ramachandran, Senior Advocate presented the matter on behalf of the respondent SECI. The summary of the deliberations during the hearing is given below.

- (1) KSEB Ltd submitted that some of the modifications proposed by KSEB Ltd in the draft PSA were not accepted by SECI.
 - (2) Sri. M G Ramachandran, Senior Advocate on behalf of SECI submitted that some of the clauses in the draft PSA was not relevant to the present offer of solar power under Tranche – IX at Rs 2.44/unit by SECI . Further the Ministry of Power Government of India vide its latest Order dated 21st June 2021, withdrawn the waiver on Inter – State Transmission losses, which is available earlier. SECI further submitted that the remarks of KSEB Ltd on the modifications proposed in the draft PSA was received only on 12-07-2021, and hence require another 10 days time to appraise the remarks of KSEB Ltd.
 - (3) KSEB Ltd submitted that they may require about two weeks time to finalise the draft PPA after receiving the modified PPA from SECI.
 - (4) It is agreed by both parties KSEB Ltd and SECI that, even if there is disagreement on few clauses in the draft PSA, it shall be referred to the Commission for its decision along with the draft initialed PSA for approval.
7. Based on the deliberations during the hearing, the Commission hereby directs that,
- (i) SECI shall finalise its comments on the remarks of KSEB Ltd on the modified PSA and forward the same to KSEB Ltd, latest by 26th July 2021, with a copy to the Commission.
 - (ii) KSEB Ltd shall submit the amendment to the original petition with draft initialed PSA by SECI and KSEB Ltd for its approval, along with comments, if any latest by 6th August 2021.

The next hearing on the petition is scheduled on **16.08.2021 at 11 AM** through video conference.

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

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary (i/c)