

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

OP No 01/2021

In the matter of : Determination of tariff of 8 MW SHP developed by
M/s Anakampoil Power Pvt Ltd.

Petitioner : M/s Anakampoil Power Pvt Ltd.

Petitioner represented by : Smt. Sikha Ohri, Counsel
Sri. Tanmay Das, Promoter of Company
Sri. Anand Sankar, M/s Anakampoil
Sri. Anoop, M/s Anakampoil
Sri. Shahul Hameed, M/s Anakampoil

Respondents : 1. Kerala State Electricity Board Ltd.
2. Energy Management Center (EMC)

KSEB Ltd represented by : Sri. P. Murali, DY CE, Commercial
Smt. Latha S.V, Asst : Executive Engineer

EMC represented by : Sri. Dinesh Kumar

First hearing on : 17-06-2021
Second hearing on : 08-09-2021
Third hearing on : 20-10-2021
Fourth hearing on : 09.02.2021

Daily Order dated 07.03.2022

1. M/s Anakampoil Power Private Limited (hereinafter referred to as the petitioner) filed a petition before the Commission on 01.01.2021 with the following prayers:
 - a. *Direct KSEBL to comply with the order dated 20.07.2018 passed by this Hon'ble Commission in OP No. 2/2018;*
 - b. *Pass an order determining levellised tariff of Rs. 5.31/kWh for the SHP of the Petitioner for supply of electricity to the Respondent No. 1;*

the provisions of EA-2003 and KSERC (Renewable Energy and Net Metering) Regulations 2020. Once the Commission determined the tariff the parties may submit the mutually agreed initialed PPA duly incorporating tariff and other terms and conditions before the Commission for approval. The Commission shall deal the approval of the PPA separately.

(2) Capital Cost

KSEB Ltd submitted that the capital cost claimed for the project is much higher than the capital cost approved in the DPR approved by the State Government. The capital cost was also much higher than the capital Cost approved by the Power Finance Corporation for sanctioning loan for the project. The increase in capital cost resulted in increase in claim for the tariff of the power generated from the project. KSEB Ltd may purchase power from the project only if the electricity tariff approved by the Commission is viable for KSEB Ltd.

The petitioner submitted that the increase in capital cost was mainly due to delay in commissioning due to natural calamities – such as flood happened in the year 2018 & 2019. There was also delay in getting forest clearance of the project.

The petitioner further submitted that during the construction, they provided additional flood protection works as recommended by the Energy Management Centre (EMC), which was not in the original scope of work, The petitioner also submitted that the evacuation cost claimed is as per the Order of the Commission dated 20.07.2018 in OP No. 02/2018. **The Commission also clarified during the hearing that it shall examine in detail the capital cost claimed by the petitioner along with the tax invoices and other details. Further the petitioner shall produce all the Orders issued by the State Government, who is the sanctioning authority for the project for claiming additional capital cost incurred, and which was not in original scope of work in TEFr and DPR approved by the Government.**

(3) MNRE subsidy

KSEB Ltd submitted that a subsidy of ₹ 1.5 Cr/ MW is available for Small Hydro Projects. However, the petitioner has not availed the same and claimed the tariff without availing the subsidy.

The petitioner further submitted that, they had applied for MNRE subsidy before the financial closure. However, MNRE subsidy scheme for SHEPs are available only up to 30.09.2017. Further, MNRE vide letter dated 30.12.2021 communicated to the petitioner that at present there is no scheme for financial support available to SHEPs. **The Commission directed the petitioner and respondent to produce the documentary**

evidence for the MNRE subsidy available if any, for SHEPs implemented during the period of the project of the petitioner.

(4) Capacity Utilisation Factor (CUF)

KSEB Ltd submitted that, the CUF as per the DPR was 41%, but in the present petition they claimed a reduced CUF of 33.91% for the project. KSEB Ltd further submitted that, due to reduction in CUF the tariff claimed for the project is much higher than that originally claimed. KSEB Ltd further submitted that the project sanctioning authority the State Government had not approved the reduced CUF or the empowered Techno Economic Committee constituted by the State Government had also not recommended the reduction in CUF as claimed by the petitioner. Hence KSEB Ltd requested before the Commission to not to consider the reduction in CUF as claimed by the petitioner for tariff determination.

The petitioner submitted that the reduction in CUF, was as approved by the committee of EMC. This is mainly due to the head loss and changes in the project parameters including water conductor system.

The Commission clarified during the hearing that any changes in the project parameters shall be got approved by the project sanctioning authority the State Government. The Commission further direct the petitioner and the respondent to submit the documentary evidence in support of their claims.

- (5) The petitioner during the hearing submitted that the KSEB Ltd already communicated affirmatively their willingness to purchase power from the project at the tariff and terms and conditions approved by this Commission. The Commission in the Order dated 20.07.2018 in OP No. 02/2018 also recorded the willingness of KSEB Ltd to purchase power from the project. The petitioner invested and commissioned the project including the evacuation system on the assurance given by KSEB Ltd to purchase of power from the project at the tariff approved by the Commission. Further this project is initiated and awarded by the State Government only. Hence the petitioner argued that the respondent KSEB Ltd cannot change its stand now.

The Commission direct the Respondent to communicate the decision of the management of KSEB Ltd in consultation with State Government regarding their willingness to purchase of power from the project or not.

5. Based on the deliberations during the fourth hearing, the Commission hereby directs the petitioner M/s Anakkampoil Power Private Limited and Respondent KSEB Ltd to submit a detailed argument notes on the issues raised in the paragraph 4 above, with a copy to either side, latest by 17.03.2022.

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

**Sd/-
Preman Dinaraj
Chairman**

Approved for issue

**Sd/-
C R Satheeshchandran
Secretary**