

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. Preman Dinaraj, Chairman

Petition No. OP 56/2019

In the matter of : Petition filed by M/s Hydro Power, Kothamangalam for approval of the draft Power Purchase Agreement (PPA) duly initialed by both petitioner and KSEB Ltd for 50 KW (25 KW x 2) Deviar Micro Hydro Electric Project at own land in Neriamangalam, Idukki District

Petitioner : M/s Hydro Power Ltd, Kothamangalam

Petitioner represented by : Shri. Ajay Abraham, Chief Executive Officer

Respondent : Kerala State Electricity Board Limited

Respondent represented by : Shri. K.G.P Nampoothiri, EE, KSEB Ltd.

Daily Order dated 30.07.2020

1. M/s Hydro Power, Kothamangalam, on 16.07.2019, filed a petition before the Commission for approval of draft Power Purchase Agreement (PPA) duly initialed by the petitioner and the Respondent, KSEB Ltd for 50 kW (25 kW x 2) Deviar Micro Hydro Electric Power Project (DMHEP) commissioned by the petitioner in his own land in Neriamangalam, Idukki district, Kerala. The prayers of the petition are.
 - a. *Approve the initialed power purchase agreement for 50 kW (25 kW x 2) micro hydro electric power project commissioned by the petitioner in own land in Neriamangalam, Idukki district, Kerala.*
 - b. *Approve the term of the Agreement for 10 years from the date of Commercial Operation, and*
 - c. *Determine a reasonable tariff for the project considering*
 - i. *High per unit cost of operation and installation for micro hydel plants as compared to high head large projects.*
 - ii. *Benefits obtained by KSEBL to meet the Renewable Power Obligation other than solar power, which generates only in the day time when the power supply is in abundance for the state.*

- iii. Other benefits and constraints as mentioned in the request letter attached as annex 9*
- d. Approve payment for energy already generated from the project and supplied to the KSEB Ltd grid before CoD.*
- e. Pass such other order or orders as this Hon'ble Commission may wish to pass for doing substantial justice in the matter and to uphold the provisions of the Act of 2003*
2. The installed capacity of the plant at 50 kW was connected to the grid on 05.07.2016, and declared CoD w.e.f 23.11.2017. The Commission admitted the petition as OP No 56/2019 and conducted hearing on 10.06.2020 through video conference. Based on the deliberations during the hearing, the Commission directed the petitioner M/s Hydropower and the respondent KSEB Ltd for immediate compliance of the following:
- (i) The petitioner shall submit the details of the actual cost of the project with supporting documents including tax invoice and audit certificates.
 - (ii) KSEB Ltd may, if they so desire, propose a provisional tariff for making interim payment, till the Commission determine final tariff for the project.
3. M/s Hydropower submitted certain documents and invoices on the expenditure incurred for the project, vide email dated 27.7.2020. The Commission conducted a second hearing on 29.7.2020.
4. Sri Ajay Abraham, submitted that since the erection and commissioning was done locally, he could not get all documents / invoices of the expenditure incurred. Being a micro hydel project, a preferential treatment may be extended to the project. Moreover, there should be minimum personal to operate the project considering the safety aspects. Therefore a reasonable O&M cost may be considered. Further, he could not arrange an evaluator to study the project cost details due to outbreak of Covid 19 Pandemic. Sri Ajay therefore requested for an interim tariff.
5. Sri KGP Nampoothiri representing K S E B Ltd. submitted that, K S E B Ltd. could not propose an interim tariff since project cost details were not available to them. The Commission observed that the energy is being pumped to the K S E B Ltd. grid and CoD was declared early during the year 2017 -18, i.e, 23.11.2017. The details of expenditure made available by M/s Hydropower will be provided to K S E B Ltd. through e-mail.
6. The Commission noted that the Agreements submitted by M/s Hydropower was not executed in Stamp Paper of appropriate denomination. Further the Agreement is not seen witnessed by anyone nor does it mention applicable

taxes and duties and liability for its payment. In addition, some of the vouchers submitted by M/s Hydropower does not carry any information regarding Tax such as Tax Registration Number, VAT, CST etc.

7. After deliberations, the Commission directed K S E B Ltd. to propose a suitable interim tariff, on or before 14.8.2020.

**Sd/-
Preman Dinaraj
Chairman**

Approved for issue

C.R.Satheesh Chandran,
Secretary-in-charge