

commissioning of the projects, whichever is earlier, subject to the observations made in the preceding paragraphs, and at the tariff as below.

(a) @Rs 2.83/ kWh from the Scheduled Commissioning Date (SCD) until the commissioning of the cumulative awarded capacity/ cumulative capacity as accepted by the SECI under the RfS.

(b) At the pooled tariff arrived @Rs 2.8237/ kWh as per the Schedule-1 of the PSA dated 14th June 2019 from the commissioning of the cumulative awarded capacity/ cumulative capacity commissioned as accepted by the SECI under the RfS till the end of the Term of the Agreement.

(c) In addition to the above, the intermediary procurer can charge trading margin, which shall be fixed through mutual negotiation between SECI & KSEB Ltd and got approved by of this Commission. After arriving the trading margin through mutual negotiation, KSEB Ltd file a separate petition before the Commission for its approval.

(ii) The Power Supply Agreement dated 14.06.2019 shall be modified to incorporate changes approved in the Article 3.3.1 of the PSA, and also to modify Articles 5.1.1. and 5.1.2 of the PSA incorporating the trading margin arrived through negotiation and after getting approval of the Commission.

- (2) In compliance of the Order of the Commission dated 19.02.2020, KSEB Ltd held meetings with SECI on 28.02.2020 and 03.07.2020.

However, SECI was not willing for the reduction of trading margin, citing that similar PSAs have been executed by SECI for sale of solar and wind power with other State DISCOMs in the country with the trading margin Rs 0.07/unit. Any reduction in the trading margin in the PSA with KSEBL would adversely affect all PSAs executed by SECI among various States.

- (3) In the meantime, SECI informed that power flow of 34.5MW from 75MW wind power tied up with M/s. Adani Green Energy Three Ltd start flowing from January 2021. KSEBL issued consent for scheduling power subject to approval of trading margin by Hon'ble Commission.

3. Subsequently on 03.03.2021, KSEBL vide the additional submission, submitted that,

“The Commission vide Order dated 19.02.2020 in OP No. 53/2019, ordered to modify the clause 3.3.1 of the initialed PSA as follows.

“As per notification of Ministry of Power dated 13.02.2018 & Hon'ble CERC notification dated 27.03.2019 and/or any amendment thereof, no interstate transmission charges and losses will be levied on transmission of electricity through the interstate transmission system for sale of power by such projects commissioned till 31st March 2022 for the entire term of the PSA.”

However, SECI did not accept the Order of the Commission, however SECI proposed to modify the Article 3.3.1 of the PSA as follows.

*“As per notification of Ministry of Power dated 13.02.2018 & Hon'ble CERC notification dated 27.03.2019 and/or any amendment thereof, no interstate transmission charges and losses will be levied on transmission of electricity through the interstate transmission system for sale of power by such projects commissioned till 31st March 2022 for the entire term of the PSA. In case the SCD of wind project is before the date till above ISTS waiver is applicable, and if the commissioning of the wind project gets delayed beyond the applicable date of ISTS waiver **due to force majeure event**, the liability of transmission charges and losses would be shared between the WPD and DISCOM(s) in ratio of 50:50. However, in case the commissioning of the wind project gets delayed beyond the applicable date of ISTS waiver due to reasons attributable to the WPD the liability of transmission charges and losses would be of WPD”.*

4. The Commission admitted the petition as OP10/2021. Hearing on the petition was conducted on 09.03.2021 through video conference. Smt Latha S.V, Asst: Executive Engineer, presented the matter on behalf of KSEBL and Sri. M.G. Ramachandran, Senior Advocate presented the comments of the Respondent SECI. Summary of the deliberations during the hearing is given below.

(1) KSEBL submitted that, the Commission vide Order dated 19.02.2020, granted approval for procuring 200 MW wind power through SECI for meeting the RPO. The Commission in the said Order, directed to fix the trading margin through mutual negotiation between SECI and KSEBL. Though KSEB Ltd held two meetings with SECI at management level, SECI was not willing to reduce the trading margin from Rs 0.07/unit.

Out of the 200 MW, 34.5MW from M/s Adani Wind Energy Kutchh Three Ltd, already started flowing from January 2021 onwards. KSEBL given consent for scheduling the power on the condition that, the trading margin is subject to the approval of the Commission.

Though the Commission ordered to modify the Clause 3.3.1 of the PSA regarding the waiver of interstate transmission charges and losses, the SECI has not accepted the modifications approved by the Commission.

(2) Sri. M. G. Ramachndran, Senior Advocate, on behalf of the Respondent SECI submitted the following during the hearing.

(i) Regarding the modification of the Article 3.3.1 of the PSA regarding the waiver of inter State Transmission charges and losses, SECI is willing to incorporate the latest Order of the MoP, Gol dated 15.01.2021, since the latest Order provides for extension of waiver of inter State Transmission charges and losses on account of delay in commissioning beyond June 2023 due to Force Majeure events. A formal request in this regard may be submitted through KSEBL if required.

(ii) SECI expressed their inability to reduce the trading margin. SECI already entered into PSA with Odisha, UP and Chattisgarh for the sale of power from the same plants with the trading margin of Rs 0.07/unit.

5. Based on the deliberations during the hearing, the Commission hereby directs the petitioner KSEBL and the Respondent SECI to comply the following, latest by 25.03.2021.

(1) SECI shall, submit a formal request through KSEBL to modify the Article 3.3.1 of the initialed PSA as per the Order of the MoP, GOI dated 15.01.2021 regarding the 'Waiver of Inter-State Transmission Charges and Losses on transmission of electricity generated from solar and wind sources of energy.

(2) SECI shall submit a detailed justification on claiming Rs 0.07/unit as trading margin for the project.

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

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary (i/c)