



2. The petition was filed based on the offer of M/s Solar Energy Corporation of India (SECI) for 200 MW from 1<sup>st</sup> 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.
3. Subsequently SECI, vide revised offer dated 10<sup>th</sup> 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 up to 300MW. Due to various reasons the PSA is not finalized even after Seven hearing and subsequent communications between KSEB Ltd and SECI.
4. The seventh hearing on the petition was conducted on 16.08.2021 through video conference. Based on the deliberations during the hearing, the Commission directed the petitioner KSEB Ltd and the respondent SECI the following.
  - (1) Respondent SECI shall finalise the modifications in the PSA latest by 6<sup>th</sup> September 2021.
  - (2) KSEB Ltd shall, submit the amendment to the original petition dated 27.10.2020, latest by 10<sup>th</sup> September-2021.
  - (3) KSEB Ltd shall look into the possibility to tie-up additional solar power at competitive rates through SECI or other measures, as explained under paragraph 9(3) above.

The amended petition was not filed within the time specified above.

5. The eighth hearing on the petition was held on 14.09.2021 at 11 AM through video conference. Sri. M.G. Ramachandran, Senior Advocate represented SECI and Smt. Latha S V represented KSEB Ltd. The summary of the deliberations during the hearing is given below:
  - (i) Sri. M.G. Ramachandran, Senior Advocate submitted that SECI has forwarded the documents on 9<sup>th</sup> of September 2021. KSEB Ltd has also agreed to the conditions in the PSA. KSEB Ltd submitted that the confirmation from SECI on certain clauses in the PSA is received on 13.09.2021 only. KSEB Ltd required for two weeks' time to file the amended petition, after receipt of initialed PSA from SECI.
  - (ii) Adv Ramachandran submitted that the developer has informed that the PPA is to be signed before 30<sup>th</sup> of September 2021, in view of the proposed imposition of Basic Custom Duty (BCD) from 1<sup>st</sup> April 2022. If the PSA and PPA are signed in time, it will save the additional liability of Rs 0.30/unit to Rs 0.40/unit, on account of imposition of BCD. The developer has agreed to waive the BCD, if PPA is signed before 30<sup>th</sup>

September 2021. The signing of PPA is a condition precedent. Hence the Senior Counsel on behalf of SECI requested for an early signing of PSA to avail the BCD waiver.

- (iii) It is clarified that the price offered is without BCD. Once the BCD is imposed it will be treated as change in law and the developer can claim it from SECI and SECI will naturally claim from KSEB Ltd. Once PPA is signed before 30<sup>th</sup> September 2021 and even if the purchase is delayed beyond 1<sup>st</sup> April 2022, it will be the developer's burden. This can be incorporated in PSA and PPA also.

6. Based on the discussions during hearing, the Commission issued the following directions to the parties.

- (i) KSEB Ltd, shall file the amended petition along with the initialled PPA before the Commission by return.
- (ii) The final hearing on the subject petition is scheduled on **23<sup>rd</sup> September 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)