

**KERALA STATE ELECTRICITY REGULATORY
COMMISSION**

THIRUVANANTHAPURAM

Petition No: OP 32 / 2022

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

In the matter of : Petition under Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021 seeking approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on 'As and when available/Required basis' on intraday basis during May 2022.

Petitioner : Kerala State Electricity Board Limited.

Respondent : 1. M/s. Kreate Energy India Private Limited.
2. M/s Himachal Pradesh State Electricity Board Ltd (HPSEBL)

Date of Hearing : 31.05.2022 at 3.00 PM

Order Dated 01.06.2022

1. Kerala State Electricity Board Limited (hereinafter referred to as KSEB Ltd or the petitioner) has filed the petition seeking approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on 'As and when available/Required basis' on intraday basis during May 2022 for economically managing power shortage anticipated during the ensuing summer season.
2. KSEB Ltd has stated that they have analysed the load generation balance for the month of May 2022 and there is a considerable power shortage upto around 500 MW for the month of May 2022 as shown below.

May 2022	
Particulars	MW
Expected Peak Demand	4475.00
Hydro	1382.00
Wind+Small hydel-IPPs	20.00
CGS	1250.00

LTA + Medium term	1200.00
STOA-OA consumers	80.00
Total	3932.00
Surplus(+)/Deficit (-)	-543.00

3. KSEB Ltd has considered the following assumptions:
- Hydro availability is considered after factoring normal maintenance schedule and credible outage of 100MW.
 - CGS availability is taken as per the latest LGBR released by SRPC with 10% credible outage.
 - LTA availability factored with credible outage of 100 MW.
 - Medium term procurement of 270MW factored.
4. It is submitted that for meeting the power shortage, the second banking tender was floated on 07.02.2022 against the requirement of 150MW from 18:00 hrs to 24:00 hrs during March, April, May and to manage the expected energy surplus during Monsoon 2022 (Mid June 2022 to Sep-2022) keeping all the terms, conditions and evaluation criteria similar to the banking tender invited during December 2021. But no banking offers were received for the second banking tender floated by KSEB Ltd. KSEB Ltd had also floated the RfP for short term power purchase through DEEP portal on 21.02.2022 for procuring power of 150MW from 18:00 hrs to 24:00 hrs during March, April, May 2022, for managing the power deficit during Summer 2022. However, the price discovered in DEEP portal was not reasonable when compared to the power exchange market rates discovered during these months in the previous years (i.e from 2017 to 2018).
5. Accordingly KSEB Ltd further floated the third banking tender on 16.03.2022 against the requirement of 200MW from 18:00 hrs to 24:00 hrs during April & May and to manage the expected energy surplus during Monsoon 2022 (Mid June 2022 to Sep-2022) keeping all the terms, conditions and evaluation criteria similar to the banking tender invited during December 2021. Only one trader M/s. Kreate Energy India Private Ltd participated in the banking tender.
6. The offer of M/s. Kreate Energy India Private Ltd. was for the supply of 200 MW from 18-22 hrs during 18:00 to 22:00 hrs from 04.04.2022 to 31.05.2022 on Day Ahead/As and When Available/ Required basis and return of power from KSEB Ltd during December 2022 and January 2023 from 00- 06:00,10:00 -16:00 & 23:00 -24:00 hrs. Though the supply of power through KEIPL from Himachal Pradesh State Electricity Board Ltd (HPSEBL) to KSEB Ltd is on As and when available basis, the swapping arrangement did not materialize.

7. It is stated that the power shortage situation has further worsened with acute coal shortage faced in our country and the present evening peak demand of the state has soared up to a maximum ever quantum of 92.8 MU on 28/04/2022. The power generation of most of the DBFOO based generators is affected by this issue. Due to this, the power supply to KSEB Ltd by the generators like BALCO, JITPL, Jindal Power Limited and Jhabua Power Limited has been reduced down from their contracted quantum. JITPL has also requested for the downward revision of power to KSEBL from the contracted capacity of 270MW under Pilot Scheme-II, due to coal shortage. Accordingly in order to meet the acute power shortage, KSEB Ltd floated the RfP for the short term power purchase through DEEP portal on 08.04.2022 for procuring power as shown below;

Period		Required quantity MW	Duration hrs	Minimum Bid quantity MW
From	To			
25.04.2022	07-05-2022	50	RTC	25
		100	18:00 to 24:00	25
08.05.2022	18.05.2022	80	RTC	25

8. But no bidders has participated in the short term tender floated by KSEB Ltd. Subsequently, vide offer dated 17- 04 -2022, Kreate Energy India Private Ltd (KEIPL) forwarded a banking proposal (Annexure-1) for the supply of power from Himachal Pradesh State Electricity Board Limited (HPSEBL) on 'As and when available/Required basis' on intraday during May 2022 as given in the table below.

Supply of power by HPSEBL to KSEB Ltd through KEIPL on intraday basis:				
Exporting Utility	Period	Duration (Hrs)	Quantum(MW)	Delivery point
HPSEBL	April 2022 to May 2022	In between 19:00 to 24:00(as available with HPSEBL)	Up to 200	State Periphery of Exporting Utility
Return of power by KSEB Ltd to HPSEBL through KEIPL on intraday basis:				
Exporting Utility	Period	Duration (Hrs)	Quantum(MW)	Delivery point
KSEBL	April 2022 to May 2022 (Same day in which power is banked to KSEB Ltd from HPSEBL)	In between 00:00 to 15:00 (as required by HPSEBL)	100%	State Periphery of Exporting Utility

9. As per the proposal, Intraday banking means HPSEBL will send the availability by 10:30am and KSEB Ltd shall confirm the requirement by 11:00am daily. Accordingly, the supply of power to KSEBL from 19:00 to 24:00 hrs (as available with HPSEBL) starts on the same day and the return of the same power from

KSEBL side on the very next day from 00:00 to 15:00 hrs (as required by HPSEBL).

10. Due to non-materialization of short term power procurement through DEEP portal and considering the present market scenario where the sell bids are only 1/4th the purchase bids and there is uncertainty of bids getting cleared in the evening peak and also the huge price of power (Rs.12/unit) in the market, the proposal of KEIPL for banking of power on 'As and when available/Required basis' during May 2022 on intraday basis, was considered. Upto 200MW power may be available between the evening peak hours 19:00 to 24:00hrs (as available with HPSEBL) during May 2022. Only the same quantum of power supplied by HPSEBL to KSEBL need to be returned to HPSEBL by KSEBL. The power can be returned during off peak hours of the day ie; 00:00 to 15:00 hrs on intradays during May 2022. The only financial implication in this banking proposal is that KSEBL shall pay trading margin of 2.75 paise/kWh to KEIPL at the time of importing of power during the supply period.
11. As per Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021, approval of Commission is required for short-term power procurement agreement or arrangement by way of exchange of energy under banking transactions. Considering the critical power shortage faced by the State, KSEB Ltd has filed the petition before the Commission for obtaining approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on 'As and when available/Required basis' on intraday basis during May 2022.

Hearing on the Petition

12. The hearing on the petition was conducted through Video Conference mode on 31-05-2022 at 3.00 P.M. The petitioner, M/s KSEB Ltd was represented by Sri. Sanankan Nair C.S, Chief Engineer, Commercial & Tariff and Smt. Latha.S.V, Assistant Executive Engineer, TRAC. The respondent, M/s Kreate Energy India Private Ltd was represented by Sri. Sandeep Anand, Senior Manager. Smt. Latha. S.V submitted before the Commission that the power flow as envisaged in the petition has not been materialized and requested the Commission to allow KSEB Ltd to withdraw the said petition. Sri. Sandeep Anand, representative of the respondent stated that they do not have any objection with regard to KSEB Ltd withdrawing the petition.

Order of the Commission

13. The Commission after duly considering the submission of KSEB Ltd and the power flow not getting materialized hereby dispose of the petition filed by KSEB Ltd seeking approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on 'As and when available/Required basis' on intraday basis during May 2022 as withdrawn.

The petition is disposed of as withdrawn

Sd/-

Adv. A. J. Wilson

Member (Law)

Sd/-

Preman Dinaraj

Chairman

Approved for Issue

Sd/-

C.R.Satheesh Chandran

Secretary