

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

Date of Hearing: 10.03.2021

OP No 11/2021

In the matter of : Petition for formal approval for the initialed Power Purchase agreements (PPAs) with M/s NTPC Ltd and M/s. Tata Power Company Limited for procurement of 90 MW of Solar power from M/s. NTPC Ltd. and 110 MW of Solar power from M/s. Tata Power Company Ltd. at the adopted tariff of ₹ 2.97 per unit and to permit execution of PPA with M/s. T P Saurya Ltd., a wholly owned subsidiary of the successful bidder M/s Tata Power Company Ltd.

Petitioner : Kerala State Electricity Board Ltd.
KSEB Ltd represented by : Sri K G P Nampoothiri, Executive Engineer

Respondents : 1. M/s. NTPC Ltd.
 2. M/s. The TATA Power Company Ltd,
 3. M/s. T P Saurya Ltd.,

NTPC represented by : Sri. Mahish Kumar Malviya, DGM (Commercial)
 Sri. Ravi Mehroliya, Manager

Tata Power represented by : Sri. Rakesh Singh, Head, Busines Development
 Sri. Rahul Ranade,
 Sri Mahandak Swathi
 Sri Gavadhakatla S V

Daily Order dated 15.03.2021

1. M/s KSEBL filed a petition on 08.02.2021, before the Commission with the following payers.
 - (1) To grant formal approval for the initialed Power Purchase Agreements (PPAs) with M/s NTPC Ltd and M/s. Tata Power Company Limited under Section 86(1)(b) of the Electricity Act, 2003, for the procurement of 90MW of Solar power from M/s. NTPC Ltd. and 110 MW of Solar power from M/s. Tata Power Company Ltd. at the adopted tariff of ₹ 2.97 per unit.

- (2) Permit the execution of PPA with M/s.T P Saurya Ltd., a wholly owned subsidiary of the successful bidder M/s Tata Power Company Ltd.
2. The summary of petition filed by KSEBL is given below.
- (1) The Commission vide Order dated 25.08.2020 on Petition No. OP 09/2020, granted approval to KSEBL for inviting bids on reverse e-bidding for procuring 200 MW solar power from solar PV plants through competitive bidding route on all India basis, with preference of 10% of requisitioned quantum to the plants to be set up within the State of Kerala.
 - (2) KSEB Ltd floated an e-tender on 18.09.2020, through 'National e-bidding portal for long term solar power procurement under DEEP portal of MSTC.
 - (3) M/s NTPC Ltd and M/s TATA Power Company Ltd are the successful bidders. After completing all the procedure formalities including L1 matching as per the tender documents, 90MW was allotted to M/s NTPC Ltd @Rs 2.97/unit and 110MW allotted to M/s TATA Power Company Ltd @Rs 2.97/unit.
 - (4) KSEB Ltd, initialed draft PPA with M/s NTPC Ltd and M/s Tata Power Company Ltd, for submitting before the Commission for formal approval. In the meanwhile, M/s. TATA Power Company Ltd (TPCL) has intimated that with reference to Clause 3.1 (a) of RfS, they intend to execute the Power Purchase Agreement (PPA) through M/s. TP Saurya Limited, a 100 % wholly owned subsidiary of the Tata Power Company Limited. As per Clause 3.1 (a) of RFS, 'Where a Bidder is a Company and is declared as the Successful Bidder, it may at its option form an SPV/project company to execute the Power Purchase Agreement'. As per the Certificate of Incorporation of M/s TP Saurya Limited, the new company was formed on 2nd Aug 2020 i.e. prior to bid floating date of 18.09.2020.
3. The Commission admitted the petition as OP11/2021. Hearing on the petition was held on 10.03.2021 through video conference. Sri. K.G.P Nampoothiri, presented the petition on behalf of the petitioner KSEB Ld. Sri. Mahesh Kumar Maliya presented the matter on behalf of the NTPC Ltd, and Sri. Rakesh Singh, presented matter on behalf of the Respondent M/s TATA Power Company Ltd. Summary of the deliberations during the hearing is given below.
- (1) KSEB Ltd submitted that, the Commission vide Order dated 18.12.2020 in Petition OP No. 39/2020 adopted the tariff of Rs 2.97/unit, for the procurement of 90MW Solar Power from M/s NTPC Ltd and 110 MW from M/s TATA Power Company Ltd. Commission in the said Order has directed KSEBL to finalise and initial the PPA with the two successful bidders and file the initialed PPA before the Commission for approval as per Section 86(1)(b) of the Electricity Act, 2002.

In compliance of the direction of the Commission, KSEBL initialed the draft PPA and submitted for the approval of the Commission. The Articles and Clauses of the initialed PPA is as per the bidding documents including the

model PPA approved by the Commission vide Order dated 25.08.2020. In the mean time M/s TATA Power Company Ltd intimated that, they intended to sign the PPA with their 100 % subsidiary company M/s TP Saurya Ltd.

- (2) M/s Rakesh Singh, on behalf of the M/s TATA Power Company Ltd submitted that, M/s TP Saurya Ltd is a 100% subsidiary company of M/s TATA Power Company Ltd. The Board of Directors of M/s TATA Power Company Ltd, decided to sign the PPA with KSEB Ltd by M/s TP Saurya Ltd. The Board of Directors of the M/s TP Saurya Ltd accepted the same.
 - (3) KSEB Ltd mentioned that there is no issue with the PPA initialed with M/s NTPC Ltd for procuring 90MW solar power.
4. Based on the deliberations during the hearing, the Commission hereby directs the petitioner KSEB Ltd and respondents M/s TATA Power Ltd and M/s TP Saurya Ltd the following, latest by 25.03.2021.
- (1) M/s TATA Power Company Ltd shall submit the copies of the Articles of Association, Memorandum of Association of their 100 % subsidiary company M/s TP Saurya Ltd.
 - (2) Minutes of M/s TATA Power Company Ltd Board of Directors meetings authorizing M/s TP Sourya Ltd to implement and sign the PPA for 110MW Solar Power with KSEBL.
 - (3) A formal agreement between M/s TATA Power Company Ltd and M/s TP Saurya Ltd regarding the implementation and signing of the 110 MW Solar PV plant with KSEB Ltd.
 - (4) Any other relevant documents on the subject petition.

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

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary (i/c)