

BEFORE THE HON'BLE KERALA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of: In the matter of seeking approval of Hon'ble Commission in furtherance of Sections 86 (1) (e), 86 (1) (b) and 61(h) of the Electricity Act, 2003 read with Regulation 3, 4 and 8 of KSERC (Renewable Energy) Regulations, 2015 and Regulation 10, 13, 14, 15 and 16 of the KSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014 for implementation of grid connected solar PV Rooftop systems in domestic/Government/industrial/commercial/institutional premises etc in the State by KSEBLtd through EPC Contractors/Developers under CAPEX/RESCO mode or both aggregating to 200MWp during 2019-20.

And

In the matter of : Additional submission for filing modified bid documents

Petitioner Kerala State Electricity Board Limited,
Vydyuthi Bhavan, Pattom,
Thiruvananthapuram – 695 004.

KSEBL MOST HUMBLY STATES THAT:

1. The petitioner, Kerala State Electricity Board Limited (KSEBL), vide affidavit dated 24-6-2019 had filed a petition before Hon'ble Commission with following prayers:
 - (1) Grant of consent to proceed with the tender process for implementation of 'SOURA' phase-1 project comprising a cumulative capacity of 200MWp solar rooftop systems during 2019-20 to meet its RPO obligations.
 - (2) Permission to file separate petition for
 - (i) specific approvals for adoption of Tariff or approval of EPC Cost or both, upon conclusion of tender process.
 - (ii) Procurement of power from Rooftop PV systems installed by Special Purpose Vehicle or RESCO, as may be necessary.
 - (3) Allowing KSEBL to avail credit of solar energy generated under SOURA Scheme towards fulfilment of its RPO target compliance.
 - (4) Allowing any further addition / alteration/ modification of the petition as may become necessary.

While seeking approval, KSEBL had also filed before Hon'ble Commission the bid documents.

2. Subsequent to the filing, following developments took place, that necessitates following modifications in the bid.

(1) Earmarking of the quantum for EPC and Tariff mode of selection of contractors

In the original bid document, the petitioner had retained the flexibility between modes of implementation – EPC and RESCO model, and final implementation model was proposed to be selected based on lowest per unit cost of solar power discovered through bidding. The outcome of the bid process could lead to following three situations:

1. Entire 200MWp by EPC contractor
2. Entire 200MWp under Tariff basis (RESCO)
3. Part capacity through EPC and part through Tariff basis.

While the matter was discussed in Full Board of the Petitioner held on 29-6-2019, the Additional Chief Secretary (Finance), Government of Kerala observed that there is a high probability of entire 200MW getting awarded on EPC mode which will entail around Rs.1000 Crore investment by the Petitioner. The ACS (Finance) was of the view that such a scale of investment at the initial stage of a first of its kind project may not be prudent. Based on subsequent discussions it was concluded that bid for EPC could be limited for a quantum of 50MW (out of which investment for around 20MW will come from consumers under Model 3) and balance 150MW can be implemented through RESCO mode. Accordingly, the bid documents of 'SOURA' scheme were modified as follows:

1. EPC based bids are invited for 50MWp
2. Tariff based bids are invited for 150MWp
3. The selection of EPC contractors and Tariff based developers will be based on separate requisition for the above quantum.
4. Since the quantum for EPC has been reduced from the earlier 200MWp to 50MWp, regional segregation of bids (requisition) would lead to smaller quantum and might not attract sufficient bid participation. Hence, under EPC, regional segregation is not considered.
5. Further, on conclusion of the survey of rooftops and on further analysis it was noted that the quantum of capacity registered under 11-50kWp and 51-100kWp categories are comparatively lower, and so it was decided to combine these two categories, which will also be in line with MNRE notified capacity ranges.
6. Based on assessment of the aggregate rooftop capacity under each capacity range across the State, the following capacities are arrived at for EPC and Tariff mode:

EPC basis

Capacity range	Minimum Capacity (MWp)	Maximum Capacity (MWp)
Part-A: <=10kWp	5	30
Part-B: 11-100kWp	5	12.5
Part-C: >100kWp	5	7.5
Total		50 MWp

Tariff basis

Capacity range	Minimum/ Maximum Capacity (MWp)	Region 1	Region 2	Region 3	Region 4
		Part-A: <=10kWp	Min	5	5
	Max	20	28	25	17
Part-B: 11-100kWp	Min	5		5	
	Max	20		20	
Part-C: >100kWp	Min	5			
	Max	20			
Total		150 MWp			

7. To ensure sufficient participation under Part-A under Tariff basis, a specific provision has been added that Bidders quoting under Part-B or Part-C under Tariff basis have to mandatorily quote under Part-A for at least 25% of their quoted capacity under Part-B and Part-C. Otherwise such bids shall be treated as non responsive. Bidders can bid for Part-A alone also.
8. Recently, ANERT has issued a new empanelment of solar PV empanelled agencies/EPC contractors based on a grading system. The same has been duly incorporated in the bid document.

(2) Revision of upper ceiling rates under EPC and Tariff basis:

The upper ceiling rates for EPC and Tariff basis in the bid were derived from the benchmark cost for rooftop solar notified by MNRE for the year 2018-19. Subsequently, MNRE vide notification dated 16-7-2019 has revised the benchmark cost for rooftop solar for the year 2019-20. Based on this, the petitioner has revised the upper ceiling rates for EPC and Tariff based as submitted below.

EPC basis :The upper ceiling rate in e-reverse bidding including 2 years O&M from CoD and inclusive of all taxes are as follows:

Part-A: <= 10kWp : Rs. 51,500/kWp

Part-B: 11 - 100kWp :Rs. 45,500/kWp

Part-C: >100 kWp :Rs. 42,500/kWp

Tariffbasis : The Upper ceiling rate of tariff including 25years O&M is as follows:

Part-A: <= 10kWp : Rs. 3.70/unit

Part-B: 11 - 100kWp :Rs. 3.35/ unit

Part-C: >100 kWp : Rs. 3.20 / unit

3. The bid documents revised and approved by Full Board of the Petitioner are enclosed. The petitioner humbly request the Hon'ble Commission that the above modifications may kindly be taken on record and grant consent to proceed with the tender process for implementation of 'SOURA' phase-1 project of 200MWp solar rooftop systems based on the modified bid documents enclosed in order to meet its RPO obligations and in response to the Government of India goal for setting up 100GW solar consisting of 40,000MWp rooftop solar in India(800MWp rooftop solar in the State) by 2022 and Government of Kerala goal under 'Urj Kerala Mission' of achieving 1000MWp solar capacity in the State by the year 2021, in accordance with the enabling provisions of the statute, with liberty to file appropriate petition for specific approvals as may be required based on the outcome of the bid process.

Deputy Chief Engineer (Commercial & Planning)
With full powers of Chief Engineer

5-8-2019

Acc: as above.