

**BEFORE THE HONOURABLE KERALA STATE ELECTRICITY
REGULATORY COMMISSION**

At its office at CV Raman Pillai Road, Vellayambalam, Thiruvananthapuram.

FILING NO **/2022**

CASE No.

IN THE MATTER OF:

Petition seeking approval for the deviations from the guidelines issued by Ministry of Power for tariff based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects.

AND

PETITIONER:

Kerala State Electricity Board Limited,
Vydyuthi Bhavanam, Pattom, Thiruvananthapuram

Applicant

Chief Engineer (Commercial & Tariff)
Kerala State Electricity Board Limited

AFFIDAVIT VERIFYING THE APPLICATION

I, Sri. Sasankan Nair C.S, son of Sri. G.Chellappan Pillai aged 55 years residing at Sasindu, Snehapuri Road, Karumom, Thiruvananthapuram do solemnly affirm and state as follows:

I am the **Chief Engineer (Commercial & Tariff)** of the Kerala State Electricity Board Limited, Vidyuthi Bhavanam, Pattom, Thiruvananthapuram, and the **petitioner** in the above matter and I am duly authorized by the Board to make this affidavit on its behalf. I solemnly affirm at Thiruvananthapuram on this the **.05.2022 that**

- (i) Contents of the above petition are true to my information, knowledge and belief. I believe that no part of it is false and no material has been concealed there from.
- (ii)** That the statements made in paragraphs of the accompanying application now shown to me are true to my knowledge and are derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

Deponent

Chief Engineer (Commercial & Tariff)
Kerala State Electricity Board Limited, Vidyuthi Bhavanam,
Pattom, Thiruvananthapuram – 695 004

VERIFICATION

I, the above named deponent, solemnly affirm at Thiruvananthapuram on this the **.05.2022** that the contents of the affidavit are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed there from.

Deponent

Chief Engineer (Commercial & Tariff)
Kerala State Electricity Board Limited, Vidyuthi Bhavanam,
Pattom, Thiruvananthapuram – 695 004

Solemnly affirmed and signed before me

Advocate and Notary

**BEFORE THE HON'BLE KERALA STATE ELECTRICITY REGULATORY
COMMISSION**

In the matter of : Petition seeking approval for the deviations from the guidelines issued by Ministry of Power for tariff based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects.

Petitioner : Kerala State Electricity Board Limited
Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram

The petitioner humbly submits as follows:

1. The petitioner, Kerala State Electricity Board Limited (KSEBL) is integrated state public electricity utility in the State of Kerala, performing the three functions of electricity Generation, Transmission and Distribution through its three Strategic Business Units (SBU).
2. Being a distribution licensee, KSEBL is mandated to achieve the Renewable Purchase Obligation targets- both non solar and solar set by this Hon'ble Commission as per the Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) Regulations, 2020. There is a shortfall of 348MU in achieving the solar RPO target and 116MU shortfall in achieving the non solar RPO target in the year 2021-22. KSEBL has requested Hon'ble Commission approval to carry forward of the RPO shortfall to subsequent year. In addition to the above carry forward of RPO shortfall, KSEBL has to meet the RPO targets for the year 2022-23 and the subsequent years.
3. For meeting the non-solar RPO shortfall, KSEBL floated tender for setting up of 100MW grid connected wind projects in Kerala under tariff based competitive bidding on Build, own and operate model for 25 years on 8-12-2021 in accordance with the guidelines published by the Ministry of Power on 8-12-2017 for tariff based competitive bidding process for procurement of power from the grid connected wind power projects and its subsequent amendments (Copy enclosed as **Annexure-1**).
4. Even though the conditions enumerated in the guidelines cited have been followed, certain minor deviations from these guidelines have been adopted in the conditions in the bidding documents. Clause 5.1(C) of the guidelines stipulate approval of the Appropriate Commission for deviations, if any, in the draft RfS, draft PPA, draft PSA (if applicable) from these Guidelines and/ or SBDs, in accordance with the process described in Clause 22 of these Guidelines. Clause 22 states that in case there is any deviation from these Guidelines and/or the SBDs, the same shall be subject to approval by the Appropriate Commission.

5. Accordingly, KSEBL is submitting the deviations as detailed below, before this Hon Commission for kind consideration and approval.

Deviations:

- (i) As per the guidelines notified by the Ministry of Power under the provisions of the Electricity Act 2003 on 8-12-2017 for tariff based competitive bidding process for procurement of power from the grid connected wind power projects, for intra-state projects, the minimum bid capacity is 25MW with individual project size of 5 MW and above at one site. The relevant clause of the guidelines is extracted below.

"3.1. These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long term procurement of electricity through competitive bidding process, by the 'Procurer(s)', from grid connected Wind Power Projects ('WPP') having, (a) individual size of 5 MW and above at one site with minimum bid capacity of 25 MW for intra-state projects; and (b) individual size of 50 MW and above at one site with minimum bid capacity of 50 MW for inter-state projects. "

However, in Kerala due to scarcity of land and the peculiarity of the terrain, minimum bid capacity is reduced to 5MW and minimum project size at one site is reduced to 2MW.

- (ii) As per the guidelines, Payment Security Fund, which shall be suitable to support payment for at least 3 (three) months' billing of all the Projects tied up with such fund shall be created by the procurer. However, this clause is excluded from the present RFS. This stipulation is done away with considering that KSEBL has never defaulted payments to any of its power suppliers.
- (iii) As per the guidelines, Performance Bank Guarantee (PBG) to be fixed by the Procurer [but not to be more than 5% (five percent) of the Estimated Capital Cost for wind power project for the financial year in which the bids are invited] are to be submitted at the time of signing of the PPA. However, this is excluded from the tender.

6. Bid documents are submitted as **Annexure 2**.

Prayer

KSEBL humbly request that Hon Commission may kindly grant approval for the deviations made by KSEBL, as detailed in the instant petition, from the guidelines notified by the Ministry of power for tariff based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects.

Chief Engineer (Commercial & Tariff)

Accompaniments: Annexure I – Guidelines issued by MoP. Annexure-2 : Bid documents containing RfS and PPA