

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

**In the matter of** : Petition under Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021 seeking approval for the deviations from the Model Bidding Document for short term power purchase and entering into short term power procurement through DEEP portal with M/s. Adani Enterprises Ltd, M/s PTC India Limited and M/s Tata Power Trading Company Limited for procurement of 250 MW RTC power during April & May 2024

**Petitioner** : **Kerala State Electricity Board Limited**

**Respondents** : **1. Adani Enterprises Ltd.**

**Adani Corporate House, Shantigram, SG Highway,  
Ahemadabad**

**2. PTC India Ltd., 2<sup>nd</sup> Floor, NBCC Tower, 15 Bikaji Cama  
Place, New Delhi-110066**

**3. Tata Power Trading Co. Ltd., 2<sup>nd</sup> Floor, Shatabdi  
Bhawan, Sector 4 , Noida, UP.**

**KSEBL most humbly submit the following:**

1. Kerala State Electricity Board Limited (KSEBL) is the deemed distribution licensee in the State of Kerala carrying out the functions of Generation, Transmission and Distribution in the State of Kerala. To meet the demand of the State, KSEBL has been entering into power purchase contracts with the approval of Hon'ble Commission.
2. At present the main sources of power for the State are Internal (Hydro with availability in the range of 1500-1600MW) and External sources comprising of Central station share (1200-1400MW), Long Term Contract (550-600MW), Medium Term contract (270MW from Jan to Jun) and short term (SWAP/DEEP/PX).
3. It may be noted that, in present scenario, the storage position in the reservoir is around 68.99 % only [as on 25.12.2023], this corresponds to gross generation capability of 2856.41 MU. Against this, the gross generation capability in the last

year was 3093.38 MU. Further, this storage position is the lowest position in the last four to five years. This clearly indicate that the present storage position is poor compared with previous years.

4. It is further submitted that; it has been observed that the power market rates are highly dependent on weather conditions and the market clearing prices are frequently touching the maximum ceiling price even during the morning/evening solar hours. Further, the market clearing volume is less than the total requirement during the non-solar hours from 5pm to 7am. Thus, power exchange cannot be fully dependable for meeting the demand during coming months, especially coming summer months. In addition to this, it may also be noted that, the upcoming Lok Sabha Elections during April and May 2024 is most likely to increase the demand further.
5. In view of the upcoming summer 2024 and the forthcoming parliamentary elections during April-May 2024, the Load Generation Balance (LGB) for summer and monsoon 2024 (**Annexure 1**) was reviewed by KSEBL in order to ascertain the probable deficit /surplus, so that early action to meet the expected power deficit during summer 2024(April 2024 to May 2024) can be initiated.
6. It may be noted that, as per the Resource Adequacy (RA) guidelines of GoI, all Discoms are duty bound to tie up sufficient capacity to meet the demand of its consumers 24X7. Compliance of the RA norms and guidelines mandates firm tie up. The capacity which the DISCOMs tie up shall be a judicious mix of long/medium- and short-term contracts to ensure security of supply to the consumers at least cost. Over reliance on the electricity market is to be avoided as per the guideline. Further, over drawl from the Grid is not practical as during shortages system frequency will come down and RLDC can impose physical regulatory measures. As per the new Ancillary Services Regulations, NLDC can schedule costly power in the event of grid emergencies and the burden of such high cost power will ultimately come to overdrawing states.
7. Based on such assessment, it was decided to invite tenders for banking of 300 MW RTC power with supply period from January 2024 to May'24 and with return of banked power from mid-June'24 to Sep'24 to offset a part of the deficit.

8. Banking tender was invited on 31-10-2023 with modified tender documents incorporating the changes due to new GNA regime for the period from 01-01-2024 to 30-09-2024 as shown below:

Supply Period			Return Period					
Month	Duration (hrs)	MW	Period	Duration (Hours)/ Max MW Return possible against each slot				
				00.00 to 05.00	05.00 to 08.30	08.30 to 18.30	18.30 to 22.30	22.30 to 24.00
Jan 24	RTC	300	15.06.2024 to 30.06.2024	400	400	400	50	400
Feb 24	RTC	300	01.07.2024 to 10.07.2024	500	500	600	60	500
March 24	RTC	300	11.07.2024 to 31.07.2024	600	600	600	70	600
April 24	RTC	300	01.08.2024 to 31.08.2024	600	600	600	70	600
May 24	RTC	300	01.09.2024 to 30.09.2024	600	600	600	50	600

9. The last date of submission of bid was extended twice, but no offers were received before the extended stipulated date.
10. Considering the critical power situation in the State in the coming summer, it was decided to explore all available offers/sources to ensure firm power during the coming summer months. It may be noted that, KSEBL had earlier entered SWAP arrangement with M/s. APPCPL and returned the power in time. Since KSEBL is promptly returned the power, KSEBL received various SWAP offers from M/s. APPCPL. Accordingly, M/s APPCPL was asked to ascertain whether their offer dated 16.09.2023 with LoI of PSPCL is still open and in response to the same vide letter dated 01.12.2023 the firm submitted a revised offer with 200 MW RTC firm power for January '24 to March '24 and 150 MW RTC for 1<sup>st</sup> to 15<sup>th</sup> April '24 with return period from 16<sup>th</sup> June'24 to September'24 with trading margin 3 Paisa/Unit and return percentage of 105. Subsequently, Provisional LoA was issued to M/s. APPCL subject to approval of KSERC.
11. Considering the forthcoming election, shortage in availability of power through market and huge power deficit forecasted in the LGB, even with SWAP arrangement, KSEBL has decided to enter into short term power procurement for 250 MW RTC during April

and May 2024. Accordingly short-Term Tender was floated on 17.11.2023 for the quantum as shown below with financial Bid opening on 02.12.2023.

Requisition No	Period		Required quantity (MW)	Duration (hrs)	Minimum Bid quantity MW
	From	To			
1	01.04.2024	30.04.2024	250	RTC	25
2	01.05.2024	31.05.2024	250	RTC	25

12. Considering the urgency in power requirement and since the changes with respect to GNA are mandatory, Short term Tender was also floated after incorporating modifications with respect to new GNA regime which came into effect from 01.10.2023. As per the New GNA regime the interconnection point is the CTU connection point of the generator and the transmission charges for availing the power beyond the CTU interconnection point is to be borne by the utility. Accordingly, tender documents were floated after incorporating the required changes due to the implementation of new GNA.
13. The modifications in RFQ due to the implementation of new GNA from the standard bidding document is as follows.

Clause No.	Existing Clause	Modification suggested
1. Introduction and Background	The bidder should be capable for providing power at the delivery point (as defined in the revised guidelines notified by the Ministry of Power (MoP) on 30.03.2016) i.e at Kerala Periphery.	The bidder should be capable for providing power at the delivery point i.e at CTU interconnection point of the generator.
3.1 Tariff Structure	KSEBL interconnection with CTU in Southern Region, ie. Kerala Periphery shall be taken as Delivery Point.....	CTU interconnection point of the generator shall be taken as the delivery point.....
3.2	The Bidder shall quote the all inclusive single tariff at the Delivery Point i.e at Kerala Periphery, upto three (3) decimals which shall include all applicable charges like	The Bidder shall quote the all-inclusive single tariff at the Delivery Point upto three (3) decimals which shall include all applicable charges like capacity charge,

	<p>capacity charge, energy charge, trading margin (in case of Bidder being a Trader), intra-state open access charges, transmission (inter &amp; intra state) losses, SLDC/RLDC Fees and Charges, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local bodies upto and including the Delivery Point.</p>	<p>energy charge, trading margin (in case of Bidder being a Trader), intra state open access charges and losses up to delivery point of utility/generator, losses, SLDC/RLDC Fees and Charges as applicable, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local bodies upto and including the Delivery Point.</p>
3.3	<p>While quoting the tariff at Kerala Periphery bidders may note, all charges payable to SLDC, RLDC, by the open access applicant shall be borne by the successful bidder himself.</p> <p>In case the successful bidder is a trader or DISCOM with LTA then the application for open access shall be punched by the successful bidder on behalf of KSEBL. If the successful bidder is a Generator/DISCOM without LTA/ embedded intrastate entity Generator, then KSEBL will apply for open access/Temporary GNA as the case may be. In such cases all charges payable to SLDC/RLDC charges including open access charges shall be reimbursed to KSEBL without any rebate within 3 working days on receipt of the bill from KSEBL, beyond which Late Payment Surcharge @ 15% (Fifteen Percent) per annum shall be applicable</p>	<p>All GNA/ T-GNA charges for drawing power beyond the delivery point shall be on account on KSEBL, even in case the selected applicant is a trader. Punching GNA application for drawing power shall be carried out by the KSEBL.</p>

<p>General Terms and Condition 2. <b>Delivery Point</b></p>	<p>Delivery Point</p>	<p>CTU interconnection point of the utility / generator shall be taken as the delivery point.</p>
<p>General Terms and Condition 3. <b>Transmission Charges &amp; Losses:</b></p>	<p>While quoting the tariff at Kerala Periphery bidders may note that all charges payable to SLDC, RLDC, by the open access applicant, shall be borne by the successful bidder himself.</p> <p>All intra-state open access charges/transmission (inter &amp; intra state) losses, SLDC /RLDC Fees and Charges, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local bodies upto and including delivery point i.e. Kerala periphery shall be borne by Seller.</p> <p>In case the successful bidder is a trader or DISCOM with LTA then the application for open access shall be punched by the successful bidder on behalf of KSEBL. If the successful bidder is a Generator/DISCOM without LTA/ embedded intrastate entity Generator, then KSEBL will apply for open access/ Temporary GNA as the case may be. In such cases all charges payable to SLDC/RLDC charges including open access charges shall be reimbursed to KSEBL without any rebate within 3 working days on receipt of the bill</p>	<p>While quoting the tariff at delivery point, bidders may note that all charges payable to SLDC, RLDC, if applicable, shall be borne by the successful bidder himself.</p> <p>All intra-state open access charges/transmission and &amp; intra state losses up to the delivery point, SLDC /RLDC Fees and Charges if applicable, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local bodies upto and including delivery point shall be borne by Seller.</p> <p>All GNA/ T-GNA charges shall be on account on KSEBL, even in case the selected applicant is a trader.</p>

	from KSEBL, beyond which Late Payment Surcharge @ 15% (Fifteen Percent) per annum shall be applicable.	
General Terms and Condition 4. <b>Scheduling:</b>	The seller shall be responsible to seek open access approval from the competent authority, up to delivery point i.e. Kerala periphery. Successful bidders must utilize all opportunities/windows (excluding transmission corridor e-bidding) available for applying for Short Term Open Access until the same is granted for the entire contracted quantum (Seller shall apply for open access based on change in availability of transmission corridor and / or as directed by the buyer from time to time). Any subsequent application for change in approved Open Access quantum or supply from alternate source shall be only with prior written consent of KSEBL. Any consequences towards delay in application shall also be made to the account of bidder. All applicable charge in above cases shall be to the account of bidder. If the power is being supplied through alternate source, any additional charges and losses, if any, due to cancellation of existing	The seller shall be responsible to avail necessary approval from the competent authority for delivering of power up to delivery point.

	corridor and booking of new corridor etc., shall be to the account of Bidders.	
General Terms and Condition <b>5. Tariff</b>	The Bidder shall quote the single tariff at the Delivery Point i.e at Kerala Periphery, upto three (3) decimals which shall include capacity charge, energy charge, trading margin (in case of Bidder being a Trader), intra-state open access charges/ transmission (inter & intra state) losses, SLDC Fees and Charges, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt. / Local bodies upto and including the Delivery Point. Tariffs shall be designated in Indian Rupees only.	The Bidder shall quote the all-inclusive single tariff at the Delivery Point upto three (3) decimals which shall include all applicable charges like capacity charge, energy charge, trading margin (in case of Bidder being a Trader), intra state transmission charges and losses up to the delivery point, SLDC/RLDC Fees and Charges as applicable, and all application fees, taxes, duties, cess etc. imposed by Central Govt. / State Govt./ Local bodies upto and including the Delivery Point. Tariffs shall be designated in Indian Rupees only.
General Terms and Condition 11. <b>Compensation Clause</b>	In case deviation from Procurer side is more than 15% of contracted energy for which open access has been allocated on monthly basis, Procurer shall pay compensation at 20% of Tariff per kWh for the quantum of shortfall in excess of permitted deviation of 15% while continuing to pay open access charges as per the contract.	In case deviation from Procurer side is more than 15% of contracted energy for which open access has been allocated on monthly basis, Procurer shall pay compensation at 20% of Tariff per kWh for the quantum of shortfall in excess of permitted deviation of 15%
	In case deviation from Seller side is more than 15% of contracted energy for which open access has been allocated on monthly basis,	In case deviation from Seller side is more than 15% of contracted energy for which open access has been allocated on monthly basis,



	<p>Seller shall pay compensation to Procurer at 20% of Tariff per kWh for the quantum of shortfall in excess of permitted deviation of 15% in the energy supplied and pay for the open access charges to the extent not availed by the Procurer.</p>	<p>Seller shall pay compensation to Procurer at 20% of Tariff per kWh for the quantum of shortfall in excess of permitted deviation of 15%</p>
	<p>In case seller fails to apply for Open Access in stipulated time as per RLDC's guidelines in force, then compensation shall be levied at the rate mentioned in compensation clause and for the entire contracted quantum. Open access once approved cannot be cancelled or revised without mutual consent.</p>	<p>May be deleted.</p>
<p>General Terms and Condition 13. <b>Termination &amp; Risk Allocation</b></p>	<p>The Seller shall have to apply for open access for the contracted power up to delivery point i.e Kerala periphery, failing which the Contract Performance Guarantee (CPG) on pro rata basis shall be forfeited.</p>	<p>The seller shall have to ensure contracted power up to delivery point, failing which the Contract Performance Guarantee (CPG) on pro rata basis shall be forfeited.</p>
<p>General Terms and Condition 15. <b>Change of Law</b></p>	<p>Change in Law shall include Any change in transmission charges and open access charges Any change in taxes (excluding income tax), duties, cess or introduction of any tax, duty, cess made applicable for supply of power by the Seller</p>	<p>Any change in transmission charges and GNA/TGNA charges  Any change in taxes (excluding income tax), duties, cess or introduction of any tax, duty, cess made applicable for supply of power by the Seller</p>

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14. As per the Guidelines for short-term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process issued by MoP on 30.03.2016, '*Generally, no deviation shall be allowed from these Guidelines. However, if it is essential to have the deviation from these Guidelines, the same could be done with the prior approval of the Appropriate Commission*'. Considering the nature of the deviation and the mandatory requirement for the same, it is humbly requested that Hon'ble Commission may kindly approve the deviations.
15. Based on the timelines in the bid document, the technical bids were opened and three bidders have submitted the bids and the observations of the technical evaluation of the bids are as shown below:

Month/ Period	Time Period (Hrs)	Required Quantum (MW)	Adani Enterprises Ltd	PTC India Limited	Tata Power Trading Company Limited
01.04.2024 to 30.04.2024	RTC	250	25 MW	25 MW	25 MW
01.05.2024 to 31.05.2024	RTC	250	25 MW		25 MW
Total EMD details Rs.			91,50,000	7,50,000	15,25,000
EMD Valid upto			11.01.2024	31.01.2024	11.01.2024
Sufficient BG as per MoP guidelines			yes	yes	yes
Sufficient E bidding fee to PFCCL			yes	yes	yes
Sufficient Tender Fee			yes	yes	yes
Valid trading license			Yes	Yes	Yes
Acceptance of terms & conditions of RfP			Yes	Yes	Yes
Whether LoI of generator attached			yes	Yes	yes
Interconnection status			CTU-WR	CTU-NER	Connected to STU network of UP.

Name of the source	Mahan Energen Limited,	ONGC TRIPURA POWER COMPANY (OTPC)	Prayagraj Power Generation Company Limited (PPGCL)
Name of the State in which source located	Madhya Pradesh	Tripura	Uttar Pradesh
Type of fuel	Coal	Natural Gas	Coal

16. Accordingly, price bids (IPO) of the bidders were opened on 02.12.2023 11.00 am, followed by e-Reverse Auction (e-RA) on the same day, the following rates were discovered through bucket filling, in DEEP portal:

Period	Duration (hrs)	Bid Qtm (MW)	IPO results		<b>eRA Result</b>		Trader/Generator
			Quantum	Unit price	Revised offered Qtm (MW)	Price discovered (Rs/Kwh)	
<b>01.04.2024 to 30.04.2024</b>	RTC	250	25	8.69	<b>150</b>	8.69	Adani Enterprises Ltd
			25	9.5	<b>25</b>	8.69	PTC India Limited
			25	9.00	<b>25</b>	8.69	Tata Power Trading Company Limited
<b>01.05.2024 to 31.05.2024</b>	RTC	250	150	8.69	<b>150</b>	8.69	Adani Enterprises Ltd
			25	9.00	<b>25</b>	8.69	Tata Power Trading Company Limited

17. Since the availability of power is less in market and the demand is high during April & May the rate may increase further, if KSEBL is procuring power through power exchanges. Also, the forthcoming election may escalate the price and demand further in the market. Further, the storage levels of reservoirs & inflow are not favorable to meet the power during the summer season and considering the huge gap between the forecasted demand and availability, the following quantum of power received through the tender from the three bidders can be considered.

Period	Duration (hrs)	Trader/Generator		
		offered Qtm (MW)	Price discovered (Rs/Kwh)	
	RTC	<b>150</b>	8.69	Adani Enterprises Ltd
		<b>25</b>	8.69	PTC India Limited

<b>01.04.2024 to 30.04.2024</b>		<b>25</b>	8.69	Tata Power Trading Company Limited
<b>01.05.2024 to 31.05.2024</b>	RTC	<b>150</b>	8.69	Adani Enterprises Ltd
		<b>25</b>	8.69	Tata Power Trading Company Limited

18. It may kindly be noted that, the rate quoted by the bidder is less compared to the IEX rate of S3 region during April 2022 (RTC rate - Rs 10.068 /Unit). Further, as per the DEEP portal bucket filling results, the offers obtained by other utilities for the period was in the range of Rs 8.11 to Rs 9/unit.
19. It is submitted that; the bid validity period of the tender is 30 days from the date of e Reverse Auction i.e. up to 01-01-2024. The bid validity was extended till 20-1-2024 by Adani Enterprises Ltd. and till 31-1-2024 by Tata Power Trading Company Limited and PTC India Limited. Within this time frame LoA has to be issued to successful bidders of the tender, and PPA to be executed Subjected to the the approval of Hon'ble KSERC.
20. By taking in to account of above facts and considering the power deficit during the period April and May 2024, it is humbly requested that the Hon'ble Commission to approve (a) the deviations made from the Model Bidding Document issued by MoP for the short term power procurement, and (b) to adopt the tariff discovered in the short term power procurement tender and approval for entering into short term power procurement arrangement for the months April and May 2024 with M/s. Adani Enterprises Ltd, M/s PTC India Limited and M/s Tata Power Trading Company Limited.

**Prayer**

Considering the submissions made above, KSEBL humbly request before the Hon'ble Commission

- 1) To approve the deviations made from the Model Bidding Document for tendering the power procurement under short term
- 2) To adopt the tariff discovered in the short term power procurement tender and approval for entering into short term power procurement arrangement for the months April and May 2024 with M/s. Adani Enterprises Ltd, M/s PTC India Limited and M/s Tata Power Trading Company Limited.

**Chief Engineer (Commercial & Tariff)**

Annexure 1.

Apr'24	00:00 to 05:00	05:00 to 08:00	08:00 to 14:00	14:00 to 18:00	18:00 to 22:00	22:00 to 24:00
<b>Demand (MW)</b>	<b>4531</b>	<b>4062</b>	<b>4119</b>	<b>4554</b>	<b>5371</b>	<b>5309</b>
<b>Availability</b>						
Hydro	600	400	300	750	1550	1300
CGS	1450	1450	1450	1450	1450	1450
LTA	571	571	571	571	571	571
DEEP	250	250	250	250	250	250
MTOA	260	260	260	260	260	260
SWAP Ret	0	0	0	0	0	0
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Others	50	50	50	50	50	50
<b>Total</b>	<b>3206</b>	<b>3096</b>	<b>3161</b>	<b>3641</b>	<b>4166</b>	<b>3906</b>
<b>Surp(+)/Def(-)</b>	<b>-1325</b>	<b>-966</b>	<b>-958</b>	<b>-913</b>	<b>-1205</b>	<b>-1403</b>
May'24	00:00 to 05:00	05:00 to 08:00	08:00 to 14:00	14:00 to 18:00	18:00 to 22:00	22:00 to 24:00
<b>Demand (MW)</b>	<b>4326</b>	<b>4054</b>	<b>4095</b>	<b>4451</b>	<b>5281</b>	<b>5175</b>
<b>Availability</b>						
Hydro	600	400	300	750	1550	1300
CGS	1315	1315	1315	1315	1315	1315
LTA	571	571	571	571	571	571
DEEP	250	250	250	250	250	250
MTOA	260	260	260	260	260	260
SWAP Ret	0	0	0	0	0	0
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Others	50	50	50	50	50	50
<b>Total</b>	<b>3071</b>	<b>2961</b>	<b>3026</b>	<b>3506</b>	<b>4031</b>	<b>3771</b>
<b>Surp(+)/Def(-)</b>	<b>-1255</b>	<b>-1093</b>	<b>-1069</b>	<b>-945</b>	<b>-1250</b>	<b>-1404</b>