

**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 entering into short term power procurement arrangement through DEEP portal, with M/s. Tata Power Haldia, M/s. Manikaran Power Limited and M/s. Sembcorp Energy India Limited, as per MoP guidelines for meeting power shortage for the month of November 2023.

Petitioner : **Kerala State Electricity Board Limited**

Respondents

1. M/s. Tata Power Haldia.
2. M/s. Manikaran Power Limited
3. M/s. Sembcorp Energy India Limited

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. In view of the increasing power demand during the period September 2023 to November 2023, the Load-Generation-Balance (LGB) for the period was reviewed by KSEBL to ascertain the probable deficit /surplus assessment, so that early action to meet the expected power deficit during September 2023 to November 2023, can be initiated.
3. On analysis of the peak and energy availability in the State in the above said months, it was observed that considerable shortage upto around 350MW during various parts of a day is anticipated during the above months. The LGB details is shown as Annexure 1.

4. Currently, the power shortage is being managed currently by way of purchase from Day Ahead Market (DAM), Term ahead Market (TAM) and Real Time Market (RTM). During August, the average daily payout on account of these transactions was of the order of Rs. 8-9 Crores.
5. In addition to this, it may kindly be noted that, the unprecedented increase in demand along with lesser availability of power have resulted in huge purchase of power by the utilities from the market. The huge power procurement has resulted in steep rise in the average market clearing price (MCP) in the DAM as well as RTM.
6. Hence, as an optimistic and proactive measure, to insulate the volatility in MCP and to obtain confirmed power, purchase of SWAP power or purchase through DEEP power is to be initiated to meet the deficit in LGB due to the reduction in hydel generation and to meet the increased demand.
7. Accordingly, Short term tender was floated in the DEEP portal with e-tender No. KSEBL /Short/23-24/ET/107 & e-Reverse Auction No. KSEBL/Short/23-24/RA/105 dated 21.08.2023 for meeting the shortage as per the following table. The minimum bid quantum was 25 MW and the delivery point was fixed as Kerala Periphery.

| Requisition No | Period | | Required quantity (MW) | Duration (hrs) | Minimum Bid quantity MW |
|----------------|------------|------------|------------------------|----------------|-------------------------|
| | From | To | | | |
| 1 | 01.09.2023 | 30.09.2023 | 150 | 00:00 to 24:00 | 25 |
| 2 | 01.10.2023 | 31.10.2023 | 100 | 00:00 to 24:00 | 25 |
| 3 | 01.11.2023 | 30.11.2023 | 100 | 00:00 to 24:00 | 25 |

8. The tender was be invited as per the following timelines

| Sl. No. | Event | Date |
|---------|---|--------------------------------------|
| 1 | Publication of RfP/Activation of Event | 21.08.2023 |
| 2 | Last date for submission of queries if any | 24.08.2023 |
| 3 | Reply of queries | 26.08.2023 |
| 4 | Submission of RfP (on line digitally signed non financial technical Bid and IPOs) | 01.09.2023; 02:00pm |
| 5 | Opening of non financial technical Bids | 01.09.2023; 03:00pm |
| 6 | Clarification, if any, sought from Bidder(s) | 02.09.2023 |
| 7 | Evaluation of nonfinancial technical Bids | 04.09.2023 |
| 8 | Opening of IPOs (upto 1300 hrs) | 05.09.2023; 11:00am |
| 9 | Start of e-RA | 05.09.2023; 01:00pm to 03:00pm |

9. The RfP for the short term power procurement was published in the official website of KSEB Ltd and public notice was also given in leading English dailies as specified in the MoP guidelines. M/s. Tata Power Trading Company Limited has submitted 3 bids, M/s. NTPC Vidyut Vyapar Nigam Limited has submitted 2 bids, M/s. Shree Cement Limited has submitted 2 bids, M/s. Manikaran Power Limited has submitted 2 bids, M/s. Sembcorp Energy India Limited has submitted 1 bid, M/s. Adani Enterprises Ltd has submitted 1 bid, M/s. Jindal Power Limited has submitted 1 bid, thus totaling 12 bids were received.

10. The financial bids submitted by these bidders were opened on 05.09.2023 i.e IPOs (Initial Price Offers) at 11hrs and e-RA auction, which was very competitive, started at 13 hrs and concluded at 18.20 hrs. On completion of the bid process the following rates were discovered through bucket filling in DEEP portal:

| | |
|---|---|
| Details of short-term tender floated on 21.08.2023 | Bucket filling details of RA conducted on 05.09.2023 |
|---|---|

| Requisition | Period | Required Quantity (MW) | Duration | Min bid quantity (MW) | Bidder | Generator/Trader | Quantity (MW) | Rate (Rs/kWh) | Source | Type of Fuel |
|-------------|----------------------|------------------------|----------|-----------------------|--------|------------------------------------|---------------|---------------|--|---------------|
| 1 | 01.09.23 to 30.09.23 | 150 | RTC | 25 | L1 | NTPC Vidyut Vyapar Nigam Limited | 25 | 7.6 | SKS Power Generation (Chhattisgarh) Ltd (IPP in state of Chhattisgarh) connected with CTU in Kotra Chhattisgarh. | Coal |
| | | | | | L2 | NTPC VIDYUT VYAPAR NIGAM LIMITED | 50 | 7.6 | IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu | Coal |
| | | | | | L3 | Tata Power Trading Company Limited | 25 | 7.97 | Jindal India Thermal Power Limited (JITPL) | Coal |
| | | | | | L4 | MANIKARAN POWER LIMITED | 25 | 10.6 | DB Power Limited Baradarha, Janjgir Champa District, Chhattisgarh | Domestic Coal |
| 2 | 01.10.23 to 31.10.23 | 100 | RTC | 25 | L1 | MANIKARAN POWER LIMITED | 25 | 7.87 | DB Power Limited Baradarha, Janjgir Champa | Domestic Coal |

| | | | | | | | | | | |
|---|------------------------------------|-----|-----|----|----|--|----|------|---|------------------|
| | | | | | | | | | District, Chhattisgarh | |
| | | | | | L2 | TATA POWER TRADING COMPANY LIMITED | 75 | 7.87 | Prayagraj Power Generatio n Company Limited (PPGCL) | Coal |
| 3 | 01.11. 23 to 30.11. 23 | 100 | RTC | 25 | L1 | MANIKARAN POWER LIMITED | 30 | 6.95 | DB Power Limited Baradarh a, Janjgir Champa District, Chhattisgarh | Domestic Coal |
| | | | | | L2 | SEMBCORP ENERGY INDIA LIMITED | 50 | 6.95 | SEIL Energy India Limited (formerly Sembcorp Energy India Limited) (2X660 MW), Pyanmap uram/Nel aturu Village, Muthukar Mandal, Nellore A.P | Imported Coal |
| | | | | | L3 | Tata Power Trading Company Limited | 20 | 6.95 | Tata Power Haldia (TPC-H) | Flue Gas |

11. Thereafter the financial bids were evaluated by the Standing Committee members (Constituted vide B.O. dated 11-04-2016) on 14.09.2023 and the following observations are made:

- i. There was fair participation in the tender and 12 bids were received against the three requisitions for power purchase and the total required quantum

was satisfied through bucket filling except for the month of October 2023, which is short of 25 MW.

- ii. During IPO, the rates varied from Rs.7.6/Unit to Rs.16/Unit, which was reduced during e-reverse auction from Rs.6.95 to Rs.10.6/Unit.
- iii. The rates discovered in the e-reverse auction is comparable to market trends and the rates discovered in the recent bids invited by other states in DEEP portal for procurement of power for the period from September 2023 to November 2023.
- iv. The rate from market purchase is of the Order of Rs.10/Unit. Moreover, with ceiling market rate of Rs.10/kWh, the bid quantum cleared is only of the order of 10% of the bid quoted. Hence to meet the demand, the hydel power stations of the state are being utilized. Since the storage position has not improved to the past trends there is a threat to manage the demand in the upcoming summer season.
- v. As per the RFP of the short-term tender, the date of commencement of power supply is from 01.09.2023. But depending on the date of approval from the honorable KSERC, the date of commencement of power flow may be shifted accordingly.
- vi. During October 2023, even though the requisite quantum is not met, the L4 rate @ Rs.10.6/kWh seems to be high. Hence purchase from short term tender may be limited to 100 MW from L1, L2 & L3 bidders.
- vii. Considering weak monsoon, depleting hydel storage, non-availability of power in markets due to rising demands, the standing committee recommended the following quantum of power at Kerala periphery for procurement.

Recommendation of the Standing Committee for short term power purchase

| Requisition | Period | Total Quantum (MW) | Bidder | Generator/Trader | Quantity (MW) | Rate (Rs/kWh) | Source | Type of Fuel |
|-------------|----------------------|--------------------|--------|------------------------------------|---------------|---------------|--|---------------|
| 1 | 01.09.23 to 30.09.23 | 100 | L1 | NTPC Vidyut Vyapar Nigam Limited | 25 | 7.6 | SKS Power Generation (Chhattisgarh) Ltd (IPP in state of Chhattisgarh) connected with CTU in Kotra Chhattisgarh. | Coal |
| | | | L2 | NTPC VIDYUT VYAPAR NIGAM LIMITED | 50 | 7.6 | IL&FS Tamil Nadu Power Company Limited (ITPCL), Cuddalore, Tamil Nadu | Coal |
| | | | L3 | Tata Power Trading Company Limited | 25 | 7.97 | Jindal India Thermal Power Limited (JITPL) | Coal |
| 2 | 01.10.23 to 31.10.23 | 100 | L1 | MANIKARAN POWER LIMITED | 25 | 7.87 | DB Power Limited Baradarha, Janjgir Champa District, Chhattisgarh | Domestic Coal |
| | | | L2 | TATA POWER TRADING COMPANY LIMITED | 75 | 7.87 | Prayagraj Power Generation Company Limited (PPGCL) | Coal |
| 3 | 01.11.23 to | 100 | L1 | MANIKARAN POWER LIMITED | 30 | 6.95 | DB Power Limited Baradarha, Janjgir | Domestic Coal |

| | | | | | | | |
|----------|----|------------------------------------|----|------|---|-------------------------------|--|
| 30.11.23 | | | | | | Champa District, Chhattisgarh | |
| | L2 | SEMBCORP ENERGY INDIA LIMITED | 50 | 6.95 | SEIL Energy India Limited (formerly Sembcorp Energy India Limited) (2X660 MW), Pyanmapuram/Nelaturu Village, Muthukar Mandal, Nellore A.P | Imported Coal | |
| | L3 | Tata Power Trading Company Limited | 20 | 6.95 | Tata Power Haldia (TPC-H) | Flue Gas | |

12. As per the tender, Bid Validity Period is 30 days from the date of e Reverse Auction, i.e, 05.09.2023 and Bid security, i.e, should remain valid for at least one month from the date of bid opening. Thus, the bid validity expires on 04.10.2023. Hence the successful bidders were requested to extend the bid validity upto 31.10.2023. Accordingly, M/s. Tata Power Haldia, M/s. Manikaran Power Limited and M/s. Sembcorp Energy India Limited has agreed to extend the bid validity upto 31st October 2023.
13. Considering the tariff quoted by the bidder for Sept 2023 and Oct 2023, rains received in the month of September 2023, October 2023, KSEBL has decided to issue provisional LoA to M/s. Tata Power Haldia, M/s. Manikaran Power Limited and M/s. Sembcorp Energy India Limited for supplying power during the month November 2023.
14. The quantum of power offered by the bidder for the month of November 2023 is

| Period | Generator/Trader | Quantity (MW) | Rate (Rs/kWh) |
|----------------------------|---------------------------------------|---------------|---------------|
| 01.11.23 to 30.11.23 | MANIKARAN POWER LIMITED | 30 | 6.95 |
| | SEMBCORP ENERGY INDIA LIMITED | 50 | 6.95 |
| | Tata Power Trading Company Limited | 20 | 6.95 |

15. In SWAP tender invited to meeting the power deficit for the period from November 2023 to March 2024, KSEBL could get only 150 MW for November 2023.
16. Considering the power deficit in the month of November 2023 and accounting the uncertainty in getting power from power exchanges, it is humbly submitted before the Hon'ble Commission to approve the short term power procurement arrangement for the month November 2023.

Prayer

Considering the submissions made above, KSEBL humbly request approval of Hon'ble Commission to adopt the tariff discovered in accordance with section 63 of the Act and for entering into short term power procurement arrangement with M/s. Tata Power Haldia, M/s. Manikaran Power Limited and M/s. Sembcorp Energy India Limited as submitted above.

Chief Engineer (Commercial & Tariff)

Annexure 1

| Nov'23 | 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 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Demand (MW) | 2900 | 3200 | 3300 | 3500 | 4200 | 3675 |
| Availability | | | | | | |
| Hydro | 200 | 200 | 150 | 350 | 1550 | 650 |
| CGS | 1351 | 1351 | 1351 | 1351 | 1351 | 1351 |
| LTA | 571 | 571 | 571 | 571 | 571 | 571 |
| DEEP | 250 | 250 | 250 | 250 | 250 | 250 |
| MTOA | 0 | 0 | 0 | 0 | 0 | 0 |
| SWAP Ret | 0 | 0 | 0 | 0 | 0 | 0 |
| REMC | 20 | 50 | 100 | 90 | 30 | 30 |
| Wind+Solar | 5 | 45 | 155 | 185 | 10 | 5 |
| Others | 50 | 50 | 50 | 50 | 50 | 50 |
| Total | 2447 | 2517 | 2627 | 2847 | 3812 | 2907 |
| Surp(+)/Def(-) | -453 | -683 | -673 | -653 | -388 | -768 |