

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 with NTPC Vidyut Vyapar Nigam Ltd(NVVNL) for the procurement of 50MW power from 19.00 to 23.00 hrs from 21-5-2023 to 31-5-2023 through DEEP portal for meeting power shortage.

Petitioner :Kerala State Electricity Board Limited

Respondent NTPC Vidyut Vyapar Nigam Ltd(NVVNL)
1st Floor, Core-5, SCOPE Complex, Lodhi Road, New Delhi-110003.

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. KSEBL had earlier with the approval of Hon'ble Commission entered into swap arrangement of 200MW RTC power, which is available only upto 20th May 2023. On analysis of the peak availability in the State in the month of May after 20th, it was observed that considerable shortage upto around 480MW during various peak hours as submitted below.

	1-5-2023 to 20-5-2023		21-5-2023 to 31-5-2023	
May	18.30 to 22.30 hrs	22.30 to 24.00 hrs	18.30 to 22.30 hrs	22.30 to 24.00 hrs
Demand (MW)	4600	4300	4600	4300
Availability (MW)				
Hydro	1550	1397	1550	1397
CGS	1255	1255	1255	1255
LTA	1009	1009	1009	1009
MTOA	260	260	260	260

OA	30	0	30	0
Wind	20	20	20	20
SWAP	200	200	0	0
Total	4324	4141	4124	3941
Surplu(+)/ Deficit(-) in MW	-276	-159	-476	-359

3. Therefore, KSEBL decided to invite short term tender through DEEP portal. KSEBL floated the tender for short term power purchase through DEEP portal on 28.03.2023, for procuring power as indicated in table A and as per the timelines under table B below, for managing the power deficit during peak hours of May 2023.

Table A

Requisition No	Period		Required quantity (MW)	Duration (hrs)	Minimum Bid quantity MW
	From	To			
1	01-05-2023	20-05-2023	100	19:00 to 23:00	25
2	21-05-2023	31-05-2023	200	19:00 to 23:00	25

Table B

Sl. No.	Event	Date
1	Publication of RfP/Activation of Event	28.03.2023
2	Last date for submission of queries if any	30.03.2023
3	Reply of queries	01.04.2023
4	Submission of RfP (on line digitally signed non financial technical Bid and IPOs)	13.04.2023; 02:00pm
5	Opening of non financial technical Bids	13.04.2023; 03:00pm
6	Clarification, if any, sought from Bidder(s)	13.04.2023
7	Evaluation of nonfinancial technical Bids	13.04.2023
8	Opening of IPOs (upto 1300 hrs)	17.04.2023; 11:00am to 01:00pm
9	Start of e-RA	17.04.2023; 01:00pm to 03:00pm

4. 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.
5. The technical bid was opened on 13.04.2023. The Initial Price Offers (IPO) submitted by the bidders were opened on 17.04.2023 at 11:00 am, followed by e-Reverse auction at 1:00 pm. The e-RA concluded at 03:00 pm. On completion of the bid process the following rates were discovered in DEEP portal:

Table C

Period	Duration (hrs)	Bid Qtm (MW)	Offered Qtm (MW)	Price discovered (Rs/Kwh)	Trader/ Generator
01.05.2023 to 20.05.2023	19 to 23	100	50	12	Manikaran power Ltd
21.05.2023 to 31.05.2023	19 to 23	200	50	9.26	NTPC Vidyut Vyapar Nigam Ltd
			50	12	Manikaran power Ltd

6. Thereafter the financial bids were evaluated by the Standing Committee members on 18.04.2023 and the following observations are made:
 - Participation was lesser than expected and only 2 bids were received against the two requisitions for power purchase and the total required quantum was not satisfied through bucket filling.
 - The present market rate for peak power from 19:00 hrs to 23:00 hrs in S3 region is Rs.10/kWh. The price quoted by one of the bidder M/s. Manikaran Power Ltd is Rs.12/kWh for each requisition which is high when compared to the prevailing market rates in S3 region and hence the bid submitted by the bidder M/s. Manikaran Power Ltd need not be considered.

- Since the peak demand is increasing than the forecasted on day to day basis, the bid submitted by M/s.NTPC Vidyut Vyapar Nigam Ltd at a tariff rate of Rs.9.26/kWh for 50 MW power during 19:00 hrs to 23:00 hrs from 21.05.2023 to 31.05.2023 can be accepted as the rate quoted by the bidder is aligned with the prevailing market rates in S3 region.
- The balance power deficit during peak hours of May 2023 can be met by purchasing power from Day Ahead Market where the ceiling tariff rate is Rs.10/kWh. But, as availability of power in Day Ahead Market cannot be confirmed.
- Since the price discovered in DEEP portal for the bid quoted by the bidder M/s.NTPC Vidyut Vyapar Nigam Ltd for the supply of power for 19 :00 hrs to 23:00 hrs from 21.05.2023 to 31.05.2023 is reasonable, when compared to the prevailing market rates, the Standing Committee recommended the purchase from M/s.NTPC Vidyut Vyapar Nigam Ltd (NVVN) at the rate of Rs.9.26/kWh as shown below.

Table D : Letter of Award to NTPC Vidyut Vyapar Nigam Ltd

Period	Duration Hrs	Quantum (MW) on Firm basis	Rate at Delivery Point i.e. Kerala Periphery	Source of Power
21.05.2023 to 31.05.2023	19:00 to 23:00	50	Rs. 9.26/-(Rupees Nine and Twenty Six paise Only) per kWh	IL & FS Tamil Nadu Power Company Ltd, Tamil Nadu in the Southern Region

7. The bid validity period of the tender is 30 days from the date of e- Reverse Auction i.e. up to 16-05-2023. Within this time frame LoA has to be issued to the successful bidder M/s.NTPC Vidyut Vyapar Nigam Ltd, and PPA has also to be executed after obtaining the approval of Hon'ble KSERC. The power flow as per the bid is to commence from 21.05.2023.
8. It is requested that approval may kindly be granted for issuing Letter of Award to the successful L1 bidder, namely NTPC Vidyut Vyapar Nigam Ltd (NVVNL) for procurement of power for 19 :00 hrs to 23:00 hrs from 21.05.2023 to 31.05.2023 is at the rate of Rs.9.26/kWh as shown below.

Table E: Letter of Award to NTPC Vidyut Vyapar Nigam Ltd

Period	Duration Hrs	Quantum (MW) on Firm basis	Rate at Delivery Point i.e. Kerala Periphery	Source of Power
21.05.2023 to 31.05.2023	19:00 to 23:00	50	Rs. 9.26/- (Rupees Nine and Twenty Six paise Only) per kWh	IL & FS Tamil Nadu Power Company Ltd, Tamil Nadu in the Southern Region

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 NTPC Vidyut Vyapar Nigam Ltd(NVVNL) as submitted above.

Deputy Chief Engineer(TRAC)