

BEFORE THE HON'BLE KERALA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of : Petition under Regulation 77 of the KSERC(Terms and Conditions for determination of Tariff)Regulations, 2021 seeking approval for to allow power drawal from the unapproved PPA GENCOs at PPA rate till finalization of medium term power procurement and commencing the supply of power through the identified GENCO considering the severe financial crisis faced by KSEBL due to power shortage in the State caused by weak monsoon.

Petitioner :Kerala State Electricity Board Limited

Respondents:

1. Jhabua Power Limited,
Unit No.307, Third Floor,
ABW Tower, M.G.Road,
Gurugram, Haryana – 122002
2. Jindal India Thermal Power Ltd.
Plot no.2, Pocket C, 2nd Floor, Nelson Mandela Road, Vasant Kunj
New Delhi-110070, India
3. Jindal Power Ltd.
Jindal Centre, 12, Bhikaiji Cama Place, New Delhi 110 066, India

KSEBL most humbly submit the following:

1. Kerala State Electricity Board Limited (KSEBL), is an integrated State Public Sector power utility company constituted by the State Government. KSEBL is carrying out the Generation, Transmission and Distribution functions through three strategic business units. The distribution business unit has been meeting the energy requirement of the consumers by optimally Scheduling power from own generating stations and purchasing power from various sources prudently and economically such that benefit is passed on to the entire consumers of the State.
2. Kerala State Electricity Board Limited had entered into Power Supply Agreements with generators – M/s.Jhabua Power Ltd (115MW- Bid-1 & 100MW – Bid-2) , M/s.Jindal

Power Ltd. (150MW – Bid-2) and M/s.Jindal India Thermal Power Ltd. (100MW- Bid-2) under DBFOO guidelines in 2014 and has been drawing power from these DBFOO generators as per the order of Hon'ble Commission dated 22-12-2016 and 22-12-2017.

3. Hon'ble Commission vide order dated 10-5-2023 in OP 5/2021 rejected the prayers of KSEBL with respect to drawal of power from the generators of 4 unapproved PSAs (465 MW) vide order dated 10.05.2023.
4. KSEBL has approached Hon'ble APTEL with a plea for an immediate stay and also for setting aside the order dated 10-5-2023 in OP 5/2021. However, stay was not obtained in the hearing held on 1-6-2023.
5. Subsequently as directed by GoK on 1-6-2023, KSEBL filed urgent petition on 02.06.2023 before Hon'ble Commission requesting *extension/continuation of the interim arrangement (drawl of power as per unapproved PSAs at the L1 rate of Bids), as directed by the Hon Supreme Court vide its order dt.10.02.2023 in Civil Appeal No.41/2021, till KSEBL is able to make alternative arrangement for procurement of power.*
6. Hon'ble Commission vide order dated 7-6-2023, *permitted KSEBL to make arrangements for power procurement by continuing the interim arrangement of scheduling power from the four unapproved DBFOO which was inforce for a period of two weeks from 10.05.2023 as per the direction of the Hon'ble Supreme Court, for a further period of 75 days from the date of this Order, or till the alternate arrangements of procuring 500MW RTC power on medium term basis, which ever earlier. The relevant portion of the order is extracted below.*
7. Hon'ble Commission in the order dated 7-6-2023 in OP 24/2023 in the matter of continuing the interim arrangement had issued following directions:

"Orders of the Commission

24. The Commission, after examining the petition filed by KSEB Ltd dated 02.06.2023, the deliberations of the subject matter during the hearing scheduled on 06.06.2023, the provisions of the Electricity Act, 2003, KSERC (Terms and Conditions of Determination of Tariff) Regulations, 2021, Tariff Policy 2016, and other documents and records, hereby Orders the following. (1) KSEB Ltd is permitted to make arrangements for power procurement by continuing the interim arrangement of scheduling power from the four unapproved DBFOO which was inforce for a period of two weeks from 10.05.2023 as per the direction of the Hon'ble Supreme Court, for a further period of 75 days from the date of this Order, or till the alternate 16 arrangements of procuring 500MW RTC power on medium term basis, which ever earlier. (2) The payment for the power supply during the interim arrangement shall be as per the interim Orders of the Hon'ble APTEL dated 21.10.2022, 16.12.2022, 10.02.2023 and 17.04.2023, make

payment at L1 rate of Bid-2 subject to the final disposals of the pending appeal petitions before the Hon'ble APTEL. (3) The interim arrangement as above, shall be subject to the final decision of the Hon'ble APTEL in IA 1183/2023 filed by KSEB Ltd in DFR No. 325/2023, against the Order of the Commission dated 10.05.2023 in petition OP No. 05/2021."

8. The above period of the interim arrangement is expiring by 21st of August 2023.
9. In compliance with the direction of Hon'ble Commission, KSEBL had floated the tender documents in DEEP portal on 07.06.2023. However, on seeing that the model PPA was revised by MoP on December 2022, KSEBL again approached Hon'ble Commission and filed petition (OP No.45/23) before Hon'ble Commission seeking modification in the order dated 07.06.2023 with respect to the time limit fixed for finalizing the tender and issuing LoA for procuring 500 MW RTC power on medium term basis for five years under FOO(Finance, Own and Operate) basis. KSEBL also filed an additional submission to OP 45/2023, submitting the new model APP noting the modified clauses in the revised MAPP and corrigendum notice IV to read the variations in RfQ and RfP in line with the revised MAPP.
10. Hon'ble Commission vide its order dated 14.07.2023 approved the revised MAPP and corrigendum, , The revised APP and Corrigendum IV notice was published by KSEBL on 20.07.2023. As per the revised time schedule and as per the provisions of the Agreement for Procurement of Power, the power flow as per the proposed medium term contracts can start only from 1st January 2024.
11. The State is experiencing very weak monsoon. The storage position in the reservoirs of the State is adversely affected by the weak monsoon. The storage position in the major reservoirs as on 8-8-2023 is submitted below.

Reservoir	8/08/2023
Overall	37.74%
Idukki	32.47%
Sabarigiri	35.47%
Idamalayar	42.18%
Sholayar	58.21%

Kuttiyadi	49.44%
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12. Even with the interim arrangement (wherein one generator – M/s.JITPL is not supplying), KSEBL is facing power shortage. KSEBL with the permission of Hon'ble Commission has entered in to short term power procurement contracts for the period from August 2023 to May 2024. However, even with the above contracts, there is power and energy shortage.
13. An analysis of the load generation balance of the State was assessed for the period from August 2023 to December 2024 without DBFOO and with the present availability from internal generation and power purchase contracts. The load generation balance is enclosed as **Annexure- 1**. It is found that there is shortage of around 500 to 1500 MW during the period from August 2023 to May 2024.
14. In view of the above gap in demand and availability and the low storage position in the reservoirs clubbed with weak monsoon and considering the fact that the power flow from the proposed medium term contracts can start only from 1st January 2024, there is an urgent need to to allow power drawal from unapproved PPA GENCOs at PPA rate till finalization of medium term power procurement and commencing the supply of power through the identified GENCO, to enable KSEBL to maintain uninterrupted power supply to the consumers of the State.
15. The availability of power from the Central Generating Stations have drastically reduced due to coal shortage issues, forced outage of units and wind energy availability have also come down. The availability of power from the market even at higher rates is difficult. KSEBL is getting only about 10% of the quoted quantum in the exchanges. For 1000MW bid quantum, the availability from exchanges is only around 100MW.
16. Therefore, it is requested that Hon'ble Commission may kindly permit KSEBL to allow power drawal from unapproved PPA GENCOs at PPA rate till finalization of medium term power procurement and commencing the supply of power through the identified GENCO, to enable KSEBL to maintain uninterrupted power supply to the consumers of the State.
17. It is further submitted that the generators are demanding PPA rate for continuing supply. Letters received from the generators are enclosed as **Annexure-2** . The PPA

rate of these generators are lower than the present market rates and lower than the short term rates discovered in the recent tender, as submitted below.

Month	Contract	Tariff (Rs/unit)
September 2023	Jhabua – I – 115MW	3.99
	Jhabua – II – 100MW	4.53
	Jindal – II – 150MW	4.68
September 2023	Short term contract rates	5.38 to 5.42
October 2023		5.12 to 5.14
November 2023		5.38 to 5.46
December 2023		5.48 to 5.50

18. It is submitted that in addition to the above difference in short term/Market rates and the DBFOO tariff rates, there is another significant factor that is affecting the cash flow of KSEBL. In the case of exchange transactions, advance payment has to be made for power procurement. In the case of short term transactions, weekly payment are to be effected. However, in the case of payment to DBFOO generators, payment due date is within 30 days from the submission of invoice. This has led to huge cash deficit scenario for KSEBL.
19. Therefore, it is humbly requested that KSEBL may be allowed to pay at the tariff as per the PSAs signed with the generators for the power drawn for the period till December 2023. Also it is requested that Hon'ble Commission may kindly issue letters to the coal suppliers- M/s.Mahanadi Coal Limited and M/s. SECL to supply coal to these generators to ensure power supply by these generators.
20. Considering all the above, KSEBL humbly request the following:
 1. KSEBL may be permitted to allow power drawal from the unapproved PPA GENCOs at PPA rate till finalization of medium term power procurement and commencing the supply of power through the identified GENCO.

2. Extension of time to complete the bidding process of medium term power purchase till the commencement of supply of power through identified GENCO in medium term power purchase bid.
3. Hon'ble Commission may give a letter to coal suppliers to continue supply of linkage coal to unapproved PPA GENCOs till commencement of power supply through GENCOs identified through medium term power procurement.

Prayer

KSEBL humbly request Hon'ble Commission that considering the power crisis and financial liability as submitted in the instant petition,

1. KSEBL may be permitted to allow power drawal from the unapproved PPA GENCOs at PPA rate till finalization of medium term power procurement and commencing the supply of power through the identified GENCO.
2. Request extension of time to complete the bidding process of medium term power purchase till the commencement of supply of power through identified GENCO in medium term power purchase bid.
3. Hon'ble Commission may give a letter to coal suppliers to continue supply of linkage coal to unapproved PPA GENCOs till commencement of power supply through GENCOs identified through medium term power procurement.

Chief Engineer(Commercial & Tariff)