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 issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on ‘As and when available/Required basis’ on intraday basis during May 2022.**

KSEBL MOST HUMBLY STATES THAT:

1. Kerala State Electricity Board Limited files the instant petition seeking approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on ‘As and when available/Required basis’ on intraday basis during May 2022 for economically managing power shortage anticipated during the ensuing summer season.
2. On analyzing the load generation balance for the month of May 2022, it is seen that there is a considerable power shortage upto around 500MW for the month of May 2022 as submitted below.

|  |  |
| --- | --- |
|  | **May 22** |
| **Expected Peak Demand** | 4475 |
| Hydro | 1382 |
| Wind+Small hydel-IPPs | 20 |
| CGS | 1250 |
| LTA + Medium term | 1200 |
| STOA-OA consumers | 80 |
| Total | 3932 |
| **Surplus(+)/**  **Deficit (-)** | **-543** |

Assumptions:

* Hydro availability is considered after factoring normal maintenance schedule and credible outage of 100MW.
* CGS availability is taken as per the latest LGBR released by SRPC with 10% credible outage.
* LTA availability factored with credible outage of 100 MW.
* Medium term procurement of 270MW factored.

1. For meeting the above power shortage, the second banking tender was floated on 07.02.2022 against the requirement of 150MW from 18:00hrs to 24:00 hrs during March, April, May and to manage the expected energy surplus during Monsoon 2022 (Mid June 2022 to Sep-2022) keeping all the terms, conditions and evaluation criteria similar to the banking tender invited during December 2021.But no banking offers were received for the second banking tender floated by KSEBL.
2. KSEBL also floated the RfP for short term power purchase through DEEP portal on 21.02.2022 for procuring power of 150MW from 18:00hrs to 24:00 hrs during March, April, May 2022, for managing the power deficit during Summer 2022. However, the price discovered in DEEP portal were not reasonable when compared to the power exchange market rates discovered during these months in the previous years (i.e from 2017 to 2018).
3. KSEBL floated the third banking tender on 16.03.2022 against the requirement of 200MW from 18:00hrs to 24:00 hrs during April & May and to manage the expected energy surplus during Monsoon 2022(Mid June 2022 to Sep-2022) keeping all the terms, conditions and evaluation criteria similar to the banking tender invited during December 2021. Only one trader M/s.Kreate Energy India Private Ltd participated in the banking tender. However, the offer of M/s.Kreate Energy India Private Ltd. was for the supply of 200MW from 18-22hrs during 18:00 to 22:00hrs from 04.04.2022 to 31.05.2022 on Day Ahead/As and When Available/ Required basis and return of power from KSEBL during December 2022 and January 2023 from 00 -06:00,10:00 -16:00 &23:00 -24:00 hrs. Though the supply of power through KEIPL from Himachal Pradesh State Electricity Board Ltd(HPSEBL) to KSEBL is on As and when available basis, the swapping arrangement did not materialize.
4. In the meanwhile, the power shortage situation is further worsened with acute coal shortage faced in our country. The present evening peak demand of our state has soared up to a maximum ever quantum of 92.8 MU on 28/04/2022. The power generation of most of the DBFOO based generators is affected by this issue. Due to this, the power supply to KSEBL by the generators like BALCO, JITPL, Jindal Power Limited and Jhabua Power Limited has been reduced down from their contracted quantum. JITPL has also requested for the downward revision of power to KSEBL from the contracted capacity of 270MW under Pilot Scheme-II, due to coal shortage.
5. Therefore, to meet the acute power shortage, KSEBL floated the RfP for short term power purchase through DEEP portal on 08.04.2022 for procuring power as indicated in table A below.

Table A

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Requisition No | Period | | Required quantity MW | Duration hrs | Minimum Bid quantity MW |
| From | To |
| 1 | 25.04.2022 | 07-05-2022 | 50 | RTC | 25 |
| 100 | 18:00  to  24:00 | 25 |
| 2 | 08.05.2022 | 18.05.2022 | 80 | RTC | 25 |

But no bidders has participated in the above short term tender floated by KSEBL on

08.04.222.

1. Subsequently, vide offer dated 17-4-2022, Kreate Energy India Private Ltd (KEIPL) forwarded a banking proposal (Annexure-1) for the supply of power from Himachal Pradesh State Electricity Board Limited (HPSEBL) on ‘As and when available/Required basis’ on intraday during May 2022 as given in the table below.

Table B

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Supply of power by HPSEBL to KSEBL through KEIPL on intraday basis: | | | | | | |
| Exporting Utility | Period | Duration (Hrs) | Quantum(MW) | | Delivery point | |
| HPSEBL | April 2022  to  May 2022 | In between 19:00 to 24:00(as available with HPSEBL) | Up to 200 | | State Periphery of Exporting Utility | |
| Return of power by KSEBL to HPSEBL through KEIPL on intraday basis: | | | | | | |
| Exporting Utility | Period | Duration (Hrs) | | Quantum(MW) | | Delivery point |
| KSEBL | April 2022  to  May 2022  (Same day in which power is banked to KSEBL from HPSEBL) | In between 00:00 to 15:00  (as required by HPSEBL) | | 100% | | State Periphery of Exporting Utility |

1. As per the proposal, Intraday banking means HPSEBL will send the availability by 10:30am and KSEBL shall confirm the requirement by 11:00am daily. Accordingly, the supply of power to KSEBL from 19:00 to 24:00 hrs(as available with HPSEBL) starts on the same day and the return of the same power from KSEBL side on the very next day from 00:00 to 15:00hrs (as required by HPSEBL).
2. Due to non-materialization of short term power procurement through DEEP portal and considering the present market scenario where the sell bids are only 1/4th the purchase bids and there is uncertainty of bids getting cleared in the evening peak and also the huge price of power(Rs.12/unit) in the market, the proposal of KEIPL for banking of power on ‘As and when available/Required basis’ during May 2022 on intraday basis, was considered. Upto 200MW power may be available between the evening peak hours 19:00 to 24:00hrs (as available with HPSEBL) during May 2022. Only the same quantum of power supplied by HPSEBL to KSEBL need to be returned to HPSEBL by KSEBL. The power can be returned during off peak hours of the day ie;00:00 to 15:00 hrs on intradays during May 2022.The only financial implication in this banking proposal is that KSEBL shall pay trading margin of 2.75 paise/kWh to KEIPL at the time of importing of power during the supply period.
3. As per Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021, approval of Hon’ble Commission is required for short-term power procurement agreement or arrangement by way of exchange of energy under banking transactions,
4. Considering the critical power shortage faced by the State, KSEBL humbly request Hon’ble Commission to grant approval for issuing Letter of Award to M/s. Kreate Energy India Private Ltd for short term power procurement through banking transactions on ‘As and when available/Required basis’ on intraday basis during May 2022.

**Prayer**

KSEBL humbly request Hon’ble Commission to grant approval for entering into banking transactions as submitted in the instant petition and for issuing Letter of Award to M/sKreate Energy India Private Ltd for short term power procurement through banking transactions on ‘As and when available/Required basis’ on intraday basis during May 2022.

**Chief Engineer (Commercial &Tariff)**

**Acc: 1.Copy of the offer**