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

O.P. No :

In the Matter of : Petition for according permissive sanction to intimate M/s. T P Sourya Ltd., the SPG executed the PPA for procurement of 110 MW of Solar power, that separate consent of KSEB Ltd. is not required for transferring the entire stake of M/s.Tata power Ltd. (Successful bidder) in M/s. T P Sourya Ltd. to Tata Power Renewable Energy Ltd. (TPREL) which is also a wholly owned subsidiary of M/s.Tata power Ltd, without any change in parties executed the PPA.

Petitioner : Kerala State Electricity Board Limited

Vydhyuthi Bhavanam, Pattom

Thiruvananthapuram

Respondents : M/s. T P Saurya Ltd.,

Registered office: C/o the TATA Power Co. Ltd.

Corporate Centre, 34, Sant Tukaram Road,

Carnac Bunder, Mubai, Maharashtra, India-400009

AFFIDAVIT VERIFYING THE APPLICATION

I**, Sasankan Nair. C.S.**,son of **G. Chellappan Pillai** aged **55** years, residing at **Sasindu, Snehapuri Road, Karimom, Thiruvananthapuram** do solemnly affirm and state as follows:

I am the Chief Engineer (Commercial & Tariff) of Kerala State Electricity Board Limited, Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, the representative of the petitioner in the above matter and I am duly authorized by KSEB Ltd. to make this affidavit on its behalf. I solemnly affirm at Thiruvananthapuram on this the **10th May 2022** that

(i) Contents of the above petition are true to my information, knowledge and belief. I believe that no part of it is false and no material has been concealed there from.

(ii) That the statements made in paragraphs of the accompanying application now shown to me are true to my knowledge and are derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

Deponent

Chief Engineer (Commercial & Tariff)

Kerala State Electricity Board Limited,

Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

**VERIFICATION**

I**,** the above named deponent, solemnly affirm at Thiruvananthapuram on this the **10th May 2022** that the contents of the petition are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed there from.

## Deponent

Chief Engineer (Commercial & Tariff)

Kerala State Electricity Board Limited,

Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

Solemnly affirmed and signed before me

Advocate and Notary

**BEFORE THE HONOURABLE KERALA STATE ELECTRICITY REGULATORY COMMISSION**

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| In the matter of : | Petition for according permissive sanction to intimate M/s. T P Sourya Ltd., the SPG executed the PPA for procurement of 110 MW of Solar power, that separate consent of KSEB Ltd. is not required for transferring the entire stake of M/s.Tata power Ltd. (Successful bidder) in M/s. T P Sourya Ltd. to Tata Power Renewable Energy Ltd. (TPREL) which is also a wholly owned subsidiary of M/s.Tata power Ltd, without any change in parties executed the PPA. |
| Petitioner : | The Kerala State Electricity Board Limited,  Vyduthi Bhavanam, Pattom, Thiruvananthapuram |
| Respondents : | M/s. T P Saurya Ltd.,  Registered office: C/o the TATA Power Co. Ltd.  Corporate Centre, 34, Sant Tukaram Road,  Carnac Bunder, Mubai, Maharashtra, India-400009 |

**The petitioner humbly submits as follows:**

1. KSEB Ltd had filed a petition on 08.02.2021, before this Hon’ble Commission with the following payers.
2. to grant formal approval for the initialled Power Purchase agreements (PPAs) with M/s NTPC Ltd and M/s. Tata Power Company Limited under Section 86(1)(b) of the Electricity Act, 2003, for the procurement of 90MW of Solar power from M/s. NTPC Ltd. and 110 MW of Solar power from M/s. Tata Power Company Ltd. at the adopted tariff of ₹ 2.97 per unit.
3. Permit the execution of PPA with M/s.T P Saurya Ltd., a wholly owned subsidiary of the successful bidder M/s Tata Power Company Ltd.
4. Hon’ble Commission has admitted the petition as OP No 11/2021 (Part-II) and pronounced the order on 23.06.2021. The order of the Hon’ble Commission is reproduced below:
5. ***Order of the Commission***

*The Commission after examining in detail the petition filed by KSEB Ltd for the approval of the draft initialed PPA between KSEB Ltd and M/s Tata Power Company Ltd and also its prayer to permit execution of PPA with M/s TP Saurya Ltd a wholly owned subsidiary of M/s Tata Power Company Limited, as per the provisions of the Electricity Act, 2003, and other relevant documents and records, here by orders the following.*

*(1) Approve the initialed Power Purchase Agreement (PPA) between KSEB Ltd and M/s Tata Power Company Limited for the procurement of 110 MW Solar Power at the rate of Rs.2.97/unit.*

*(2) Grant permission to KSEB Ltd to sign the PPA with M/s TP Saurya Limited, the 100% subsidiary of the successful bidder M/s Tata Power Company Limited. The agreement dated 23.03.2021 and its amendment dated 09.06.2021 signed between M/s TPCL and its 100% subsidiary TP Saurya Ltd shall form integral part of the PPA to be signed between KSEB Ltd and TP Saurya Ltd.*

*(3) KSEB Ltd shall submit a copy of the PPA signed with M/s TP Saurya Ltd to the Commission for information and record.*

3. Accordingly, the order of the Hon’ble Commission was put up before the Board (Full Time Directors of KSEB Ltd.) for permitting the petitioner to execute the PPA with successful bidders. The Full Time Directors of KSEB Ltd. observed that the rate discovered through bidding route for the procurement of 200 MW solar power is relatively high in comparison with various offers of SECI, and hence issued direction to reconsider the power procurement process.

4. Considering the financial impact involved in this case, KSEB Ltd. has enquired informally as to whether there would be any reconsideration of rates and upon this M/s. TP Saurya Ltd (100 % subsidiary of The TATA Power Company Limited) on 27.09.2021 have reduced their offer price to Rs 2.44 per unit in place of Rs 2.97 per unit, whereas the NTPC Ltd is firm on their rate as per bid. Hence the Board has decided not to execute the Power Purchase Agreement with the firms for an adopted the tariff of Rs.2.97 /unit and to analyse the impact of Basic Customs Duty (BCD) on various offers before KSEB Ltd.

7. Accordingly, a petition for adoption of tariff ( Rs.2.44/unit) for the procurement of 110 MW of Solar power from M/s. T P Saurya Ltd., has been filed before the Hon’ble Commission on 06.01.2022. KSEB Ltd. has also submitted the Power Purchase agreement (PPA) executed with M/s. T P Saurya Ltd., as per the order of the Hon’ble Commission dated 23.06.2021 in OP No. 11/2021 (Part-II) along with petition for information and record.

8.Hon’ble Commission has admitted the petition as OP No 03/2022 and pronounced the order on 28.01.2022. The order of the Hon’ble Commission is reproduced below:

***Orders of the Commission***

*10. The Commission, after examining the petition filed by KSEB Ltd to adopt the reduced tariff @ Rs 2.44/unit for the procurement of 110MW Solar Power from M/s TP Saurya Ltd (100% subsidiary of M/s TATA Power Company Ltd), and to ratify the action of executing the PPA with them, as per the provisions of the Electricity Act, 2003, and other Rules and Regulations in force, hereby orders the following.*

*(1) Approve the reduced tariff @Rs 2.44/unit for the procurement of 110MW of Solar Power for 25 years from the Scheduled Commissioning Date from M/s TP Saurya Ltd (100% subsidiary of M/s TATA Power Company Ltd).*

*(2) Ratify the action of KSEB Ltd in executing the agreement with M/s TP Saurya Ltd, strictly in conformity with the approved initialled PPA vide the order dated 23.06.2021 except the change in tariff.*

9. M/s. T P Sourya Limited vide their letter dated 09.12.2021. has intimated that as part of an internal restructuring exercise, M/s. TPCL intends to transfer its entire stake in M/s. TP Sourya Limited to Tata Power Renewable Energy Limited ( TPREL) which is also a wholly owned subsidiary of Tata Power. They also intimated that there is no effective change of ownership of the project. The firm also confirmed that TATA Power will continue to hold a minimum of 75 % of the equity shareholding & management control in TPERL post internal restructuring. They assured that the parties of the PPA will remain the same. Copy of the letter is marked as Annexure-1. The firm had requested the approval or consent for restructuring in line with clause 4.1.6 of the PPA and clause 3.1.a of the RFS. The Generator has also furnished an assurance letter on 10. 03.2022 in the matter of sanctity of the agreement, Continuance of operation of M/s. T P Sourya Limited as a legal entity throughout the PPA period and holding of shares as per request of KSEB Ltd.

10. KSEB Ltd. has examined the request of the Generator in line with respect to the provisions of PPA and RFS clauses. As per clause 3.1.(b) of the RFS States that *the bidder, if being a single company, shall ensure that its shareholding in the SPV/project company executing the PPA shall not fall below 51% (fifty-one per cent) at any time prior to 1 (one) year from the COD except with the prior approval of KSEBL.* As per clause 4.1.6 of PPA, (SPG’s Obligations*) the SPG undertakes to be responsible, at SPG’s own cost and risk, for maintaining its controlling shareholding prevalent at the time of execution of PPA up to a period of one (1) year after Commercial Operation Date.*

11. As M/s. TPSL assured that , M/s. TPCL continues to hold more than 51 % of the share holding in the project company (M/s. TPSL) after restructuring for a period of 1 year from the CoD as specified in RFS .

12. Though, M/s. Tata Power Company Limited (TPCL) was the bidder, Power Purchase agreement (PPA) was executed with M/s. T P Sourya Limited (TPSL), a 100% subsidiary of the TPCL with the approval of the Hon’ble Commission. The said arrangement was approved by the Hon’ble Commission on the strength of a covenant signed between TPCL and TPSL for the due fulfilment of terms and conditions of initialled PPA signed by the bidder. As Hon’ble Commission has allowed to execute PPA with a project company other than the bidder, it is humbly requested before the Hon’ble Commission to accord permissive sanction to intimate M/s. T P Sourya Ltd., the SPG executed the PPA for procurement of 110 MW of Solar power, that separate consent of KSEB Ltd. is not required for transferring the entire stake of M/s.Tata Power Company Ltd. (Successful bidder) in M/s. T P Sourya Ltd. to Tata Power Renewable Energy Ltd. (TPREL) which is also a wholly owned subsidiary of M/s.Tata power Ltd., without any change in parties executed the PPA.

**PRAYER**

KSEBL humbly pray that this Hon Commission may kindly grant permissive sanction to intimate M/s. T P Sourya Ltd., the SPG executed the PPA, for procurement of 110 MW of Solar power, that separate consent of KSEB Ltd. is not required for transferring the entire stake of M/s.Tata Power Company Ltd. (Successful bidder) in M/s. T P Sourya Ltd. to Tata Power Renewable Energy Ltd. (TPREL) which is also a wholly owned subsidiary of M/s.Tata power Ltd, without any change in parties executed the PPA.

Sd/-

**Chief Engineer (Commercial & Tariff)**

**KSEB Ltd.**