

**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 an agreement for Procurement of hydropower on short term basis by KSEBL from 60 MW Naitwar Mori project of SJVN Limited.

**Petitioner:** Kerala State Electricity Board Ltd.

**Respondent:** M/s. SJVN Limited  
Shakti Sadan, Shanan  
NBCC Complex, Tower -1  
New Delhi

KSEBL MOST HUMBLLY STATES THAT:

1. Kerala State Electricity Board Limited files the instant petition seeking approval for entering into an agreement for Procurement of hydropower on short term basis by KSEBL from 60 MW Naitwar Mori project of SJVN Limited for the period from 10.03.2024 to 15.06.2024 @Rs.7/kWh to meet power deficit.
2. M/s. SJVN Limited, a joint venture of Government of India and Government of Himachal Pradesh has requested KSEBL's consent for purchase of power from 60 MW Naitwar Mori Hydro Electric Project (NMHEP).
3. Naitwar Mori is a run of the river project designated to generate annually 265.50 MUs in 90% dependable year. The energy generated from NMHEP will be evacuated through a dedicated transmission line of approx.38 km upto HPPTCL network, which is further connected to ISTS network at 400 kV /220kV substation at Gumma, Himachal Pradesh. The tariff of the State is determined by CERC.
4. M/s. SJVN has requested KSEBL, about the consent for the purchase of power on long term basis from Naitwar Mori Hydro Electric Project at a Levellised tariff of Rs. 6.85/kWh

considering Rate of Interest on loan @ 5%, Return on Equity @ 10%, first year O&M expenses @ 4% and average annual Energy as 337.54 MU. The copy of the order is enclosed as Annexure I.

5. As the rate offered is very high for long term contract, the offer was not considered.
6. Vide letter dated 14.02.2024, M/s. SJVN requested the consent of KSEBL for purchase of power at levelized tariff of Rs.7.00/kWh considering Return on Equity @ 10%. Copy of the offer is attached as Annexure II.
7. Vide email dated 20.02.2024, clarification was sought by KSEBL from M/s. SJVN whether the power may be tied up on short term basis from 01.03.2024 to 15.06.2024. Vide return email, M/s. SJVN replied that SJVN is open for the above offer of KSEBL regarding short term however SJVN is interested in offering the hydro power on long term or medium-term basis. M/s. SJVN has also intimated that the tariff determination of the project is under the consideration of CERC and they are ready to pass on the benefit to KSEBL, if the CERC determined tariff is lower than the offered tariff of Rs. 7/kwh. Copy of the communication is attached as Annexure III.
8. On 20.02.2024, further clarification was sought by KSEBL from M/s. SJVN regarding the difference in tariff of Rs.6.85/kWh and Rs.7.00/kWh offered from the same power plant. M/s. SJVN replied that Rs.7.00/kWh is the final tariff for the power to be supplied from Naitwar Mori HPS. The tariff of Rs.6.85/kWh was based on the bundled tariff proposed with Solar power available with M/s. SJVN and the offer was no longer available as the CPSU Solar Power is already tied up.
9. Further, it is submitted that, the availability of power may vary based on the availability of water in the Run-of-River project. However, based on the design energy provided by M/s. SJVN, the CUF calculated for the months of March, April & May are 28, 40 and 72 respectively. During May the availability is maximum during the last 10 days.
10. It is further submitted that, considering the poor monsoon, drastic increase in the power demand and difficulty in obtaining power from market clubbed with high price of power in market, KSEBL had floated banking tender on 23.08.2023 for 500 MW RTC power

with the supply period from September 2023 to May 2024 and return period from June'24 to September'24.

11. Only two bidders participated in the tender floated above and the offered quantum and period was nominal. LoA was issued to M/s Arunachal Pradesh Power Corporation Pvt Ltd (APPCPL) for the supply of 150 MW RTC power during November 2023, 50 MW RTC Power during December 2023 and 100 MW RTC power during 1st to 15th March 2024. The return period of the transaction is from 11.06.2024 to 30.09.2024. KSERC vide order dated 27.12.2023 in OP No. 68/2023 has approved this short term tender.
12. Since the required quantum was not met with the above tender, in order to meet the deficit and to limit the daily financial outflow due to daily market purchase, KSEBL has decided to inviting one more banking tender for 300MW RTC power from January 2024 to May 2024 with return period from mid-June'24 to Sep'24.
13. Accordingly banking tender was invited on 31-10-2023, for the period from 01-01-2024 to 30-09-2024 in order to meet the expected power deficit during summer 2024 and to manage the expected energy surplus during Monsoon 2024 as shown below:

Supply Period			Return Period					
Month	Duration (hrs)	MW	Period	Duration (Hours)/ Max MW Return possible against each slot				
				00.00 to 05.00	05.00 to 08.30	08.30 to 18.30	18.30 to 22.30	22.30 to 24.00
Jan 24	RTC	300	15.06.2024 to 30.06.2024	400	400	400	50	400
Feb 24	RTC	300	01.07.2024 to 10.07.2024	500	500	600	60	500
March 24	RTC	300	11.07.2024 to 31.07.2024	600	600	600	70	600
April 24	RTC	300	01.08.2024 to	600	600	600	70	600

			31.08.2024					
May 24	RTC	300	01.09.2024 to 30.09.2024	600	600	600	50	600

14. The last date of submission of bid was extended twice, but no offers were received before the extended stipulated date.
15. Accordingly, offer was collected from, M/s. APPCL and they have agreed to provide banking of power with following schedule

Trader	Source	Basiss	Quantum & Supply period (MW)	Return Period	Return percentage(%)	Trade margin
Arunachal Pradesh Power Corporation Pvt Ltd (APPCPL)	PSPCL	Firm	200 MW RTC 1st January'24 to 31st March'24 and 150 MW RTC from 1st to 15th April	50 MW RTC 16th to 30th June'24 and balance quantum(RTC) 1st July'24 to 30th September '24	105	3Paise/ Unit

16. Hon'ble KSERC vide order dated 17.01.2024, in OP No. 01/2024, has approved the above banking transaction with M/s Arunachal Pradesh Power Corporation Pvt Ltd (APPCPL).
17. Further KSERC vide order dated 19.01.2024, in OP No. OP No 02/2024 has approved the following quantum of power for the month of April 2024 and May 2024

Period	Duration (hrs)	Trader/Generator		
		offered Qtm (MW)	Price discovered (Rs/Kwh)	
<b>01.04.2024 to 30.04.2024</b>	RTC	<b>150</b>	8.69	Adani Enterprises Ltd
		<b>25</b>	8.69	PTC India Limited
		<b>25</b>	8.69	Tata Power Trading Company Limited
<b>01.05.2024 to 31.05.2024</b>	RTC	<b>150</b>	8.69	Adani Enterprises Ltd
		<b>25</b>	8.69	Tata Power Trading Company Limited

18. Even with the above swap transaction/purchase, there exist further shortage in meeting the demand of summer months (March – April – May 2024). Hence KSEBL has decided that, the banking offer received from M/s Shubheksha Advisors Private Limited, for the quantum of 200 MW from 15th March 2024 to 31st March 2024 can be considered subject to approval of KSERC. The matter is now under the consideration of Hon'ble KSERC.
19. The medium-term tender invited by KSEBL was opened on 05.02.2024 and the rate discovered was very high which is Rs.7.48/unit and therefore the medium-term tender could not be finalized.
20. It may kindly be noted that, the peak demand and energy requirement of the State is increasing at more than 10% compared to the previous year, due to soaring high temperature in the State. Hence even with the available contracts, there exist power shortage in meeting the peak demand and energy in the month from March 2024 to May 2024. Therefore, KSEBL has decided that, short term power purchase offer received from M/s. SJVN, Naitwar Mori HEP can be considered, subject to approval of Hon'ble KSERC.
21. It is submitted that, for procurement of power on short term basis for the summer months (March 2024, April 2024 & May 2024), the rate offered by M/s. SJVN, Naitwar Mori HEP seems to be low compared to the rates at which the power is tied up under short term (Rs.8.69/kWh at CTU point) and other LDC / Monthly Contracts entered by KSEBL.
22. 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,
23. Therefore, the instant petition is filed seeking approval of Hon'ble Commission entering into an agreement for Procurement of hydropower on short term basis by KSEBL from 60 MW Naitwar Mori project of SJVN Limited for the period from 10.03.2024 to 15.06.2024 @Rs.7/kWh to meet power deficit.

## Prayer

24. KSEBL humbly request Hon'ble Commission to grant approval for entering into an agreement for Procurement of hydropower on short term basis from 60 MW Naitwar Mori project of SJVN Limited for the period from 10.03.2024 to 15.06.2024 @Rs.7/kWh to meet power deficit.

**Chief Engineer  
Commercial & Tariff**

Annexure 1.

LGB in MW for the month of March 2024

Mar'24 (1 to 15)	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
<b>Demand (MW)</b>	3851	3684	3834	4196	4800	4630
<b>Availability</b>						
Hydro	450	200	220	600	1550	1200
CGS	1400	1400	1400	1400	1400	1400
LTA	571	571	571	571	571	571
DEEP	225	225	225	225	225	225
MTOA	260	260	260	260	260	260
SWAP 1	96	96	96	96	96	96
SWAP 2	192	192	192	192	192	192
Monthly contract	288	288	288	288	288	288
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Others	50	50	50	50	50	50
<b>Total</b>	3557	3397	3582	3992	4667	4307
<b>Surp(+)/Def(-) (MW)</b>	<b>-294</b>	<b>-287</b>	<b>-252</b>	<b>-204</b>	<b>-133</b>	<b>-323</b>
Mar'24 (16-31)	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
<b>Demand (MW)</b>	3851	3684	3834	4196	4800	4630
<b>Availability</b>						
Hydro	450	200	220	600	1550	1200
CGS	1400	1400	1400	1400	1400	1400
LTA	571	571	571	571	571	571
DEEP	225	225	225	225	225	225
MTOA	260	260	260	260	260	260
SWAP 2	192	192	192	192	192	192
SWAP 3 (M/s Shubheksha Advisors Private Limited)	192	192	192	192	192	192
Monthly contract	288	288	288	288	288	288
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5

Others	50	50	50	50	50	50
<b>Total</b>	<b>3653</b>	<b>3493</b>	<b>3678</b>	<b>4088</b>	<b>4763</b>	<b>4403</b>
<b>Surp(+)/Def(-) (MW)</b>	<b>-198</b>	<b>-191</b>	<b>-156</b>	<b>-108</b>	<b>-37</b>	<b>-227</b>

<b>Apr'24 (1 to 15)</b>	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
<b>Demand (MW)</b>	<b>4531</b>	<b>4062</b>	<b>4119</b>	<b>4554</b>	<b>5371</b>	<b>5309</b>
<b>Availability</b>						
Hydro	600	400	300	750	1550	1300
CGS	1450	1450	1450	1450	1450	1450
LTA	571	571	571	571	571	571
DEEP	250	250	250	250	250	250
MTOA	260	260	260	260	260	260
STOA	200	200	200	200	200	200
SWAP	150	150	150	150	150	150
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Monthly Contract	250	250	250	250	250	250
Others	50	50	50	50	50	50
<b>Total</b>	<b>3806</b>	<b>3696</b>	<b>3761</b>	<b>4241</b>	<b>4766</b>	<b>4506</b>
<b>Surp(+)/Def(-)</b>	<b>-725</b>	<b>-366</b>	<b>-358</b>	<b>-313</b>	<b>-605</b>	<b>-803</b>

<b>Apr'24 (16 to 31)</b>	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
<b>Demand (MW)</b>	<b>4531</b>	<b>4062</b>	<b>4119</b>	<b>4554</b>	<b>5371</b>	<b>5309</b>
<b>Availability</b>						
Hydro	600	400	300	750	1550	1300
CGS	1450	1450	1450	1450	1450	1450
LTA	571	571	571	571	571	571
DEEP	250	250	250	250	250	250
MTOA	260	260	260	260	260	260
STOA	200	200	200	200	200	200
SWAP	0	0	0	0	0	0
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Monthly Contract	250	250	250	250	250	250
Others	50	50	50	50	50	50
<b>Total</b>	<b>3656</b>	<b>3546</b>	<b>3611</b>	<b>4091</b>	<b>4616</b>	<b>4356</b>
<b>Surp(+)/Def(-)</b>	<b>-875</b>	<b>-516</b>	<b>-508</b>	<b>-463</b>	<b>-755</b>	<b>-953</b>

<b>May'24</b>	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
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<b>Demand (MW)</b>	<b>4326</b>	<b>4054</b>	<b>4095</b>	<b>4451</b>	<b>5281</b>	<b>5175</b>
<b>Availability</b>						
Hydro	600	400	300	750	1550	1300
CGS	1315	1315	1315	1315	1315	1315
LTA	571	571	571	571	571	571
DEEP	250	250	250	250	250	250
MTOA	260	260	260	260	260	260
STOA	175	175	175	175	175	175
REMC	20	40	80	80	20	20
Wind+Solar	5	75	200	230	15	5
Monthly Contract	547	547	547	547	547	547
Others	50	50	50	50	50	50
<b>Total</b>	<b>3793</b>	<b>3683</b>	<b>3748</b>	<b>4228</b>	<b>4753</b>	<b>4493</b>
<b>Surp(+)/Def(-)</b>	<b>-533</b>	<b>-371</b>	<b>-347</b>	<b>-223</b>	<b>-528</b>	<b>-682</b>

