



## KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

CIN: U40100KL2011SGC027424

Website: www.kseb.in

Phone: : +91 471 2514366

Email: dce.cp@kseb.in

### ABSTRACT

Pilot Scheme II of MoP, GoI -Procurement of 270MW RTC power through PTC, the Aggregator appointed by MoP, on medium term basis from January to June for 3 years from 01-01-2022 – Deduction from Monthly bills of April 2022 & May 2022-Releasing the provisionally deducted amounts-Sanctioned- Orders issued.

### Corporate Office(Commercial & Tariff)

BO (FTD)No.254/2023(COM-AEE8/2023/71)

Thiruvananthapuram,Dated: 17.05.2023

- Read: 1. Pilot Scheme II PSA and Supplementary Agreement executed between KSEBL and PTC on 27-10-2021.
2. Letter No.JIT PL/PTC-Pilot-II/MTOA/AM/FY2021-22/172 dated 21.03.2022 intimating the annual overhauling of the unit.
3. Letter No.CE(C&T)/Pilot Scheme-II PTC/2022-23/9 dated 02.04.2022.
4. Note No. CE(C&T)/Pilot Scheme-II/2022-23/143 dated 07.05.2022 of the Chief Engineer(C&T) submitted to the Director(Finance) of KSEBL.
5. Letter No.JIT PL/PTC-Pilot-II/MTOA/AM/FY2021-22/63 dated 24.05.2022 intimating the forced outage of Unit #2.
6. BO(FTD)No.775/2022(No.CE(C&T)/DBFOO-BALCO/2022-23) Tvpm Dtd 16.09.2022.
7. Letter No.PTC/Comm/JIT PL-KSEB/686 dated 02.03.2023 request for releasing the deducted amount.
8. Letter No.CESO/EEMO/AEEMO/Pilot Scheme-II/2022-23/2936 dated 21.03.2023.
9. Email dated 24.03.2023 of PTC India Ltd.
10. Note No. CE(C&T)/ Pilot Scheme-II/2023-24/168 dated 06.05.2023 of the Deputy Chief Engineer (Commercial) submitted to the Full Time Directors (Agenda 29/5/23).

### ORDER

The Power Supply Agreement (PSA) under pilot scheme-II was entered between KSEBL and M/s.PTC India Limited on 27.10.2021, for the supply of 270 MW RTC power to KSEBL from the generator M/s. Jindal India Thermal Power Limited (JITPL), on medium term basis from January to June for 3 years from 01.01.2022. Accordingly the power flow to KSEBL started from 01.01.2022.

For the Pilot scheme-II, JITPL was procuring coal through Special forward e-auction window for power producers. On 26.02.2022, the Cabinet Committee of Economic Affairs has approved the change in the mechanism/ modalities for the procurement of non linkage coal, ie; offering of all the non-linkage coal by the coal companies through one e-auction window of Coal India Limited/Singareni Collieries Company Limited. Hence at present, the coal companies are mandated to offer non-linkage coal through one e-auction window of CIL/ SECL which will cater to all sectors including power sectors.

Based on this, on 02.04.2022, JITPL issued a force majeure notice to KSEBL citing that due to the change in mechanism/modalities for allocation of non-linkage coal through e-auction approved by the Cabinet Committee of Economic Affairs (CCEA), the cost for the procurement of e-auction coal will increase and may cause shortfall in availability of sufficient coal to supply the contracted capacity.

On 02.04.2022 & 12.04.2022 JITPL had requested the consent of State Load Dispatch Centre (SRLDC) for the downward revision of the 270 MW power for April & May 2022 under the Pilot Scheme-II. This downward revision had been requested by JITPL in connection with the Force Majeure notice issued to KSEBL on 02.04.2022 on account of the fuel shortage. Since the Pilot scheme-II is envisaged for lumpsum tariff and the source of fuel is not mentioned anywhere in the PSA, the supplier is eligible to use coal from any sources including linkages under SHAKTI policy or coal mine or any other source without restriction. Hence KSEBL as per the letter read as 3<sup>rd</sup>, had intimated the non-acceptance of the force majeure notice of JITPL dated 02.04.2022.

Though JITPL had issued the force majeure notice and requested for downward revision, considering the KSEBL's persistent request for the need of power during Summer 2022, JITPL had supplied power during April 2022 and May 2022 under the Pilot Scheme-II. But there was some shortfall in the availability during April 2022 and May 2022 due to the machine breakdown of the plant which was already communicated to the System Operation wing, Kalamassery and ERLDC.

During April 2022, JITPL had supplied 88.20 % of the contracted power ie; above normative availability of 85% and hence was eligible for incentive for 3.20 % as per clause 11.5.1 of the PSA.

For 9 No. of days of April 2022, the supply of power by JITPL was less than the contracted power of 270 MW. The total reduction in availability for April 2022 was 22.931 MU. The reason for the reduction of 22.931 MU from the 100% availability was forced outage due to high vibration in turbine shaft and Unit # I bottom Ash scrapper problem which had already been intimated by the generator to System Operation Wing, Kalamassery and ERLDC.

Due to the non-availability of 95 MW RTC power from the generator BALCO and due to high summer demand, the power deficit during April 2022 was very high and to accommodate this power crisis KSEBL had purchased power from the power market. Based on the cost of additional purchase, an amount of Rs.5,04,31,000/- was assessed as the cost for procuring 6.6745 MU for the 9 days in April 2022 during which the supply of power was less than the contracted power of 270 MW (shortfall of schedule from 100% availability). Hence this amount was provisionally deducted from the monthly bill of April 2022, based on the direction of the Director (Finance) in the note read as 4<sup>th</sup> above that the amount shall be withheld conditionally on the ground that the loss assessed is provisional and will be firmed up later.

From 16.05.2022 to 31.05.2022 the supply of power by JITPL was less than the contracted power of 270 MW. Total reduction in availability from 16.05.2022 to 31.05.2022 is 49.7307 MU. The reason for the reduction of 49.7307 MU from the 100% availability was forced outage due to high vibration of turbine and the complete damage of the turbine shaft. The communication regarding the same had already been communicated by the generator to System Operation wing, Kalamassery as per the letters read as 2<sup>nd</sup> & 5<sup>th</sup>. It was also informed that the expected probable time of revival of the said unit was 20.07.2022.

During May 2022, the availability was 75.24% of the contracted power. Since the availability was less by 9.76% than the normative availability of 85%, damages corresponding to 9.76% had been levied from PTC India as per the clause 11.5.2 of the PSA.

In order to meet the power deficit during May 2022 due to the non-scheduling of

power from BALCO and due to the forced outage of power under Pilot scheme-II from 16.05.2022 to 31.05.2022, KSEBL had purchased 1.55875 MU from the power exchange market from 16.05.2022 to 31.05.2022, for Rs.37,23,576/- and hence in line with the direction of the Director (Finance) in the note mentioned above, this amount had been provisionally deducted from the monthly bill of PTC India Ltd for May 2022.

As per the BO read as 6<sup>th</sup> above, debit note for Rs.38,39,11,531/- was issued to BALCO for the payment of compensation charges for the consequential losses incurred by KSEBL due to the non-scheduling of power from BALCO during April, May & June 2022. Since BALCO had not submitted any documents as proof for emergency shutdown of the power station, this amount is being adjusted from the monthly bills of BALCO from January 2023 onwards.

M/s.PTC India Ltd as per the letter read as 7<sup>th</sup> had requested for the release of the provisionally withheld amounts from the monthly energy bill of April and May 2022, for which the Chief Engineer (Trans-SO) as per the letter read as 8<sup>th</sup> had intimated that the provisionally deducted amount from the monthly bill of April 2022 and May 2022 may be released after ensuring the confirmed supply of power from JITPL for the month of April 2023 and May 2023.

The PTC India Ltd as per the email read as 9<sup>th</sup> above had ensured the full availability of the power supply from the generator JITPL during April 2023 to June 2023, for the supply of power under Pilot Scheme-II.

Accordingly, the Deputy Chief Engineer (Commercial) as per note read as 10<sup>th</sup> above placed the matter before the Full Time Directors for decision.

Having considered the matter in detail, the Full Time Directors in its meeting held on 11.05.2023 resolved to accord sanction to release Rs.5,04,31,000/- and Rs.37,23,576/- provisionally deducted from the monthly bills of M/s. PTC India Ltd for April 2022 and May 2022 respectively, for the short fall in the availability of power under Pilot Scheme-II.

Orders are issued accordingly.

**By Order of the  
Full Time Directors**

*Sd/-*

**LEKHA G  
Company Secretary**

To:

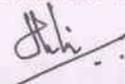
The Chief Engineer(Commercial & Tariff)

Copy to: The Financial Advisor/ Chief Internal Auditor/ Company Secretary/ Chief  
Engineer (IT)

The TA to Chairman & MD/Director(GC)/ Director (Trans., SO, P,S &GE)/Director  
(D,IT ,SCM,REES &Soura)

The PA to Director (Finance &HRM)  
The CA to Secretary (Administration)/ RCAO/ RAO  
Stock File.

Forwarded / By Order



Assistant Executive Engineer

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