

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

**Present : Shri T K Jose, Chairman
Shri B Pradeep, Member**

OP No 38/2026

In the matter of : Petition seeking post facto approval under Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021 for entering into agreements for banking arrangements with (1) M/s Madhya Pradesh Power Management Company Ltd (MPPMCL), (2) M/s Punjab State Power Corporation Ltd. (PSPCL), (3) M/s Uttar Pradesh Power Corporation Limited (UPPCL), (4) M/s Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL), (5) M/s Chhattisgarh State Power Distribution Co.LTD (CSPDCL) and (6) M/s Manikaran Power Limited (MPL) for the period 01st July 2025 to 31st May 2026.

Petitioner : Kerala State Electricity Board Ltd

Respondent : 1) M/s Madhya Pradesh Power Management Company Ltd. (MPPMCL)
2) M/s Punjab State Power Corporation Ltd. (PSPCL)
3) M/s Uttar Pradesh Power Corporation Limited (UPPCL)
4) M/s Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL)
5) M/s Chhattisgarh State Power Distribution Co.LTD (CSPDCL)
6) M/s Manikaran Power Limited (MPL)

Order dated 18.08.2026

1. Kerala State Electricity Board Ltd (hereinafter referred as KSEBL or petitioner) on 13.01.2026 filed a petition before the Commission with the prayers to grant post facto approval for the banking transactions during the period from 1st July 2025 to 31st May 2026, with details as follows.
 - (1) Even after accounting short term power purchase through DEEP portal, in addition to the long term contracts and internal generation, KSEBL expected to have power shortages during peak hours from July 2025 onwards of the financial year 2025-26.
 - (2) In order to manage the deficit and for optimising the cost of power purchase, KSEBL has decided to enter into banking/ swap arrangements with traders/ utilities.

The strategy also accounts for potential surplus conditions due to the must-run status of hydel plants and the need to maintain reservoir

levels during the Moolamattom Powerhouse shutdown scheduled for November 2025.

2. The details of the banking arrangements entered into between KSEBL during the period between July 2025 to May 2026 is given below.

(a) **Banking Arrangement with M/s Andhra Pradesh Central Power Distribution Co. Ltd. (APCPDCL)through OTC Platform NAME**

- KSEBL participated in a listing conducted by M/s Andhra Pradesh Central Power Distribution Corporation Ltd. (APCPDCL) through the NAME OTC Platform to meet the deficit during the peak hours of July 2025. The details are given below.

Table-1

Particulars	Supply from APDISCOMs/APCPDCL- KSEBL	Return from KSEBL – APDISCOMs/APCPDCL Through NAME
	Through NAME	
Supply Period	1 st to 31 st July 2025	1 st to 31 st October 2025
Quantum	300 MW	104% of Banked energy
Duration	17:00 to 21:00 Hrs	17:00 to 21:00 Hrs
Success fee to OTC provider NAME for import Units		1.5 Paisa /Unit+18%GST

Note. The delivery point in either case, shall be the Regional Periphery of the exporting utility.

- KSEBL submitted that, under this transactions, M/s APCPDCL has supplied 37.20MU in the month of July 2025 during peak hours from 17:00hrs to 21:00 hrs. As against the supply of peak hours during July 2025, KSEBL has returned 38.688MU during peak hours (17:00 hrs to 21:00 hrs) from 1st to 31st October 2025.

(b) **Banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL).**

- Inorder to mitigate the surplus RTC power available in the month of July 2025, KSEBL has decided to bank the surplus power of 100MW from 8th July 2025 to 31st July 2025 with M/s Chhattisgarh State Power Corporation Ltd (CSPDCL), with the condition to return the power on RTC basis from 11th November-2025 to 4th December 2025.
- Details of the banking transaction is given below.

Table-2

Particulars	Supply from KSEBL- CSPDCL through GNA	Return from CSPDCL – KSEBL through GNA
Supply Period	8 th to 31 st July 2025	11 th November to 04 th December 2025
Quantum	100 MW	105% of Banked energy
Duration	RTC(Round the Clock)	RTC(Round the Clock)
Success fee to OTC provider for import Units		1.5 Paisa /Unit+18%GST

Note

The delivery point is the regional periphery of exporting utility for both the supply and return period.

The importing utility shall bear the transmission charges for the drawal of power.

KSEBL has supplied 57.60MU from 8th to 31st July 2025 on RTC basis, and M/s CSPDCL has returned 60.48MU from 11th November 2025 to 4th December 2025 on RTC basis.

(c) Banking Arrangement with M/s Punjab State Power Corporation Limited (PSPCL)

- As part of the strategy to mitigate the surplus RTC power available in the month of July 2025 due to the better rainfall received, KSEBL has entered to banking arrangements with M/s Punjab State Power Corporation Ltd (PSPCL). The details are given below.

Table-3

Particulars	Supply from KSEBL- PSPCL	Return from PSPCL – KSEBL
Supply Period	1 st to 31 st July 2025	11 th November to 10 th December 2025
Quantum	100 MW	105% of Banked energy
Duration	RTC (Round the Clock)	RTC(Round the Clock)

The delivery point is the CTU interconnection point of exporting utility for both the supply and return period.

KSEBL had supplied 74.40MU to M/s PSPCL under this arrangement in the month of July 2025. M/s PSPCL had returned 78.12.MU to KSEBL from 11th November 2025 to 10th December 2025.

(d) Banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL)

- Further, to manage the surplus power available with KSEBL, banking arrangements were entered into with M/s Chhattisgarh State Power Distribution Co. Ltd (CSPDCL) for the supply of 200MW RTC power from 1st July 2025 to 31st July 2025, with the

condition to return the power to KSEBL from 11th November 2025 to 10th December 2025.

Details are given below.

Table-4

Particulars	Supply from KSEBL- CSPDCL	Return from CSPDCL – KSEBL
Supply Period	1 st to 31 st July 2025	11 th November to 10 th December 2025
Quantum	200 MW	105% of Banked energy
Duration	RTC(Round the Clock)	RTC(Round the Clock)
Trading Margin		1.5 Paisa /Unit+18 GST

Note

The delivery point is the regional periphery of the exporting utility for both the supply and return period.

The importing utility shall bear the transmission charges for the drawl of power

Under this arrangement, KSEBL had supplied 148.80 MU from 1st to 31st July 2025. M/s CSPDCL had returned total quantum of 156.24MU to KSEBL from 11th November 2025 to 10th December 2025.

(e) Banking Arrangement with M/s Manikaran Power Limited (MPL)

- KSEBL had entered into banking arrangements through the trader M/s Manikaran Power Ltd (MPL) on behalf of M/s Chhattisgarh State Power Distribution Co. Ltd (CSPDCL) for banking of power up to 300 MW during 00:00 to 08:00hrs, and 02:00 hrs to 08:00 hrs, with the condition to return the power from 1st November 2025 to 31st January 2026 during peak hours from 18:00 hrs to 24:00 hrs.

Details are given below.

Table-5

Supply from KSEBL- CSPDCL			Return from CSPDCL – KSEBL		
Supply Period	Duration	Quantum	Return period	Return duration of 103% of Banked energy	Trading Margin
1 st July 2025 to 31 st Aug 2025	00:00 to 08:00	100 MW	1 st November 2025 to 31 st January 2026	18:00 to 24:00 Hrs	1.5 paise/unit +GST
1 st July 2025 to 31 st Aug 2025	02:00 to 08:00	200 MW			1.5 paise/unit +GST

Delivery point in either case shall be Regional Periphery of Exporting utility.

KSEBL had supplied 86.90MU to CSPDCL through the trader MPL and M/s CSPDCL had returned 89.404 MU under this transaction.

3. Further, as part of the strategies to meet the summer demand of the year 2025-26, KSEBL had entered into bilateral banking arrangement with M/s Madhya Pradesh Power Management Company Ltd. (MPPMCL), M/s Punjab State Power Corporation Ltd. (PSPCL), and M/s Uttar Pradesh Power Corporation Limited (UPPCL) through NAME & GNA plat forms). Details are given below.

(a) **Banking Arrangement with M/s Madhya Pradesh Power Management Company Ltd. (MPPMCL)through OTC Platform NAME**

Details are given below.

Table-6

Supply from MPPMCL-NAME-KSEBL				Return from KSEBL -NAME-MPPMCL		
Supply Period	Duration (Hrs)	Quantum (MW)	Basis	Return Period	Return 105% of banked energy (Hrs)	Success fee to OTC provider for import units
4th to 10 th August 2025	0 to 5 hrs	Up to 300	As and when available/ required basis	25th Dec-25 to 28th Feb-26	06:30 to 10:30pm	1.5 paise/ unit + 18% GST
4th to 31st August 2025	19 to 24 hrs	Up to 300				
1st to 30th September 2025	19 to 24 hrs	Up to 300	Firm			

The delivery point in either case shall be at Regional Periphery. All T GNA transmission charges, if any shall be paid by importing utility.

Under this transaction, M/s MPPMCL had supplied 76.55 MU and KSEBL had returned 80.3775 MU from 25th December 2025 to 28th February 2026.

(b) **Banking Arrangement with M/s Punjab State Power Corporation Ltd (PSPCL).**

- To meet the anticipated power deficit during the summer months from March 2026 to May 2026, KSEBL had entered into banking arrangement with M/s **M/s Punjab State Power Corporation Ltd. (PSPCL)**. Details are given below.

Table-7

Supply from PSPCL-NAME-KSEBL				Return from KSEBL-NAME-PSPCL		
Supply Period	Duration (Hrs)	Quantum (MW)	Basis	Return Period	Duration	Return %
1 st March 2026 to 20 th April 2026	RTC	Up to 200	Firm	16 th June 2026 to 31 st August 2026	RTC	105
21 st April 2026 to 30 th April 2026	RTC	Up to 200	As & when available/ required basis			
The delivery point is the CTU interconnection point of exporting utility for both the supply and return period						

Under this transaction, PSPCL had supplied 292.80MU. KSEBL had to returned the power from 16th June 2026 to 31st August 2026, and the transaction is yet to be completed.

(c) Banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through OTC Platform NAME

As part of the strategy to meet the peak demand during March-2026 and April 2026, KSEBL had entered into banking transaction with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through OTC Platform NAME. Details are given below.

Table- 8

Supply from UPPCL-NAME-KSEBL			Return from KSEBL-NAME-UPPCL		
Supply Period	Duration (Hrs)	Quantum (MW)	Return Period	Return 100% of Banked Energy	Success fee to OTC Provider NAME for import Units
1 st March 2026 to 15 th April 2026	00:00 to 03:00 hrs	200	16 th June 2026 to 30 th September 2026	00:00 to 03:00 hrs	1.5 Paisa/Unit+18% GST
	19.00 to 24:00 hrs	200		19:00 to 24:00hrs	

Note

The delivery point is the Regional periphery of the Exporting utility for both the supply and return period.

The importing utility shall bear the Transmission charges for the drawal of power.

Under this transaction, M/s UPPCL had supplied 73.6 MU. KSEBL has to return the power from 16th June 2026 to 30th September 2026, which is under progress.

(d) Banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through GNA Energy OTC Platform

KSEBL had entered into banking transaction with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through GNA Energy OTC Platform

for meeting the power deficit in the months of March and April-2026. Details of the transactions is given below.

Table-9

Supply from UPPCL-GNA-KSEBL			Return from KSEBL- HNA-UPPCL		
Supply Period	Duration (Hrs)	Quantum (MW)	Return Period	Return 100% of Banked Energy	Success fee to OTC Provider GNA for import Units
1 st March 2026 to 31 st March 2026	00:00 to 03:00hrs	200	16 th June 2026 to 30 th September 2026	00:00 to 03:00hrs	1.5 Paisa/Unit+18%GST
	19:00 to 24:00 hrs	200		19:00 to 24:00 hrs	
1 st April 2026 to 15 th April 2026	00:00 to 03:00 hrs	200		00:00 to 03:00 hrs	
	19:00 to 24:00 hrs	200		19:00 to 24:00 hrs	

Note

The delivery point is the Regional periphery of the Exporting utility for both the supply and return period.

The importing utility shall bear the Transmission charges for the drawal of power.

M/s UPPCL had supplied 73.6MU under this transaction. KSEBL has to return the same from 16th June 2026 to 30th September 2026.

Analysis and Decision of the Commission:

4. Commission having examined in detail the petition filed by KSEBL for the approval and ratification of the banking transactions during the period from July 2025 to May-2026, the provisions of the Electricity Act,2003 and KSERC (Terms and conditions for Determination of Tariff) Regulations, 2021 (Tariff Regulation 2021), and other Rules and Regulations in force, decides the matter as follows:
5. Commission noted that, out of the nine banking transactions, the following banking transactions are as part of the strategy to mitigate the surplus power available with KSEBL during the July 2025 and August 2026 and to return the same during power deficit period.
 - (1) Banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL) (details are given as paragraph 2(b) of this Order).
 - (2) Banking Arrangement with M/s Punjab State Power Corporation Limited (PSPCL) (details are given as paragraph 2(c) of this Order).

- (3) Banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL) (details are given as paragraph 2(d) of this Order)
- (4) Banking Arrangement with M/s Manikaran Power Limited (MPL) (details are given as paragraph 2(e) of this Order).

Under these transactions, KSEBL could bank 367.70MU of surplus energy in the months of July 2025 and August 2025. In return, KSEBL had received 384.244 MU during the period between November 2025 to February 2026.

6. Further, the banking transaction detailed under paragraph 2(a) of this Order with the M/s Andhra Pradesh Central Power Distribution Co. Ltd. (APCPDCL) through OTC Platform NAME, for meeting the peak power shortage in the month of July 2025. APCPDCL had supplied 37.20 MU to KSEBL in the month of July 2025 and KSEBL had returned 38.688MU in the month of October 2025.
7. Further, KSEBL had entered into following banking transactions as part of its strategy to meet the anticipated power shortage from August 2025 to April 2026.

- (1) Banking Arrangement with M/s Madhya Pradesh Power Management Company Ltd. (MPPMCL) through OTC Platform NAME. This transaction is to get upto 300MW during peak hours and night off-peak hours from 4th August 2025 to 30th September 2025.

M/s MPPMCL had supplied 76.55MU under this transaction, and KSEBL had returned 80.3775 MU from 25th December 2025 to 28th February 2026.

Details are given as paragraph 3(a) of this Order.

- (2) **Banking Arrangement with M/s Punjab State Power Corporation Ltd (PSPCL).** Under this arrangement PSPCL had supplied 292.80 MU to KSEBL from 1st March 2026 to 30th April 2026. KSEBL has to return the power from 16th June 2026 to 31st August 2026. The return transaction is yet to be completed. Details are given under paragraph 3(b) of this Order.
- (3) **Banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through OTC Platform NAME.** Under this transaction, M/s UPPCL had supplied 73.60MU from 1st March 2026 to 15th April 2026. KSEBL has to return the same from 16th June 2026 to 30th September 2026. Details are given as paragraph 3(c) of this Order.
- (4) **Banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through GNA Energy OTC Platform.**

Under this transaction also, M/s UPPCL had supplied 73.60MU to KSEBL from 1st March 2026 to 15th April 2026. KSEBL has to return the power from 16th June 2026 to 30th September 2026.

8. KSEBL had filed the instant petition for the approval of the above banking transactions. Commission has examined the prayer of the KSEBL, with the provisions of the Electricity Act, 2003 and Tariff Regulations, 2021 for the approval of the power purchase through banking transactions. Relevant provisions of the Electricity Act, 2003 and Tariff Regulations, 2021 is extracted below.

- (1) As per the Section 86(1)(b) of Electricity Act, 2003, approval of the Commission is mandatory for purchase of power by the distribution licensee from generating companies or licensees or from other sources through agreement. The relevant portion of the Electricity Act, 2003 is extracted below:

“Section 86. (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -

.....

- (b) *regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;”*

- (2) The Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (hereinafter referred as Tariff Regulations, 2021) provide as follows;

“78. Short-term power procurement. –

- (1) *The distribution business/ licensee may, if it considers necessary undertake additional short-term power procurement to overcome any short-term deficiency in power requirement during the financial year, as per the short term power procurement plan approved by the Commission, in accordance with this Regulation.*

.....

- (3) *The distribution business/ licensee may enter into a short-term power procurement agreement or arrangement under the following circumstances subject to the ceiling tariff approved by the Commission for this purpose: -*

.....

(vi) Procurement by way of exchange of energy under ‘banking’ transactions:

.....

- (5) *As far as practicable, approval for all power purchases must be sought in advance. Where it is not practicable due to any contingency situation, the distribution licensee shall within fifteen days from the date of entering into an*

agreement or arrangement for short-term power procurement shall file a petition for approval of the Commission by filing full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection, circumstances necessitating such a purchase and such other details as the Commission may require to assess that the conditions specified in this Regulation have been complied with:

.....

As per the Regulation 78(3)(vi) of the Tariff Regulations, 2021, distribution licensees are permitted to procure power through banking transactions. Further as per the Regulation 78(5) of the Tariff Regulation 2021, during contingency situation, the distribution licensees are allowed a period upto fifteen days from the date of entering into an agreement to file petition for approval of such contracts with all supporting details.

9. Commission has examined the banking transaction as detailed in paragraph 2, 3, 5, 6 and 7 of this Order. Considering the facts and circumstances of the banking transactions as discussed in the preceding paragraph as above, Commission has decided to grant approval and ratifications of these banking transaction, as per the provisions of the EA-2003 and Tariff Regulations, 2021.

Order of the Commission

10. Commission after examining the petition filed by KSEBL dated 13.01.2026 for the approval and ratification of the banking arrangements entered into with the provisions of the Electricity Act, 2003, KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, and other relevant Rules and Regulations in force, hereby Orders the following;
 - (1) To approve and ratify the banking arrangement made by KSEBL with M/s Andhra Pradesh Central Power Distribution Co. Ltd. (APCPDCL) through OTC Platform NAME, as detailed in paragraph 2(a) of this Order.
 - (2) To approve and ratify the banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL) as detailed in paragraph 2(b) of this Order.
 - (3) To approve and ratify the banking Arrangement with M/s Punjab State Power Corporation Limited (PSPCL), as detailed in paragraph 2(c) of this Order.
 - (4) To approve and ratify the banking Arrangement with M/s Chhattisgarh State Power Corporation Ltd. (CSPDCL), as detailed in paragraph 2(d) of this Order.
 - (5) To approve and ratify the banking Arrangement with M/s Manikaran Power Limited (MPL) on behalf of M/s Chattisgarh State Power

Distribution Co. Ltd (CSPDCL), as detailed in paragraph 2(e) of this Order.

- (6) To approve and ratify the banking Arrangement with M/s Madhya Pradesh Power Management Company Ltd. (MPPMCL) through OTC Platform NAME, as detailed in paragraph 3(a) of this Order.
- (7) To approve and ratify the banking Arrangement with M/s Punjab State Power Corporation Ltd (PSPCL), as detailed in paragraph 3(b) of this Order.
- (8) To approve and ratify the banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through OTC Platform NAME, as detailed in paragraph 3(c) of this Order.
- (9) To approve and ratify the banking Arrangement with M/s Uttar Pradesh Power Corporation Limited (UPPCL) through GNA Energy OTC Platform, as detailed in paragraph 3(d) of this Order.

The petition is disposed of. Ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
Rajendran K. V
Secretary