

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : Shri T K Jose, Chairman
Adv. A.J Wilson, Member
Shri B Pradeep, Member

OP No: 40/2025

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 short term power procurement with TATA Power Trading Company Limited and Greenko Energies Private Limited for the procurement for power for the peak hours of August 2025 through DEEP portal for meeting energy shortage.

Petitioner : Kerala State Electricity Board Ltd

KSEBL represented by : Shri. Rajan M.P, Chief Engineer (Commercial & Tariff)
Smt. Latha S.V, Executive Engineer
Shri. Shine Raj, Asst. Executive Engineer

Respondents : 1. M/s TATA Power Trading Company Ltd
2. M/s Greenko Energies Private Limited

Date of hearing : 30.07.2025

Venue : Court Hall of the Commission (Hybrid mode)

Order dated 31.07.2025

1. Kerala State Electricity Board Limited (KSEBL) filed a petition on 29.07.2024, before the Commission for seeking approval for entering into short term power procurement with M/s TATA Power Trading Company Limited and M/s Greenko Energies Private Limited for the peak power procurement in the month August 2025 through DEEP portal.
2. Summary of the petition filed by KSEBL is given below.
 - (1) At present, KSEBL has been meeting the power requirement of the State from different sources including the following;
 - Internal hydro generation (average availability of 1500–1600 MW),
 - Allocation from Central Generating Stations (average availability- 1200–1400 MW),
 - long-term contract (550–600 MW), and;
 - power procured under short-term mechanisms such as SWAP, DEEP portal tenders, and Power Exchanges.

- (2) On analyzing the load generation balance, KSEBL is expected to have a power deficit of upto 681 MW in the month of August 2025.
- (3) KSEBL has decided to float a separate short-term tender exclusively for procurement of 300 MW power during the evening peak hours to meet a part of the anticipated power shortages through DEEP portal. The tender was floated on 30.06.2025 in line with the standard bidding guidelines.
- (4) The timeline for various stages, such as publication of the RfP, submission of bids, clarification, and conduct of e-Reverse Auction are detailed below.

Sl No	Event	Date
1	Publication of RfP/Activation of Event	30.06.2025
2	Last date for submission of queries if any	04.07.2025
3	Reply of queries	06.07.2025
4	Submission of RfP (on line digitally signed non financial technical Bid and IPOs)	10.07.2025 02.00 pm
5	Opening of non financial technical Bids	10.07.2025 03.00 pm
6	Clarification, if any, sought from Bidder(s)	11.07.2025
7	Evaluation of nonfinancial technical Bids	14.07.2025
8	Opening of IPOs (upto 1300 hrs)	16.07.2025 11.00 am to 01.00pm
9	Start of e-RA	16.07.2025 01.00 pm to 03.00pm

- (5) The technical bids were opened on 10.07.2025 at 03:00pm. Four bidders participated in the bids. All the bidders have accepted the terms and conditions of the RfP dated 30.06.2025 floated by KSEBL. The technical bids submitted were in line with terms and conditions of the RfP floated by KSEBL and hence all the bids were accepted and qualified for e-Reverse Auction.
- (6) The Initial Price Offers submitted by the bidders were opened on 16.07.2025 at 11:00am, followed by e-Reverse Auction (e-RA) at 1:00pm. The e-RA concluded at 15.10 pm. On completion of the bid process, the rates discovered through DEEP portal through bucket filling is given below.

Month	Quantum tendered & Period	Bidder Name	Qty (MW)	Rate (Rs/ kWh)	Source
01.08.2025 to 31.08.2025	300 MW (19.00 to 24.00Hrs)	Tata Power Trading Company Limited	34	8.75	Prayagraj Power Generation Company Limited (PPGCL)
		Greenko Energies Private Limited	266	9.25	Greenko AP01 IREP Private Limited, Kurnool District, Andhra Pradesh

- (7) The Standing Committee of KSEBL constituted to evaluate all short-term power procurements through the DEEP portal, examined the bids and made the following observations:

- (a) The level of participation in the present tender was below expectations compared to previous tenders.
- (b) The discovered rates, especially for the majority quantum, were on the higher side.
- (c) A review of Indian Energy Exchange (IEX) prices during peak hours in August over the last four years revealed a steady increase in weighted average price, indicating sustained market stress:

Year	Avg IEX Price (₹/unit)
2021–22	7.927
2022–23	8.704
2023–24	9.395
2024–25	8.342

- (d) The projected peak-hour deficit of around 600 MW in August 2025, may worsen due to the scheduled refuelling outage of the Kudankulam Nuclear Power Plant (65 days from August 2025).
- (e) Power purchase through exchanges is unreliable and very low volumes are getting cleared during peak hours.
- (f) Due to heavy rainfall in the North Eastern region, many generating stations advanced their annual maintenance as per MoP directives, severely affecting peak-hour availability and pushing market clearing prices to around Rs.10/unit, except on Sundays.
- (g) The refuelling of Kudankulam Nuclear Power Plant may also results in increase of electricity demand from neighbouring states like Tamil Nadu, who may enter the market, leading to further price spikes and constrained availability.
- (h) In the absence of assured power tie-ups, KSEB Ltd may be forced to overdraw from the grid, attracting high DSM penalties and affecting grid discipline.
- (i) Although the rates discovered in the current tender are comparatively high, they are lower than rates discovered by other utilities for the same period:
 - UPCL: Rs. 9.75/unit
 - WBSEDCL: Rs. 9.69/unit
 - BSPHCL: Rs. 9.90/unit
 - BSES: Rs. 9.95/unit
- (j) Based on the above, the Standing Committee recommended procurement of:

- 34 MW @ Rs. 8.75/unit from M/s Tata Power Trading Company Limited, and
 - 266 MW @ Rs. 9.25/unit from M/s Greenko Energies Private Limited.
- (8) Subsequently, KSEBL requested to the L2 bidder, M/s Greenko Energies Private Limited to reduce the offered price, which is comparatively high with respect to both the L1 rate (Rs. 8.75/unit) and the market clearing price during the corresponding period of the previous year. In response, M/s Greenko Energies Private Limited agreed to reduce the rate from Rs.9.25/unit to Rs. 9.18/unit. Based on this KSEBL has decided to enter into power purchase agreement with the above said bidders for meeting the peak power deficit in the month of August 2025.
- (9) The details of the final offers for procurement, along with bidder names, quantum, price, and source, are submitted below;

Month	Quantum tendered & Period	Bidder Name	Qty (MW)	Rate (Rs/ kWh)	Source
01.08.2025 to 31.08.2025	300 MW (19.00 to 24.00Hrs)	Tata Power Trading Company Limited	34	8.75	Prayagraj Power Generation Company Limited (PPGCL)
		Greenko Energies Private Limited	266	9.18	Greenko AP01 IREP Private Limited, Kurnool District, Andhra Pradesh

3. The Commission admitted the petition as OP No. 40/2025. Hearing on the petition was conducted at the Court Hall of the Commission on 30.07.2025. Shri. M. P. Rajan, Chief Engineer, Smt. Latha S.V, Executive Engineer and Shri Shine Raj, Assistant Executive Engineer presented the matter on behalf of the petitioner. The respondent traders also participated in the hearing through online mode.

The summary of the deliberations during the hearing is given below.

- (1) KSEBL submitted that, as per the LGB, KSEBL expect to have a shortage of upto 600MW during the month of August 2025. Aggravating the situation further, the Kudamkulam Nuclear Power plant will be under total shutdown for 65 days from August 2025 onwards for refueling of the plant. Further, KSEBL has to return the swap purchase during the last summer months from February-2025 to April-2025. The rate of power from the exchanges also excessively high. In the absence of assured power tie-ups, KSEBL may be forced to overdraw from the grid, which may attract DSM penalties and affecting grid disciplines.

To bridge a part of the anticipated power shortage during peak hours, KSEBL has decided to invite bid through DEEP portal for the purchase of upto 300 MW during peak hours 19:00hrs to 24:00 hrs of August 2025.

KSEBL has floated the bid through DEEP portal on 30.06.2025 for the procurement of 300MW power from 19:00hrs to 24:00 hrs. Four bidders participated in the bid and all of them were technically qualified. e-Reverse auction held on 16.07.2025, and concluded with bucket filling.

The bucket filling process identified M/s Tata Power Trading Company Ltd (34MW) @Rs 8.75/unit and M/s Greenko Energies Private Ltd (266MW) @ 9.25/unit as selected bidders.

Since the rate quoted by the L2 bidder M/s Greenko Energies Private Limited is very high, KSEBL has requested to the bidder to match with L1 tariff. However, L2 bidder has offered to reduce the rate from Rs 9.25/unit to Rs 9.18/unit. Considering the urgency of the power requirement for August 2025, KSEBL has decided to accept the revised offer of the L2 bidder M/s Greenko Energies Private Limited.

The final proposal for peak power purchase for the month of August 2025 is as follows.

- (i) 34 MW from M/s Tata Power Trading Private Limited @Rs 8.75/unit for the duration of 19:00 hrs to 24:00 hrs.
- (ii) 266 MW from M/s Greenko Energies Private Limited @Rs 9.18/unit for the duration of 19:00 hrs to 24:00 hrs.

KSEBL further submitted that, the rate determined through the bidding process for peak purchase for the month of August-2025 is comparable with the peak power purchase rates determined in the similar bidding process done by other power utilities for the month of August-2025, which includes the bidding done by M/s UPCL @Rs 9.75/unit, M/s WBSEDCL @ Rs 9.69/unit, M/s BSPHCL @ Rs 9.90/unit and M/s BSES @Rs 9.95/unit.

- (2) The representatives of the traders submitted that, the tendering was done through DEEEP portal, which is a transparent platform discovering the short-term power purchase rates. The rates offered are the best rates they could offer. Hence the respondent traders requested for the approval of the rates offered by them for the month of August-2025.
- (3) The Commission has observed the following during the hearing;
 - (i) The peak demand met during the month of July 2025 so far is only 4161MW, and also noted that the peak demand crossed 4000MW only for a few days in July 2025. However, the peak demand anticipated for the month of August 2025 is 4479 MW, i.e., about 300MW higher than the peak demand met in the month of July 2025.

Since the monsoon is active in the State, the Commission has raised concern on expecting the peak demand of 4479MW during all the days of August 2025 and making high cost power purchase accordingly.

- (ii) Commission also noted that, the hydel availability considered in the LGB is less upto 150MW than the normal availability during peak hours in the month of July 2025. Similarly the power availability from CGS also less by about 100MW from the normal availability.
- (iii) Commission noted that, in the previous bid floated by KSEBL on 29.05.2025 for the short-term power purchase from July-2025 to May-2026, the licensee has not considered for the peak power purchase for the month of August-2025.
- (4) In response to the queries raised by the Commission, KSEBL submitted the following;

There is uncertainty in the weather conditions in the month of August-2025. On sunny days, the peak demand in the State is being increased by upto 400MW compared to rainy days.

In the previous bid, KSEBL has proposed RTC purchase of 400MW in August-2025, considering the total shutdown of Idukki Power Plant (780MW) for the maintenance works at its inlet valve. However, considering the better reservoir level and to avoid spillage of water, the maintenance works is postponed to the months of November-December 2025. Electricity is proposed to generate from Idukki plant continuously throughout the day in the month of August-2025. However, there is peak shortage anticipated in the month of August-2025.

Analysis and Decision

- 4. The Commission having examined in detail the petition filed by KSEB Ltd for the approval for entering into short-term power procurement arrangement with successful bidders as per the terms and conditions of the tender floated by KSEB Ltd on 30.06.2025 through DEEP portal for meeting the peak demand shortage in the month of August 2025 as per the provisions of the Electricity Act, 2003 and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 and decided as follows.
- 5. As per the Section 86(1)(b) of the Electricity At, 2003 (Central Act 36 of 2003), regulating power purchase and procurement process of distribution licensees including the price at which electricity shall be procured through agreements and supply within the State, is one of the statutory functions of the State Electricity Regulatory Commissions. The relevant Section of the Electricity Act, 2003 is extracted below.

“86 Functions of the 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;”.

6. The Commission, in exercise of the powers conferred on it under Section 61 read with Section 181 of the Electricity Act, 2003 notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (herein after referred as Tariff Regulations 2021). The Regulation 78 of the Tariff Regulations 2021, deals with ‘Short-term power procurement’. The relevant Regulation is extracted below.

“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.

(2) Where there has been an anticipated shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the distribution business/ licensee may enter into an agreement for additional short-term procurement of power: Provided that, if the total power purchase cost for any quarter including such shortterm power procurement exceeds by five percent the power purchase cost approved by the Commission for the respective quarter, the distribution business/ licensee shall have to obtain approval of the Commission by filing a petition.

(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: -

- (i) where the distribution business/ licensee is able to source new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost;*
- (ii) when faced with emergency conditions that threaten the stability of the distribution system or when formally directed to do so by the State Load Despatch Centre to prevent grid failure;*
- (iii) where the tariff for power procured under such agreement or arrangement is in accordance with the guidelines for short-term procurement of power by distribution licensees through tariff-based bidding process issued by the Central Government;*
- (iv) when there is a contingency situation and power purchase price is within the ceiling price as prescribed by the Commission in the distribution licensee’s ARR&ERC;*
- (v) procurement of short-term power through power-exchange; and*
- (vi) Procurement by way of exchange of energy under ‘banking’ transactions: Provided that prior approval of the Commission and the ceiling rate; shall not be applicable to the short term purchases under clause (ii). Provided further that prior approval of the Commission is not required for short term purchases under clause (v) above, so long as the average rate is within the ceiling rate.*

(4) The Commission may stipulate the ceiling quantum and ceiling rate for purchase of power from short-term sources.

(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:

Provided that where the Commission has reasonable grounds to believe that the agreement or arrangement entered into by the distribution business/ licensee does not meet the criteria specified in this Regulation, the Commission may disallow all such transactions from the annual revenue requirements, the net increase in the cost of power on account of such procurement apart from any other action that the Commission may initiate as per law against the distribution licensee.”

7. The Ministry of Power, Government of India, under the provisions of Section 63 of the Electricity Act, 2003, notified the ‘*Guidelines for short-term (i.e. for a period of more than one day to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process*’ vide the notification dated 30.03.2016.
8. The present petition was filed by KSEBL for seeking approval of the short-term peak power purchase of 300MW from 19:00 hrs to 24:00 hours for the period from 1st August 2025 to 31st August 2025. KSEBL has floated the tender on 30.06.2025, and concluded the bidding process including the e-RA on 16.07.2025.

Though the bidding process was concluded on 16.07.2025, however KSEBL has filed the instant petition on 29.07.2025, for the short-term peak power purchase which is to commence from 1st August 2025. There is hardly two days left before the Commission to appraise the entire process of approval including hearings. Commission hereby warn KSEBL to avoid this type of lethargic approach in future.

The directives given as a part of the Truing Up Order for 2022-23 in Op No. 85/2023 dated 28.06.2024 are not seen complied in the short term power purchase. Let the Board of KSEBL and CMD to take urgent action for noncompliance of the above mentioned directives issued by the Commission.

Commission has raised concern on the excessive rates of peak power purchase for the proposed short-term power purchase. The proposed peak power purchase may result in an additional financial commitment of Rs 42.46 crore for the purchase of 46.50MU @Rs 9.13/unit in the month of August 2025.

As detailed under paragraph 3(3) above, the Commission during the hearing held on 30.07.2025 has raised serious concern on the peak demand estimated by KSEBL for the month of August 2025. The peak demand estimated by KSEBL for the month of August 2025 is 4479MW as against the peak demand of 4161MW met by KSEBL in the month of July 2025. Any incorrect estimation of the electricity demand may result in power purchase at excessive rates, and ultimately affect the financials of KSEBL. In the case the electricity demand get reduced from the projected level, KSEBL shall resort to other avenues to sell the surplus power at better rates to avoid financial losses.

From 14.07.2025 onwards, the National Stock Exchange (NSE) had initiated futures trade in Electricity. The available data in the public domain indicates a decreasing trend in August futures of power charges. The opportunities in future in NSE is also not seen explored by KSEBL. In future this option also to be explored apart from DAM.

9. With the above observations, but considering the anticipated peak demand shortage estimated by KSEBL upto 600MW in the month of August-2025, and urgency of commencement of power supply from 1st August 2025 onwards, the Commission is constrained to approve the following peak power purchase in the month of August 2025.

Short-term peak power purchase approved for the month of August 2025

Month	Quantum tendered & Period	Bidder Name	Qty (MW)	Rate (Rs/ kWh)	Source
01.08.2025 to 31.08.2025	300 MW (19.00 to 24.00Hrs)	Tata Power Trading Company Limited	34	8.75	Prayagraj Power Generation Company Limited (PPGCL)
		Greenko Energies Private Limited	266	9.18	Greenko AP01 IREP Private Limited, Kurnool District, Andhra Pradesh

Order of the Commission

10. The Commission, after examining the petition filed by KSEBL dated 29.07.2025, for the approval for entering into short-term power procurement arrangement with successful bidders as per the terms and conditions of the tender floated by KSEB Ltd on 30.06.2025 through DEEP portal for meeting the peak demand shortage in the month of August 2025 as per the provisions of the Electricity Act, 2003 and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, other relevant guidelines and procedures, hereby Orders the following;
- (1) Grant approval for entering into short term peak power procurement arrangement with the successful bidders as detailed in Paragraph-9 above for meeting the peak demand shortage anticipated in the month of August-2025.
 - (2) By 15th September-2025, KSEBL shall submit a detailed comparison of the LGB projected and actuals of the month of August 2025. The details shall include the source wise details of power purchase and cost including short term power purchase, power purchase through exchanges etc. in complete.

The petition OP No.40/2025 is hereby disposed of. Ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
Adv. A J Wilson
Member

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
Mohanakumar B.V
Secretary(I/C)