KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

OP No: 42/2026

In the matter of	:	Petition for the approval under Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, for short term procurement of power from 01-10-2026 to 30-04-2027 on firm and short-term basis from any Sources, through e-bidding portal (DEEP) as per MoP guidelines.
Petitioner	:	Kerala State Electricity Board Ltd (KSEB Ltd)
Respondents	:	1) M/s PTC India Limited 2) M/s RPG Power Trading Company Limited 3) M/s Tata Power Trading Company Limited 4) M/s Manikaran Power Limited 5) M/s Jindal Power Ltd
Scheduled date of hearing	:	22.10.2026, 11:00 AM
Venue	:	Court Hall of the Commission

Order dated 29.10.2026

1. Kerala State Electricity Board Limited (KSEBL) filed a petition on 25.09.2026 for the approval of short-term procurement of power on firm and short-term basis from **01.10.2026 to 30.04.2027** through e-bidding portal DEEP as per MoP guidelines.

2. The summary of the petition filed by KSEBL is given below;

   (1) KSEBL had invited its first short-term tender through the DEEP portal on 07.05.2026 and tied up power upto 500MW in the months of July-2026 to December 2026 excluding the months of September-2026.

   Subsequently, KSEBL floated another tender for procurement of 200MW RTC power for the period from 18.07.2026 to 14.07.2027, and tied up the same with the approval of this Commission.

   (2) However due to El Niño effect and subsequent failure of monsoon, there was considerable reduction in inflow, which resulted in reduction of the hydel generation. Further, due to the hot and humid climate prevailing in the State, there was abnormal increase in electricity demand in the

State. In order to tide over the situation, KSEBL has invited another short-term power procurement tender for the period from 15.08.2026 to 15.05.2027, to address the projected deficit during the revised period.

(3) However, the quantum discovered at viable rates through the said tender remained inadequate to meet the revised requirement for several of the deficit periods.

(4) Hence, based on the recommendation of the core committee in its meeting held on 27.07.2026, KSEBL decided to invite a fresh short-term tender through DEEP portal for procurement of power from 01.10.2026 to 15.05.2027. The details are given below.

Req. No	Period	Duration (hrs)	Required quantity (MW)	Minimum Bid quantity (MW)
1	01.10.2026 to 31.10.2026	00.00 Hrs to 05.00 Hrs	500	25
2	01.11.2026 to 30.11.2026	00.00 Hrs to 05.00 Hrs	300	25
3	01.12.2026 to 31.12.2026	00.00 Hrs to 08.00 Hrs	500	25
4	01.01.2027 to 31.01.2027	00.00 Hrs to 05.00 Hrs	500	25
5	01.02.2027 to 28.02.2027	00.00 Hrs to 05.00 Hrs	500	25
6	01.03.2027 to 31.03.2027	00.00 Hrs to 05.00 Hrs	700	25
		18.30 Hrs to 24.00 Hrs	300	25
7	01.04.2027 to 30.04.2027	00.00 Hrs to 05.00 Hrs	550	25
		18.30 Hrs to 24.00 Hrs	600	25
8	01.05.2027 to 15.05.2027	00.00 Hrs to 05.00 Hrs	400	25
		18.30 Hrs to 24.00 Hrs	360	25

(5) Accordingly, KSEBL has floated a tender on 20.08.2026 in the DEEP portal for the procurement of power on short-term basis, with the time line mentioned in table below;

Sl No	Event	Date
1	Publication of RfP/Activation of Event	20.08.2026
2	Last date for submission of queries if any	22.08.2026
3	Reply of queries	24.08.2026
4	Submission of Rfp (on line digitally singed non-financial technical Bid and IPOs)	31.08.2026 ; 02.00 pm, Extended to 7-09-2026;03 .00 pm
5	Opening of non-financial technical Bids	31.08.2026 ; 03.00 pm, extended to 07.09.2026 ;03.00 pm
6	Clarification, if any, sought from Bidder(s)	01.09.2026 ; Revised to 08.09.2026
7	Evaluation of nonfinancial technical Bids	02.09.2026; 09.09.2026
8	Opening of IPOs (up to 13.00hrs)	03.09.2026; 11.00 am to 01.00pm extended to 10.09.2026; 11.am to 01:00 pm
9	Start of e-RA	03.09.2026 ; 01.00 pm to 03.00pm, Extended to 10.09.2026;01.00 pmto 03.00pm

(6) The non-financial bids were opened on 07.09.2026 at 03:00 PM. A total of nineteen (19) bids were received. Validity of the bids was upto 27.09.2026. Following bidders submitted the bids;

1) M/s PTC India Limited - 1 No of bid
2) M/s RPG Power Trading Company Limited - 1 No of bid
3) M/s Tata Power Trading Company Limited- 3 Nos of bids
4) M/s Manikaran Power Limited -11 Nos of bids
5) M/s Jindal Power Ltd- 2 Nos of bids
6) M/s Shree Cement Limited- 1 No of bid

All the bidders were technically qualified for the opening of the initial price offer (IPO).

(7) Financial bids were opened on 10.09.2026 at 11:00 hrs followed by e-RA auction started at 13:00 hrs and concluded around 15:17 hrs.

(8) Standing Committee meeting held on 15.09.2026 evaluated the bids with reference to the month-wise requirement of power and the availability of bids under the tender**,** taking into consideration the following factors:

(i) Comparison of the discovered rates with prevailing market indications and rates observed in previous procurement;
(ii) Anticipated system deficit and availability of hydro resources during the relevant period;
(iii) Desirability of securing lower-priced offers, wherever available, so as to mitigate the risk of exposure to potentially higher market rates in subsequent periods; and
(iv) Negotiation with the bidders and matching/reduction of quoted rates, wherever feasible.
(v) The present power market condition consequent of El Nino effect.

(9) Considering the above factors, standing committee recommended that, all available offers below ₹10.00/unit for the 0–5 Hrs block for the period from October 2026 to February 2027 may be considered for negotiation and purchase.

Further, considering the anticipated substantial deficit of around 1200–1500 MW during peak hours for March 2027 and April 2027, the escalation in rates discovered in the tenders conducted subsequent to 07.05.2026, and the non-realisation of the full quantum against the tendered requirement, the Committee recommended that the available quantum at the discovered rates during March and April 2027 may be considered for negotiation and firm tie-up, subject to the approval of the Core Committee and Full-Time Directors (FTD).

(10) The recommendations of the standing committee were upheld by the Core Committee in its meeting held on 17.09.2026, and recommended that, offers/rates below ₹10.00/unit for the period up to February 2027 and offers for March and April 2027 at rates up to ₹13.89/unit may be considered for negotiation.

The Core Committee further directed that the matter be placed before the Full-Time Directors (FTD) for approval, along with the negotiated rates and the corresponding financial commitment.

(11) KSEBL further submitted that, in accordance with the recommendations of the standing committee, negotiations were carried out with L1 bidders, and the corresponding bidders were requested to match the L1 rates.

M/s PTC India Ltd. and M/s Manikaran Power Limited have not responded to the negotiation/L1 rate-matching requests. M/s Jindal Power Limited expressed their inability to offer any further reduction in the quoted rates.

M/s Tata Power Trading Company Limited, however, submitted revised rates in response to the negotiation request.

(12) Accordingly, the consolidated position of the available offers, revised/negotiated rates and the corresponding financial commitment is furnished below for consideration and approval;

Month & Duration	Tendered Quantum	Sl. No.	Bidder Ref. No.	Quantity	Quoted Price	Revised rate	Financial Commitment
				(MW)	(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)
Oct'26	0 to 5 Hrs 500MW	1	PTC India Ltd	25	8.99	8.99	3.48
		2	Jindal Power Ltd	100	9.50	9.50	14.73
		3	Jindal Power Ltd	50	9.50	9.50	7.36
Total				**175**			**25.57**
Nov'26	0 to 5 hrs 300MW	1	PTC India Ltd	120	7.44	7.44	13.39
		2	RPG Power Trding Co. Ltd	25	7.44	7.44	2.79
		3	Jindal Power Ltd	100	9.00	9.00	13.50
		4	Jindal Power Ltd	50	9.89	9.89	7.42
Total				**295**			**37.10**
Dec'26	0 to 8 Hrs 500MW	1	PTC India Ltd	120	7.99	7.99	23.78
		2	Jindal Power Ltd	50	9.00	9.00	11.16
Total				**170**			**34.94**
Jan'27	0 to 5 Hrs 500MW	1	PTC India Ltd	240	6.99	6.99	26.00
		2	Tata Power Ltd	49	8.00	7.25	5.51
		3	Jindal Power Ltd	100	8.50	8.50	13.18
		4	Jindal Power Ltd	50	8.50	8.50	6.59
Total				**439**			**51.27**
Feb'27	0 to 5Hrs 500MW	1	PTC India Ltd	240	6.99	6.99	23.49
		2	Tata Power Ltd	49	8.00	7.25	4.97
		3	Jindal Power Ltd	100	8.50	8.50	11.90
		4	Jindal Power Ltd	50	8.50	8.50	5.95
Total				**439**			**46.31**
March'27		1	PTC India Ltd	120	9.98	9.98	18.56

	0 to 5 Hrs 700MW	2	Jindal Power Ltd	50	10.00	10.00	7.75
		3	Jindal Power Ltd	100	10.00	10.00	15.50
Total				**270**			**41.81**
March'27	18.30 to 24.00Hrs	1	Manikaran Power	25	13.89	13.89	5.92
		2	Manikaran Power	25	13.89	13.89	5.92
		3	Manikaran Power	25	13.89	13.89	5.92
		4	Manikaran Power	120	13.89	13.89	28.42
		5	Manikaran Power	52	13.89	13.89	12.32
				247			**58.50**
April'27	0 to 5 Hrs 550 MW	1	Tata Power Ltd	40	13.50	13.22	7.93
		2	Manikaran Power	25	13.89	13.89	5.21
		3	Manikaran Power	25	13.89	13.89	5.21
		4	Manikaran Power	25	13.89	13.89	5.21
Total				**115**			**23.56**
April'27	18.30 to 24 Hrs 600MW	1	Manikaran Power	25	13.89	13.89	5.73
		2	Manikaran Power	25	13.89	13.89	5.73
		3	Manikaran Power	25	13.89	13.89	5.73
Total				**75**			**17.189**
Total Financial Commitment							**336.246**

(13) KSEBL further submitted that, the full-time directors in its meting dated 25.09.2026 has approved the short-term power procurement on firm and short-term basis as above recommended by the Core Committee, from 01.10.2026 to 30.04.2027 through DEEP portal as per MoP guidelines.

Hence, KSEB Ltd requested before the Commission for approval of the short-term Procurement of Power on firm and short-term basis from 1.10.2026 to 30.04.2027 from any Sources, through e-bidding portal (DEEP) as per MoP guidelines.

3. Commission has scheduled a meeting with the Chairman & Manging Director, Full Time Directors and other senior officers on 12.10.2026 at the office of the Commission to appraise the various steps taken by the State Government and KSEBL to tide over the present power crisis. Summary of the deliberations is given below.

(1) Power allocation from Sinnar Thermal Power Plant (5 x 270= 1350 MW) (STTP) from January 2027 onwards on long term basis.

Sinnar Thermal Power Plant (STTP) is a JV thermal power plant between NTPC Ltd and MAHAGENCO, located in Sinnar, Nashik in Maharastra State. First unit (270MW) of the plant is expected to commission by December 2026 and second unit (270MW) by February

2027. Being the power plant holding major share by NTPC Ltd, the tariff of the electricity generated from the plant is determined by Central Electricity Regulatory Commission (CERC). The indicative tariff of the electricity generated from the plant is about Rs 5.18/unit. However, being connected to the intra State transmission System, the buying utilities outside Maharashtra has to pay ISTS charges as well as intra-state transmission charges in addition to the tariff determined by CERC.

Since MSCEDCL do not require additional coal-based generation capacity in the immediate future, STTP has offered 540MW of power to the State from its first two units, which is expected to be commissioned by February 2027. Hence, KSEBL expected to have 270 MW RTC power from January 2027 onwards, and an additional 270 MW (with total capacity allocation 540MW) from March 2027 onwards, on a long term basis for 25 years. This power will be great relief to the power deficit state.

Commission appreciated the efforts taken by the State Government and KSEBL to get allocation from the Sinnar Thermal Power Project. Commission further directed KSEBL to sign the PPA with the generator at the earliest, so as to ensure power availability during the coming summer months. KSEBL through State Government may also request Ministry of Power (MoP), Government of India, Central Electricity Authority (CEA), Central Transmission Utility (CTU) and GRID India, to directly connect the STPP to ISTS so that, the intra-state transmission charges for evacuating the power from the plant can be avoided in the long run.

(2) Banking arrangements with other States, who have surplus power during January to May 2027.

KSEBL submitted that, as in the previous years, the licensee has been exploring the possibilities to swap power with distribution utilities of other States so as to ensure additional power in the summer months with return the same during monsoon months, when the electricity demand is low in the State. During the previous years, KSEBL could bank upto 1000MW through banking/ swap arrangements. Commission also encouraged the efforts taken by the KSEBL through State Government for the banking arrangements with other States, since the banking transactions do not involve immediate cash transactions, and the power is usually returned during less demand monsoon months only.

KSEBL submitted during the meeting that, the following banking arrangements are already firmed up.

(i) UP state has offered 600MW power on firm basis during peak hours (19:00 to 24:00 hrs and 00:00 to 03:00 hrs- daily 8 hours) from 1st March 2027 to 15th April 2027, and this may be extended on as and when available basis till the end of May 2027. KSEBL

has to return the same from 16th June 2027 to 30th September-2027, during same hours on uniform basis.

Commission has directed KSEBL to proceed with the arrangements without waiting for formal approval of the Commission.

(ii) Punjab DISCOMs has offered 400MW during non-solar hours including peak hours and 200MW during solar hours on firm basis from 1st March 2027 to 15th April-2027, and this may be extended upto the month of May 2027 on as and when available basis. KSEBL has to return the same during monsoon months from 16th June 2027 to 30th September 2027.

However, considering the uncertainty on returning the power during monsoon months, KSEBL has provisionally accepted to avail 200MW during non-solar hours including peak hours and 100MW during solar hours on firm basis from 1st March 2027 to 15th April-2027.

(iii) KSEBL further submitted that, they are also exploring the possibility to have banking transactions with Delhi DISCOMs from February 2027 onwards till May 2027 as was done in previous years.

Similarly, KSEBL also exploring the possibility to have banking transactions with power utilities of Bihar and Madhya Pradesh also, they may firm up their offers only after the Dussehra holidays.

However, KSEBL has submitted that, due to the El Niño effect and consequent increase in demand, the licensee had faced difficulties in returning the banked power in September-2026, which was availed through banking in summer months of the year 2026.

Commission noted the concern raised by KSEBL regarding the return of the power in the monsoon months of the year 2027, which is proposed to be availed in summer months of the 2027. In this matter, Commission clarified that,

- Once the proposed 540MW from Sinnar project started flowing, an additional 540MW RTC power is available from the year 2027-28 onwards, which can be beneficially leveraged for returning power during low demand monsoon months.
- Power from the 500MW Solar power during day time with 250MW for 2 hours peak supply, from SECI which was scheduled to commence supply from September 2026 is now rescheduled and start flowing from 2027-28 onwards.

- Further, the ongoing 250MW/ 1000MWh peak hour BESS within the State also will be fully commissioned by March 2027.
- KSEBL may also take steps to continue the present additional allocation of 150MW from CGS during the year 2027-28 also.

- Considering this additional availability from 2027-28 onwards compared, to the monsoon months of the year 2026-27, KSEBL can manage the return of the power, proposed to avail through banking transactions in the summer months of the year 2027, from Punjab, Delhi, Bihar and MP.

(3) KSEBL has submitted the efforts taken for demand side management (DSM) through print, visual and social medias. However, KSEBL could not provide any target for reduction in the peak electricity demand hours through these efforts.

Commission has directed KSEBL to continue the efforts to reduce the electricity demand, during peak hours, and to shift it to non peak hours through DSM activities. Commission also noted that, massive DSM campaigns through visual and print media through Celebrities on voluntary basis has produced significant results in these directions during the past. Further, participation of school children may also give considerable impact on DSM activities.

Commission has also directed KSEBL to fix a target of reducing the peak power demand upto 500MW through DSM activities and evolve a strategy for the same.

(4) KSEBL has explained in detail the demand projections and load generation balance prepared for the coming summer months upto May 2027. Commission noted that, KSEBL has adopted the increase in demand of September 2026 as the base, which is up to 20% over the demand in September-2025. However, there are various factors for the excessive increase in electricity demand in the month of September-2026 throughout the Country, including El Niño effect, failure of monsoon etc. There is only very remote chance to repeat the same level of excessive increase witnessed in electricity demand in September-2026 throughout the remaining months of the financial year 2026-27 and the summer months till May 2027.

4. Hearing on the petition was conducted on 22.10.2026 at Court Hall of the Commission at Thiruvananthapuram. Adv. Ajit Joy, along with Chief Engineer (Commercial & Tariff) and other Senior officers presented the matter on behalf of KSEBL. Shri. Achyutananda Saint, M/s Tata Power Trading Company Ltd and Shri Akshat, M/s Manikaran Power Ltd appeared through online mode. Shri. Saji Mathew on behalf HT &EHT Association and Shri. C.M. Varghese, on behalf of KREEPA also presented comments during the hearing. Summary of the deliberations during the hearing is given below.

(1) KSEBL briefly explained the background of the proposed power purchase through DEEP portal for the period from 01.10.2026 to 30.04.2027, as detailed in the original petition dated 25.09.2026.

KSEBL has proposed the power purchase after duly appraising the demand and supply position from the available sources.

KSEBL clarified that, while preparing the LGB, the increase in electricity demand (peak demand and energy demand) of the month September-2025 compared to previous year September-2025 is taken as the base, and the same percentage of increase in adopted for projecting the demand upto May 2027.

KSEBL also submitted that, 600MW proposed to avail through banking transactions during the time block of 19:00 hrs to 24:00 hrs and 00:00 hrs to 03:00 hrs for the period from 1st March 2027 to 15th April 2027 were considered while preparing the LGB.

The standing committee in meeting held on 15.09.2026 recommended that, the available offers below Rs 10.00/ unit for the 00:00-05:00 hrs blocks for the months of October-2026 to February 2027 may be considered for negotiation and purchase. Further, the committee also recommended that the available quantum at the discovered rate of March and April-2027 may be considered for negotiation and tie-up.

The Core Committee in its meeting held on 17.09.2026 upheld the recommendation of the standing committee.

The full-time directors in its meeting held on 25.09.2026 has approved the short-term power purchase as recommended by the standing committee and core committee.

(2) The representative from M/s Tata Power Trading Company Ltd & M/s Manikaran Power Ltd submitted that the rates offered by them are very competitive and market determined through bidding route.

(3) Shri Saji Mathew, President, HT & EHT Industrial Electricity Consumers Association submitted that, the proposed power purchase at excessive rate may result in financial loss to KSEBL, and which may ultimately pass on to the electricity consumers including the HT&EHT consumers. The proposal to purchase peak power at generator bus @Rs 13.89/units, may results in cost of supply at Rs 15.02/unit @3.5% ISTS losses and ISTS transmission charges @Rs 0.62/unit (without accounting for other overhead costs including O&M costs). However, average realisation from consumers during peak hours is about Rs 9.23/unit only, which results in a loss of Rs 5.79/unit to KSEBL.

Similarly, KSEBL proposes to purchase off-peak power (00:00 to 05:00 hrs) @ ₹8.68/unit, which will be Rs 9.62/unit at consumer end without accounting for O&M costs etc. The average tariff realisation during off-

peak hours is around 4.62/unit. This transaction also results in a loss of Rs 5.00/unit. Entering into power purchase arrangements with negative margins threatens the financial sustainability of the licensee, and results in additional burden on the consumers.

Shri. Saji Mathew suggested that, decentralized Battery Energy Storage Systems (BESS) should be actively deployed in lieu of expensive external peak-power procurement. The members of the Association, who have operational profit can install BESS with limited capacities, and they can consume the same during peak hours so that the dependence on grid power can be reduced to that extent. KSEBL should provide charging power to BESS at the settlement rate offered to solar prosumers. Further, an additional incentive in the range of Rs 2.00 to 3.00/unit (at least 50% of the savings due to the avoidance of peak purchase) may be passed on to such BESS operators. This type of incentive mechanism will be beneficial for both the BESS operators as well as KSEBL.

(4) Shri C M Varghese, representing M/s KREEPA submitted that lack of data is a major bottleneck. Integrating Smart Meters with Smart Grids will enable seamless decentralized BESS integration across 900+ distribution transformers. Representative of KREEPA further suggested that, the day time tariff needs to be reduced to encourage the shifting of flexible loads in the peak hours such as pumping loads, EV Charging loads etc. to the solar hours. KSEBL and Government must formulate a comprehensive BESS Policy with clear technical standards and safety protocols.

(5) Based on the deliberations during the hearing, Commission has directed KSEBL to clarify the following.

(i) KSEBL has not included the following peak power purchases which was approved vide the Order dated 11.09.2026 in petition OP No. 39/2026.
- 240MW peak power (18:30 hrs to 24:00 hours) in the month of March 2027.
- 365MW peak power (18:30 hrs to 24:00 hrs) in the month of April-2027.
- 290 MW peak power (18:30 hrs to 24:00 hrs) in the month of May-2027.

(ii) Though KSEBL during the meeting held on 12.10.2026 reported the offer of additional power allocation of 270MW from Sinnar Thermal power project from January 2027 onwards and an additional 270MW from March 2027 onwards @ Rs 5.18/unit (at generator bus), the same was not considered in the LGB presented during the hearing.

(iii) Further, during the meeting held on 12.10.2026, the Full Time Directors of KSEBL has explained in detail the efforts taken by KSEBL to get power through banking/ swap arrangements in the

summer months of 2027 with the power utilities of the States of UP, Punjab, Delhi, Bihar and MP. The power is proposed to be availed in the summer months for return during monsoon months from 16th June 2027 to 30th September 2027.

However, KSEBL has considered only 600MW peak power from UP with the duration of supply from 19:00 hrs to 24:00 hrs and 00:00 hrs to 03:00 hrs (8 hours a day) from 1st March 2027 to 15th April-2027.

KSEBL has not submitted the details of the banking arrangements with Punjab, Delhi, Bihar and Madya Pradesh.

(iv) Commission has also directed KSEBL to submit the efforts taken to reduce the electricity demand through DSM activities as discussed in the meeting held on 12.10.2026. Commission has directed KSEBL to fix an achievable target to reduce the peak demand, say upto 500MW in the coming summer through various efforts, so that the high-cost power purchase to that extent can be avoided.

(v) Commission also clarified that; the electricity demand projected by KSEBL for the period from October-2026 to May-2027 based solely on the increase in demand in September 2026 is not realistic.

Commission also warned KSEBL that, any excessive high-cost power purchase based on the abnormal demand projection may end up in huge additional liability on the utility and its consumers.

(vi) Availability from battery storage projects has not been fully factored in.

(vii) On a query from the Commission, KSEB reported that the additional allocation of 150MW of central sector power which is presently available till December 2026 can likely be extended on a monthly basis based on review of overall power scenario.

Analysis and Decision

5. Commission has examined in detail the petition filed by KSEBL dated 25.09.2026 seeking approval for entering into short-term power purchase for meeting the power deficit from 01.10.2026 to 30.04.2027 through DEEP portal, as per the provisions of the Electricity Act, 2003 and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 and decided as follows.

6. 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;".

7. 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 (hereinafter 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."

8. 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.

9. Commission has appraised the petition filed by KSEBL in detail as per the provisions of the Electricity Act, 2003, Tariff Regulations, 2021 and also as per the provisions of the guidelines notified by the Ministry of Power, GoI dated 30.03.2016. As per the Regulation 78 of the Tariff Regulations, 2021, KSEB Ltd can undertake additional short-term power procurement during the financial year, over and above the power procurement plan approved by the Commission to meet its increase in electricity demand.

10. Summary of the additional power purchase proposed through DEEP portal for the period from 01.10.2026 to 30.04.2027 is given below.

Month	Duration	Quantity (MW)	Energy MU	Amount (Rs.Cr)	Avg. Rate (Rs/kWh)
Oct-26	Night off-peak (0:00 to 05:00 hrs)	175	27.13	25.57	9.43
Nov-26	Night off-peak (0:00 to 05:00 hrs)	295	44.25	37.10	8.38
Dec-26	Night off-peak **(0:00 to 08:00 hrs)**	170	42.16	34.94	8.29
Jan-27	Night off-peak (0:00 to 05:00 hrs)	439	68.05	51.27	7.53
Feb-27	Night off-peak (0:00 to 05:00 hrs)	439	61.46	46.31	7.53

Mar-27	Night off-peak (0:00 to 05:00 hrs)	270	41.85	41.81	9.99
	Peak hours (18:30 hrs to 24:00 hrs)	247	42.11	58.50	13.89
	Sub total for March-2027		83.96	100.31	11.95
Apr-27	Night off-peak (0:00 to 05:00 hrs)	115	17.25	23.56	13.66
	Peak hours (18:30 hrs to 24:00 hrs)	75	12.38	17.19	13.89
	Sub total for April -2027		29.63	40.75	13.75
Grand Total					
	Peak purchase (18:30 to 24:hrs)		**54.49**	**75.68**	**13.89**
	Night off-peak (0:00 to 05:00 hrs)		**259.98**	**225.62**	**8.68**
	Night off-peak (0:00 to 08:00 hrs)		**42.16**	**34.94**	**8.29**
	Grand total		**356.63**	**336.25**	**9.43**

As detailed above, KSEBL proposes to purchase 356.63MU at the total cost of 336.25 Crore from October-2026 to April-2027, at the average rate of Rs 9.43/unit.

Out of the total power purchase of 356.63 MU, 259.98 MU is proposed to purchase during night off-peak hours 0:00 to 05:00/08:00 hours.

11. Commission has examined in detail, demand and supply position during the coming months as per the load generation balance (LGB) prepared by KSEBL, the additional availability from sources as per the various initiatives of the State Government and KSEBL, which are discussed in the subsequent paragraphs.

Appraisal of the Electricity demand projected by KSEBL

12. Month wise details of the peak demand projected by KSEBL for the coming summer months as per the LGB submitted along with the petition is given in the Table below.

Month	2022-23	2023-24		2024-25		2025-26			2026-27				2027-28	
	(Act)	(Act)	(%) of Increase	(Act)	(%) of Increase	(Act)	Increse in MW	(%) increase	Act/est	Increse in MW	(%) increase		KSEBL est	(%) increase
Apr	4385	5024	15%	5646	12%	5139	-507	-9%	6033	894	17%	Actual	7041	17%
May	4182	4862	16%	5797	19%	5194	-603	-10%	5684	490	9%		6692	18%
Jun	3989	4641	16%	4400	-5%	4489	89	2.0%	4969	480	11%			
Jul	3662	3999	9%	4183	5%	4164	-19	-0.4%	4830	666	16%			
Aug	3807	4366	15%	4262	-2%	4399	137	3.2%	4868	469	11%			
Sep	3867	4113	6%	4353	6%	4480	127	2.9%	5399	919	21%			
Oct	3928	4159	6%	4455	7%	4596	141	3.2%	5409	813	18%	KEBL est		
Nov	3934	4300	9%	4505	5%	4480	-25	-0.5%	5488	1008	23%			
Dec	3959	4275	8%	4478	5%	4582	104	2.3%	5484	902	20%			
Jan	3993	4354	9%	4522	4%	4781	259	5.7%	5579	798	17%			
Feb	4210	4841	15%	5015	4%	5081	66	1.3%	5992	911	18%			
Mar	4517	5301	17%	5347	1%	5636	289	5.4%	6573	937	17%			

13. Month wise details of the average daily energy demand projected by KSEBL as per the LGB is extracted below.

Month	2022-23	2023-24	(%) of Increase over previous year	2024-25	(%) of Increase over previous year	2025-26 (Act)	(%) of Increase over previous year	2026-27 (Act)	(%) of Increase over previous year	Remarks	2027-28 KSEBL est	(%) of Increase over previous year
Apr	82.26	92.01	12%	106.37	16%	95.05	-10.6%	108.4	14.0%		120.90	12%
May	76.14	91.80	21%	91.82	0%	89.14	-2.9%	97.5	9.4%		114.50	17%
Jun	75.31	81.30	8%	81.28	0%	80.65	-0.8%	88.02	9.1%	Actual		
Jul	68.53	74.38	9%	76.41	3%	76.22	-0.3%	86.92	14.0%			
Aug	71.25	83.43	17%	80.42	-4%	80.09	-0.4%	84.68	5.7%			
Sep	73.75	78.64	7%	82.60	5%	83.19	0.7%	94.03	13.0%			
Oct	74.92	79.78	6%	82.96	4%	84.57	1.9%	93.4	10.4%			
Nov	74.43	80.75	8%	84.21	4%	83.19	-1.2%	93.7	12.6%			
Dec	74.35	82.38	11%	82.17	0%	80.62	-1.9%	94.1	16.7%	KSEBL		
Jan	74.37	82.22	11%	84.03	2%	84.32	0.3%	95.5	13.3%	est		
Feb	79.75	92.38	16%	90.03	-3%	90.77	0.8%	102.4	12.8%			
Mar	87.42	98.61	13%	97.43	-1%	98.77	1.4%	111.5	12.9%			

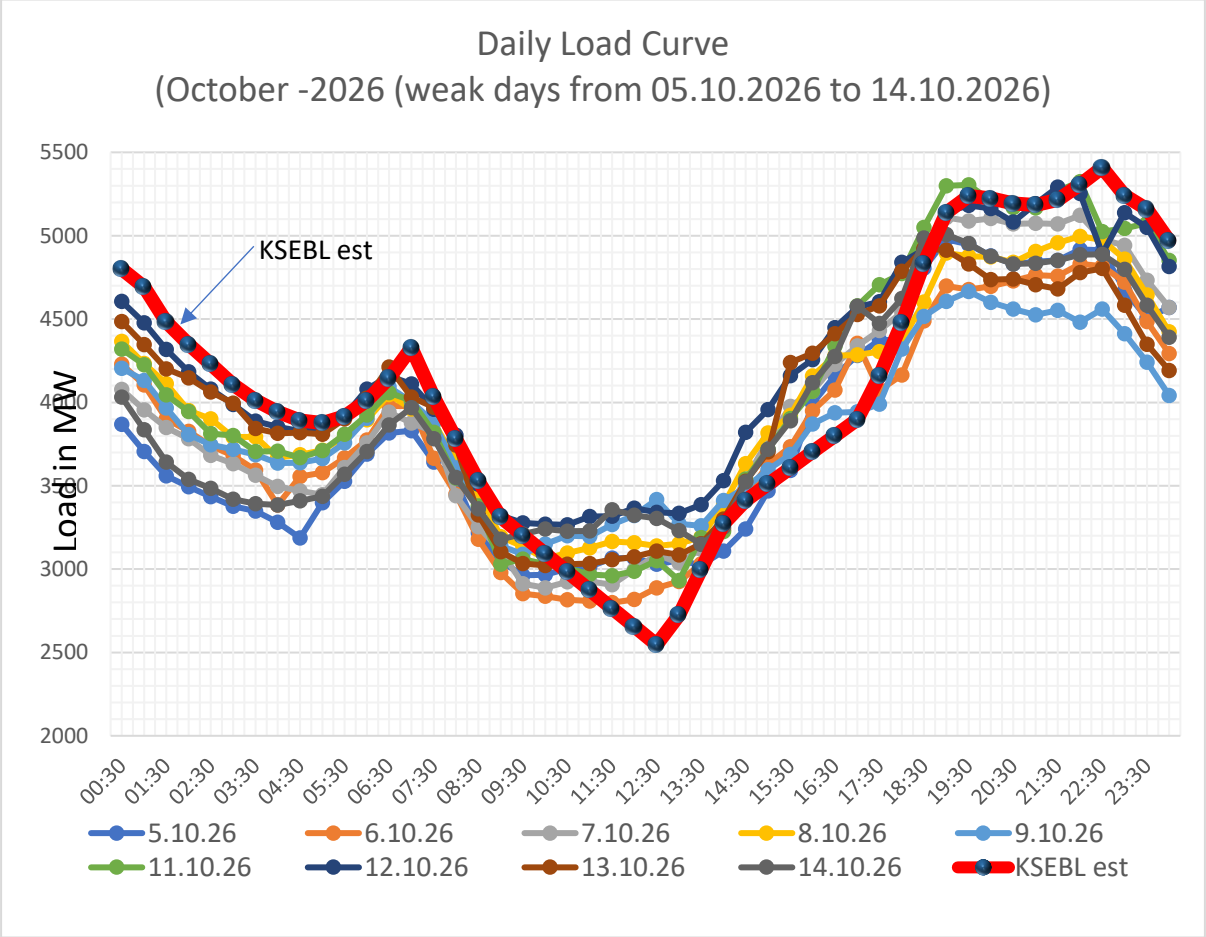
As above, KSEBL has projected an increase of 17% to 23% in peak demand and 12% to 17% in energy demand for the coming months from November-2026 to May-2027.

During the meeting held on 12.10.2026, and also during the hearing held on 22.10.2026, KSEBL submitted that, the peak demand and energy demand of the coming months upto May-2027 was estimated by taking the excessive increase in electricity demand of September-2026 as the base.

Commission noted that, the electricity demand throughout India was on the higher side in the month of September-2026. Various factors had contributed to this excessive increase, including failure of South-West monsoon due to El Niño effect, humid and hot climate prevailing throughout the Country, large scale solar penetration without battery storage etc, use of electric stove for cooking etc. However, there is very remote chance to continue this excessive increase in demand of September 2026 during the remaining months of the Year 2026-27 and the summer months upto May-2027. As per available reports, Indian Ocean Dipole (IOD) has turned positive and North East Monsoon is likely to be normal. The peak, agriculture pumping season in the Country is over giving relief to the power grid.

Commission has also examined the day wise actual electricity demand of the month of October-2026 from 05.10.2026 to 14.10.2026 excluding the Sundays and holidays. Further, these days are prior to the onset of the North-East monsoon in the State, which commenced from 15th of October-2026. Hence, the actual demand against the projections may give a reasonable assessment

of the electricity demand projected by KSEB for the coming months. The details are given below.



It is noted from the above chart that, the night off-peak demand in the month of October was less by 300 to 700MW from the demand projected by KSEBL. However, in few days the actual peak demand matches with the projected demand.

But, after the onset of the North-East monsoon from 15th October-2026, there is sharp decrease in demand upto 500MW to 700MW during peak hours also.

14. It appears that, before going into the high-cost power purchase based on an elevated demand projection, KSEBL should have carried out a sensitivity study on variation of electricity demand, with three possible scenarios, (a) Normal (b) Highly optimistic and (c) highly pessimistic.

Based on the available sources of supply, (i) KSEBL has to estimate the assured supply in each time block of the coming months, (b) availability of the supply that can be ensured, (c) potential sources of supply for meeting the balance demand, and the cost impact of each scenario on the consumers of the State.

However, KSEBL has not presented such details before the Commission though the State has faced severe power shortages during September 2026.

Hence, KSEBL may review and re-assess the electricity demand of the coming summer months upto May 2027, duly considering these factors.

DSM activities to reduce the extravagant use of electricity.

15. During the periods of severe shortage and excessive increase in demand in the State in the past, KSEBL could reduce the peak demand and energy demand in the range of 5 to 10% through the involvement of the electricity consumers in the State through their voluntary participation in the demand side management activities. The DSM activities includes awareness programs of the critical power situation, excessive cost of electricity and the impact of costly power purchase on consumers, so as to reduce/ restrict extravagant use of electricity especially during peak hours.

16. The DSM activities were effectively carried during the past through visual and print media through campaigns using the voluntary service of celebrities, and which has produced significant results. Further, these activities can be extended by involving the participation of school children, so that the DSM can be very effectively implemented in each family.

Considering the critical power situation of the State and the excessive rate of electricity in the market especially during peak and night off-peak hours, Commission here by direct KSEBL to fix a reasonable target of reducing the peak power at least up to 500MW in the coming summer months.

17. KSEBL may also seek the support of the institutions like Energy Management Centre (EMC) which is functioning under power department, Government of Kerala, and involved in such campaigns in the past.

Further, KSEBL may also request the commercial establishments and other institutions to restrict the use of electricity for illumination and advertisement during peak hours till the power situation in the State improves.

KSEBL may also plan and implement, adequate incentive schemes to those who reduce the peak consumption compared to the previous year and months, and to shift the electricity usage to solar hours and other periods when the electricity demand is less.

Battery Energy Storage System (BESS)

18. Commission vide the Order dated 31.07.2025 has approved the 125MW/ 500MWh BESS project through SECI at Mylatti substation of KSEBL at Kasargod. KSEBL signed the PSA with SECI on 10.04.2025. Early date of Commissioning as per the PSA was on 16.04.2026, and the scheduled commissioning date was on 16.10.2026. However, this project was considerably delayed.

19. Further, Commission vide the Order dated 06.08.2025 has approved the BESS project at four substations of KSEBL at Mulleria, Sreekantapuram, Areakode and Pothencode, with a total capacity of '125MW/500 MWh', through NHPC. KSEBL has signed PSA with NHPC on 14.07.2025. As per the original schedule, the scheduled date of commissioning was on 15.10.2026. However, only 15MW/ 60MWh BESS project at Mulleria was completed and the implementation of the other projects was also delayed.

20. Commission vide the Order dated 17.01.2025 has approved the procurement of 500MW Solar Power with 250MW for 2 hours peak power through SECI amounting to 500MWh. KSEBL signed the PSA with SECI on 12.09.2024. As per the PSA, the scheduled date of commissioning was on 27.09.2026. However, KSEBL has considered the availability of only 75MW peak power from this contract from April 2027 only.

21. If KSEBL could commission the ongoing two BESS projects, it will add 250MW amounting to 1000MWh peak power for four hours to the State grid. However, in the LGB prepared by KSEBL, 135MW from BESS projects implemented by KSEBL was considered from November-2026 as follows.

November-2026	135MW from 17:000hrs to 20:00 hrs (Peak)
December-2026	135 MW from 20:00 hrs to 24:00 hrs (Peak)
January- 2027	135MW from 00:00 hrs to 04:00 hrs (night off-peak)
February-2027	135MW from 05:30 hrs to 08:30 hrs (Morning)
March-2027	135 MW from 00:00 hrs to 04:00 hrs (Night off-peak)
April-2027	135MW from 00:00 hrs to 04:00 hrs (Night off-peak)
May-2027	135 MW from 00:00 hrs to 04:00 hrs (Night off-peak)

As above, out of the 250MW BESS projects implemented in the State, KSEBL is expecting only 135MW till the end of May-2027. It is further noted that, though the BESS projects are intended for the peak support, KSEBL propose to schedule the power from these projects during night off-peak hours and morning hours in the coming summer months. The reasons for the shift in the scheduling of BESS power to other than peak hours are not justified in the petition filed by KSEBL. Moreover, the gap of 115MW (ie, 250-135= 115) is not explained properly by KSEBL. This 115MW for four hours will yield 460MWh power, which could effectively be used during peak hours. Another BESS project is the one at Brahmapuram, Kochi, with capacity of 250MW with two-hour storage amounting to 500MWh power which could be effectively used to ease out peak hour purchase of costly power to that extent. For this project, approval was given seven months earlier but progress is "NIL" as on date. The lapse is fatal and with huge opportunity cost and loss to KSEBL. How can a state with huge deficit in power generation could afford to have such colossal lapses, lethargy and apathy in timely commissioning of such projects within the state? Who is accountable for such a lapse? How this loss of time and the loss of power within the state is going to be accounted? A loss of five lakh units of power within the state! If the average cost of purchase of power in this order is taken for accounting this daily loss of five lakh unit (half a million units daily) of power daily is a huge loss! Hope that the full-time directors of the KSEBL and

Power Department in Government will take remedial measures to bring this project back to rails and complete it without further delay.

22. Considering the importance of timely commissioning of the BESS projects, Commission vide the Order dated 29.06.2026 in petition OP No. 29/2026 has directed KSEBL Management to take sincere efforts and follow up to ensure the commissioning of the two BESS projects implementing in the State, which is under the control of KSEBL. Power from the BESS projects within the state means there is no ISTS charges and there is not transmission loss during interstate transmission, thereby beneficial to the consumers. Commission had also directed KSEBL to publish the weekly progress report of all the BESS projects along with time stamped photographs on the website of KSEBL. However, KSEBL is yet to comply with the direction! Reasons unknown to the Commission. During the hearing KSEBL could not answer the reasons for the lapse.

23. In order to tide over the present power crisis and to avoid costly power purchase, Commission hereby direct KSEBL to ensure commissioning of the ongoing BESS projects under control of KSEBL, i.e., 125MW/ 500MWh at Mylatti, and three out of four BESS projects (excluding Mulleria) with a total capacity of 110 MW / 440MWh) BESS projects by January 2027, so as to ensure peak hour support to the State and till the commissioning, publication of weekly progress of these projects in the website of KSEBL with time stamped pictures of each site.

Additional power from Sinnar Thermal Power Project

24. KSEBL during the meeting held on 12.10.2026 submitted the efforts taken by the State Government and KSEBL to get additional power allocation of 540MW from the coal based Sinnar Thermal Power Plant (STTP).

STTP is a JV thermal power plant between NTPC Ltd and MAHAGENCO, located in Sinnar, Nashik in Maharashtra State. First unit (270MW) of the plant is expected to commission by December 2026 and second unit (270MW) by February 2027. Being the power plant holding major share by NTPC Ltd, the tariff of the electricity generated from the plant is determined by Central Electricity Regulatory Commission (CERC). The indicative tariff of the electricity generated from the plant is about Rs 5.18/unit. However, being connected to the intra State transmission System, the buying utilities outside Maharashtra has to pay ISTS charges as well as intra-state transmission charges in addition to the tariff determined by CERC.

Since MSCEDCL donot require additional coal-based generation capacity in the immediate future, STTP has offered 540MW of power to the State from its first two units, which is expected to commission by February 2027. Hence, KSEBL expect to have 270 MW RTC power from January 2027 onwards, and an additional 270 MW (with total capacity allocation 540MW) from March 2027 onwards, on a long-term basis for 25 years.

Commission appreciated the efforts taken by the State Government and KSEBL to get allocation from the Sinnar Thermal Power Project. Commission hereby direct KSEBL to sign the PPA with the generator at the earliest, so as to ensure power availability during the coming summer months. KSEBL through State Government may also request Ministry of Power (MoP), Government of India, Central Electricity Authority (CEA), Central Transmission Utility (CTU) and GRID India, to directly connect the STPP to ISTS so that, the intra-state transmission charges for evacuating the power from the plant can be avoided in the long run.

Banking transactions

25. During the previous years, KSEBL could manage a substantial part of the additional power requirement during summer months from January to May through banking/ swap transactions with states having complementary demand pattern, such as UP, Punjab, Delhi, Bihar, Madhya Pradesh, Chhattisgarh etc, where in the peak demand is from the second half of May onwards only. In the past, KSEBL could tie up to the extent of 1000MW in the extreme summer months of March and April through these arrangements.

Commission also encouraged the efforts taken by the KSEBL for the banking arrangements with other States, since the banking transactions do not involve immediate cash transactions, and the power is usually returned during low demand monsoon months of June to September only.

26. KSEBL, in the meeting held on 12.10.2026 has explained in detail the efforts taken by them for the banking transactions with other State, as detailed below.

(1) UP state has offered 600MW power on firm basis during peak hours (19:00 to 24:00 hrs and 00:00 to 03:00 hrs- daily 8 hours) from 1st March 2027 to 15th April 2027, and this may be extended on as and when available basis till the end of May 2027. KSEBL has to return the same from 16th June 2027 to 30th September-2027, during same hours on uniform basis.

(2) Punjab DISCOMs has offered 400MW during non-solar hours including peak hours and 200MW during solar hours on firm basis from 1st March 2027 to 15th April-2027, and this may be extended upto the month of May 2027 on as and when available basis. KSEBL has to return the same during monsoon months from 16th June 2027 to 30th September 2027.

However, considering the uncertainty on returning the power during monsoon months, KSEBL has provisionally accepted to avail 200MW during non-solar hours including peak hours and 100MW during solar hours on firm basis from 1st March 2027 to 15th April-2027.

(3) KSEBL further submitted that, they are also exploring the possibility to have banking transactions with Delhi DISCOMs from February 2027 onwards till May 2027 as was done in previous years.

Similarly, KSEBL also exploring the possibility to have banking transactions with power utilities of Bihar and Madhya Pradesh also, they may firm up their offers only after the Dussehra holidays.

(4) However, KSEBL has raised concern on tying up large quantum of power in the coming summer months, since the licensee has to return the banked power in the following monsoon months from June 2027 onwards. KSEBL submitted that, due to the El Niño effect and consequent excessive increase in demand, the licensee had faced difficulties in returning the banked power in September-2026, which was availed through banking in summer months of the year 2026.

(5) Commission noted the concern raised by KSEBL regarding the return of the power in the monsoon months of the year 2027, which is proposed to be availed in summer months of the 2027. In this matter, attention of KSEBL is invited to the following additional availability of power in the monsoon months of 2027 compared to previous years.

(i) Once the electricity from the proposed 540MW from Sinnar Power project starts flowing, an additional 540MW RTC power is available from the year 2027-28 onwards.

(ii) Power from the 500MW Solar with 250MW/500MWh contract with SECI will be fully available from 2027-28 onwards.

(iii) Further, peak power from the ongoing BESS projects by KSEBL, i.e., 250MW/ 1000MWh peak hour also get fully commissioned before Monsoon of 2027.

(iv) It is reasonably expected that, power is available in the exchanges at competitive rates except during peak hours.

(v) KSEBL may also take steps to continue the present additional allocation of 150MW from CGS during the year 2027-28 also.

27. However, in the LGB submitted before the Commission, KSEBL has considered only 600MW peak power from UP with the duration of supply from 19:00 hrs to 24:00 hrs and 00:00 hrs to 03:00 hrs only from 1st March 2027 to 15th April-2027, with return the quantum from 16th June 2027 to 30th September-2027 during the same supply duration of 8 hours on uniform basis.

Hence, Commission hereby direct KSEBL to tie-up additional power through banking transactions from other States including Punjab, Delhi, Bihar, Madhya Pradesh and Chhattisgarh during the coming summer months upto May 2027.

Additional power allocation of 150MW CGS

28. Ministry of Power (MoP), Government of India (GoI) vide the letter No. 22/13/2024-OM dated 14.09.2026 has allocated 150MW power from Western

Region Unallocated pool to the State of Kerala to tide over the present power crisis.

Since the summer demand in the Western States may arise by the end of May 2027 only, the utilities of the WR states may not demand for this allocation till then.

Hence, KSEBL through the State Government may take earnest efforts to continue the allocation till the end of May 2027 so as to tide over the electricity demand of the coming summer months.

Power allocation from existing CGS

29. Commission noted that, the power availability projected from CGS by KSEBL is less by 150 to 200MW than the normal availability during the summer months of previous years. KSEBL may correct the LGB accordingly.

Power availability through the Power Exchanges

30. In the LGB presented before the Commission, KSEBL has not considered the availability of power from the DAM, RTM and other products of Exchanges.

Winter season in the Northern Region, North Eastern and Western Region may start by November this year. The electricity demand during night off-peak hours in the Winter season in the Country is generally low and power is generally available in the exchanges at competitive rates, especially in the DAM and RTM of the exchanges. KSEBL has to avail the opportunity and procure, a part of the power requirement through the exchanges also in the coming months from November 2026 onwards.

Peak power purchase approved vide the Order dated 11.09.2026

31. Commission has noted that, KSEBL has not included the following peak power purchases which was approved vide the Order dated 11.09.2026 in petition OP No. 39/2026.

- 240MW peak power (18:30 hrs to 24:00 hours) in the month of March 2027.
- 365MW peak power (18:30 hrs to 24:00 hrs) in the month of April-2027.
- 290 MW peak power (18:30 hrs to 24:00 hrs) in the month of May-2027.

32. Commission hereby direct KSEBL to re-assess the LGB including the availability and demand, and revise the gap, duly considering the factors explained in the preceding paragraphs 11 to 31 above.

The peak availability from November-2026 to March-2027, based on the details presented before the Commission, without considering the opportunistic purchase from exchanges including DAM, RTM and TAM market is given below.

Source	Peak availability in MW				
	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Hydro	1700 to 1800	1700 to 1800	1700 to 1800	1700 to 1800	1700 to 1800
CGS	1650 to 1750	1700 to 1800	1825-1870	1825-1870	1850-1900

Addl CGS	130	130	130	130	130
LTA	600	600	640	640	640
MTOA	77	77	77	77	77
DEEP	940	1070	493	520	520
BESS-KSEBL	135	135	135	135	250
Wind & others	40	40	40	40	40
Sinnar			270	270	540
Swap Purchase (including potential offers)					1000
Total	5270 to 5472	5450 to 5650	5310 to 5435	5330 to 5460	6740 to 6890
KSEBL own projection of peak demand (one out of 96 time blocks)	5488	5484	5579	5992	6573

The possible availability from SECI 500MW Solar with 250MW/500MWh peak power was not considered. Further, the additional allocation of 150MW from CGS by MoP dated 14.09.2026 is expected to continue till the end of May-2027.

33. With the above background, Commission has appraised the proposal for short term power procurement from November-2026 to April 2027, and decided the matter as follows.

(1) November-2026

KSEBL proposal

KSEBL has proposed the following short term power procurement through DEEP portal in the month of November 2026.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
1	PTC India Ltd	0 to 5 hrs	120	7.44
2	RPG Power Trding Co. Ltd		25	7.44
3	Jindal Power Ltd		100	9.00
4	Jindal Power Ltd		50	9.89
	Total		295	

Decision of the Commission

As above, KSEBL has proposed 295MW during night off-peak hours 00:00 hrs to 05:00 hrs. Out of the above, 145 MW is at the discovered rate of Rs 7.44/unt, 100MW at the rate of Rs 9.00/unit and balance 50MW at the rate of Rs 9.89/unit.

Commission after appraising the load generation balance, and other factors including the reasonable expectation of availability of power in the DAM and RTM of the exchanges, decided to grant approval for the procurement of 145MW at the L1 rate of Rs 7.44/unit in the month of November-2026. This approval is solely to conserve the hydro storage for use in summer months and KSEBL shall ensure minimum drawal from hydro resources during periods other than peak hours.

(2) December-2026

KSEBL proposal

Power procurement proposed by KSEBL for the month of December-2026 is given below.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
1	PTC India Ltd	0 to 8 hrs	120	7.99
2	Jindal Power Ltd		50	9.00
	Total		170	

Decision of the Commission

KSEBL proposed to procure 170MW power during the off-peak hours from 00:00 to 08:00 hrs. Out of the 170MW, 120MW is discovered at the rate of Rs 7.99/unit and balance 50MW @ Rs 9.00/unit.

Commission has also noted that, KSEBL has to return 226MW during morning hours and evening hours. After appraising the LGB, and expecting power availability from DAM/RTM of the exchanges during night off-peak hours of the month of December-2026, Commission hereby grant approval for the procurement of 120MW from 00:00 hrs to 08:00 hrs at the L1 rate of Rs 7.99/unit.

(3) January 2027

KSEBL proposal

Power procurement proposed by KSEBL for the month of January 2027 is given below.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
1	PTC India Ltd	0 to 5 hrs	240	6.99
2	Tata Power Ltd		49	7.25
3	Jindal Power Ltd		100	8.50
4	Jindal Power Ltd		50	8.50
	Total		439	

Decision of the Commission

As detailed above, KSEBL proposed to procure 439 MW power during the night off-peak hours from 00:00 to 05:00 hrs in the month of January 2027. Out of the above, 240MW is discovered at the rate of Rs 6.99/unit, 49MW @ Rs 7.25/unit and balance 150MW @ Rs 8.50/unit.

Commission also noted that, 270MW RTC power proposed from Sinnar Thermal Power Project is available from January 2027 onwards. After appraising the load generation balance, and other factors including the reasonable expectation of availability of power in the DAM and RTM of the exchanges in the month of January 2027, Commission hereby grant approval for the procurement of 240MW @ 6.99/unit. This approval is solely to conserve the hydro storage for use in summer months and KSEBL shall ensure minimum drawal from hydro resources during periods other than peak hours.

(4) February 2027

KSEBL proposal

Power procurement proposed by KSEBL for the month of February 2027 is given below.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
1	PTC India Ltd	0 to 5 hrs	240	6.99
2	Tata Power Ltd		49	7.25
3	Jindal Power Ltd		100	8.50
4	Jindal Power Ltd		50	8.50
	Total		439	

Decision of the Commission

KSEBL proposed to procure 439 MW power during the night off-peak hours from 00:00 to 05:00 hrs in the month of February 2027 also. Out of the above, 240MW is discovered at the rate of Rs 6.99/unit, 49MW @ Rs 7.25/unit and balance 150MW @ Rs 8.50/unit.

Commission also noted that, 270MW RTC power proposed from Sinnar Thermal Power Project is available from January 2027 onwards. After appraising the load generation balance, and other factors, Commission hereby grant approval for the procurement of 240MW @ 6.99/unit.

(5) March 2027

KSEBL proposal

Power procurement proposed by KSEBL for the month of March 2027 is given below.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
I	Night off-peak purchase			
1	PTC India Ltd	0 to 5 hrs	120	9.98
2	Jindal Power Ltd		50	10.00
3	Jindal Power Ltd		100	10.00
	Total		270	
II	Peak power purchase			
1	Manikaran Power	18.30 to 24.00Hrs	25	13.89
2	Manikaran Power		25	13.89
3	Manikaran Power		25	13.89
4	Manikaran Power		120	13.89
5	Manikaran Power		52	13.89
	Total		247	

Decision of the Commission

Commission has appraised the power procurement proposed by KSEBL in detail. KSEBL has proposed to purchase 270MW during night-off peak hours, 120MW @ Rs 9.98/unit and 150MW @ Rs 10/unit during March-27. Further, KSEBL proposed to purchase 247 MW during peak hours @Rs 13.89/unit.

However, with the availability of power from Sinnar (540MW), banking arrangement to the extent of 1000MW from the complementing states as discussed paragraphs 25 and 26 above, with the continuation of the additional CGS to the extent of 150MW, and by scheduling the KSEBL BESS during peak hours (250MW for 4 hours), and the 240MW peak power purchase approved vide Order dated 11.09.2026, the total additional peak availability during the month of March would be about 2110 MW. Thus, the total peak availability may be in the range of 6300 MW to 6500MW. With the further efforts on DSM activities, KSEBL could manage the peak demand and energy requirement without any additional costly power purchase at the excessive rate of Rs 13.89/unit. However, considering the chance of extending the peak demand upto a few hours of night off-peak hours in the month of March-2027, and for conserving the available water resources for meeting the demand of April and May 2027, Commission here by approve the night off-peak purchase of 270 through DEEP portal as above.

(6) April 2027

KSEBL proposal

Power procurement proposed by KSEBL for the month of April 2027 is given below.

Sl No	Trader/ Source	Duration	Quantity (MW)	Rate (Rs/kWh)
I	Night off-peak purchase			
1	Tata Power Ltd	0 to 5 hrs	40	13.22
2	Manikaran Power		25	13.89
3	Manikaran Power		25	13.89
4	Manikaran Power		25	13.89
	Total		115	
II	Peak power purchase			
1	Manikaran Power	18.30 to 24.00Hrs	25	13.89
2	Manikaran Power		25	13.89
3	Manikaran Power		25	13.89
	Total		75	

Decision of the Commission

KSEBL has proposed to purchase 115 MW during night-off peak hours @ Rs 13.89/unit and 75MW during peak hours in the month of April-2027.

However, as discussed above, with the continuation of the banking transactions arrangements upto 15th of April- 2027, total additional availability during peak hours would be about 2200MW. KSEBL also submitted that, the banking transactions with the UP and Punjab may be extended till May 2027 on as and when available basis.

Further, the quantum of power offered during April for night off-peak as well as peak hours was very small, but the rate offered is excessively high.

Considering these reasons, the Commission decided to reject the power procurement through DEEP portal in the month of April-2027.

34. The summary of the short-term power purchase approved as above from November-2026 to April-2027 is given below.

Sl No	Name of the trader	Duration	Quantity	Rate	Energy at CTU periphery of the generator	Financial commitment
		(Hrs)	(MW)	(Rs/ kWh)	MU	(Rs.Cr)
Nov-2026						
1	PTC India Ltd	00:00 hrs to 05:00 hrs	120	7.44	18.00	13.39
2	RPG Power Trading Co. Ltd		25	7.44	3.75	2.79
3	Total		145		21.75	16.18
Dec-2026						
1	PTC India Ltd	00:00 hrs to 08:00 hrs	120	7.99	29.76	23.78
Jan-2027						
1	PTC India Ltd	00:00 hrs to 05:00 hrs	240	6.99	37.20	26.00
Feb-2027						
1	PTC India Ltd	00:00 hrs to 05:00 hrs	240	6.99	33.60	23.49
Mar-2027						
1	PTC India Ltd	00:00 hrs to 05:00 hrs	120	9.98	18.60	18.56
2	Jindal Power Ltd		50	10.00	7.75	7.75
3	Jindal Power Ltd		100	10.00	15.50	15.50
4	Total		270		41.85	41.81
	Grand Total				164.16	131.26

As detailed above, the total financial commitment of the proposed power purchase as above is Rs 131.26 crore for procuring 164.16 MU @Rs 8/unit.

35. Commission hereby clarifies that; the short-term power purchase as above is to tide over the present critical power situation of the State during this financial year 2026-27. Hence this shall not be considered as a precedence.

However, Commission has noticed with concern that, KSEBL has been entering into monthly contracts including UPC contracts through exchanges for huge quantum at excessive rates during night off-peak hours including morning hours, without appraising the LGB, market availability of electricity in the exchanges including DAM/RTM, and without the approval of the Commission. Commission on various occasions has warned KSEBL regarding the reasonable anticipation of power during night off-peak hours of the month of November-2026 and December-2026 at competitive rates. The price determined through DEEP portal also gives a reasonable expectation in this regard. KSEBL shall note these facts before going for night off-peak purchases in the months of November-2026 to February-2027. Further, this may result in surrender of power from CGS & LTA contracts and also loss the opportunity to purchase power from exchanges including DAM/RTM markets during night off-peak hours. Commission hereby warns KSEBL that, such type of power purchase at excessive rates may end up in liquidity problems to the utility.

KSEBL is also yet to propose strategies to mitigate the huge liability incurred for short-term purchase made during the year 2026-27, through various means.

36. Commission also noted that, exchange-traded electricity futures market was introduced in India in July 2025, following joint regulatory co-ordination between SEBI and CERC. Electricity is actively traded on major commodity derivatives platforms like multi commodity exchange (MCX) and National Stock Exchange. Participating in the futures market allow the DISCOMs to hedge against the risks and volatility of the price variations in electricity market in the Exchanges like IEX, PXIL and HPX.

However, KSEBL is yet to participate in the futures market. Chairman and Manging Director (CMD) of KSEBL may take urgent steps to constitute a small dedicated team to evaluate the electricity futures market so that, the volatility and price risks of short-term market including exchanges can be hedged to a certain extent in the future.

37. KSEBL is also directed to review the LGB as directed in this Order and, if found required, further explore the short-term market once the current phase of panic purchase witnessed across the Country, in September, 2026 is over and seek approval for additional short term procurement for the summer period of 2027, as may be found required.

Order of the Commission

38. Commission, after examining the petition filed by KSEBL dated 25.09.2026, seeking approval for entering into short-term power purchase for meeting the power deficit from 01.10.2026 to 30.04.2027 through DEEP portal, the provisions of the Electricity Act, 2003 and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, other relevant guidelines and procedures, here by orders the following,

(1) Approve the proposals of short-term power purchase for the months of November-2026 to April-2027 as detailed in the paragraph-34 above.

(2) KSEBL shall strictly comply with the observations and directions of the Commission as detailed in paragraphs 12 to 37 above.

(3) KSEBL shall submit the month wise details of the short-term power purchases through DEEP portal from all sources including previous orders separately by 5th of the succeeding month.

KSEBL shall also submit the time block wise, month wise details of the power purchase through Exchanges through DAM, RTM and other products.

(4) KSEBL shall strictly comply with the directions given in the previous orders on short term power purchases issued during 2025-26 and 2026-27.

The petition disposed of. Ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
Rajendran K. V
Secretary