

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

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

OP No. 19/2024

In the matter of : Approval of draft Supplementary Power Purchase Agreement (PPA) between KSEB Ltd and KPUPL for the enhancement of contract demand from 2000 kVA to 3000 kVA in respect of KINFRA Integrated Industrial & Textile Park, Kanjikode, Palakkad.

Petitioner : M/s KINESCO Power Utilities Private Limited (KPUPL) KINFRA Park office, Infopark P O, Kakkanad, Kochi.

Order Dated 12.02.2025

1. M/s KINESCO Power Utilities Private Limited (hereinafter referred to as the petitioner or KPUPL) has filed a petition before the Commission on 09.05.2024 for the approval of the draft Supplementary Power Purchase Agreement (PPA) signed between the M/s KPUPL and KSEBL for the enhancement of contract demand from 2000 kVA to 3000 kVA at 22 kV at the KINFRA Integrated Industrial & Textile Park, Kanjikode, Palakkad.
2. Summary of petition filed by M/s KPUPL is given below;
 - (1) Kerala Industrial Infrastructure Development Corporation (KINFRA) is a statutory body established by Kerala Government to develop, promote and maintain Industrial Infrastructure in the state of Kerala as per the provisions of the Kerala Industrial Infrastructure Development Act, 1993. KPUPL is a subsidiary company of KINFRA, established for distribution of electricity within the industrial parks and special economic zones, developed by KINFRA. M/s KINESCO Power and Utilities Private Limited (KPUPL) is authorised to distribute electricity at KINFRA Integrated Industrial & Textile Park (KIITP) at Kanjikode, Palakkad.
 - (2) KPUPL started licensee operations at KIITP at Palakkad from 05.08.2016. The entire power requirement at KIITP is proposed to be met by purchasing power from KSEBL.
 - (3) Initially, on 10.06.2016, KPUPL had entered into a Power Purchase Agreement with KSEBL for a Contract Demand of 500 kVA. Subsequently on 17.10.2018, the Contract Demand was enhanced to 1000 kVA. KPUPL

further enhanced the Contract Demand to 1400 kVA vide the supplementary PPA dated 23.03.2020. The Contract Demand was again enhanced to 2000 kVA through supplementary PPA executed on 22.06.2023.

- (4) M/s KPUPL submitted that, since the present power requirement at KIITP exceeded 2000 kVA, connection agreement for 3000 kVA was executed with Chief Engineer, Distribution (North) on 04.10.2023. The draft PPA for enhancing the contract demand from 2000 kVA to 3000 kVA at 22 kV was signed between CEO, KPUPL and Chief Engineer (Commercial and Tariff) on 05.01.2024.
- (5) M/s KPUPL further submitted that, KSEBL and KPUPL have mutually agreed to amend the following articles in the PPA dated 10.06.2016 and its latest amendments dated 22.06.2023 in respect of KIITP, Kanjikode, Palakkad.
 - (i) *Para 2.1, Article 2, the second sentence is amended as "the agreement shall remain valid up to 04.01.2029"*
 - (ii) *Para 3.2, Article 3 of the PPA dated 22.06.2023 shall be modified as; "KSEBL shall supply to KPUPL at the point of supply at Palakkad and KPUPL shall take power from KSEBL with the contract demand fixed at 3 MVA for its own use and for the purpose of supply to the consumers within the area of supply as provided in the license of distribution of electricity."*
 - (iii) *In Schedule II A, the 4th row is amended as "Maximum electrical power required by KPUPL (Contract Demand) for its connection at Kanjikode, Palakkad is 3 MVA at 22000 Volts."*

All the terms and conditions specified in the Articles of the Principal PPA entered by the parties on 10.6.2016 and its amendments shall hold good in respect of the Supplementary PPA, except for those specified herein above.

Analysis and Decision of the Commission:

3. The Commission has examined in detail the petition filed by M/s KPUPL along with the draft supplementary PPA to the original PPA dated 10.06.2016, the provisions of the Electricity Act, 2003 and KSEB (Conditions of License for Existing Distribution Licensees) Regulations, 2006, and other Rules and Regulations in force, decide on the matter as follows;
4. M/s KPUPL is one of the small distribution licensees in the State of Kerala having distribution license for supplying electricity at KINFRA Integrated Industrial & Textile Park (KIITP), Kanjikode, Palakkad. M/s KPUPL has been procuring the entire power requirement from KSEB Ltd at the Bulk Supply Tariff (BST) approved by the Commission from time to time.
5. As per the section 86 (1)(b) of the Electricity Act-2003, all the PPA/ arrangement for power procurement of the distribution licensees shall be regulated by the State Commission. The present petition is filed for granting approval for the draft Supplementary Agreement for enhancing the contract demand of KINFRA Integrated Industrial & Textile Park (KIITP) from 2000 kVA to 3000 kVA.

6. The parties to the agreement also proposed certain amendments to the PPAs, in the draft supplementary agreements, as detailed under paragraphs 2(5) above. The Commission has examined in detail the modifications and noted the following.

- (1) The modifications proposed in Article 2 of the PPA is for extending the validity of the PPA till 04.01.2029.
- (2) The modifications proposed in Article 3.2 of the PPA in the supplementary agreements, is regarding the enhancement quantum of power to be availed from KSEB Ltd for meeting the additional power requirement of KIITP, Palakkad.
- (3) The changes proposed in Schedule II- A of the PPA is regarding the details of the contract demand, purpose of usage of electricity, penalty for the excess drawal of power over the Contract Demand.

All the modifications proposed are mutually agreed by the parties and also consistent with the provisions of the EA-2003 and prudent practices prevailing in the Country.

7. Considering all these aspects in detail, the Commission has decided to approve the draft supplementary power purchase agreement dated 05.01.2024 signed between M/s KPUPL and KSEBL for enhancing the contract demand of KIITP Palakkad from 2000 kVA to 3000 kVA.

Order of the Commission.

8. The Commission after examining the petition filed by M/s KPUPL for the approval of the draft supplementary PPA with KSEBL for enhancing the contract demand of the KINFRA Integrated Industrial & Textile Park, Kanjikode, Palakkad from 2000 kVA to 3000 kVA, the provisions of the Electricity Act, 2003 and KSERC (Conditions of License for Existing Distribution Licensees) Regulations, 2006, and other Rules and Regulations in force, hereby Orders the following;

- (1) Approve the 'draft Supplementary Power Purchase Agreement' initialled between M/s KPUPL and KSEB Ltd on 05.01.2024, for enhancing the contract demand of KIITP Palakkad from 2000 kVA to 3000 kVA.
- (2) A copy of the Supplementary Power Purchase Agreement signed between the parties may be submitted before the Commission for information and record.

The petition is disposed of and ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
Adv. A J Wilson
Member

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
C R Satheesh Chandran
Secretary