

KERALA STATE ELECTRICITY REGULATORY COMMISSION

THIRUVANANTHAPURAM

Present : Adv. A.J Wilson, Member
Shri B Pradeep, Member

OP No 08/2025

In the matter of

: Petition seeking approval for entering into long term power purchase with M/s CV Renewables to purchase the wind power generated from their 1x250kW wind plant at Ramakkalmedu, at a ceiling tariff of Rs.3.94/unit

Petitioner : Kerala State Electricity Board Ltd (KSEB Ltd)

Respondent : M/s CV Renewables Pvt Ltd

KSEB Ltd represented by : Adv Ajit Joy, Counsel for the petitioner
Sri Manoj, Executive Engineer
Sri. Shine Raj, Asst: Executive Engineer
Smt. Asha A.V, Asst: Engineer

Respondent represented by : Sri Arun Varghese
Sri. Manu Mathew

Hearing conducted on : 18.03.2025, 02:30 PM

Venue : Court Hall of the Commission

Order dated 14.05.2025

1. M/s Kerala State Electricity Board Limited (hereinafter referred as KSEBL or Petitioner) on 24.12.2024 has filed a petition before the Commission with the following prayers:

- “a. To admit this Petition.*
- b. Allow KSEBL to enter into long term contract with M/s, CV Renewables Pvt Ltd, at a ceiling rate of Rs. 3.94/unit (generic tariff without accelerated depreciation, as notified by the Hon’ble Commission).*
- c. Allow KSEBL to purchase the wind power generated from 1x250kW wind plant of M/s. CV Renewables Pvt Ltd, at Ramakkalmedu, at a provisional tariff of Rs.3.94/unit, till KSERC determines the final tariff.*
- d. Pass any other Order as the Hon’ble Commission may deem fit and appropriate under the circumstances of the case”.*

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

(1) M/s ANERT, vide the proceedings dated 08.01.2016 has granted technical approval to M/s Ramakkalmedu Power Pvt Ltd to establish (8 x 0.25 MW) 2 MW WEG in private land on CPP Mode. M/s C.V Renewables Ltd had purchased one number of 250kW WEG out of the 8 number of 250kW WEG of Ramakkalmedu Power Pvt Ltd.

(2) As requested by M/s. CV Renewables Pvt. Ltd., and also with the consent of KSEBL, M/s ANERT vide the proceedings dated 04.05.2024 has ordered to convert 1x 250kW WEG from CPP to IPP Mode.

(3) M/s. CV Renewables Pvt. Ltd had executed connectivity agreement with KSEBL on 02.08.2024, and subsequently the project was connected to the grid on 16.08.2024.

(4) The interconnection point of the project with KSEBL grid is at the Puspakandam Pooling Station. The project is located at Anakaramet, which is 5 km away from the pooling station. The connection from Anakaramet to the Pushapakandam pooling station is established through a 33 kV underground cable and overhead line by developer at its cost. From the pooling station, the power is evacuated to the Nedukandam substation through two 33 kV feeders. At the Nedukandam substation the voltage is stepped upto 66 kV and further evacuated through the 66 kV network.

(5) M/s C.V Renewables vide the letter dated 06.05.2024 has expressed their interest to supply power from the 250kW WEG to KSEBL @ Rs 3.95/unit. It was also mentioned that the actual production cost comes to Rs 6.50/unit. KSEBL vide the letter dated 05.08.2024 had requested to M/s C.V. Renewables Pvt Ltd to revise the offered rate to Rs 3.64/unit (the generic tariff approved by the Commission with the benefit of accelerated depreciation). However, M/s. CV Renewables Pvt. Ltd intimated to KSEBL that, they cannot supply electricity from the project @ Rs 3.64/unit, as the associated costs are too high, the cost of installation of wind mills in hilly areas is approximately 25% higher compared to installation of WEG at plain areas. The developer requested KSEBL to consider the rate of Rs 3.94/unit, the generic tariff approved by the Commission without the benefit of accelerated depreciation for the electricity generated from 250 kW WEG.

(6) The generic tariff determined by the Commission for the projects up to 5 MW has been set at Rs. 3.64/unit with the benefit of accelerated depreciation and Rs. 3.94/unit without accelerated depreciation, for a period of 25 years.

(7) KSEBL further submitted that, the tariff discovered in SECI's multiple States Wind Tranche XVI tender is from Rs. 3.60–3.70/unit. In the first quarter of 2024, the lowest winning tariff was Rs 3.42/unit in GUVNL's 500 MW Wind (Phase VI) tender. Recently, wind power had been offered to KSEBL by SJVN at Rs. 4.05–4.06/unit, including trading margin of Rs 0.07/unit. KSEBL further submitted that, there is an additional impact of interstate transmission charges for the projects commissioned after 30.05.2025. KSEBL further submitted that, in the bid invited by the licensee on 08.12.2021 for procuring 100MW grid-connected Wind power from the projects established in Kerala, the offered rate was Rs 3.96/unit.

(8) Considering the growing electricity demand in the State, restriction in the corridor availability of inter-state transmission for importing power from outside the State, there exists a need for increase in internal generation in a cost effective manner.

(9) By taking into account of all these factors and considering the socioeconomic development of the State, KSEBL has decided to enter into long term contract with M/s C.V Renewables Pvt Ltd at a ceiling rate of Rs. 3.94/unit, subject to approval by the Commission. The instant petition is filed seeking approval for entering into long term power purchase agreement with M/s CV Renewables to purchase power from its 1x 250kW WEG at Ramakkalmedu @ Rs. 3.94/unit.

3. The Commission admitted the petition as OP No. 08/2025. Hearing on the petition was held on 18.03.2025 at the Court Hall of the Commission. Adv. Ajit Joy presented the matter on behalf KSEBL. Sri Arun Varghese presented the comments on behalf of the respondent, M/s CV Renewables Pvt Ltd. Summary of the deliberations during the hearing is given below.

(1) KSEB Ltd submitted the following during the hearing:

- (i) M/s CV Renewables Pvt Ltd, established the 1x 250kW WEG at Ramakkalmedu, and connected to the grid on 16.08.2024. Since then, electricity has been generating and supplying to the grid.
- (ii) The Commission vide the KSERC (Renewable Energy & Net Metering) (First Amendment) Regulations, 2022 (hereinafter referred to as 'RE Regulations, 2022'), has determined the generic tariff for the electricity generated from WEG having capacity below 5 MW @ Rs 3.94/unit without availing the benefit of accelerated depreciation and Rs 3.64/unit with the benefit of accelerated depreciation.
- (iii) M/s CV Renewables had offered to supply the electricity generated from the project to KSEBL @ 3.94/unit, i.e., at the generic tariff approved by the Commission. KSEBL has offered to purchase the electricity from the project @Rs 3.64/unit, i.e., at the generic tariff approved with the benefit of accelerated depreciation, however the developer communicated their inability to reduce the tariff further due to the high cost of installation in the hilly terrain and huge cost incurred for creating various infrastructure.
- (iv) Being a developer within the State, KSEBL has decided to procure power from the project at the generic tariff approved by the Commission till the Commission determines the final tariff. KSEBL also requested to allow KSEBL to enter into long term contract with the respondent at a ceiling rate of Rs 3.94/unit.

(2) Respondent M/s CV Renewables Pvt Ltd submitted the following during the hearing:

- (i) Various activities on establishing the project started in the Year 2015, but they could complete the project only in August 2024.

They incurred about Rs 5.00 crore for the development of various infrastructure associated with the project.

(ii) The developer had negotiation with KSEBL and agreed to supply the electricity generated from the project @Rs 3.94/unit, the generic tariff approved by the Commission for wind projects with capacity of and below 5 MW, without the benefit of accelerated depreciation. However, the actual cost of generation from the project is more than Rs 6.50/unit.

The developer agreed to sign the power purchase agreement (PPA) with KSEBL. They already initialled the draft PPA forwarded to them by KSEBL.

However, KSEBL clarified that, the PPA can be signed only after getting the approval of the tariff.

(iii) The respondent further submitted that, since August 2024, they had been generating and supplying electricity to KSEBL, and the same also measured by KSEBL at the pooling substation. So far, they had injected more than 1 lakh units to KSEBL grid, however no payment towards charges for electricity supplied was paid by KSEBL.

(iv) The respondent also explained the difficulties faced by them during the execution of the project for co-ordinating with the various offices of KSEBL and State Government.

(3) The Commission clarified during the hearing that, the Commission vide the KSERC (Renewable Energy & Net Metering) (1st Amendment) Regulations,2022 has determined the generic tariff for WEGs having capacity of and below 5MW @Rs 3.94/unit without the benefit of accelerated depreciation and Rs 3.64/unit with the benefit of accelerated depreciation.

The intention of the Commission to approve the generic tariff is explained in detail in the statement of reasons notified along with the principal regulations. Hence, there is no need to determine the project specific tariff for the projects for which the generic tariff was already determined, unless the generator seeks a project specific tariff and files all the required details.

The developer and the distribution licensee can enter into agreement for supplying electricity from the WEG at mutually agreed tariff with the upper ceiling at generic tariff approved by the Commission. However, if the developer and the licensee are not agreeable for the generic tariff and requires project specific tariff, the developer has to file a proper petition along with project cost and other relevant details.

However, in the present case, both the parties have already agreed to the generic tariff of Rs 3.94/unit. Hence separate approval of the generic tariff or final tariff is not required. The parties can enter into PPA with the generic tariff with the prior approval of the Commission. Hence, the present petition for the approval of the provisional tariff @Rs 3.94/unit till KSERC determines the final tariff is infructuous at this Stage.

Hence, the Commission has directed the petitioner KSEBL to finalise the terms and conditions of the draft PPA with the respondent, and submit the initialed PPA for the approval of the Commission.

(4) KSEBL submitted that, they shall file an additional affidavit for the approval of the PPA along with the draft initialed PPA, after finalizing the terms and conditions through mutual discussions with the developer. KSEBL shall amend the prayers of the original petition accordingly.

KSEBL further submitted that, since the Commission has clarified the purpose of the generic tariff @ Rs 3.94/unit, KSEBL may be permitted to release the payment for the electricity supplied by M/s CV Renewables Pvt Ltd at the generic tariff notified by the Commission.

(5) The Commission also clarified that, as the incumbent licensee and the Government owned utility, KSEBL shall extend helping hand for development of RE projects at the hilly regions like Ramakkalmedu etc. KSEBL may look into the necessity for establishing a nodal office at its corporate office for facilitating the development of wind and other RE projects in view of the difficulties reported by the developer.

4. Based on the deliberations during the hearing, the Commission vide the interim Order dated 20.03.2025 has issued following directions to the petitioner M/s KSEBL and the respondent M/s C V Renewables Ltd, for compliance within one month from the date the Order.

(1) *The petitioner KSEBL and respondent M/s CV Renewables Pvt Ltd shall finalise the 'terms and conditions of the PPA' through mutual consensus. The petitioner shall submit the draft initialed PPA as an additional affidavit to the original petition for approval by suitably amending the prayers of the original petition.*

(2) *In view of the agreement expressed by both the parties, KSEBL is permitted to make payments to the developer for the electricity supplied at the generic tariff @ Rs 3.94/unit.*

(3) *The petitioner and respondent are also permitted to submit additional details, if any,*

5. In compliance of the direction of the Commission, KSEBL vide the additional affidavit dated 24.04.2025 has submitted the draft initialed PPA signed between the petitioner KSEBL and the respondent M/s C V Renewables Ltd for the approval of the Commission. KSEBL also modified the prayer of the original petition as follows;

“ In accordance with Regulation 77 of the KSERC (terms and Conditions for determination of Tariff) Regulations, 2021 read with Section 86(1) (b) and (e) of the Electricity Act, 2003, it is respectfully prayed that the Hon’ble Commission may kindly approve the power purchase agreement and allow KSEBL to enter into a long term power purchase, for 25 years, with M/s CV Renewables to purchase wind plant at Ramakkalmedu, at the tariff of Rs 3.94/unit”.

6. It is also informed that, the respondent M/s CV Renewables Ltd have successfully completed the trial run on 07.09.2024, and the commercial operation date (CoD) was on 08.09.2024.

Analysis and Decision of the Commission

7. The Commission having examined the petition filed by KSEBL dated 24.12.2024, the deliberations during the hearing held on 18.03.2025, the additional affidavit filed by KSEBL on 24.04.2025, provisions of the Electricity Act, 2003, KSERC (Renewable Energy & Net Metering) Regulations, 2020 and its amendments, decided on the matter as follows;
8. Commission vide the notification No. 1204/D(T)/2019/KSERC dated 15.07.2022 has notified the KSERC (Renewable Energy & Net Metering) (1st Amendment) Regulations, 2022. As Annexure-V of the said Regulations, the Commission has determined the generic tariff for the electricity generated from the WEGs in the State having capacity of and below 5MW @ Rs 3.94/unit without the benefit of accelerated depreciation and Rs 3.64/unit with the benefit of accelerated depreciation for the period from 01.08.2022 to 31.03.2024. The generic tariff was determined by the Commission for creating an environment for accelerating the development of RE projects in the State.

It is also specified under 1st proviso to Regulation 35(1) of the parent Regulation, KSERC (Renewable Energy & Net Metering) Regulations, 2020 as follows;

“Provided that, the generic tariff so determined shall be the upper ceiling limit and shall not prevent the generator and distribution licensee from agreeing to a lower tariff than the generic tariff determined by the Commission”.

9. KSEBL has filed a petition before the Commission on 24.12.2024 with the following prayers;
 - a. *To admit this Petition.*
 - b. *Allow KSEBL to enter into long term contract with M/s, CV Renewables Pvt Ltd, at a ceiling rate of Rs. 3.94/unit (generic tariff without accelerated depreciation, as notified by the Hon'ble Commission).*
 - c. *Allow KSEBL to purchase the wind power generated from 1x250kW wind plant of M/s. CV Renewables Pvt Ltd, at Ramakkalmedu, at a provisional tariff of Rs.3.94/unit, till KSERC determines the final tariff.*
 - d. *Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case”.*
10. The Commission admitted the petition as OP No. 08/2025, and conducted hearing on the petition on 18.03.2025. During the hearing, the petitioner KSEBL and respondent M/s CV Renewables Ltd has agreed for the generic tariff of Rs 3.94/unit as determined by the Commission vide the KSERC (Renewable Energy & Net Metering) (1st Amendment) Regulations, 2022.

The Commission clarified during the hearing clarified as follows;

“The developer and the distribution licensee can enter into agreement for supplying electricity from the WEG at mutually agreed tariff with the upper ceiling at generic tariff approved by the Commission. However, if the developer and the licensee are not agreeable for the generic tariff and requires project specific tariff, the developer has to file a proper petition along with project cost and other relevant details.

However, in the present case, both the parties have already agreed to the generic tariff of Rs 3.94/unit. Hence separate approval of the generic tariff or final tariff is not

required. The parties can enter into PPA with the generic tariff with the prior approval of the Commission. Hence, the present petition for the approval of the provisional tariff @Rs 3.94/unit till KSERC determines the final tariff is infructuous at this Stage.”

Hence, the Commission vide the interim Order dated 20.03.2025 has directed the petitioner KSEBL and the respondent M/s CV Renewables Pvt Ltd that they shall finalise the ‘terms and conditions of the PPA to be signed between the parties for the purchase of power from the 250kW WEG established by the respondent at the generic tariff @Rs 3.94/unit. The Commission further directed KSEBL that, an additional affidavit along with the draft initialed PPA may be submitted before the Commission for approval by suitably amending the prayers of the original petition.

The Commission has also directed KSEBL to make payments to the respondent generator for the electricity supplied at the generic tariff @ Rs 3.94/unit, agreed between the parties.

11. Subsequently vide the additional affidavit dated 24.04.2025, KSEBL has submitted the draft initialed PPA signed between the petitioner KSEBL and the respondent M/s C V Renewables Ltd for the approval. KSEBL also modified the prayer of the original petition as follows;

“ In accordance with Regulation 77 of the KSERC (terms and Conditions for determination of Tariff) Regulations, 2021 read with Section 86(1) (b) and (e) of the Electricity Act, 2003, it is respectfully prayed that the Hon’ble Commission may kindly approve the power purchase agreement and allow KSEBL to enter into a long term power purchase, for 25 years, with M/s CV Renewables to purchase wind plant at Ramakkalmedu, at the tariff of Rs 3.94/unit”.

12. The Commission has also noted that, the respondent M/s CV Renewables Ltd have successfully completed the trial run on 07.09.2024, and the commercial operation date (CoD) was declared on 08.09.2024.
13. The Commission has also examined the various articles of the draft initialed PPA between KSEBL and M/s CV Renewables Ltd, and the important clauses are discussed below;
 - (1) Effective date and terms of the Agreement (Article 2 of the draft PPA)
The PPA is valid for a period of 25 years from the date of CoD.

The Commission further clarify that, the term of the agreement may be extended through mutual consensus, but only with the prior approval of the Commission. Hence, the Article-2 of the draft initialed PPA may be modified accordingly.
 - (2) Contracted capacity (Article-3 of the draft PPA)
As per the Article-3, the contracted capacity is 0.250MW.
 - (3) Transmission and wheeling of power (Article 5 of the draft PPA)
As per the Article-5 of the PPA, all charges incurred for the evacuation of power from the generating unit upto STUs substation shall be borne by the generator.

(4) As per the Article 6.9, the tariff for the power generated from the plant shall be Rs 3.94/unit, and the same shall be applicable from the date of commercial operation.

Views of the Commission

The Commission hereby clarify that, as part of promotion of RE projects in the State, the entire electricity generated and supplied to the KSEBL grid from the date of synchronization may be settled at the generic tariff @Rs 3.94/unit.

(5) A proviso may be added under Article-6 that, the Regulations, if any, on 'intra-State Deviation Settlement Mechanism' and 'Forecasting, Scheduling etc of the power from the Renewables' shall be binding on the generator.

All other Articles of the draft initialed PPA between the parties are consistent with the similar PPAs approved in the past.

14. Considering the above, the Commission decided to approve the draft initialed PPA between KSEBL and M/s CV Renewables with the observations and suggestions as detailed in the paragraph-13 above.

Order of the Commission

15. The Commission after examining the petition filed by KSEBL dated 24.12.2024, the deliberations during the hearing held on 18.03.2025, the additional affidavit filed by KSEBL on 24.04.2025, provisions of the Electricity Act, 2003, KSERC (Renewable Energy & Net Metering) Regulations, 2020 and its amendments, orders the following;

- (1) Approve the draft initialed Power Purchase Agreement (PPA) between the petitioner KSEBL and the respondent M/s CV Renewables Pvt Ltd for the procurement of power from the 1x 250kW WEG at Ramakkalmedu at the generic tariff @ Rs 3.94/unit for a period of 25 years from the CoD of 08.09.2024, with the observation and comments as detailed under paragraph 13 above.
- (2) Immediately after signing the PPA, KSEBL shall submit a copy of the same before the Commission for information and record.

Petition disposed of. Ordered accordingly.

Sd/-
Adv. A J Wilson
Member

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
C R Satheesh Chandran
Secretary