

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.357/MP/2023**

Subject : Petition under Section 79(1) (a) and 79(1) (f) of the Electricity Act 2003 along with CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources Regulation 2020 as amended in the matter of fixation of final tariff for the 92 MW floating solar Photo Voltaic Plant at Rajiv Gandhi Combined Cycle Power Project (RGCCP) Kayamkulam, Kerala.

Petitioner : KSEBL

Respondents : NTPC Limited

**Petition No.66/GT/2024**

Subject : Petition for determination of project specific levelized tariff for 92 MW floating solar Photovoltaic Plants in two phases (first phase 22 MW and second phase 70 MW) at Rajiv Gandhi Combined Cycle Power Project (RGCCP) Kayamkulam, Kerala.

Petitioner : NTPC Limited

Respondents : KSEBL

Date of Hearing : **14.11.2024**

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member

Parties Present : Ms. Swapna Seshadri, Advocate, NTPC  
Ms. Ritu Apurva, Advocate, NTPC  
Mr. Karthikeyan Murugan, Advocate, NTPC  
Shri M.S. Nagar, NTPC  
Shri Prabhas Bajaj, Advocate, KSEBL  
Shri Ritvik Mathur, Advocate, KSEBL

**Record of Proceedings**

During the hearing, the learned counsel for NTPC (in Petition No.66/GT/2024) circulated the note of arguments and made detailed oral submissions in the matter. Pointing out that the time overrun in the completion of the project was mainly caused on account of unforeseen reasons, such as the COVID-19 pandemic, the intervention of local union leaders, the disruption in the supply of modules, the delay in grant of connectivity, and the suspension of the approved metering scheme, which was beyond the control of NTPC, the learned counsel submitted that the Respondent



KSEBL, vide its letter dated 11.10.2022 had extended the scheduled commissioning date of 92 MW of the project up to 30.6.2022. She also submitted that NTPC had sought approval for deviation from the norms specified in the RE Tariff Regulations 2020 to take into account the module degradation of 0.7% per annum, Auxiliary Power Consumption (APC) of 0.75%, the transmission loss of 1.25%, additional expenditure of Rs. 50.77 crores proposed for the construction of 7 km long motorable road to have access to the waterbodies for 70 MW Phase-2 project, and the same may be considered for the reasons mentioned therein.

2. On a specific query by the Commission as to the basis of arriving at the estimated cost of Rs 50.77 crores for the construction of the motorable approach road, the learned counsel for NTPC clarified that the Superintending Engineer, Irrigation South Circle proposed the Bund with motorable road since they are not surrounded by land. She further submitted that due to instances of theft and damage to the solar plant, special security measures like CCTV cameras, drone surveillance, etc., have also been suggested. Accordingly, the learned counsel submitted that NTPC may be granted liberty to execute the works and the total cost to be recovered from tariff on mutually agreed methodology between the parties. The learned counsel also prayed that it might be permitted to file an additional affidavit with regard to the basis of the proposed expenditure estimated under this count, which was accepted by the Commission.

3. In response, the learned counsel for KSEBL mainly submitted as under:

- (a) The scheduled commissioning date was extended by KSEBL to 30.6.2022 by applying the provisions of force majeure, and in terms of this, neither party can be held liable for the delay in any manner. Therefore, any delay in the commissioning of the project, including IDC cannot be passed on to tariff.
- (b) Since the details of the capital cost have not been furnished, the capital cost claimed may be pared only after prudence check and considering prevailing market trends.
- (c) There is no regulatory base for adopting 0.7% as a degradation factor, contrary to the regulations. There are also instances where the project is generating more than the installed capacity of 92 MW on many occasions without signs of degradation.
- (d) The O&M cost approved by the Commission in its order dated 9.5.2022 is adequate, and the same may only be allowed.
- (e) Though NTPC has claimed the debt-equity ratio of 69:31 (though 80:20 was envisaged as per investment approval), it has not furnished the details of the actual equity infused in the project. Note 22 of the balance sheet furnished by the Petitioner shows a loss of Rs 1.44 crore, and therefore, NTPC is not eligible for claiming equity and is eligible only for a normative loan.



- (f) NTPC has not furnished any supporting documents to prove the system unavailability of 1.25%. As per the report of the State Transmission Utility of Kerala, the system availability is 99.9%. Hence, the claim may not be allowed.
- (g) As regards the estimated cost of Rs 50.77 crores for the construction of the motorable approach road, it was observed by the site inspection officers that NTPC had not constructed any kind of access road to the water bodies and floating solar panels (for 70 MW) even after the completion of the project, nearly two years back. Such a huge expenditure, which has not been recommended by the State Government or any authority, is also not warranted, as the plant has access on three sides, and the fourth side is open to backwaters, which can be accessed by boat. Hence, the infrastructure cost on this count, which has not been actually executed, may not be included in the tariff. The learned counsel added that the Commission may permit the Respondent to file photos/documentary evidence indicating the actual status on the ground, which was accepted by the Commission.

4. The Commission, after hearing the parties, directed NTPC to furnish the following additional information on or before **10.12.2024** after serving a copy on the KSEBL:

- (i) *Detailed break-up of the capital cost at actuals, with the audited certificate(s) and Board approval(s) for the Project;*
- (ii) *Detailed reasons along with explanations for the delay in the scheduled commercial operation Date (SCOD) and its implications on the cost of the project, including IDC and IED, along with details of liquidated damages if any, to be recovered or recovered amount from the contractors in view of the delay in execution of the projects;*
- (iii) *Relevant documents including but not limited to the Board approvals, Loan approval letters, Loan disbursement letters regarding the equity deployed and debt arrangements for the project, which lists out rate of interest for long-term loans as well as working capital, loan tenure, payment terms if any;*
- (iv) *Rationale for deviating from the normative 80:20 debt: equity ratio, as approved vide interim order dated 9.5.2022 in Petition No. 341/GT/2019, along with supporting documents and the balance sheet;*
- (v) *Detailed break-up of the estimated O&M cost to justify the increase in O&M expenses from Rs. 3.5 Lakh/MW/Year to Rs. 5 Lakh/MW/Year.*
- (vi) *Detailed note on actual data for auxiliary power consumption and actual generation from the projects;*
- (vii) *Comprehensive explanation of the number of incidents of transmission system unavailability, if any;*
- (viii) *Justification for motorable road and other security measures, along with cost-benefit analysis and possible alternatives considered for the same;*



(ix) *Detailed excel sheet showing the determination of tariff with the components for the 92 MW Project along with any other relevant information.*

5. KSEBL is permitted to file their reply by **24.12.2024**, after serving a copy to the NTPC, who may file its rejoinder, if any, by **31.12.2024**.

6. Subject to the above and based on the consent of the parties, an order in the petitions was reserved.

**By order of the Commission**

**Sd/-  
(B. Sreekumar)  
Joint Chief (Law)**

