

**TELANGANA SOLAR OPEN ACCESS DEVELOPERS ASSOCIATION**

Regn.No.1191 OF 2016

To,

Dated:28-02-2025

(1) The Chief Engineer(RAC)/TGSPDCL,

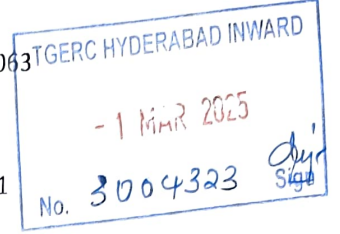
Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063

(2) The Chief Engineer (IPC &amp; RAC)/ TGNPDCL,

H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda - 506001

(3) The Secretary/TGERC,

Vidyut Niyamtran Bhavan, Sy.No.145-P, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045



Dear Sir,

**Sub:** - Objections, Comments and suggestions on the filings made by TGDISCOMs in respect of Filing of Aggregate Revenue Requirement & Tariff Proposals for Retail Supply Business for FY 2025-26 – Objections submitted- Reg.

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(1) Grid Support Charges (GSC): -

**Background:**

It was mentioned that the rationale for levy of GSC originated due to benefits certain co-located captive consumers are availing during their parallel operation with the licensees' grid network.

Hon'ble APTEL had allowed Appeal No. 228 of 2022 and Appeal No. 391 of 2023 filed by Rain CII Carbon (Vizag) Ltd & Others Vs APERC in respect to Determination and applicability of Grid Support Charges (GSC) and held that levy of Grid support charges shall be limited to only the power consumed by the co-located captive load. Hon'ble APTEL through these orders had already set aside applicability of the GSC for non-co-located power plants.

In line with Hon'ble APTEL orders, the terms and conditions of GSC were modified as below by Hon'ble TGERC in its Retail Supply Tariff order Dated:28.10.2024.

*"6.16.7 The GSC will be applicable only on Captive Power Plants (CPPs) and the levy shall be limited to only the power consumed by the co-located load.*

*6.16.8 The GSC is not applicable for the following:*

- A. Captive Power Plants (both Renewable and Conventional) which are not co-located.*
- B. IPPs (both Renewable and Conventional).*
- C. Solar Roof Top plants.*
- D. Generators which have PPAs with TGDISCOMs."*

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Familiar with the above ruling the Licensee has been trying to misguide the Hon'ble commission by trying to **expanded the scope**/applicability of levy of such GSC on Captive Power Plants (both Renewable and Conventional) both co-located and not co-located, IPPs (both Renewable and Conventional) & Solar Roof Top plants and Generators having partial PPAs with the Licensee over and above PP capacity, **basically covering universe of power plants**. In our opinion, licensee should restrain from making such proposals that are against rules, orders and regulations and therefore, the levy of GSC should be limited to only co-located captive load.

**DISCOMs have been misguiding the honorable commission time and again in their proposals to expand the scope of levy of GSC and therefore the levy of GSC should be restricted to only co-located captive power plants, which work in parallel with the grid.**

**(2) The standby charges: -**

The definition and conditions of levy of stand-by charges are derived from the Electricity Rules, 2022, Dated: 06.06.2022, which is extracted below.

(4) The standby charges, **wherever applicable**, shall be specified by the State Commission and such charges shall not be applicable if the Green Energy Open Access Consumers have given notice, in advance at least twenty-four hours before the time of delivery of power, for standby arrangement to the distribution licensee:

Provided that the applicable standby charges shall not be more than Ten per cent of the energy charges applicable to consumer tariff category.

**Explanation:** For the purposes of this rule, (i) the expression —standby charges|| means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumer is unable to procure power from the generating sources with whom they have the agreements to procure power **due to outages of generator, transmission assets and the like**.

(ii) It is hereby clarified that in such situations the open access consumer has to take power from an alternate sources like the distribution licensee and the charges for maintaining standby arrangements for such consumers should be reflective of the costs incurred by distribution licensee for providing these support services.

As such several State Electricity Regulatory commissions have clarified this position. For instance, APERC has clarified in its order dated:01.05.2024 in Regulation No. 3 of 2024 as below:

*"As long as the Consumer avails power up to the contracted demand with the DISCOMS, the question of standby charges does not arise. The Standby charges are incorporated in the Regulation to address the issue of exigencies of Open Access Users and the consumers may avoid penalties*

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*from the DISCOMS for drawing power over and above the CMD by availing the standby option during exigencies."*

In the current scenario,

- TGSPDCL is allowing Open Access/ Green Energy Open Access within consumer CMD.
- DISCOMs are duty bound to provide electricity on demand within the Contract Maximum Demand (CMD) as the fixed charges for the respective CMD are paid by the consumer. A
- Since the consumer is already paying the fixed charges for the CMD, the question of payment of standby charges does not arise.
- Standby charges only come into play in cases where DISOMs provide Open Access beyond the CMD of the consumer.

**Hence, the proposal for standby charges must be completely rejected.**

**(3) Need for separate category for startup power of renewable generating sources : -**

It is humbly submitted that several states have incorporated a separate category for RE startup power. The relevant extracts from APERC are re-produced for the quick reference of this Honorable commission.

**CATEGORY-II (B): STARTUP POWER – HT**

*Applicability*

*The tariff is applicable for supply of electricity to startup power for Captive Generating Plants or Co-Generation Plants or Renewable Energy Generation Plants and Merchant plants.*

*The Startup Power is intended for those generators who require occasional and intermittent supply for startup operations of the generating unit(s) alone. However, the Captive and Cogeneration plants with their process plants being located in the same premises and have single connection with the grid (APTransco / DISCOMs) and who continuously depend on the licensees' supply for part of their energy requirement may be given option to either continue in their present category or to be included in this new category. Without giving an opportunity to all such generators to exercise option in this regard, the category change shall not be affected.*

*The conditions applicable for Startup Power are as follows:*

- I. *Supply is to be used strictly for generator start-up, operations, maintenance and lighting purposes only.*

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- II. Allowable Maximum Demand shall be limited to the percentage (as given below) of the maximum capacity unit in the generating station in case of generators other than Wind and Solar, and of the plant capacity in case of Wind and Solar generator.  
Thermal -15%, Gas based - 6%, Hydel - 3%, NCE Sources - 10%, Wind and Solar - 2%
- III. If the Maximum Demand exceeds the limits specified above, the energy charges shall be charged at 1.2 times of normal charge for the entire energy consumed.
- IV. iv. All other conditions applicable to Category II: Commercial & Others- HT shall also apply to the Category II(B): Startup Power-HT to the extent they are not contradictory to the above.
- V. This category is also applicable to all the Wind and solar plants who have PPAs with the licensees.

Voltage of Supply	Demand Charges (Rs./kVA/month)	Energy Charges (Rs./kVAh)
All Voltages	Nil	12.25

Note: In respect of cogeneration Sugar plants, the billing shall be in accordance with the specific clauses of the power purchase agreements.

**Therefore, it is requested that the Honorable Commission to notify separate category for solar RE generators without any fixed charges in line with above provisions.**

We look forward to favourable action by the Hon'ble commission in respect of above mentioned 3 points.

For Telangana State Solar Developers Association,



Authorized Signatory.