

Mechanism for demonstration of Stranded assets

TS Discoms have contracted capacity in order to meet the projected demand requirements of all the consumers including demand of the open access consumers contracted with Discoms.

To conclusively demonstrate the stranding of assets, the Discoms propose that the 15-minute time-block analysis can be done. In order to prove that the assets are stranded it is necessary to consider the actual data from the TS SLDC. At the time of filing of ARR & tariff Proposals by TSDISCOMS, only actual data for first six-months is available. Hence it is proposed to calculate the stranded assets twice a year i.e. for first half of the financial year from April to September along with the ARR filings and for Second-half from October to March within 2 months from the completion of the financial year for determination of Additional surcharge for every six months period.

The approach for computing the average capacity of stranded capacity due to open access proposed to be adopted is given below.

- **The 15-minute time-block data of Available capacity and scheduled capacity of all generating stations, and the scheduled capacity of OA consumers of six months period is to be taken.**
- **In case of Hydel Generating stations the scheduled capacity is to be treated as available capacity in that time block.**
- **The lower of the surplus capacity (i.e. available capacity less scheduled capacity) and capacity scheduled by OA consumers is to be considered as stranded capacity for the 15-minute time block.**
- **Accordingly, the average stranded capacity for six-month period due to open access has to be arrived.**

Methodology of Additional Surcharge Computation

After arriving at the stranded capacity due to open access, the additional surcharge against such assets is computed as below:

- Total fixed charges (in Rs.) (including Hydel and other must-run sources) paid during the six-month period is to be taken and Fixed charge (per MW) of available capacity is to be arrived at.

- The Fixed charges to consider above shall include fixed costs of all the generating stations including Hydel and the charges paid to the NCE generators as these are must-run stations.
- An average fixed charge per MW of available power is to be multiplied with the average stranded capacity due to open access. This forms the basis of total additional surcharge to be recovered from open access consumers.
- The demand charges paid by the open access consumers for six-month period are adjusted after deducting the transmission and wheeling charges related to energy drawn by Open access consumers from the Distribution Licensees to arrive net demand charges.
- The per unit additional surcharge recoverable from open access consumers was computed by deducting net demand charges from the fixed charges on account of stranded capacity divided by energy scheduled through open access.

The computation of Additional Surcharge is tabulated below:-

SI No	Description	Unit	Value
1	Contracted Capacity	MW	
2	Maximum Availability	MW	
3	Minimum Availability	MW	
4	Average Availability	MW	
5	Maximum Scheduled	MW	
6	Minimum Scheduled	MW	
7	Average Scheduled	MW	
8	Capacity not availed (Max)	MW	
9	Capacity not availed (Min)	MW	
10	Capacity not availed (avg)	MW	
11	OA Allowed (Max)	MW	
12	OA Allowed (Min)	MW	
13	OA Allowed (Avg)	MW	
14	Capacity Stranded due to OA	MW	
15	Total Fixed Charges	INR Crore	
16	Fixed charges per MW available (= 15 / 4)	INR Crore	
17	Fixed charges of stranded capacity (= 16 * 14)	INR Crore	
18	Transmission charge paid	INR Crore	
19	Energy Scheduled	MU	
20	Transmission Charges per kWh (= 18 / 19)	INR/kWh	
21	Distribution charges (As approved in Tariff	INR/kWh	

Sl No	Description	Unit	Value
	Order)		
22	Total T & D Charges per kWh (= 20 + 21)	INR/kWh	
23	Energy Consumed by OA consumer from Discoms	MU	
24	T & D Charges payable to Discoms by OA consumers (= 22 * 23)	INR Crore	
25	Demand Charges Recovered by Discoms from OA	INR Crore	
26	Demand Charges to be adjusted (= 25 - 24)	INR Crore	
27	Net Stranded charges recoverable (= 17 - 26)	INR Crore	
28	OA Scheduled Energy	MU	
29	Additional Surcharge (= 27 / 28)	INR/ kWh	

Terms and Conditions:

The key Terms and Conditions proposed for open access consumers are submitted for additional surcharge methodology are as follows. These are in addition to the Terms and Conditions specified in the Open Access Regulation of Hon'ble TSERC:

- TS SLDC has to provide on six-monthly basis i.e. first half and second half of a year, the 15-minute time block data of actual availabilities and schedules of all generators and scheduled capacities of Open Access Consumers within 2 months from the completion of the six-month period.
- The DISCOMs has to provide details of Fixed costs paid, demand charges collected from open access consumers and the Open access consumption within 2 months from the completion of the six-month period.
- Additional surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access customers based on the actual energy drawn during the month through open access. The additional surcharge determined by the Commission on the basis of data for April to September of a particular year shall be applicable for April to September period of next year and so on.
- Further any consumer of the Discom eligible to avail power through open access and intends to source power through open access should convey the same to TS Discom at least six months before the occurrence of the open access transaction along with the quantum.

- For a scheduled consumer who is availing power from both the Discom and open access source, **minimum energy consumption from the Discom will be stipulated.** This will enable the usage of minimum quantum of energy from Discom when market prices are low.
- In case a consumer has conveyed that he would be sourcing power through open access but opts to take power from Discom, such power would be made available by the Discom after levying the penalty as determined by the Commission.
- In any financial year, eligible OA consumer will be allowed to source power either from a Discom or through open access consumer. Once a decision is conveyed to Discom, such consumer will not be allowed to change the source of supply i.e., Discom or supply through open access. This will enable in reducing the instances of frequent switching of the consumers from Discom supply and supply from open access sources.
- Selective sourcing of power in specific time slots should not be allowed and the OA & Scheduled consumer should be contracting power for entire day.

Sd/-

COMMISSION SECRETARY (FAC)

Place : Hyderabad

Date: 25.01.2020