



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

O. P. No. 1 of 2017

Dated 17.11.2017

Present

Sri. Ismail Ali Khan, Chairman
Sri. H. Srinivasulu, Member

Between:

1. M/s. Southern Power Distribution Company of
Telangana Limited, # 6-1-50, Mint Compound,
Hyderabad – 500 063.
2. M/s. Northern Power Distribution Company of
Telangana Limited, H. No. 2-5-31/2,
Corporate Office, Vidyut Bhavan,
Nakkalgutta, Warangal – 506 001

... Petitioners

And

- Nil -

... Respondent

This petition came up for hearing on 14.06.2017. Sri. Y. Rama Rao, Standing Counsel for the petitioners alongwith Sri. B. Vijay Bhaskar, Advocate is present on 14.06.2017. The petition having stood for consideration to this day, the Commission passed the following:

ORDER

The TSDISCOMs (petitioners) have filed a petition under 86 (1) (e) of the Electricity Act, 2003 (Act, 2003) read with regulation No. 1 of 2012 as adopted by the Commission seeking determination of the pooled cost for the FY 2015-2016 to be considered in FY 2016 -2017.

2. The petitioners stated that the Andhra Pradesh Electricity Regulatory Commission (APERC), in exercise of the powers conferred under Section 61, 66, 86

(1) (e) read with section 181 of the Act, 2003, notified Regulation No. 1 of 2012 dated 21.03.2012. The Commission (TSERC) after its formation during 2014 and also with the powers conferred under section 181 of Act, 2003, A. P. Electricity Reform Act 1998 and Andhra Pradesh Reorganization Act 2014 etc, issued regulation called as TSERC (Adoption of previously subsisting Regulations, Decisions, Directions or Orders, Licences and Practice Directions) Regulation , 2014. The said Regulation No. 1 of 2014, dated 10.12.2014, adopted all regulations, decisions, directions or orders, all the licenses and practice directions etc., issued by the erstwhile APERC as in existence and in force should apply as mutatis-mutandis, until any of the regulation / order / direction etc., are altered, repealed or amended having the jurisdiction of State of Telangana.

3. The petitioners stated that as on date, the Regulation 1 of 2012, i.e., Renewable Power Purchase Obligation i.e., RPPO (Compliance by purchase of renewable energy / renewable energy certificates) Regulation issued by erstwhile APERC is still in the State of Telangana. Further, it is stated that as per the said regulation 'Pooled Cost of Power Purchase' (Pooled Cost) means the weighted average pooled price at which the distribution licensee has purchased electricity in the previous year from all the long-term energy suppliers, excluding the purchases based on liquid fuel:

“Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining pooled cost of power purchase’

4. The petitioners stated that the said RPPO Regulation at section 3, inter-alia, stipulates as indicated below:

“.....

3.1 Every distribution licensee shall purchase renewable energy sources, at the generic tariff rates determined by the Commission, for purchase of electricity from different types of renewable energy sources, a quantum of not less than 5% of its consumption of energy, during each of the years from 2012-13 to 2016-17 (each year commencing from 1st April of the calendar year and ending on 31st March of the subsequent calendar year), provided that the purchase of renewable energy certificates issued under the Central Electricity Regulatory Commission

(Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulation, 2010 as amended from time to time, shall also be treated as fulfillment of the Renewable power Purchase Obligation (RPPO) prescribed herein;

Provided that a minimum of 0.25 percentage point out of the 5% renewable power purchase obligation (RPPO) above specified, shall be procured from generation based on solar as renewable energy sources...”

5. The petitioners stated that as could be seen from the stipulations provided under the Regulation 1 of 2012, the obligated entities, including state licensees shall have to purchase the renewable energy certificates from power exchange of India to the extent quantity, left over after meeting its renewable energy from all NCE sources in the state at the generic tariff or tariff agreed to by erstwhile ERC. Alternatively, the renewable energy developer engaged in business of generation of energy in Renewable Energy Certificates (REC) Mechanism, is eligible to get REC from the state nodal agency (being SLDC) as per MNRE notified new and renewable energy technologies, subject to fulfillment of terms and conditions for REC accreditation.

6. The petitioners stated that accordingly, the RE generator engaged in the business of REC, as per Regulation No. 1 of 2012, inter-alia may conclude a long term power purchase agreement (REC PPA) at ‘Pooled Cost’ that may be determined by state ERC, year on year. The clause 6 of regulation stipulates as to the procedure for determination of pooled cost for a particular year upon submission of petition by DISCOMs.

7. The petitioners stated that apart from the above, the Government Telangana State (GoTS) has issued the Telangana State Solar Power Policy 2015 inline with its prestigious TSIPASS (Industrial Policy) with effect from 01.06.2015, wherein the ‘Solar Net Metering Facility, besides others, was announced for a period of 25 years. As per the said policy, the consumer who adopts the solar net metering facility would be paid at the tariff of pooled cost determined by TSERC, subject to monthly billing and settlement in a year.

8. The petitioners stated that notwithstanding the above as per Regulation No. 2 of 2006 read with Regulation No. 1 of 2014 of APERC and as adopted by TSERC, the unutilized banked energy as on 31st January for the period from 1st April to end of 31st January of each financial year, shall be purchased by DISCOMs at 50% of the pooled cost applicable for that financial year, as determined by the Commission from renewable energy power plants, viz., mini hydel, wind & solar falls under the jurisdiction of distribution licensee.

9. The petitioners stated that accordingly the TSDICOMs, viz., TSSPDCL, TSNPDCL & GoTS herewith submit the details of the purchased electricity in the previous year 2015-16 from all the long-term energy suppliers, excluding the purchases based on liquid fuel purchases, the purchases from the traders, short-term purchases and purchases from the renewable sources.

10. The petitioners have sought the following prayer to pass necessary orders.
“For determination of ‘Pooled Cost’ for the financial year 2015-16 to be considered for the FY 2016-17 to enable TSDISCOMs to enter into REC PPAs / Net Metering Agreement with the NCE Solar sources for supply of electricity at ‘Pooled Cost’ for the existing and upcoming projects in the year 2016-17 in the DISCOMs area and payment of 50% of pooled cost to the RE generator mentioned in Regulation No. 2 of 2006 read with Regulation 2 of 2014 of APERC and as adopted by TSERC by its adoption Regulation No. 1 of 2014.”

11. We have heard the counsel for the petitioners and perused the record.

12. In order to appreciate the issue the provision of the regulation is reproduced below.

“Pooled Cost of Power Purchase’ means the Weighted Average Pooled price at which the Distribution Licensee has purchased electricity in the previous year from all the long term energy suppliers excluding the purchases based on liquid fuel.

Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase.”

13. Accordingly, the data furnished by TSDISCOMS in the above petition has been examined applying the definition of Pooled Cost of Power Purchase. Based on the above, the Commission hereby determines the Pooled Cost of Power Purchase for FY: 2015-16 to be considered for FY: 2016-17 as Rs.3.84 / kWh. The details of calculation are shown in the annexure to this order.

This order is corrected and signed on this the 17th day of November, 2017.

**Sd/-
(H. SRINIVASULU)
MEMBER**

**Sd/-
(ISMAIL ALI KHAN)
CHAIRMAN**

//CERTIFIED COPY//

Pooled cost for the FY 2015-2016 to be considered in FY 2016 -2017

Name of the developer	Particulars of payment head	Total PP Cost for pooled cost 2015-16				VC Rate/ Kwh	FC Rate/ Kwh	Avg Rate/Kwh
		Energy	Fixed Cost	Variable Cost	Total			
CGS								
NPC Kaiga - I& II	Energy Charges	561433267	0	1702188941	1702188941	3.03	0.00	3.03
NPC Kaiga - III & IV	Energy Charges	613723398	68823028	1860738850	1929561878	3.03	0.11	3.14
NPC-MAPS	Energy Charges	145969738	0	304681149	304681149	2.09	0.00	2.09
NLC ST-I	Energy Charges	367210526	249097593	866068308	1115165901	2.36	0.68	3.04
NLC ST-II	Capacity Charges	630505090	447155347	1488549158	1935704505	2.36	0.71	3.07
NTPC(ER) - Farakka	Capacity Charges	0	-71838	0	-71838	0.00	0.00	0.00
NTPC(ER)-Kahalgaon	Capacity Charges	0	-42978	0	-42978	0.00	0.00	0.00
NTPC(ER)-Talcher-I	Capacity Charges	0	84507	0	84507	0.00	0.00	0.00
NTPC(SR) I & II	Capacity Charges	2375279054	1156405582	5295064277	6451469859	2.23	0.49	2.72
NTPC(SR) ST III	Capacity Charges	577111191	486747061	1291197274	1777944335	2.24	0.84	3.08
NTPC-Simhadri -I	Capacity Charges	3483503083	3748336347	8410111855	12158448202	2.41	1.08	3.49
NTPC-Simhadri -II	Capacity Charges	1358215966	2057975403	3245611004	5303586407	2.39	1.52	3.90
NTPC-Talcher-ST II	Capacity Charges	1600251145	1151956313	2066503326	3218459639	1.29	0.72	2.01
NTECL - VALLURU		524834699	887465795	1040681146	1928146941	1.98	1.69	3.67
		0	0	0				
NLC Tamilnadu Power Ltd		411403200	718452159	952365821	1670817980	2.31	1.75	4.06
Sub-Total (CGS)		12649440357	10972384319	28523761109	39496145428	2.25	0.87	3.12
GAS								
APGPCL ST-I	Demand Charges	14239842	7954592	45313001	53267593	3.18	0.56	3.74
APGPCL ST-I & II	Energy Charges	50286286	17503347	143846672	161350019	2.86	0.35	3.21
Sub-Total (Gas)		64526128	25457939	189159673	214617612	2.93	0.39	3.33
IPPs								
Reliance	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
GVK	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
SPGL	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
LANCO	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
GVK-Extension	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
Vemagiri	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
Gautami	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
Konaseema	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
GMR-Rajahmundry	Fixed & Variable	0	0	0	0	0.00	0.00	0.00
Sub-Total (IPPs)		0	0	0	0	0.00	0.00	0.00
MPPS/IPPs Thermal								
Thermal Powertech		2010659139	4004532953	3581091497	7585624450	1.78	1.99	3.77
Sub-Total (MPPS/IPPs Thermal)		2010659139	4004532953	3581091497	7585624450	1.78	1.99	3.77
NVVNL B.P-Coal		337364584	23615519.32	926095663	949711182.3	2.75	0.07	2.82
Sub-Total (NVVNL B.P-Coal)		337364584	23615519.32	926095663	949711182.3	2.75	0.07	2.82
TSGENCO-Thermal								
KTPS(ABC)		2106489827	2103018899	5314011267	7417030165	2.52	1.00	3.52
KTPS V (D)		1706951527	1272558457	3539390459	4811948917	2.07	0.75	2.82
KTPS VI		1168735851	3120500451	3072513964	6193014415	2.63	2.67	5.30
Kakatiya Stage-I		1385851209	3119314869	3412445858	6531760727	2.46	2.25	4.71
RTS-B		195985209	259264790.8	529006616.5	788271407.2	2.70	1.32	4.02
Sub-Total (TSGENCO-Thermal)		6564013623	9874657467	15867368165	25742025632	2.42	1.50	3.92
TSGENCO-Hydel								
SRISAILAM LBPH		147003000	4732900000	0	4732900000	0.00	32.20	32.20
N.SAGAR		88040333	1397585928	0	1397585928	0.00	15.87	15.87
NSLCPH		-780	102814068	0	102814068	0.00	0.00	0.00
POCHAM PADU St.I		-177646	115632696	0	115632696	0.00	0.00	0.00
Pochmpadu St.II		0	0	0	0	0.00	0.00	0.00
JURALA HES (6)		20200000	614049996	0	614049996	0.00	30.40	30.40
Pochmpadu St.IV		0	53499996	0	53499996	0.00	0.00	0.00
SINGUR		-271000	64240380	0	64240380	0.00	0.00	0.00
NIZAMSAGAR		-191000	42826920	0	42826920	0.00	0.00	0.00
MINI HYDEL(Peddapalli,)		16572	48426372	0	48426372	0.00	2922.18	2922.18
MINI HYDEL(palair)		-14600	10591392	0	10591392	0.00	0.00	0.00
Sub-Total (TSGENCO-Hydel)		254604879	7182567748	0	7182567748	0.00	28.21	28.21

Thermal Incentive 15-16		0	3839353	0	3839353	0.00	0.00	0.00
KTPP II Infirm Power		324656000	1068921514	0	1068921514	0.00	3.29	3.29
		0	0	0		0.00	0.00	0.00
		0	0	0		0.00	0.00	0.00
TSGENCO Thermal stations True Up 15-16		0	-139800000	0	-139800000	0.00	0.00	0.00
TSGENCO Hydel Stations True Up 14-15		0	-938764149.2	0	-938764149.2	0.00	0.00	0.00
TSGENCO-TOTAL		7143274502	17051421933	15867368165	32918790097	2.22	2.39	4.61
APGENCO								
VTSP (I,II,III)		4540497011	2463200000	14538193155	17001393155	3.20	0.54	3.74
VTSP IV		1585312597	2638100000	4776814897	7414914897	3.01	1.66	4.68
RTPP-I		1478294147	1209200000	5159629602	6368829602	3.49	0.82	4.31
RTPP-ST II		1519355336	2231900000	5105304637	7337204637	3.36	1.47	4.83
RTPP -ST III		729958256	1510100000	2486318775	3996418775	3.41	2.07	5.47
APGE-Hydel-Interstate		104582893	137700000	0	137700000	0.00	1.32	1.32
Sub-Total APGENCO-TOTAL)		9958000239	10190200000	32066261066	42256461066	3.22	1.02	4.24
Total		32163264948	42267612663	81153737173	123421349835.69	2.52	1.31	3.837339

Average Pool Cost

3.837

NOTE:

TSPCC considered APGENCO as per actual & TSGENCO Hydel stations energy considered @100% after bifurcation of state for pooled cost,

TSPCC considered the NVVNL Bundled Power Coal , the same is to be considered.

TSPCC considered the FCA bill of APGENCO & TSGENCO stations

In case of IPPs Liquid fuel/Naptha not considered