



TELANGANA ELECTRICITY REGULATORY COMMISSION

'Vidyut Niyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

O. P. No. 31 of 2025

Dated: 17.05.2025

Present

Dr. Justice Devaraju Nagarjun, Chairman

- 1. Southern Power Distribution Company of Telangana Limited,**
- 2. Northern Power Distribution Company of Telangana Limited**

.....Petitioners

ORDER

In the matter of according approval for TGDISCOMs proposals seeking consent for procurement of power from 1 Unit (1X800 MW) of Telangana Super Thermal Power Station Stage-II as against power sale offered from 3 units (3X800 MW) for a period of 25 years.

Background:

- i. The Government of India had enacted the Andhra Pradesh Re-Organization Act 2014. As per Clause of Schedule XIII of the said Act, the NTPC Limited is required to establish a 4000 MW power facility in the successor state of Telangana by obtaining necessary coal linkages.
- ii. Initially NTPC has established 1600 (2x800) MW Telangana Super Thermal Power Plant under Stage-I and that TGDISCOMs have signed PPA for this 1600 MW on 18.01.2016 with NTPC Limited and TGERC has also accorded consent vide O.P.No.10 of 2016, on 25.08.2021. Unit-I under Phase-I was declared Commercial Operation on 28.09.2023 and that of Unit-2 declared Commercial Operation on 01.03.2024.
- iii. Out of the power being generated in above referred plant 85% of the capacity is earmarked to Telangana state under firm allocation and the balance 15% unallocated share is distributed among Southern Region states wherein Telangana State's share as of now is 0.374590% amounting to a total of 85.374590%. The provisional tariff for power supplied from stage-1 of

Telangana STPP is ranging from Rs.4.88/unit to Rs.5.98/unit. The final tariff is yet to be determined by CERC.

- iv. Further, NTPC vide letter Dt. 05.10.2023 informed TGDISOCMs that NTPC is in the process of setting up of 3x800 MW Telangana STPP Stage-II as an expansion project of 2x800 MW Telangana STPP Stage-I, in line with the AP Re-Organization Act 2014.
- v. The indicative tariff of 3x800 MW, Telangana Stage-II, as furnished by NTPC, is as detailed below:

	First year Tariff	Levelized Tariff
Fixed charge (Rs/kWh)	2.07	1.76
Variable charge (Rs/ kWh)	2.05	2.05
Total tariff (Rs/ kWh)	4.12	3.81

**The final tariff would be as determined by CERC.*

- vi. Stating the above, NTPC has requested to give consent from TGDISCOMs for availing power from Telangana Super Thermal Power Plant Stage - II indicating the quantum of power required for facilitating early execution of project.
- vii. The TGDISOCMs have communicated the NTPC proposal to the Govt. of Telangana and sought suitable directions.
- viii. The Govt. of Telangana vide letter dated: 05.10.2024 duly addressing the letter to CMD / TGTRANSCO & Chairman/TGPCC, accorded consent for availing power from one unit (1X800 MW) of Telangana Super Thermal Power Plant Stage -II as against power offered from 3 units (3x800 MW), duly insisting NTPC on connectivity of the plant (one unit of 800 MW) unit to TGTRANSCO network only so as to avoid ISTS charges and losses. The CMD/TGTRANSCO & Chairman / TGPCC has communicated the same to NTPC vide letter dated 07.10.2024.

Present Proposal of TGDISCOMs

1. The present petition is filed by TGSPDCL on behalf of TGDISCOMs vide Lr. No. CE(IPC) / DE(IPC) / ADE(EV) / F.TSTPP / D.No.1597/24, Dt:04-02-2025 under section 86(1)(b) of the Electricity Act, 2003, seeking approval for procurement of power from 1 Unit (1X800 MW) of Telangana Super Thermal Power Station Stage-II as against power sale offered from 3 units (3X800 MW) for a period of 25 years.
2. After scrutinizing the proposals, the Commission vide this office letter dated 19.02.2025 directed the TGDISCOMs to submit additional information in

respect of proposed thermal power procurement. Accordingly, TGSPDCL on behalf of TGDISCOMs has submitted the additional information vide letter dated 15.03.2025 for procurement of thermal power and also load generation balance to justify the procurement. Considering the proposals, justification and additional information submitted, the Commission has decided to take up the issue through public consultation process.

Admission of Petition

3. The petition filed by TGDISCOMs was scrutinized and found to be in order as per the Conduct of Business Regulations No. 2 of 2015. The Commission admitted the petition and the same was taken on record by assigning the Original Petition number as O. P. No. 31 of 2025.

Justification submitted by TGDISCOMs

4. TGDISCOMs have submitted justification along with the proposal submitted seeking consent for procurement of 1 x 800 MW thermal power from Telangana Super Thermal Power Station Stage II. In response to the queries raised by the Commission, TGDIscoms submitted that as per the power procurement guidelines issued by the Commission in the Clause 16.3 of the Regulation No. 2 of 2023, which states as below:

“All future procurement of short-term or medium-term or long-term power shall be undertaken only through tariff based competitive bidding in accordance with Guidelines notified by the Government of India under Section 63 of the Act.”

However as per the provisions of Schedule XIII of AP Reorganisation Act 2014, the NTPC Ltd is required to establish a 4000 MW power facility in the successor state of Telangana by obtaining necessary coal linkages. Accordingly, NTPC has established 1600 MW (2x800 MW) STPP Phase-I for which PPA was signed by TGDISCOMs. Commercial Operation Date (COD) of Unit-I under Phase-I was declared on 28.09.2023 and that of Unit-2 on 01.03.2024 and the provisional tariff claimed by NTPC for FY 2024-25 is Fixed Charges of Rs.2.266/kWh, Variable Charges of Rs.3.599/kWh and total tariff of Rs.5.865/kWh.

5. Subsequently, NTPC proposed to establish 3x800 MW TSTPP Phase-II and sought TGDISCOMs consent. Considering the thermal requirement as

recommended by CEA, availability of alternate RE based options with competitive tariff, their faster commission time and modularity, the Telangana Power Coordination Committee recommended to consider for purchasing of power from 1 unit i.e., 1x800 MW of Telangana Super Thermal Power Plant, Stage-II as against power sale offered from 3 units (3x800 MW), for ensuring economic load generation balance, reliability of meeting demand, along with appropriate capacity mix of energy from various Renewable Energy resources.

6. Accordingly, the Govt. of Telangana vide letter dated 05.10.2024 has issued consent for availing power from 1 unit (1x800 MW) as against power sale offered from 3 units (3x800 MW).
7. The energy requirement, the energy availability and surplus/deficit approved by the TGERC vide order dated 29.12.2023 in the Resource Plan and Business Plan for 5th & 6th control period is as abstracted below:

FY	Energy requirement at State level (MU)	Energy Availability at State level (MU)	Surplus/ Deficit (MU)
2024-25	83,058	95,753	12,696
2025-26	87,564	1,06,637	19,073
2026-27	92,365	1,06,157	13,793
2027-28	97,482	1,05,506	8,024
2028-29	1,02,942	1,02,784	-158
2029-30	1,07,868	97,429	-10,440
2030-31	1,13,095	96,344	-16,761
2031-32	1,18,632	96,570	-22,062
2032-33	1,24,488	96,334	-28,153
2033-34	1,30,711	96,334	-34,376

8. Further TGDISCOMs submitted that they have catered for a load of 86,823 MU during the FY 2023-24 and for the FY 2024-25 up to 3rd quarter (until 31.12.2024) a demand of 63,148 MU was met. Further, the peak demand met by TGDISCOMs has been increasing viz., 15,499 MW during 2023 (16th March 2023), 15,623 MW during 2024 (on 8th March 2024) and 16,869 MW in 2025 so far (on 7th March 2025). As such, the actual energy requirement of TGDISCOMs for the upcoming financial year is expected to cross the approved figures of the Resource Plan. It is expected that the growth rate of peak load and energy will be more than what has been approved in the Resource Plan, with new loads expected to come from Data Centres, Future City, Moosi River Development Programme, IT offices in Hyderabad and increased Industrial activity in the State.

9. TGDISCOMs have submitted that the projections made by CEA in the recent Resource Adequacy Report are as below:

Telangana Energy Requirement (MU)

FY	Telangana Energy Requirement (MU)	Year on Year Growth (%)	Peak Demand Projections (MW)	Year on Year Growth (%)
2025-26	96596	7.51	18138	6.41
2026-27	102732	7.46	19529	6.53
2027-28	108932	7.31	20968	6.38
2028-29	115347	7.23	22488	6.32
2029-30	122627	8.05	24215	6.85
2030-31	128032	5.43	25639	4.58
2031-32	133211	5.38	27059	4.82
2032-33	138600	5.38	28558	4.82
2033-34	144206	5.38	30139	4.82
2034-35	150040	5.38	31809	4.82

10. They further informed that as per the CEA report on capacity additions required to meet the increase in demand, the thermal capacity required by FY 2034-35 is 3890 MW:

FY	Planned Capacity Addition (MW)	Additional Thermal power requirement (MW)
2024-25		0
2025-26		0
2026-27		0
2027-28		0
2028-29		0
2029-30	1600	0
2030-31	800	0
2031-32		0
2032-33		0
2033-34		842
2034-35		648
Total	2400	1490

11. With respect to the financial condition of DISCOMs, they submitted that TGDISCOMs are facing significant financial challenges, including operational losses, high debt levels. Telangana's power demand has been rising steadily due to rapid industrialization, urban growth, and increased household electricity consumption.
12. As per the CEA report, state's power consumption is expected to grow at an annual rate in the range of 5.38% to 8.03% during FY 2025-26 to FY 2034-35, which will continue to put pressure on the existing generation capacity. It

is crucial to highlight that the State Government has committed to providing subsidies to key consumer segments, including agriculture and domestic consumers. Apart from revenue collection on sale of power, DISCOMs are reliant on external borrowings and subsidies from the State Government. The State is also considering measures such as restructuring debt to ease the financial burden. This initiative will help improve the liquidity of the DISCOMs and enable them to procure the power necessary to meet demand.

- 13.** TGDISCOMs further submitted that they are undertaking measures to improve financial efficiency, including reducing transmission losses, improving billing and collection systems, and reducing operational inefficiencies. These efforts will gradually enhance the financial health of DISCOMs, making power procurement more sustainable in the future. Despite financial stress, the need for power procurement must be considered a priority to maintain supply and avoid more serious disruptions in service delivery, which could ultimately exacerbate the financial situation.
- 14.** Failure to procure the required amount of power could result in load shedding or blackouts, which would severely disrupt daily life, particularly for essential services, businesses, and industries. The economic impact of load shedding could be significant, leading to reduced productivity, loss of business confidence, and ultimately further financial losses for the DISCOMs.
- 15.** In the event that DISCOMs cannot secure power through long-term procurement agreements, they will be forced to rely on the power exchange or short-term power markets. These sources tend to be more expensive at times than contracted PPAs. Hence, procuring power through more predictable and stable contracts is financially more prudent in the long run.
- 16.** Therefore, timely procurement is necessary to avoid such disruptions. The proposed power procurement from 1 x 800 MW Telangana Super Thermal Power Plant Stage-II plant, while mindful of the financial constraints, ensures that the DISCOMs can meet future electricity demand while gradually stabilizing their financial health through government support and efficiency measures.

17. Load generation balance for ensuing 10 years

TGDiscoms in reply to a query submitted that the energy requirement, the energy availability and Surplus/Deficit approved by the State Commission vide order dated 29.12.2023 in the Resource Plan and business Plan for 5th & 6th control period is as abstracted below:

FY	Energy requirement at State level (MU)	Energy Availability at State level (MU)	Surplus/ Deficit (MU)
2024-25	83,058	95,753	12,696
2025-26	87,564	1,06,637	19,073
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2027-28	97,482	1,05,506	8,024
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2031-32	1,18,632	96,570	-22,062
2032-33	1,24,488	96,334	-28,153
2033-34	1,30,711	96,334	-34,376

It is to submit that TGDISCOMs have catered for a load of 86823 MU during the FY 2023-24 and for the FY 2024-25 upto 3rd quarter (until 31.12.2024) a demand of 63148 MU was met. Further, the peak demand met by TGDISCOMs has been increasing viz., 15499 MW during 2023 (16th March 2023), 15623 MW during 2024 (on 8th March 2024) and 16869 MW in 2025 so far (on 7th March 2025). As such, the actual energy requirement of TGDISCOMs for the upcoming financial year is expected to cross the approved figures of the Resource plan, the estimated energy requirement is expected to enhance further with the advent of new proposals/developments in the State such as -

- i) EV policy which requires extending reliable green power supply to EV Charging Stations, thereby promoting adoption of e-mobility in the State;
- ii) Establishment of Data Centres;
- iii) Extension of Metro Corridor;

Also, CEA in their latest report on Resource Adequacy plan estimated the following energy demand growth of the State of Telangana from FY 2024-25 to FY 2034-35.

FY	Energy Projections (MU)	Growth %
2024-25	90,962	-
2025-26	96,596	7.51
2026-27	1,02,732	7.46

2027-28	1,08,932	7.31
2028-29	1,15,347	7.23
2029-30	1,22,627	8.05
2030-31	1,28,032	5.43
2031-32	1,33,211	5.38
2032-33	1,38,600	5.38
2033-34	1,44,206	5.38
2034-35	1,50,040	5.38

TGDISCOMs further submitted that the CEA suggested to contract the following additional capacities per year, wherein 3890 MW thermal capacity is proposed till 2034-35 to meet its demand reliably while ensuring fulfilment of RPO obligations

Year wise planned and Year on Year capacity additions for Telangana (MW)				
FY	Coal	Solar	Battery	Wind
2025-26	0	2474	0	0
2026-27	0	0	3973	0
2027-28	0	8700	2026	0
2028-29	0	2000	366	500
2029-30	1600	1841	0	500
2030-31	800	1930	0	500
2031-32	0	1490	0	500
2032-33	0	1319	179	500
2033-34	842	1212	545	500
2034-35	648	1161	493	500

TGDISCOMs have informed that the time taken for construction of a 800 MW Thermal Unit will be 50 months for an expansion project and subsequent units will take 6 months' time thereafter. As per the information from NTPC, 1st unit (800 MW) project will be scheduled to be commissioned during FY 2029-30, if completed as per schedule and by that time, the state of Telangana will be in deficit position with the existing and planned availability of power.

18. Further TGDISCOMs submitted that CEA made the following observations based on the Resources Adequacy study results.

- i. The study was carried for assessing the resource adequacy of Telangana based on the demand projections by Telangana.
- ii. The study is carried based on the hourly load pattern for the FY 2023-24. The peak demand month is March.
- iii. Telangana is likely to witness energy deficit throughout the period of study with the existing, planned capacity including the capacity

required to meet Renewable Purchase Obligations. It was observed that the total unserved energy in the year 2034-35 is likely to be around 16684 MU. Further, it is expected that the shortfall would be maximum during the non solar hours in the months of February and March.

- iv. To meet the projected demand reliably, additional 3890 MW from Coal for the period from 2028-29 to FY 2034-35 and 7582 MW from Storage may be required with a planning reserve margin of 18%. Further, study suggests year wise short term/medium term/bilateral requirements to meet the demand optimally.

- 19. As per the submission by TGDIscom, the current status of the proposed NTPC project is as follows: a Limited Letter of Intent (LOI) was issued to BHEL on 07.11.2024, and BHEL has commenced basic engineering activities. A public hearing was conducted on 28.01.2025, and the minutes were released on 18.02.2025. Environmental Clearance (EC) is anticipated by April 2025. NTPC has indicated that the Commercial Operation Date (COD) for Unit-1 is scheduled 52 months from the date of achieving 100% PPA tie-up and receipt of EC, with the subsequent units to be commissioned at intervals of six months.
- 20. TGDIscom also submitted the Station wise availability for ensuing 10 years. The total RE capacity under PPAs for sale of power to TGDIsCOMs as on 28.02.2025 is 8402.3 MW which includes installed capacity of 6034.38 MW and upcoming capacity of 2367.92 MW.
- 21. In addition to the above, to a query raised by the Commission, TGDIsCOMs have submitted that MNRE, Govt., of India has sanctioned allocation of 4000 MW to the State of Telangana for implementation under Component-A of PM KUSUM scheme. TGDIsCOMs are planning for procurement of 4000 MW (inclusive of 1000 MW capacity for Women Self Help Groups (SHGs) under INDIRA MAHILA SHAKTI SCHEME) under Component-A of PM KUSUM scheme. The details of proposed procurement are yet to be finalized and also the MNRE, Govt. of India allocated 500 MWh BESS capacity under the “State Component Scheme for Viability Gap Funding (VGF) for development of BESS” to the State of Telangana. Thereafter, Govt. of Telangana appointed TGGENCO as the implementing Agency. TGDIsCOMs conveyed

acceptance for establishment of 250 MW/500 MWh Battery Energy Storage System (BESS) by TGGENCO.

Notification inviting Suggestions/Objections/Comments

22. The Commission with reference to the provisions of the Electricity Act, 2003, under applicable Regulations decided to take up the matter through public consultation process and accordingly, directed TGDISCOMs vide letter dated 27.03.2025 to issue public notice in two (2) Telugu, two (2) English and One (1) Urdu newspapers, in compliance to the above directions, TGDISCOMs have published the public notice in two Telugu, two English and one Urdu newspapers on 29.03.2025. In the Public Notice it was also indicated that the Commission intends to conduct a Public Hearing in this regard on 28.04.2025 from 11:00 hours onwards at TGERC Court Hall. The Public Notice, filings and supporting material were also hosted on the website of TGDISCOMs as well as the Commission. Copy of the Public Notice is enclosed as Annexure-I.

Public Hearing

23. In response to the above public notice, suggestions / comments / objections in writing were received from 2 stakeholders before the date of public hearing. The details of the stakeholders who have submitted suggestions / comments / objections are enclosed as Annexure-II. The public hearing was conducted on 28.04.2025 from 11:00 hours onwards at TGERC Court Hall, Hyderabad. The Chairman and Managing Director/TGSPDCL on behalf of TGDISCOMs has given brief presentation on the petition. One stakeholder by name Sri.M.Venugopala Rao, has attended the public hearing and has submitted his suggestions / objections / comments and TGSPDCL responded to the issues raised during the public hearing. The details of stakeholders who have attended the public hearing is enclosed as Annexure-III.

Objections/Suggestions/Comments of Stakeholders, Replies of TG

Discoms and Commission's Analysis and Findings

24. The following is the analysis of the objections/suggestions of the stakeholders who have given in writing or submitted orally and the Commission's view in the matter of proposals of TGDISCOMs for procurement of seeking consent u/s 86(1)(b) of the Electricity Act, 2003 for procurement of power from 1 unit (1X800MW) of Telangana Super Thermal Power Station (TSTPS) Stage-II as against power sale offered from 3 units (3X800MW) for a period of 25 years.

I. PROVISIONAL TARIFF AND POWER SHARE ISSUES IN TSTPS STAGE-I AND TARIFF AND CAPITAL COST OF TSTPS STAGE-II:

Stakeholder's Submissions

25. It is submitted by the stakeholder that the Commission has to examine the issues pertaining to PPA and Tariff while considering any request from the TGDISCOMs for consent for proposal to procure the power.
26. Further the stakeholder submitted that, under stage I of TSTPS (2x800 MW), TGDISCOMs are getting a share of 86.9%, instead of 100%. COD of stage-I was declared on 01.03.2024. Provisional tariff is shown to be ranging between Rs.4.88 to 5.98 per unit, while it is Rs.5.865 per unit for FY 2024-25. Though the PPA was signed on 18.01.2016, final tariff is yet to be determined by the Central Electricity Regulatory Commission. The reasons for such an abnormal delay are inexplicable and expressed concerns about the uncertainty of final tariff outcome to be determined by CERC.
27. The stakeholders have submitted that, DISCOMS have informed that the 800 MW unit of stage II, if completed as per schedule, would be available by FY 2029-30. Indicative tariff for this unit is shown as Rs.4.12 per unit and a levelized tariff of Rs.3.81 per unit. Though limited LOI was issued on 07.11.2024 to BHEL for execution of the unit, the estimated capital cost of this unit as per detailed project report, if prepared, as well as the basis for the indicative tariff shown, is not given. Based on the experience with Stage-I of TSTPS, there is also uncertainty regarding determination of tariff by the Central Electricity Regulatory Commission (CERC).
28. The stakeholder opined that, when tentative tariff for stage-I is Rs.5.865 per unit, and as the basis for tentative tariff for 800 MW unit of stage II of TSTPS

is not explained, whether it is desirable to give consent to the DISCOMs for procurement of power from this unit is a moot point.

29. The stakeholder submitted that, with respect to Stage-I of TSTPS, detailed submissions were made during the public hearing before the Commission, as recorded in the order dated 25.08.2021 in O.P. No. 10 of 2016. Taking these submissions into account, the Commission, in its interim order dated 30.07.2016, directed the TGDISCOMs to amend the draft PPA to incorporate the provisions outlined in the interim order. However, in the final order dated 25.08.2021, the Commission accepted the DISCOMs submissions not to include those amendments. As these points are already on record, they are not reiterated here. As a result, even after three and a half years since the Commission's order, the final tariff for Stage-I is yet to be determined by CERC. Therefore, it would be inappropriate to grant consent to the DISCOMs to procure power from the 800 MW unit of Stage-II of TSTPS without clarity on the estimated capital cost and the basis of the tentative tariff. In this context, it is also important to consider the adverse consequences and allegations that followed the award of BTPS implementation to BHEL without adopting a competitive bidding process. If necessary, the report of the inquiry Commission appointed by the state Government to examine the implementation of BTPS and YTPS may be obtained and reviewed. Furthermore, there is no justification provided for not adopting a transparent competitive bidding route for executing the present unit.

Petitioner's Replies

30. The TGDIsCOMs have stated that they have examined the petition filed by NTPC for determination of tariff and has submitted detailed observations and suggestions in its response and have given detailed observations / objections pertaining to delay in COD and financial burden due to the delay in commissioning of plant. Based on established regulatory principles and procedures, Hon'ble CERC would be determining the tariff.
31. TGDIsCOMs have further submitted that the tentative tariff for Stage-I is claimed considering the delays. The licensee has already submitted its objections/ observations in this matter. Tariff determination would be based on Terms and Conditions of Tariff Regulation (CERC).

32. In view of the growing energy requirement there is a need for additional power procurement and accordingly, licensee has sought approval for procurement of power from TGERC.
33. TGDISCOMs have further submitted that AP Reorganization Act (2014) envisages establishment of 4,000 MW of power plant by NTPC in the State of Telangana. Also in accordance with provisions of Electricity Act, power to determine tariff for Generating plant is available to Hon'ble CERC as per established 'Terms and Conditions of Tariff' regulation.

Commission's Analysis and Findings

34. In compliance with Schedule XIII of the Andhra Pradesh Reorganisation Act, 2014, NTPC Ltd. was mandated to establish 4000 MW of power project in the State of Telangana. Pursuant to this obligation, NTPC has developed the Telangana Super Thermal Power Project (TSTPS) Stage-I with a capacity of 2x800 MW (1600 MW), for which TGDISCOMs have executed a Power Purchase Agreement (PPA) with the NTPC Ltd.
35. In accordance with Section 79(1)(a) of the Electricity Act, 2003:
- The Central Commission shall discharge the following functions, namely:—*
- (a) to regulate the tariff of generating companies owned or controlled by the Central Government;*
- i.e, The Central Electricity Regulatory Commission (CERC) shall discharge the functions to regulated the tariffs of generating companies owned or controlled by the Central Government. Hence, final tariff determination for TSTPS Stage-I and Stage-II falls within the domain of CERC.
36. One of the stakeholders has submitted that though as per AP Reorganisation Act, 100% of power generated from TSPTS to be allotted to the State of Telangana only to an extent of 86.9% of power was allotted. It is true that as per the AP Reorganisation Act, 2014 the State of Telangana is supposed to get 100% of power generated from TSTPS. However, as per the policy of the Central Government only to the extent of 85% was allotted to the State of Telangana and the rest of the 15% of power is allotted to all the other states including the State of Telangana. This is the policy not only in respect of TSTPS, but also in respect of most of the Central Generating Stations. Even otherwise this stakeholder on one hand submitted that there

is excess power in the state thereby the Discoms shall show some restraint while entering into PPAs and other hand submitting that the Central Government is not allotting 100% of the power from TSTPS as mandated in the AP reorganisation Act.

- 37.** In view of the above, this Commission is of the view that though the Central government should have given 100% of the power out of the 1600 MW in the stage I through TSTPS, since this is a policy of the Central government to give 85% to the Telangana and to give 15% to the other states including Telangana, consent cannot be denied on that count
- 38.** The Commission acknowledges the concerns raised by the stakeholders regarding the delay in commissioning of Stage-I which resulting lot of financial implications. TGDISCOMs have submitted that they have raised the issue of delay in commissioning of stage-1 before the CERC. The Commission directs TGDISCOMs to continue engaging proactively with CERC by submitting comprehensive and timely comments on all the aspects including delay in commissioning of the Stage-1 to ensure that only prudent costs are considered while determining the final tariff, thereby safeguarding consumers interests of Telangana. TGDISCOMs are also directed to pursue with NTPC for timely filing of the tariff petition before the CERC to avoid delays.
- 39.** The tentative tariff claimed for Stage-I is Rs 5.865 / unit but in so far as stage-II is concerned for 800 MW unit, the tentative tariff proposed is Rs4.12/unit. The basis for such fixation of Rs. 4.12/unit for stage-2 has not been mentioned, by the TGDIscoms. It is submitted by one of the stakeholders that since there is no clarity as to what could be the probable tariff, the Commission shall not give consent for procurement of power. The concerns of the stakeholder are worth consideration, as the basis for claiming tentative tariff has not been mentioned in this petition. It is desirable to procure the power on competitive bidding as per clause 5.2 of the national tariff policy 2016 and also as per clause 16.3 of regulation no 02 of 2023. However, in so far as Central Generating Stations are concerned it is the CERC which will determine the tariff, therefore irrespective of the fact as to what is the tentative tariff claimed by the NTPC Ltd the TGDIscoms are hereby directed to strictly scrutinize the papers submitted by NTPC Ltd and

file appropriate objections before CERC for determination of fair and prudent Tariff.

II. JUSTIFICATION OF POWER PURCHASE AND CEA POWER DEMAND PROJECTIONS

Stakeholder's submissions

- 40.** The stakeholder submitted that, to justify procurement of power from the subject unit, the DISCOMs have relied on the projections in the resource plan for the 5th and 6th control periods, with a deficit of 11,340 MU by FY 2029-30 and a deficit of 40,082 MU by FY 2033-34. For the first four years of the 5th control period, substantial surplus is projected, with a deficit of 157.77 MU for 2028-29. The DISCOMs also have relied on the revised resource adequacy report of the Central Electricity Authority wherein it is recommended that Telangana requires thermal contracted capacity of 15,893 MW by 2029-30 and 16,966 MW by 2034-35. The DISCOMs have submitted that they have at present a contracted thermal capacity of 9,791 MW and are adding another 4000 MW from Yadadri Thermal Power Station, another 800 MW from Singareni TPP stage II and another 800 MW from TSTPS of NTPC. With these additions, there will be a shortfall of 1302 MW by 2029-30 and 2374 MW by 2034-35.
- 41.** The stakeholder requested to examine that the experience has been confirming that the estimates being made by the CEA under electricity requirement surveys and in resource adequacy reports tend to be inflated. As per the resource adequacy report of the CEA, availability of surplus power during the 5th control period is very much lesser than what is determined by the Commission for the same period. But the factual position for the FY 2024-25 confirms that the projections of the CEA have turned out to be unrealistic. It confirms the need for reviewing and revising the projections periodically based on changing factual position.
- 42.** One of the stakeholder mentioned that TGDISCOMs, as shown in these petitions, based their estimates of energy requirement on the Resource Adequacy Reports of CEA. In the past projections of energy requirement made by CEA proved to be overestimates. This continues to be the case with the present projections also. This comes out clearly with comparison of CEA projections with energy requirement approved by TGERC for 5th and 6th control periods.

Energy requirement (MU)

	2029-30	2033-34
CEA Projections	1,22,627	1,44,206
TGERC Approved	1,07,868	1,30,711
Difference	14,759	13,495
%	13.68	10.32

Peak Demand (MW)

	2029-30	2033-34
CEA Projections	24,215	30,139
TGERC Approved	21,413	25,524
Difference	2,802	4,615
%	13.09	18.08

43. The stakeholder further pointed out that the projections made by CEA are more than 10% higher than the capacities approved by the Commission. It is prudent to take into account energy requirement and peak demand approved by the Commission while planning future capacity additions.
44. And the stakeholder also submitted that CEA proposed 3,890 MW additional thermal capacity to be created by FY 2034-35. In the background of excess peak demand projections made by CEA the need for additional thermal capacity has to be scrutinized.
45. The Stakeholder also requested to examine the annual growth rate of energy requirement projected from FY 2030- 31 to FY 2034-35 is 5.43% to 5.38% and of peak demand 4.58% to 5.83% for Telangana.

Petitioner's Replies

46. The TGDISCOMs have submitted that the actual power purchase by the state in FY24 was 86,823 MUs, surpassing the projected requirement for FY25 as per the resource plan. With regard to CEA projections, the licensee submits that for FY 25, a peak demand of 17,162 MW (on 20th March 2025) was successfully met by TGDISCOMs as against the projected CEA peak demand of 16,877 MW. The licensee submits that the projected load growth is reflective of the increasing demand in the State of Telangana and also the licensee stated that the CEA projections cannot be ignored while planning future capacity additions.

47. TGDISCOMs further submitted that, as stated earlier, CEA projections needs to be considered for capacity planning and the supply has to be met by increasing the base capacity through coal based thermal power plants.
48. TGDISCOMs have submitted that the State of Telangana has witnessed steady growth in demand over the years and the same is expected to continue due to conducive economic and policy environment. Keeping in view the growing energy needs, TGDISCOMs have planned addition of capacities in an economical manner.

Commission's Analysis and Findings

49. The Commission in clause 4.4.25, of its order dated 29.12.2023 while giving approval to Resource Plan and Business Plan for 5th Control Period for FY 2024-25 to FY 2028-29 and 6th Control Period for FY 2029-30 to FY 2033-34, has observed the following:

“ 4.4.25 Based on the projections made by the Commission it is observed that till FY 2027- 28, the TSDISCOMs will be in surplus energy position on annual basis, whereas from FY 2028-29 onwards, TSDISCOMs need to identify additional power procurement sources to meet their energy requirement on annual basis. TSDISCOMs need to plan their power procurement in a cost-effective manner. Further, it is observed that TSDISCOMs are exploring new sources such as Singareni Phase II, Telangana STPP and other renewables source to meet their future demand. In addition to these, Discoms may also bridge the real time energy deficit from short-term open market purchase.

4.4.21 Based on the approved energy requirement and energy availability, the Commission has computed the projected energy surplus/(deficit) for 5th Control Period and 6th Control Period as shown below:

Table Error! No text of specified style in document.-1: Energy Surplus/(Deficit) projections claimed and approved by the Commission for 5th Control Period (MU)

Generating Stations	FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Total Energy Requirement at State level	84,997	83,058	89,768	87,564	94,774	92,365	100,285	97,482	105,957	102,942
Total Energy Available at State level	121,754	95,753	127,451	106,637	127,126	106,157	126,658	105,506	122,090	102,784
Surplus/(Deficit)	36,758	12,696	37,683	19,073	32,352	13,793	26,374	8,024	16,133	(158)

Table Error! No text of specified style in document.-2: Energy Surplus/(Deficit) projections claimed and approved by the Commission for 6th Control Period (MU)

Generating Stations	FY 2029-30		FY 2030-31		FY 2031-32		FY 2032-33		FY 2033-34	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Total Energy Requirement at State level	111,638	107,868	118,116	113,095	125,101	118,632	132,599	124,488	140,657	130,711
Total Energy Available at State level	115,424	97,429	114,555	96,344	114,608	96,570	114,601	96,334	114,657	96,334
Surplus/(Deficit)	3,786	(10,440)	(3,561)	(16,761)	(10,493)	(22,062)	(17,997)	(28,153)	(25,981)	(34,376)

50. The Commission observes that while differences exists between the energy and peak demand projections made by the Central Electricity Authority (CEA) and those approved by the Commission in the resource plan, the broader issue is consistent upward trend in power demand in the State of Telangana, which is driven by expanding economic activity, increased electrification, and policy-driven development.
51. The Commission notes that the Power Purchase Agreements (PPAs) in question are long-term commitments, typically spanning for 25 years. Therefore, DISCOMS must adopt a forward-looking perspective that accounts for potential demand growth over an extended horizon. In this context, the CEA's Resource Adequacy Reports, while potentially conservative, serve as important guiding document for national and regional capacity planning, and cannot be disregarded.
52. The Commission also notes the submission of the TGDISCOMs that the peak demand recorded on 20th March 2025 exceeded the CEA's projection for that year, indicating the need to build adequate base capacity to ensure grid stability and reliability in future years.
53. Although there are short-term periods of projected surplus, it is also evident from the resource plan approved by the Commission that deficits are anticipated in FY 2029-30 and beyond. As submitted by TGDiscoms short term fluctuations in demand and supply within 15-minute time block may lead to instances of temporary surplus or deficit of power. It is essential to consider the broader context of energy demand and supply dynamics. Even though the TGDISCOMs have projected surplus, the variability of demand due to seasonal changes and unforeseen circumstances can render these projections unreliable. Relying solely on the data in respect of surplus power without accounting for potential spikes in demand could lead to energy

shortages, which would ultimately harm consumers more than the fixed charges would. Fixed charges associated with the PPA can be viewed as a form of insurance against future shortfalls. It is crucial to ensure energy stability, which sometimes necessitates maintaining capacity even when not fully utilized. The long-term benefits of reliability and consistency in energy supply may outweigh the short-term costs, providing consumers with assurance and preventing potential financial losses from outages or insufficient supply. The addition of firm thermal capacity such as the proposed 1x800 MW unit is necessary to meet not only the energy requirement but also to provide dependable base load support, especially considering the intermittency of renewable energy sources

III. PROCUREMENT OF SOLAR POWER UNDER PM KUSUM AND OTHER ADDITIONAL SOLAR POWER

Stakeholder's submissions

- 54.** The Stakeholder requested to examine that the DISCOMs have already sought consent of the Commission for procurement of 4000 MW solar power under PM KUSUM scheme.
- 55.** The stakeholder stated that the DISCOMs have shown proposed addition of solar power to the tune of 15,015 MW from 2025-26 to 2029-30 and of 7112 MW from 2030-31 to 2034-35, i.e., a total of 22,127 MW. It was further stated that capacity utilisation factor for existing solar power projects is 21% and for planned projects is 23%. 44,581.5 MU can be generated per annum with an installed capacity of the proposed 22,127 MW of solar units with a CUF of 23%.
- 56.** The stakeholder mentioned that the DISCOMs have also proposed pumped storage units and 250 MW/500 MW battery energy storage system by TGGENCO. Pumped storage units can generate additional power to meet peak demand, while BESS is intended for storing the power generated, i.e., surplus power, both RE and thermal. During the public hearing on procurement of 4000 MW solar power under PM KUSUM scheme, CMD of TGSPDCL has stated that the storage cost as of now is Rs.2.5 per unit. As proposed by the DISCOMs. BESS gives 250 MW, 2-hour storage and delivers 2 cycles a day. In other words, BESS can store and deliver 500 MW a day in two cycles of two hours each. With the proposed additions of solar power, need for BESS capacity would increase. The DISCOMs have shown

the cost for setting up BESS of 250 MW/500 MW for 2 hours a day as Rs.5.13 crore to Rs.3.13 crore and for 6 hours a day a cost ranging from Rs.11.31 crore to 6.30 crore. The DISCOMs also have projected that the capital cost for setting up solar power units is expected to reduce from Rs.4.5 crore in 2021-22 to Rs.4.1 crore per MW by 2029-30. With technological developments, costs for generation of solar power and storage may come down. As pointed out by the DISCOMs, solar power plants can be set up within a relatively shorter period vis a vis thermal power plants.

- 57.** The stakeholder stated that generation capacity additions should be gradual in tune with the growing demand for power is obvious. The moot point that deserves examination is how much generation capacity, both thermal and RE, needs to be added and when. With the proposed addition of 22127 MW solar power capacity over the years, 44,581.5 MU can be generated per annum with a CUF of 23%. Similarly, with the addition of 1600 MW thermal capacity of the units of SCCL and NTPC (800 MW each), with a plant load factor of 85%, 11,913.6 MU can be generated per annum. Generation from the proposed pumped storage capacities will be additional. With the expected generation of 56,495 MU of thermal and solar power, in addition to the potential for availability of surplus power to the tune of 28,504 MU projected by the DISCOMs for the FY 2025-26, i.e., a total of 84,999 MU, and the stakeholder also raised concern regarding balancing of load curve and power mix, even with the proposed 250/500 MW BESS and requested to examine the same.
- 58.** The Stakeholder stated that the very fact that the DISCOMs have proposed addition of both thermal and solar power capacities from 2029-30 indicates that thermal power cannot be dispensed with in the years to come, despite addition of solar power, BESS and pumped storage units. It also indicates the limitations and constraints in expanding BESS. Pumped storage capacities, too, have multifarious problems in terms of capital costs, impact on environment, requirement and availability of water, adverse impact on the lives and livelihood of the local people, especially tribal people, depending on the locations where such units are proposed to be set up, etc.
- 59.** The stakeholder stated that in the background of climate change and global warming and India's commitment to transition to net zero no new coal based thermal power plants shall be allowed due to their emission of green house

- gases including carbon dioxide. Future increase in energy requirement needs to be met from green energy sources including solar power.
- 60.** The stakeholder mentioned that, if the present two petitions vide O.P No. 29 and 30 of 2025 are allowed, these two power plants may start power generation from the year 2030. The new Green Energy Policy of Government of Telangana aims to install 20,000 MW new renewable energy capacity in the state by 2030. If this renewable energy capacity is achieved there will be no need for the above two coal based thermal power plants. Recently TGDISCOMs filed a petition seeking the Commission's consent to procure 4,000 MW solar power under KUSUM A component. Recently TGGENCO floated tenders for 500 MW battery energy storage system (BESS). A few days back the Government of Telangana had entered in to MoUs with several developers to setup solar power plants with aggregate capacity of nearly 6,000 MW. These interventions show that the Government of Telangana is serious about its plan to install 20,000 MW new renewable energy capacity by 2030. The Government of Telangana also aims to install 40,000 MW new renewable energy capacity by 2035.
- 61.** The stakeholder mentioned that, as per Ministry of Power of GoI Order on Renewable Power Purchase Obligation (RPO) Telangana has to procure 43.33% of its power requirements from RE sources by the year 2029-30 and 50.50% by the year 2034-35. These RPO points to primacy to be given to RE sources so that they account for more than 50% of power generation and consumption. In this plan of things there is limited or no scope for coal based thermal capacity addition in near future.

Petitioner's Replies

- 62.** TGDISCOMs have submitted that the State of Telangana has witnessed steady growth in demand over the years and the same is expected to continue due to conducive economic and policy environment. Keeping in view the growing energy needs, TGDISCOMs have planned addition of capacities in an economical manner. Solar capacity additions have been planned after considering the technical, financial implications to ensure smooth and reliable operation of the grid.
- 63.** TGDISCOMs have submitted that the energy from solar power capacity additions coupled with gradual addition of BESS/ PSP capacities will enable the licensee in storing surplus RE energy and using the same during periods

- of higher demand. In addition to solar/ wind capacity, thermal capacity needs to be added to meet the growing base load energy in an economical and reliable manner.
- 64.** TGDISCOMs have submitted that it may be noted that 'Pumped Storage Project (PSP)' by itself is not capable of generating any power on its own. As is the case with any storage technology, any surplus renewable power during the day can be stored in PSP/ BESS and this power can be gainfully utilized during periods of high demand. This approach enables in reducing/ avoiding high-cost power purchases during the periods of high demand. The licensee submits that depending on the cost-economics of using power from storage units, grid operating conditions, the system operator would take a decision of using stored power. Based on trend in prices discovered for battery storage and also considering the requirement of storage based on assessment of surplus RE power across the day, licensee would be contracting for additional storage capacities in a phased manner.
- 65.** TGDISCOMs have further submitted that, due to the robust economic growth, the requirement of power is on a steady growth trajectory, In FY 30, the projected energy requirement based on resource adequacy plan of CEA is 122,727 MU. This energy requirement is projected to grow at a CAGR of ~ 4% and reach a level of 150,040 MU by FY 35. The proposed capacity addition is to meet the growth in demand. It may be noted that, in the absence of any storage option the licensee needs to sell surplus available during any period in day in the short-term market. However, with the gradual addition of BESS/ PSP the licensee will have the option of storing any surplus during periods of low demand and use this power during high demand period.
- 66.** TGDISCOMs have submitted that BESS and PSP both offer flexibility to licensee for storing surplus power and using it during periods of high demand. TGGENCO has identified sites for establishing PSP and currently has floated tenders for consultants to carry out detailed pre-feasibility studies. This would address the concerns raised on environmental and other aspects.
- 67.** TGDISCOMs have submitted that the Telangana intends to integrate renewable energy sources in alignment with the Telangana Clean and Green Energy Policy 2025. However, solar and wind energy are only during specific

- hours. To address the increasing energy demands, it is necessary to enhance the base capacity through coal based thermal power plants, which can provide a continuous supply of electricity throughout the day.
68. TGDISCOMs have stated that, according to the Central Electricity Authority's (CEA) Resource Adequacy Plan, the peak power demand in Telangana is projected to reach 24,215 MW by 2030, to cater to this demand, the state aims to incorporate renewable energy sources. However, since solar and wind energy are only available during certain periods, it becomes imperative to increase base load capacity through coal based thermal plants. This ensures a steady and uninterrupted supply of electricity to consumers.

Commission's Analysis and Findings

69. The Commission recognizes the significant solar capacity additions proposed by TGDISCOMs under PM KUSUM and other initiatives, aligned with the State's Clean and Green Energy Policy. However, given the intermittency of solar and wind energy, reliable base load supply remains essential.
70. While Battery Energy Storage Systems (BESS) and Pumped Storage Projects (PSPs) are promising for enhancing grid flexibility, their current scale and implementation stage limit their immediate effectiveness in addressing peak and base load demands.
71. Therefore, to ensure uninterrupted and round-the-clock power supply in the context of rising energy demand, the Commission finds it essential to support the addition of coal-based thermal capacity, in parallel with scaling up renewable and storage infrastructure.
72. This Commission has already passed orders permitting the State to promote 4000MW renewable energy to the self-help groups and others under PM KUSUM scheme. While considering the said applications this Commission has elaborately discussed the demand side projections and availability of the power and other connected factors. Though the renewable energy is being procured in order to meet RPO obligations and commitments of the Government of India and Clean and Green Energy Policy of the state, still the fact remains the renewable energy integration is a big challenge and that base load power during peak hours / during non-solar hours has to be met with only through thermal generation. Unless PSPs and BESS are installed in a big way procuring the fossil fuel can not be done away with. This

Commission is conscious of the fact the Government of India has committed net zero by 2070 which is about 45 years of now. Therefore, in order to meet the demand of the power in the coming years basing on the unprecedented growth rate of the State the procurement of thermal power with a long term PPA of 25 years cannot be denied.

IV. NEED FOR CAUTIOUS POWER CAPACITY ADDITIONS

Stakeholder's submissions

73. The Stakeholder opined that the once consents are given by the Commission to PPAs, etc., of the proposed projects, neither the government, nor the DISCOMs, nor the Commission can do anything to correct the adverse consequences that may arise as a result of addition of unwarranted generation capacities, with the kind of legally binding obligations in terms of the PPAs that would come into force. Therefore, a cautious and gradual approach is imperative to determine the periodical requirements of addition of generation capacities, both thermal and RE, to meet the fluctuating and growing demand for power in the state.

Petitioner's Replies

74. TGDISCOMs have stated that the capacity addition has been proposed duly considering the demand growth and availability from the contracted sources. 1 x 800 MW capacity addition of NTPC will enable the licensee in supply of reliable power to all the consumers in the State of Telangana.

Commission's Analysis and Findings

75. The Commission is in agreement with the concerns of the stakeholders that a cautious approach has to be adopted while entering into the PPAs for addition of power. As discussed in the previous paragraphs, this Commission has taken into consideration growth trajectory and the fact that the power demand in the state of Telangana has surpassed all the projections of CEA and the resource plan approved by this Commission etc., and also taking into consideration of real time power utilisation data of the state, consent is being given after closely scrutinising the relevant documents submitted by the Discoms.

V. TARIFF OF THERMAL POWER VS RENEWABLE ENERGY

Stakeholder's submissions

76. The stakeholder mentioned that stage-1 of Telangana STPP is ranging from Rs. 4.88/unit to Rs. 5.98. These tariffs of coal based thermal power plants are much higher than tariffs of RE sources like solar and wind power. At present solar and wind power are available at tariffs lower than Rs. 3/unit. Tariffs of RE under round the clock (RTC) and firm dispatchable renewable energy (FDRE) modes also are comparatively less. Axis Energy Ventures India Pvt Ltd., has come forward to supply 400 MW of RE on the lines of FDRE to APDISCOMs at the rate of Rs. 4.60 per kWh at CUF of 60%. Under these circumstances it is better to procure RE rather than coal based thermal power.

Petitioner's Replies

77. TGDISCOMs have submitted that, the demand profile for Telangana and Andhra Pradesh are different. Telangana offers 24-hour free electricity supply for agricultural consumers, additionally, peak demand also occurs during non-solar and non-wind energy hours. Based on load profile of Telangana, it is estimated that procuring renewable energy through FDRE would be expensive.

Commission's Analysis and Findings

78. The Commission observes that while renewable energy sources such as solar and wind are currently available at lower tariffs compared to thermal power, their intermittent fluctuation in generation, poses limitations in meeting continuous and peak-hour demand. Considering Telangana's load profile, including the provision of 24-hour power supply to agricultural consumers and high demand during non-solar hours, depending solely on renewable energy may not be justified at present. Therefore, while the integration of renewable energy is encouraged, procurement decisions must also consider the need for stable and dispatchable base-load power, until PSPs and BESS are sufficiently installed.

Commission's Finding:

The Commission considered the submissions of the petitioner, objections / suggestions of stakeholders, replies furnished by the TGDISCOMs and perused the records available with the Commission. This Commission is empowered to pass these orders on the petitions filed by the TGDISCOMs on the basis of policies of the Central Government, State Government, relevant provisions of Electricity Act, 2003, and Electricity Reforms Act, 1998 and relevant regulations of this Commission. The relevant provisions under Electricity Act, 2003 and relevant regulations are extracted here under:

Provisions under the Electricity Act, 2003 and Regulations

79. Following are the Regulatory provisions in the matter of approval for consent of arrangement (PPA) for the purchase of electricity by a distribution licensee from any person or Generating Company and determination of tariff by the Commission.

5.2 of the National Tariff Policy 2016:

5.2 All future requirement of power should continue to be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a company owned or controlled by the State Government as an identified developer and where regulators will need to resort to tariff determination based on norms provided that expansion of generating capacity by private developers for this purpose would be restricted to one time addition of not more than 100% of the existing capacity”.

“Section 86 (1) (b) of the Electricity Act, 2003 [Functions of State Commission]

- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.*

“Section 21 (4) of the Telangana Electricity Reform Act, 1998 (Act 30 of 1998) r/w the Telangana Gazette No.130 dated 1st June, 2016 and G.O.Ms.No.45, Law (F), 1st June, 2016 [Restrictions on licensees and Generating Companies]

- (4) *A holder of a supply or transmission licence may, unless expressly prohibited by the terms of its licence, enter into arrangements for the purchase of electricity from, -*
- (a) the holder of a supply licence which permits the holder of such licence to supply energy to other licensees for distribution by them; and*
- (b) the ... any person or Generating Company with the consent of Commission*

Relevant provisions of TGERC Regulation No 02 of 2023

16.3 All future procurement of short-term or medium-term or long-term power shall be undertaken only through tariff based competitive bidding in accordance with Guidelines notified by the Government of India under Section 63 of the Act

The Commission has considered the following aspects for approval of procurement of power from 1 unit (1X800MW) of Telangana Super Thermal Power Station Stage-II as against the offer of NTPC Ltd to provide power from 3 units (3X800MW) for a period of 25 years vide OP. NO: 31/2025

- I. The Commission observed from the as per approved resource plan, that energy deficits are anticipated from FY 2029-30 onwards. Thereby the addition of firm thermal capacity such as the proposed 1x800 MW unit is necessary to meet not only the energy requirement but also to provide dependable base load support during non-solar hours / peak hours, especially considering the intermittency of renewable energy sources for enforcing the security of the grid.
- II. The Commission notes that while the State is committed to transitioning towards renewable energy in line with its Clean and Green Energy Policy 2025 and national Renewable Purchase Obligations (RPOs), there exists a significant requirement to ensure round-the-clock availability of reliable power, especially to meet base load and peak demand during non-solar hours.
- III. The Commission observed that the Government of Telangana directed the TGDISCOMs to insist NTPC on connectivity of 1x800 MW to TGTRANSCO network to avoid ISTS charges and losses. It is also observed by the Commission that the existing 2X800 MW TSTPP stage-I has already been connected with TGTRANSCO network.

Accordingly the proposed addition of one unit (1x800 MW) of Telangana Super Thermal Power Station Stage-II is justified to meet projected demand growth ensuring continuity of power supply and grid reliability.

Keeping in view of the discussion made above, in exercise of its powers conferred under Section 86(1)(b) of the Electricity Act, 2003,

- i. The Commission approves the procurement of power from one unit (1x800 MW) of the Telangana Super Thermal Power Station Stage-II by TGDISCOMs for a period of 25 years, as sought in O.P. No. 31 of 2025, subject to applicable regulations and terms and conditions of the Power Purchase Agreement (PPA).
- ii. TGDISCOMs are directed to pursue with NTPC and ensure for arranging connectivity of the 1 unit (1X800 MW) of Telangana Super Thermal Power Plant Stage-II to TGTRANSCO network to avoid interstate transmission charge and losses, since both the units of Stage – I (2 x 800 MW) under the same scheme were already connected to TGTRANSCO network.
- iii. TGDISCOMs are directed to approach the Commission for approval of PPA.
- iv. TGDiscoms are directed to ensure that all future procurement of short-term or medium-term or long-term power shall be undertaken by following the procedure contemplated in MYT Regulations 2 of 2023.

Accordingly, this petition is disposed of.

This Order is typed to dictation, corrected and signed on this 17th day of May, 2025.

Sd/-

(Dr. JUSTICE DEVARAJU NAGARJUN)

CHAIRMAN

//CERTIFIED COPY//

Annexure-I

Public Notice



TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad, 500 045

BEFORE THE HON'BLE
TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

Southern Power Distribution Company of Telangana Ltd (TGSPDCL)
Northern Power Distribution Company of Telangana Ltd (TGNPDCL)

PUBLIC NOTICE

TGDISCOMS viz., Southern Power Distribution Company of Telangana Limited (TGSPDCL) and Northern Power Distribution Company of Telangana Limited (TGNPDCL) submitted before the Telangana Electricity Regulatory Commission (TGERC) following petitions.

- 1) Seeking consent u/s 63, 86(1)(b) of the Electricity Act, 2003 and u/s 21(4) of Telangana Electricity Reforms Act, 1998 for procurement of 200MW Solar power from NLCIL under CPSU(Central Power Sector Undertaking) Scheme Phase – II Tranche – III vide OP. NO: 29/2025
- 2) Seeking consent u/s 86(1)(b) of the Electricity Act, 2003 for procurement of power from 1X 800 MW stage -II, Singareni Thermal Power Project for a period of 25 years vide OP. NO: 30/2025
- 3) Seeking consent u/s 86(1)(b) of the Electricity Act, 2003 for procurement of power from 1 unit (1X800MW) of Telangana Super Thermal Power Station Stage-II as against power sale offered from 3 units (3X800MW) for a period of 25 years vide OP. NO: 31/2025

Copies of these filings along with the related documents are uploaded on the Commission's website www.tgerc.telangana.gov.in and also in TGDISCOMS websites <https://tgsouthernpower.org> , <https://tgnpdcl.com/>. Suggestions / Objections / Comments if any, in the subject matter are invited from all stakeholders and public in large, so as to reach the following address on or before 19-04-2025 by 5.00 PM.

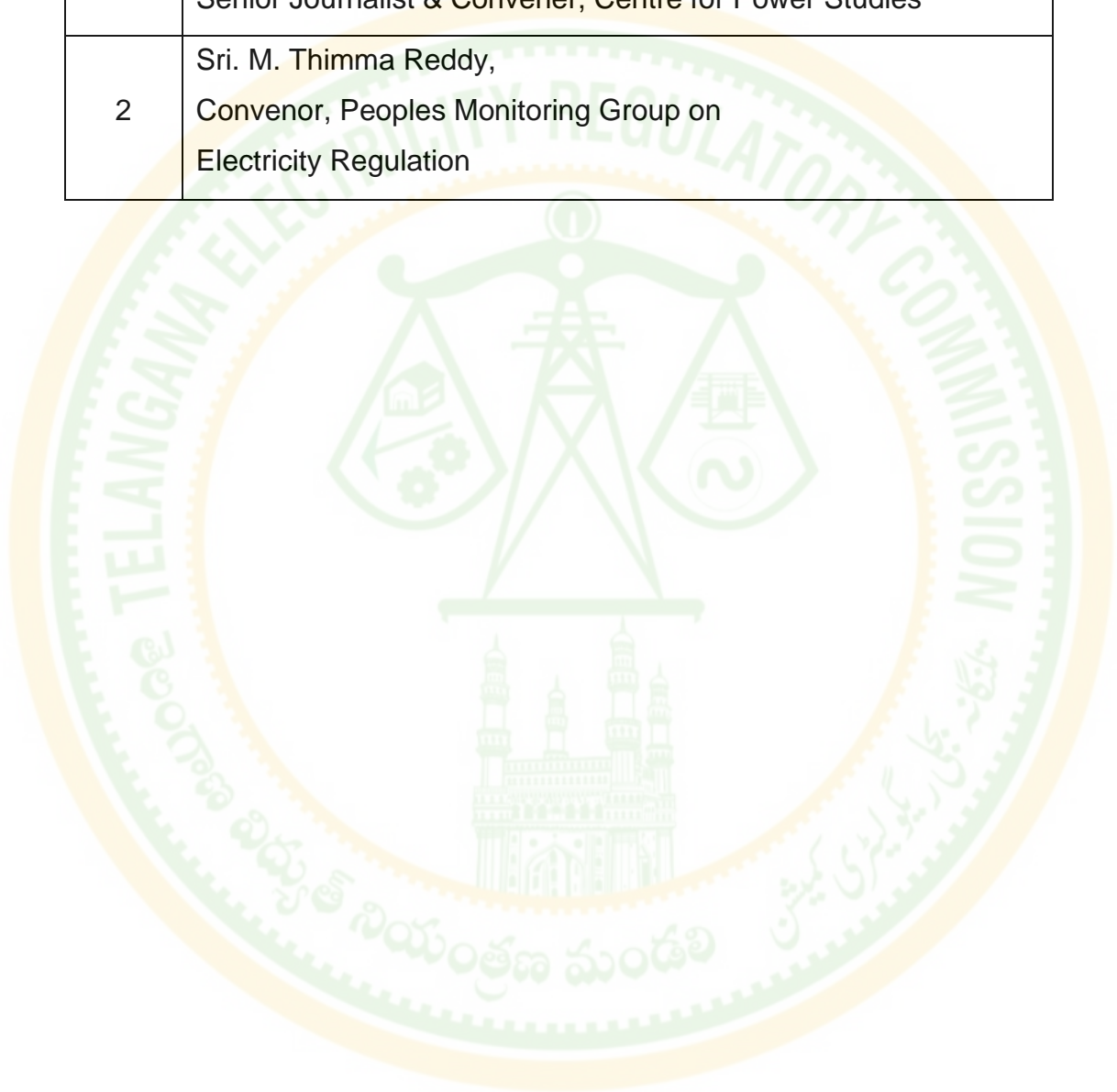
Commission Secretary,
Telangana Electricity Regulatory Commission,
Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar,
Hyderabad, 500 045.
Email ID: secy@tserc.gov.in

The Public Hearing in the subject matter will be held on 28-04-2025 from 11:00 hrs onwards at TGERC Court Hall.

COMMISSION SECRETARY

Date: 29.03.2025

<u>Annexure-II</u>	
List of Stakeholders who submitted written suggestions and comments before public hearing	
Sl.No.	Name of the Stakeholder
1	Sri. M. Venugopala Rao Senior Journalist & Convener, Centre for Power Studies
2	Sri. M. Thimma Reddy, Convenor, Peoples Monitoring Group on Electricity Regulation



<u>Annexure-III</u>	
List of Stakeholders who submitted suggestions and comments in Public Hearing	
Sl.No.	Name of the Stakeholder
1	Sri. M. Venugopala Rao Senior Journalist & Convener, Centre for Power Studies

